

CITY OF WILLMAR, MINNESOTA  
REQUEST FOR COMMITTEE ACTION

Agenda Item Number: \_\_\_\_\_

Meeting Date: July 31, 2013

Attachments:  Yes  No

CITY COUNCIL ACTION

Date: \_\_\_\_\_

- Approved  Denied
- Amended  Tabled
- Other

\_\_\_\_\_  
\_\_\_\_\_

Originating Department: Planning and Development Services

Agenda Item: Municipal Code Amendments – Use of Sidewalks

Recommended Action: Refer the matter to the City Attorney to prepare the necessary Ordinance.

**Background/Summary:** With the proposed brew pub in downtown, there has been increased talk about restaurant and bar facilities using sidewalk areas for seating and serving. There are restrictions in the City’s Municipal Code with regard to use of sidewalks that need to be addressed to better accommodate restaurants and liquor establishments in their use of the sidewalks, while maintaining the public access and public safety in the right-of-way. Staff is proposing that the Municipal Code be adjusted to allow the use of sidewalks seven days per week versus the current six days per week, to eliminate the property removal requirement, so businesses can leave tables and chairs out, also to include licensed liquor establishments as allowable users the adjacent sidewalk.

**Alternatives:**

1. Refer to the City Attorney to draft an ordinance.
2. Leave as is

Financial Considerations: N/A

Preparer: Bruce D. Peterson, AICP  
Director of Planning and Development Services

Signature:

Comments:

Willmar, Minnesota, Code of Ordinances >> PART II - CODE OF ORDINANCES >> Chapter 8 - LICENSES, PERMITS AND BUSINESS REGULATIONS >> ARTICLE I. IN GENERAL >>

ARTICLE I. IN GENERAL

Sec. 8-1. Refund of fee, transfer of license when business premises is taken by city.

Sec. 8-2. Permit for sales from public street or sidewalk.

Sec. 8-3. Use of public sidewalks in the central business district for commercial purposes.

Secs. 8-4—8-25. Reserved.

**Sec. 8-1. Refund of fee, transfer of license when business premises is taken by city.**

- (a) If a person applies for and receives a license or permit issued by the city and the license or permit or the license or permit period provided for has therein been made wholly or partially ineffective because of the purchase or condemnation by the city of the premises used and occupied by the person in his occupation. Upon the suspension by that person of the occupation because of the actual taking of the premises by the city for public use, there shall be paid to that person a prorated sum representing the unused portion of the license or permit period.
- (b) If such licensee or permittee is disturbed in his occupancy of the premises in question because of the taking by the city for public purposes of the property occupied by him, in lieu of the provisions of subsection (a) of this section, if such licensee is successful in securing other premises for occupation and continuation of the same business, the license or permit already issued on the application by that person and action by the city council may be transferred in such manner that the person is permitted to carry on his occupation in his new premises for the unused portion or term of the license or permit.

*(Code 1978, §§ 1345.01, 1345.03)*

**Sec. 8-2. Permit for sales from public street or sidewalk.**

- (a) *Required.* No person shall conduct sales of any merchandise whatsoever for money or other consideration upon the public streets or sidewalks of the city without having first obtained a permit as provided in this section.
- (b) *Types of sales included.* For the purpose of this section, making retail sales shall include, but not be limited to, selling, taking orders for, offering for sale or offering to take orders for goods, wares, printed matter, merchandise or any other article, or for services, including the repairing of any article.
- (c) *Application.* Any person desiring to engage in or make retail sales upon public streets or sidewalks within the city shall file an application for a permit for that purpose with the city clerk-treasurer, which application shall state the full name and residence of the applicant, the full name and residence of the person by whom employed or for whom acting, the kind of items or services which he proposes to sell, and the time during which such sales will be attempted. The application shall be on a form approved by the city council and shall identify all vehicles which will be used in the sales regulated by this section.
- (d) *Approval.* Upon the filing of the application, the city clerk-treasurer shall present the application to the city council at its next regular meeting. The city council shall, in considering the application, impose such conditions as it determines are required to provide for the health, safety and protection of persons and property.
- (e) *Permit required for each vehicle, mobile stand or salesperson.* A permit shall be required for:
  - (1) Each vehicle or mobile stand from which sales are made.
  - (2) Each salesperson making sales, unless the sales are made from a vehicle or mobile stand which has been issued a permit.
- (f) *Fee.* The fee charged for each permit shall be set from time to time by resolution of the council, which resolution shall remain on file with the city clerk-treasurer. The city council may waive the requirement for the payment of a fee.

*(Code 1978, §§ 1309.01—1309.06)*

*Cross reference— Streets, sidewalks and other places, ch. 13.*

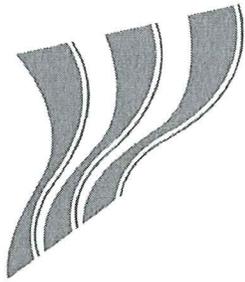


**Sec. 8-3. Use of public sidewalks in the central business district for commercial purposes.**

- (a) *Issuance of permits.* Any business located in the central business district may apply to the city clerk for a permit to conduct business on the public sidewalk immediately adjoining the building where the business is located. The permit shall expire on December 31 of the year in which it was issued. Use of the permit shall be subject to all the terms of this section.
- (b) *Conditions on use of sidewalks.* Each permit that is issued shall be subject to the following conditions:
  - (1) Sidewalk remaining for use by pedestrians shall be a minimum of five (5) feet in width in addition to the area presently occupied by trees, transformer boxes or other permanent installations.
  - (2) The sidewalk shall be used for the permitted purpose on Monday through Saturday only.
  - (3) Each permit shall contain an indemnification fully indemnifying the city against claims for injury to persons or damage to property.
  - (4) Property placed on the sidewalk by a permit holder shall be removed from the sidewalk at the close of each business day.
  - (5) Property placed on the sidewalk by a permit holder shall not obstruct or interfere with building exits; fire hydrants; standpipes or other public safety equipment.
  - (6) No food or beverage shall be sold on the public sidewalk for immediate consumption except by a licensed restaurant and only in compliance with all state and local regulations for restaurants. All waste liquids and foods; disposable cups, glasses, plates and utensils; and waste paper shall be placed in covered garbage receptacles.
- (c) *Permit not required.* A permit shall not be required for use of the sidewalk by a business during a downtown promotion such as Crazy Days, block parties and special sales events. A permit shall also not be required to place a flower pot on the sidewalk provided it abuts the wall of the building that it is placed in front of.

*Cross reference— Sidewalks, ch. 13, art. III.*

*(Ord. No. 1092, §§ 1-3, 7-2-97)*



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- Approved       Denied
- Amended       Tabled
- Other

Originating Department: Planning and Development Services

Agenda Item: Utility Services in Multi-Family Buildings

Recommended Action: Receive for information only

**Background/Summary:** When the City adjusted its utility rates last year, a downtown apartment owner questioned the adjustments to his billing being done on a per-unit basis, even though he only has one meter serving the building. Staff worked with the property owner and the Municipal Utilities to arrive at a fair number of units based on the design and occupancy of the rental units. That issue has again come up for discussion. Staff has discussed it internally and believes it is being handled correctly. Staff recommends that no action be taken at this time.

**Alternatives:**

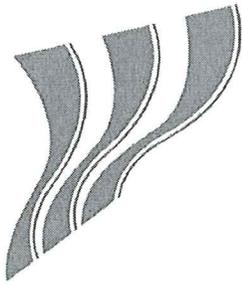
1. Leave as is
2. Pursue possible changes

**Financial Considerations:** Varied dependent on the final disposition of the matter.

**Preparer:** Bruce D. Peterson, AICP  
Director of Planning and Development Services

**Signature:**

**Comments:**



**CITY OF WILLMAR, MINNESOTA  
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- |                                   |                                 |
|-----------------------------------|---------------------------------|
| <input type="checkbox"/> Approved | <input type="checkbox"/> Denied |
| <input type="checkbox"/> Amended  | <input type="checkbox"/> Tabled |
| <input type="checkbox"/> Other    |                                 |

\_\_\_\_\_  
\_\_\_\_\_

**Originating Department:** Planning and Development Services

**Agenda Item:** Vacant Building Registration

**Recommended Action:** Receive for information

**Background/Summary:** A number of Cities have instituted a new process to deal with the problem of long-term vacant buildings. Cities are initiating registration programs with considerable fees to offset the additional staff costs in following up with issues related to the vacant buildings. Due to the number of vacant buildings we have in our residential areas and in some commercial areas, staff has compiled some information for the Council to review to see if there is any appetite to begin a vacant building registration process in Willmar. The Committee can review the attached information and make a determination whether this is something that they would like to pursue.

**Alternatives:**

1. Initiate a new registration system
2. Continue without vacant building registration

**Financial Considerations:** Variable based on the number of nuisance complaints and staff time involved in monitoring the buildings.

**Preparer:** Bruce D. Peterson, AICP  
Director of Planning and Development Services

**Signature:**

**Comments:**



**WILLMAR**

**PLANNING AND DEVELOPMENT SERVICES**

City Office Building  
333 SW 6th Street, Box 755  
Willmar, MN 56201

<b>GENERAL DEPARTMENT &amp; INFORMATION</b>	320-235-8311
<b>DIRECTOR</b>	320-214-5184
<b>PLANNER</b>	320-214-5195
<b>BUILDING OFFICIAL</b>	320-214-5185
<b>BUILDING INSPECTION TECH</b>	320-214-5187

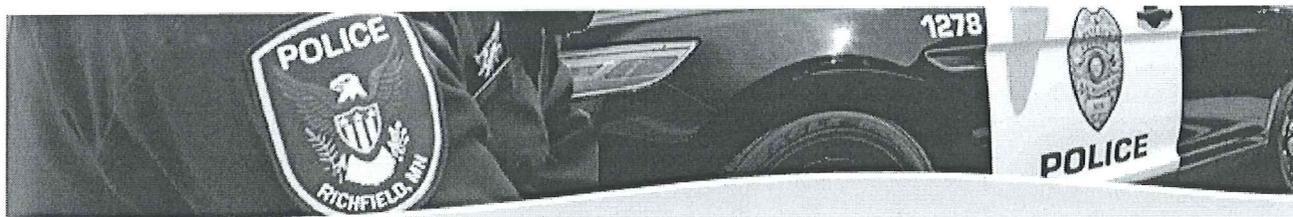
**MEMO**

TO: Bruce D. Peterson, Director of Planning and Development Services  
FROM: Randy Kardell, Building Official *mk*  
DATE: July 9, 2014  
RE: **Vacant Commercial/Residential Properties**

FAX: 320-235-4917

The City of Willmar has vacant commercial and residential properties that at some point in time require staff time and legal action to remedy. Attached are several examples of City's that have a vacant building registration program. A program of some sort would resolve issues such as the UMEC building, Johns Supper Club building, and numerous other residential and commercial vacant structures. The registration and fees of the program would motivate sales and or removal of the vacant structures. I think a program of this nature would be good for the entire City of Willmar.





## VACANT BUILDING REGISTRATION

### RICHFIELD VACANT BUILDING REGISTRATION

In 2011, the City Council approved a Vacant Building Registration program for the City of Richfield.

One of the effects of the economic recession has been an increase in the number of vacant buildings. Vacant buildings have adverse effects on the livability of the community, especially when they are not properly managed or maintained.

The ordinance also regulates vacant buildings by requiring them to be registered and by requiring the persons responsible for the buildings to provide the City with a plan and timetable to return the building to occupancy and use and to correct code violations or nuisances, or demolish the building.

#### Vacant Building Registration Application

For more information on the vacant building guidelines you may reference Section 925 of the Richfield City Code.



## Vacant Building Registration Application

City of Richfield | 6700 Portland Avenue S | Richfield, MN 55423 | 612-861-9700 | [www.cityofrichfield.org](http://www.cityofrichfield.org)

Date of Application:	Date Issued:
Check all that apply	<input type="checkbox"/> New Application <input type="checkbox"/> Renewal <input type="checkbox"/> "Snowbird" <input type="checkbox"/> Change in Owner/Lien Holder/Local Agent <input type="checkbox"/> Amended Property Plan

*You must notify the compliance official of any changes in information within fifteen (15) days of any change.*

Property Information: *	Street Address:		
	Legal Description:		
	Tax Parcel ID #:		
Owner or Owner's Representative *	Name(s):		
	Address:		
	City:	State:	Zip:
	Phone:	Email:	
Lien Holders or others with Legal Interest *	Name(s):		
	Address:		
	City:	State:	Zip:
	Phone:	Email:	
Local Agent or Management Company	Name(s):		
	Address:		
	City:	State:	Zip:
	Phone:	Email:	
Property became vacant on:	Expected Date of Re-Occupancy or Demolition:	Sheriff Sale Date:	
Building Security		Status of Utilities	
Security system <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, provide contact info in attached property plan		Water <input type="checkbox"/> On <input type="checkbox"/> Off	
		Water Shut Off Requested <input type="checkbox"/> Yes <input type="checkbox"/> No	
Bldg equipped with fire sprinklers <input type="checkbox"/> Yes <input type="checkbox"/> No		Water Meter Removed <input type="checkbox"/> Yes <input type="checkbox"/> No	
Doors/windows secured by <input type="checkbox"/> Lock <input type="checkbox"/> Other		Electric Service Disconnected <input type="checkbox"/> Yes <input type="checkbox"/> No	
If Other, describe:		Natural Gas <input type="checkbox"/> On <input type="checkbox"/> Off	
Property Plan (check all that apply)	<input type="checkbox"/> For Sale	Listing Date:	Closing Date:
	<input type="checkbox"/> Renovation	Start Date:	Permits Needed:
	<input type="checkbox"/> For Rent	Start Date:	Rental License Applied:
	<input type="checkbox"/> Demolish	Will Remove By:	Rental License Applied:
	<input type="checkbox"/> Property will be maintained per City Code		
Property Plan consisting of ___ pages is attached to this application. <i>The property plan, and any changes to the plan, must be approved by the compliance official.</i>			
Applicant is:	<input type="checkbox"/> Owner	<input type="checkbox"/> Realtor	<input type="checkbox"/> Service Co <input type="checkbox"/> Mortgage Co <input type="checkbox"/> Other
Property Type	<input type="checkbox"/> Single Family/Duplex	<input type="checkbox"/> Multi-family	<input type="checkbox"/> Commercial <input type="checkbox"/> Industrial <input type="checkbox"/> Other
Property Size:		Lot Size:	

\* Attach additional sheets if necessary

**DATA PRACTICES INFORMATION:** The following information is classified as private or nonpublic data: any data that could be used to identify the location or security status of a registered vacant building is considered to the "security data" under Minnesota Statutes section 13.37. You are required by ordinance to provide this information. The information is used for purposes of ordinance enforcement. If you refuse to provide the information, the City will administratively register the property. The classified information is made available only to the owner, registered agent or other person responsible for the maintenance of the property, and to City staff persons involved in ordinance enforcement. The data may become public if enforcement actions are taken under the ordinance, such as nuisance abatement or criminal citation.

**General Information:**

Fees will be assessed on an annual basis. Reminder of registration renewal will arrive approximately 45 days prior to the due date. Your permit will arrive by mail at the address listed above after review by the compliance official.

“Snowbirds”, as defined by the ordinance, are exempt from fees but are required to register their vacant building each year.

A property plan must be provided with this application. The plan must: identify known code violations on the property; identify conditions for which repairs or alterations are either required or planned; identify the manner in which code violations, repairs or maintenance will be addressed; provide a timetable for addressing code violations, repairs or maintenance and for either returning the building to occupancy or demolishing the building.

Permit Registration Fee		
Single Family Property	Any other type of property	
Vacant less than 1 year \$100 Vacant 1+ years \$200	Less than 20,000 square feet in building size AND less than 1 acre of lot size	More than 20,000 square feet in building size OR more than 1 acre of lot size
	Vacant less than 1 year \$500 Vacant 1+ years \$1000	Vacant less than 1 year \$1,250 Vacant 1+ years \$2,500
Permit Fee Total		
\$ _____		

**Purpose:** The vacant building ordinance and registration is a mechanism to protect neighborhoods from health and safety hazards and from blight through the lack of adequate maintenance and security of vacant buildings.

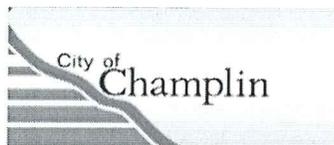
**Acknowledgement of Responsibility:** It is the joint responsibility of owner and/or applicable responsible Party(ies) to ensure information is complete and accurate. Failure to comply is a misdemeanor. The Richfield Vacant Building Ordinance requires the buyer to meet all city codes and conditions of the approved property plan.

Applicant Name: \_\_\_\_\_ Signature: \_\_\_\_\_  
(Please Print)

City Use Only		
Permit Sub Type	<input type="checkbox"/> Vacant Building Registration	<input type="checkbox"/> Annual Registration Renewal
	<input type="checkbox"/> “Snowbird” Registration (no fee)	<input type="checkbox"/> Administrative Registration
Property Plan Approved	By	Date
Amendment Approved	By	Date
Amendment Approved	By	Date
Notes:		

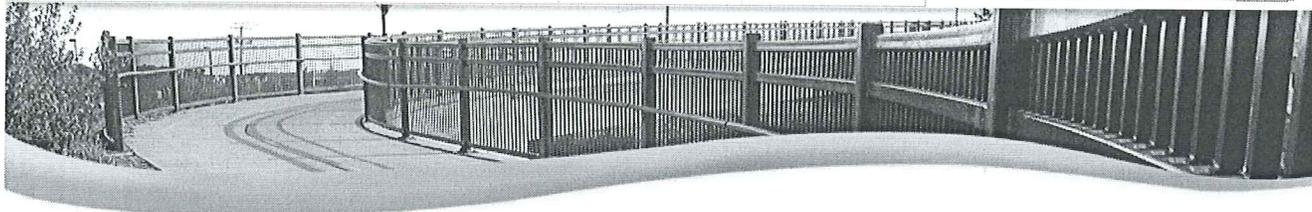
Applications must be submitted in person or mailed with payment. Applications will not be accepted via email or by fax.  
City of Richfield, City Clerk, 6700 Portland Ave S., Richfield, MN 55423

**DATA PRACTICES INFORMATION:** The following information is classified as private or nonpublic data: any data that could be used to identify the location or security status of a registered vacant building is considered to the “security data” under Minnesota Statutes section 13.37. You are required by ordinance to provide this information. The information is used for purposes of ordinance enforcement. If you refuse to provide the information, the City will administratively register the property. The classified information is made available only to the owner, registered agent or other person responsible for the maintenance of the property, and to City staff persons involved in ordinance enforcement. The data may become public if enforcement actions are taken under the ordinance, such as nuisance abatement or criminal citation.



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[Community Development](#)  
(763) 421-8100  
fax (763) 421-5256

[Department Contacts](#)

[Planning & Zoning Division](#)

[Building Inspections Division](#)

[Economic Development Division \(EDA\)](#)

### Vacant Building Registration

In January 2012 the City of Champlin adopted a Vacant Building Registration program that requires owners of vacant buildings, residential or non-residential, to register their property and pay a fee. This is similar to cities across the country, a response in part to the foreclosure crisis.

In 2011, the City invested over \$75,000 monitoring foreclosed and vacant buildings. The VBR program is designed to improve the City's information base on potentially vulnerable properties and shift the monitoring costs from the taxpayer to the building owner.

A six-month registration fee is \$300 for residential and \$500 for non-residential buildings. Subsequent registration and fees are due every six (6) months after the original registration as long as the building remains vacant. Owners that don't register their properties will be subject to administrative registration and an additional \$100 charge.

Extended vacationers or snowbirds, up to 180 days, who have the intention to return to the property, are exempt from registering. A building that has suffered from a fire or a severe weather event is exempt from registration for a period of 90 days to allow for cleanup, repair or demolition. A government-owned property such as HUD or SBA properties are also exempt from registering.

[Vacant Building Registration Factsheet](#)  
[Vacant Building Registration Ordinance](#)  
[Vacant Building Registration Form](#)

For more information, contact Diana Jones, Code Enforcement Officer at 763-923-7196 or [djones@ci.champlin.mn.us](mailto:djones@ci.champlin.mn.us)

[Mississippi Commons](#)

[Mississippi Crossings Redevelopment Plan](#)

[Mill Pond Gables Senior Housing](#)

Some website photos courtesy of Rob Nopola.  
For more information on Rob's work, visit [www.northmetrophoto.com](http://www.northmetrophoto.com).

[www.ci.champlin.mn.us](http://www.ci.champlin.mn.us)  
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fax: (763) 421-5256  
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**CITY OF CHAMPLIN**

**ORDINANCE 719**

**AN ORDINANCE RELATING TO REGISTRATION AND  
REGULATION OF VACANT BUILDINGS  
AMENDING CITY CODE CHAPTER 106**

The City of Champlin Does Ordain:

Code Chapter 106 of the Champlin City Code containing BUILDINGS AND BUILDING REGULATIONS is hereby amended to include Article VI as follows:

Article VI - Vacant Building Registration

106.84 . Purpose and Findings.

The City of Champlin is enacting this section to help protect the public health, safety and welfare by establishing a program for the identification and regulation of vacant buildings. The City finds that vacant buildings are a major cause and source of blight in residential and non-residential neighborhoods. Neglect of vacant buildings, as well as use of vacant buildings by transients and criminals, creates a risk of fire, explosion or flooding for the vacant building and adjacent properties. There is a substantial cost to the City for monitoring vacant buildings. This cost should not be borne by the general taxpayers of the community; but, rather, these costs should be borne by owners of those buildings.

106.85. Definitions.

For the purposes of this Article, the terms defined in this subsection have the meanings given them and shall apply in the interpretation and enforcement of this Article.

*Abandoned Property* means property that the owner has surrendered, voluntarily relinquished, disclaimed, or ceded all right, title, claim, and possession, with the intention of not reclaiming it.

*Compliance Official* means the City Administrator and the City Administrator's designated agents authorized to administer and enforce this section.

*"Building"* is any roofed structure used or intended for supporting or sheltering any use or occupancy. "Building," for purposes of this Code Chapter 106, shall include a portion of a building that is a separately titled, or capable of being separately titled, such as a condominium or townhouse unit, that is part of a larger building structure.

*"Owner" or "Property Owner"* is the owner of record of a property on which a building is located according to Hennepin County property tax records, those identified as owner or owners on a Vacant Building Registration Form, a holder of recorded or a unrecorded contract

for deed, a mortgagee or vendee in possession, a mortgagor or vendor in possession, an assignee of rents, a receiver, an executor, a trustee, a lessee, or other person, firm or corporation in control of the freehold of the premises or lesser estate therein. "Owner" also means any person, partnership, association, corporation or fiduciary having a legal or equitable title or any interest in the property or building. This includes any partner, officer or director of any partnership, corporation, association or other legally constituted business entity. All owners shall have joint and several obligations for compliance with the provisions of this section.

"*Responsible Party*" is an owner, entity or person acting as an agent for the owner who has direct or indirect control or authority over the building or real property, upon which the building is located, or any other person or entity having a legal or equitable interest in the property. Responsible Party may include but is not limited to a realtor, service provider, mortgagor, leasing agent, management company or similar person or entity.

"*Unoccupied Building*" is a building which is not being used for legal occupancy as defined in Champlin City Code.

"*Vacant Building*" is a building other than a building being constructed pursuant to a valid building permit that is:

- (a) Unoccupied and unsecure for five (5) days or more;
- (b) Unoccupied for sixty (60) days;
- (c) Unoccupied and an unsafe structure;
- (d) Unoccupied and posted for no occupancy or unfit for human habitation;
- (e) Condemned and illegally occupied; or
- (f) Abandoned building.

"*Vacant Building Registration Form*" (VBRF) is the form prescribed in section 106.86.

#### 106.86. Vacant Building Registration.

(a) Application. The owner or responsible party shall register a vacant building with the City no later than sixty (60) days after the building becomes vacant or as soon thereafter as Owner has a reasonable basis to believe that the building has become vacant. The registration shall be submitted on a form provided by the city and shall include the following information supplied by the owner or responsible party.

- (1) The name, address, telephone number and email address, if applicable, of each owner and each owner's representative;
- (2) The names, addresses, telephone numbers and email addresses, if applicable, of all known lien holders and all other persons or entities with any legal interest in the building;
- (3) The name, address, telephone number and email address, if applicable, of a local agent or person responsible for managing or maintaining the property;

- (4) Property identification number and street address of the premises on which the building is situated;
- (5) The date the building became vacant, the period of time the building is expected to remain vacant, and a written property plan and timetable as described in section 106.85(d) for returning the building to lawful occupancy or use; or for demolition of the building.
- (6) The status of water, sewer, natural gas and electric utilities;

(b) Notification. The owner shall notify the compliance official within thirty (30) days of changes in any of the information supplied as part of the vacant building registration.

(c) Administrative Registration. If the compliance official determines that a building has been vacant for at least sixty (60) days and has not been registered by its owner or responsible parties, the compliance official may administratively register the building and attempt to notify the owner of that registration based on such information as is reasonably available to the compliance official. Properties registered administratively will be charged a fee established by the City Council.

(d) Property Plan. The property plan identified above in 106.86 (a) (5) shall meet the following requirements:

(1) *General Provisions.* The plan shall comply with all applicable regulations as determined by the building official. It shall contain a timetable regarding use or demolition of the property. The plan shall be completed within 30 days after the building is registered.

(2) *Maintenance of building.* The plan shall identify the means and timetable for addressing all maintenance and nuisance-related items identified in the application or arising since application, or as identified by the building official. Any repairs, improvements or alterations to the property shall comply with MN State Building Code provisions and applicable City regulations.

(3) *Plan Changes.* If the property plan or timetable for the vacant building is revised in any way for any purpose, the revisions shall be submitted to the City in writing and meet the approval of the compliance official.

(4) *Demolition Required.* If a building has remained vacant for a period of three hundred and sixty-five (365) consecutive days, and the compliance official has not approved an alternative schedule in the property plan, the City may declare the building to be a nuisance and direct the owner to demolish the building and restore the grounds. If the owner does not demolish the building and thereby eliminate the nuisance conditions, the City may commence abatement and cost recovery proceedings for the abatement of the nuisance in accordance with Chapter 34 Article 1 sec. 34-7 of this code and Minnesota Statutes, section 429.101.

Program Exemptions. Owners of buildings meeting the following criteria are not required to register their building but may do so voluntarily for no fee.

(1) **Snowbirds.** Those persons who leave their residential buildings on a temporary basis (up to 180 days) for vacation purposes or to reside elsewhere during the winter season and have the intent to return. Snowbird exemptions will be considered annually with proper verification.

Fee Exemptions. Owners of buildings meeting the following criteria must register their building but are not required to pay the annual fee.

(1). *Fire or Severe Weather Event Damage.* A building that has suffered fire or severe weather event damage is exempt from registration for a period of ninety (90) days after the date of the fire or weather event if the owner submits a written request for exemption in writing to the compliance official. An exemption request shall include the following information supplied by the owner:

- i. The address and description of the premises;
- ii. The name and address of owner or owners and responsible parties;
- iii. A statement of intent to repair and reoccupy, or reuse the building in an expeditious manner and a statement of the time frame for completion of repairs and re-occupancy or use;
- iv. Actions the owner or responsible party will take to ensure that the property will be secure and not a nuisance.

The fee exemption may be extended beyond 90 days by the compliance officer based on the submitted plan.

(2) *Government Owned.* Buildings that are owned by government agencies including the City of Champlin, State of Minnesota or federal government.

(f). Fees. The owner of vacant buildings or responsible parties shall pay a fee at the time of registration or, if registered administratively pursuant to section 106.86(c) at the time of receipt of notice of registration or when owner has a reasonable basis to believe the building is vacant. Subsequent to the original registration, fees shall be due on the anniversary date of the original registration. The fees must be paid in full prior to the issuance of any building permits. The registration fee will be in an amount set forth in Chapter 22 Fees. The amount of the registration fee shall be reasonably related to the City's costs incurred in the administration and enforcement of the vacant buildings registration and monitoring program described in this Article.

(g) Assessment. If the registration fee or any portion is not timely paid, the City Council may certify the unpaid fees against the property in accordance with Minnesota Statutes, section 429.101.

106.87. Building Inspection.

Registration of a vacant building shall constitute consent by the owner or responsible party to the City to go upon the property for inspection purposes. The compliance official may inspect any vacant building in the city for the purpose of enforcing and assuring compliance with this Article and other applicable regulations. Upon the request of the compliance official, an owner or responsible party shall provide access to all interior portions of the building and the exterior of the property in order to complete an inspection. If the owner or responsible party is not available, is unresponsive, or refuses to provide access to the interior of the building, the city may use any legal means to gain entrance to the building for inspection purposes. Prior to any re-occupancy or reuse, the owner or responsible party shall request an inspection of the vacant building by the compliance official to determine the building is fit for human occupation consistent with the Minnesota State Building Code. All applicable building permit fees as needed shall be paid prior to building occupancy.

106.88. Maintenance of Vacant Buildings.

In addition to the requirements of section 106.85 (d) the owner or responsible party shall address and comply with all applicable regulations with respect to the following:

- a) Appearance. All vacant buildings shall be so maintained as required in chapter 106 Article IV of this code.
- b) Security. All vacant buildings shall be secured from unauthorized entry. Security shall be ensured by normal building amenities such as windows and doors having adequate strength to resist intrusion. All doors and windows shall remain locked. There shall be at least one operable door into every building and into each room within the building. Exterior walls and roofs shall be without holes.

106.89. Emergency Securing.

The compliance official may take immediate steps to secure a vacant building at his or her discretion in emergency circumstances.

106.89. No Occupancy or Trespass.

No person may trespass, use, occupy or reside in, on a temporary or permanent basis, any vacant building, registered or not, without the owner's or responsible party's consent.

106.90. Vandalism or Removal of Items Prohibited.

No person may vandalize or without owner's or responsible party's consent remove any items from a vacant building or the property upon which it is located.

106.91. Appeal.

Any person or responsible party aggrieved by a decision of the compliance official under Chapter 106 Article VI may appeal to the City Council by serving on the compliance official a written notice of intent to appeal within 10 business days of receipt of notice of the decision. Upon receipt of the written notice of intent to appeal, the Council shall, within a reasonable time, hear the appeal, and shall promptly thereafter render its decision, which decision shall be final.

106.93. Penalties.

Any person or responsible party who violates the provisions of Chapter 106 Article VI is subject to penalty as provided under Chapter 1 sec. 1-7 of this code. Nothing in this section, however, is deemed to impair other remedies available to the city under this code or state law, including, but not limited to, Minnesota Statutes, sections 463.15 through 463.261.

First Reading: November 28, 2011  
Public Hearing: November 28, 2011  
Second Reading: December 12, 2011  
Adopted: December 12, 2011

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Mark W. Uglem, Mayor

Attest:

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Roberta Colotti, CMC City Clerk

*Published in Champlin Dayton Press on December 22, 2011.*

## City of Minneapolis

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# Vacant Building Registration (VBR) Program

### Call (612) 673-2233 for Information

The Vacant Building Registration program is the City's primary tool for tracking, monitoring, and managing nuisance vacant properties in the City. The program is governed by Chapter 249 of the Minneapolis Code of Ordinances.

The Vacant Building Registration Program was created to ensure that vacant property remains secure and is properly maintained. The Program was also established to help recapture some of the City's costs related to properties that are not being maintained or that have a history of improper maintenance.

Owners of vacant properties must register and pay an annual fee. The current VBR fee is contained in the [Director's Fee Schedule](#). The VBR fee is due at the time of registration and each year on the anniversary date of being found vacant. That date can be found on the City's [Property Information](#) website. This fee is also adjusted annually and will be increased April 1, of each calendar year.

All buildings (including commercial properties) may qualify for the Vacant Building Registration Program. Residential or commercial properties that have one or more of the following conditions may be required to register as vacant:

- Condemned requiring a code compliance inspection. See [condemned properties](#).
- Unoccupied and unsecured for five days or more
- Unoccupied and secured by means other than those normally used in the design of the building for 30 days or more
- Unoccupied with multiple housing maintenance, fire or building code violations existing for 30 days or more
- Unoccupied more than 365 days with an order having been issued to correct a nuisance condition pursuant to section 227.90.
- A vacant commercial or residential building or structure which is unable to receive a certificate of occupancy due to work stoppage or expired permits

## Commercial Vacant Building Registration

The City recently amended the Vacant Building Registration Ordinance to include qualifying vacant commercial properties. VBR eligible commercial properties are identified using the same criteria listed above. In addition, vacant commercial properties may contest the designation by filing a formal appeal with the Problem Properties Unit. The appeal is then referred to the Nuisance Condition Process Review Panel for a decision.

To refer a vacant commercial property, call 612.673-2233.

## Restoration Agreements

To encourage the rehabilitation of buildings that qualify for the VBR program, the City is allowing the VBR fee to be held in abeyance for 6 months as long as the property owner is rehabbing the property and meeting other conditions in the Restoration Agreement. Please note, **not all properties will qualify for a Restoration Agreement**. Restoration Agreements may be an option if the property has been in the VBR program for less than 3 months, or the anniversary date of the Vacant Building Registration order is less than 3 months past due.

A copy of the Restoration Agreement can be found following this link. [Restoration Agreements \(pdf\)](#) document for more details.

To find more on the policies and procedures that govern a Restoration Agreement, download this document. [Restoration Agreement Policy \(pdf\)](#)

## Director's Orders to Demolish (RAZE)

Minneapolis Code of Ordinance Chapter 249, outlines the conditions under which a property can be declared a *Nuisance* and the City can establish the appropriate abatement action. Staff from the Inspections division, periodically reviews the properties on the Vacant Building Registration List to determine if they are in bad shape and meet the definition of nuisance and should be demolished. The owner and all others with a financial interest in the property are sent a [Director's Order to Demolish \(pdf\)](#). The owner and/or other persons with a financial interest, have 21 days to appeal the order or 30 days to comply with the order. The City issues between 50 to 100 Director's Orders annually.

## Winterization of Condemned Properties

To protect citizens and property from damage due to frozen water pipes or improperly maintained gas lines and electrical service, the City now requires that property condemned for boards be properly winterized. This includes disconnecting gas, shutting off electric power and draining plumbing fixtures and water pipes. The City may also direct its Water Department to shut off water service at the stop box and drop the meter. Condemned properties that are not winterized by the owner, may be winterized by an authorized city contractor. The owner of record will be notified prior to the winterization and the cost of this winterization will be applied as a special assessment to the property tax.

## Current List of Buildings Registered As Vacant

[Vacant Building Registration List \(pdf\)](#)  
(Chapter 249 List)

## Related Links

[Vacant Building Registration Application New Fee \(pdf\)](#)

[Restoration Agreement Policy \(pdf\)](#)

[Property Information](#) – Look up an address to see if a property is registered as vacant.

Last updated Jul 3, 2013

## Connect with the City



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# City of Minneapolis Housing Inspection Services Vacant Building Registration Application

For Additional Information Call (612) 673-2233

Date \_\_\_\_\_ Address of Property \_\_\_\_\_

## Owner Information

Name \_\_\_\_\_ Date of Birth \_\_\_\_\_  
First Middle Last

Owner's Address \_\_\_\_\_  
(Not Property Address) \_\_\_\_\_

Daytime Phone ( \_\_\_\_\_ ) \_\_\_\_\_ Evening Phone ( \_\_\_\_\_ ) \_\_\_\_\_

Cell Phone ( \_\_\_\_\_ ) \_\_\_\_\_ E-mail address \_\_\_\_\_

## \$6,948.00 Fee Must Accompany Application

### Make Checks Payable to Minneapolis Finance Department.

Mail to: Minneapolis Inspections Division  
Vacant Building Registration  
250 S. 4<sup>th</sup> St. – Room 400  
Minneapolis, MN 55415-1373

## Important Information

- Section 249.80 (i) (1) The owner of a vacant building shall pay an annual fee as established in the director's fee schedule pursuant to section 91.70. The current fee is \$6,948.00. Per the City Council this fee will increase on a yearly basis. The fee is imposed to recover all costs incurred by the City for monitoring and regulating vacant buildings, including nuisance abatement and administrative costs.
- Section 249.80 (i) (1) This fee may be waived or suspended for the current year ( IF NOT PAID/ COLLECTED AT CLOSING, PLEASE PROVIDE A COPY OF YOUR HUD SETTLEMENT STATEMENT) as a term on the condition of a written restoration agreement or order issued pursuant to section 249.50. Please note that a restoration agreement may require a performance bond/escrow deposit or other financial securitization in order to ensure compliance. Details of this additional cost will be included in the Restoration Agreement. The Restoration Agreement (RA) may only be signed by the legal title holder. **YOU MUST CALL (612) 673-2233 WITHIN ONE MONTH OF THE DATE OF THE ATTACHED ORDER TO APPLY FOR A WAIVER AND SIGN A RESTORATION AGREEMENT.**
- Section 249.80 (a) (2) The first annual fee shall be paid no later than five (5) days after the building becomes vacant. Subsequent annual fees shall be due on the anniversary date of initial vacancy. The fee will be imposed annually until the building no longer meets the criteria for the Vacant Building Registration Program. The fees shall be paid in full before the issuance of any building permits, with the exception of a demolition permit.
- Section 249.80 (a) (3) Unpaid fees shall be levied and collected as a special assessment against the property as provided for under section 227.100, with interest at the rate of eight (8) percent per annum on the unpaid balance thereof. Upon transfer of ownership, the new owner(s) shall be responsible for all unpaid and subsequent annual fees.

**Please Note:** This application has been sent to you because you are identified by our records as the taxpayer, mortgage holder, and/or responsible party. If you no longer have an interest in the property, please indicate your name, when you sold the property, and to whom.

**Seller** \_\_\_\_\_ **Closing Date** \_\_\_\_\_

**Seller's Agent/Company** \_\_\_\_\_

**Agent's Phone Number ( \_\_\_\_\_ )** \_\_\_\_\_ **Fax Number ( \_\_\_\_\_ )** \_\_\_\_\_

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**NEW Buyer/Responsible Party** \_\_\_\_\_

**Buyer's Address** \_\_\_\_\_  
Street Address City State Zip Code

**Buyer's Phone Number ( \_\_\_\_\_ )** \_\_\_\_\_

**Please Provide a copy of your HUD STATEMENT**

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**Please List any Additional Owners**

**Other Interested Parties** \_\_\_\_\_

**Address** \_\_\_\_\_  
Street Address City State Zip Code

**Phone Number ( \_\_\_\_\_ )** \_\_\_\_\_ **Fax Number ( \_\_\_\_\_ )** \_\_\_\_\_

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**I certify that the above information is true and correct, and I understand that I am required to notify the Department of Inspections of any changes.**

\_\_\_\_\_  
Signature of owner

\_\_\_\_\_  
Date

\_\_\_\_\_  
Address of owner

Section 249.80 (g) states: "The new owner shall register or re-register the vacant building with the director of inspections within 30 days of any transfer of an ownership interest in a vacant building. The new owner(s) shall comply with the approved plan and timetable submitted by the previous owner until any proposed changes are submitted and meet the approval of the director of inspections."

# Vacant Building Registration Plan

Please check one of the following boxes

**Sell**

- Single-family dwellings and duplexes require Truth in Sale of Housing per Minneapolis Code of Ordinances, Chapter 248. Please call (612) 673-2489, option 16, for information.
- Condemned buildings are required to go through the Code Compliance process per Minneapolis Code of Ordinances, Chapter 87.

**Rehabilitate**

- Condemned buildings are required to go through the Code Compliance process per Minneapolis Code of Ordinances, Chapter 87.
- NOTE that the \$6,948.00 fee may be waived if owner agrees to a signed/acceptable restoration agreement. *(if the fee has been paid at closing then this doesn't apply)*

**Demolish**

- Permits required by licensed contractor.

**Rental License**

- Required from Housing Inspections Rental License Department.

**Owner Occupancy**

- Means you plan to homestead the property as your primary residence.

**Other**

- Please be specific.

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- Please provide a copy of your HUD SETTLEMENT STATEMENT along with this application. You can do this either by faxing us at 612-673-2314 or by coming down in person to our office located at 250 S. 4<sup>th</sup> Street Room 300, Minneapolis, MN 55415. If you have any questions please call us at 612-673-2233.
- Visit our website at [www.ci.minneapolis.mn.us/inspections/ch249list.asp](http://www.ci.minneapolis.mn.us/inspections/ch249list.asp) for more information about the VACANT BUILDING REGISTRATION program.

**Plan Guidelines Under Chapter 249.80(c)**  
**For use in completing the Vacant Building Registration Application**

**1. Selling Property**

- Single-Family dwellings and duplexes require a Truth In Sale of Housing (TISH), per Minneapolis Code of Ordinances, Chapter 248. If you have TISH questions please call 612-673-5840. If the property is condemned, a Code Compliance Inspection is needed to sell the property. If you have Code Compliance questions please call 612-673-5805.
- Provide name, current phone number(s), and address of listing agent, i.e. your Realtor and MLS number.
- Provide anticipated closing date
- Must provide documents proving sale, sale date, and identifying new owner (purchaser). This applies whether a realtor was used or was sold by owner.
- If sale is by contract for deed, purchaser must register the contract with Hennepin County.

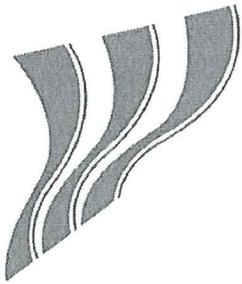
**2. Rehabilitating Property**

- If Code Compliance is required under Minneapolis Code of Ordinances, Chapter 87: Follow the Code Compliance process. You must provide a detailed plan, including dates.
- If Code Compliance is not required, Provide dates, projected timeline of project, and copies of all required permits.
- If you have Code Compliance questions please call 612-673-5805.
- If you have Boarded Building questions please call 612-673-2233.

**3. Demolishing Property**

- Must provide a date certain for the demolition.
- Permits by a licensed contractor are required.

If you plan on **KEEPING YOUR PROPERTY** vacant, you must maintain the physical environment in accordance with Minneapolis Code of Ordinances, Section 227.90 In particular prompt abatement of all garbage, debris, tall grass, etc. You must also keep structure secure against trespassers and comply with all exterior work orders issued by Minneapolis Housing Inspections. These rules also apply to guidelines #1 and #2 listed above.



CITY OF WILLMAR, MINNESOTA  
REQUEST FOR COMMITTEE ACTION

Agenda Item Number: \_\_\_\_\_

Meeting Date: July 31, 2014

Attachments:  Yes  No

CITY COUNCIL ACTION

Date: \_\_\_\_\_

- Approved  Denied  
 Amended  Tabled  
 Other

Originating Department: Planning and Development Services

Agenda Item: Business Incentives Process

Recommended Action: Receive for information

Background/Summary: Council Member Ahmann has requested that the Community Development Committee review the current process for business incentives. Background information is included.

Alternatives: N/A

Financial Considerations: N/A

Preparer: Bruce D. Peterson, AICP  
Director of Planning and Development Services

Signature:

Comments:

## **City of Willmar Business Subsidy Policy**

This Policy is adopted for purposes of the business subsidies act (the "Act"), which is Minnesota Statutes, Section 116J.993 through 116J.995. Terms used in this Policy are intended to have the same meanings as used in the Act, and this Policy shall apply only with respect to subsidies granted under the Act if and to the extent required thereby.

While it is recognized that the creation of good paying jobs is a desirable goal which benefits the Willmar community, it must also be recognized that not all projects assisted with subsidies derive their public purposes and importance solely by virtue of job creation. In addition, the imposition of high job creation requirements and high wage levels may be unrealistic and counter-productive in the face of larger economic forces and the financial and competitive circumstances of an individual business.

The granting of subsidies shall be guided by the following principles and criteria:

1. Each project shall be evaluated based on its perceived importance and benefit to the community from all perspectives deemed relevant, including created or retained employment positions, where applicable.
2. The Act now provides that, after public hearing thereon, if the creation or retention of jobs is determined not to be a goal of a business subsidy, the wage and job goals may be set at zero. Where creation or retention of jobs is a goal, the specific number of jobs to be created or retained shall be stated in the subsidy agreement. Where creation of new jobs is required, those jobs shall have a wage floor of \$12.00 per hour.
3. The specific minimum requirements under Section 116J.994, Subdivision 2, of the Act that a recipient must meet in return for the business subsidy shall be, where applicable:
  1. The retention of existing jobs,
  2. The creation of the specified number of new jobs at or exceeding the wage floor, and/or
    - Where the subsidy relates to the acquisition of personal property or the acquisition and/or physical development of real property, the substantial completion of the acquisition or development thereof.
    - Where applicable, the foregoing shall also be the stated measurable, specific and tangible goals for the subsidy under the related subsidy agreement, as provided in Section 116J.994, Subdivision 3(3), of the Act.

4. It is recognized that a particular project which does not include as a goal the creation or retention of jobs may nonetheless be worthy of support and subsidy in respect of other perceived benefits.
5. In cases where the objective is the retention of existing jobs, the recipient of the subsidy shall be required to provide reasonably specific and demonstrable evidence of the job loss, absent the subsidy.
6. Subject to the wage floor, where applicable, the setting of wage and job goals must be sensitive to prevailing wage rates, local economic conditions, external economic forces over which neither the grantor nor the recipient of the subsidy has control, the individual financial resources of the recipient and the competitive environment in which the recipient's business exists.
7. Because it is not possible to anticipate every type of project which may in its context and time present desirable community building or preservation goals and objectives, the governing body must retain the right in its discretion to approve projects and subsidies which may vary from the principles and criteria of this Policy, as may be permitted by but subject to the procedural and other requirements of the Act.
8. As provided in the Act, deviations from the criteria of this Policy are permitted by documenting in writing the reasons for the deviation and attaching a copy of the document to the next annual report to the Minnesota Department of Employment and Economic Development (DEED).
9. The terms of this policy, including the setting of the wage floor, shall be reviewed on a bi-annual basis.

This Policy is intended to conform to the requirements of the Act, including the year 2000 amendments thereto. A copy of this Policy (and any amendments hereto) shall be submitted along with the first annual report to DEED following its adoption.

Adopted by:                   The City Council of the City of Willmar, Minnesota  
Date of Adoption:           March 15, 2004  
Date of Public Hearing:      March 15, 2004

Wage floor amended to \$11.00 per hour as per Council action on April 16, 2007  
Wage floor amended to \$12.00 per hour as per Council action on May 6, 2013

## Willmar Industrial Land Pricing Write-Down Policy

1. **Purpose**

The purpose of the land write-down policy is to stimulate and assist economic development projects by reducing the sale price of City-owned (industrial) properties, based on an established formula of price credits for job creation and tax base enhancement.

2. **Impacted Properties**

This policy shall apply to the sale of any and all City-owned industrial properties. These properties will most likely be located in one of the phases of the Willmar Industrial Park.

3. **Qualifying Buyers/Projects**

To be eligible for a land write-down, a qualifying business shall be either a permitted or conditional use as listed in the appropriate zoning district of the Willmar Zoning Ordinance. Any approval of a land write-down shall be conditioned on land use approval.

4. **Calculating the Write-Down**

Any land write-down shall use as its basis the asking/listing price for the property as calculated and offered by the City.

- A. Employment credit: A qualifying project shall be credited \$10,000 off the listing price per job created. Job creation goals shall be stated and included in a formal agreement between the buyer and the City.
- B. Tax base credit: A qualifying project shall be credited \$25,000 off the listing price per million dollars of estimated market value created as determined by the office of the City Assessor. Tax base creation goals shall be stated and included in a formal agreement between the buyer and the City.

In no instance shall the amount of the land write-down credited to the buyer exceed the stated price of the property being acquired.

5. **Relationship to Minnesota Statutes**

Any land write-down shall be authorized by and in full compliance with applicable Minnesota Statutes, including but not limited to Minn. Stat. Chs. 469 and 116J.

6. **Land Write Down/Business Subsidy Process Costs**

The buyer/write down recipient shall be responsible for payment of all real estate commissions and legal/administrative costs incurred by the City in the transaction.

**CITY OF WILLMAR  
TAX ABATEMENT POLICY**

**1. PURPOSE**

1.01 The purpose of this policy is to establish the City of Willmar's position as it relates to the use of tax abatement. This policy shall be used as a guide in processing and reviewing applications requesting tax abatement.

**2. STATUTORY AUTHORITY**

2.01 Pursuant to Minnesota Statutes Chapter 469.1812 through 469.1815, cities are authorized to provide tax abatements for economic development purposes. In accordance with the City of Willmar Business Subsidy Policy, tax abatement requests must comply with applicable state statutes.

**3. ELIGIBLE USES**

3.01 As a matter of adopted policy, the City of Willmar will consider using tax abatement to assist private development only in those circumstances in which the proposed private projects meet one or more of the following uses:

- A. To redevelop blighted or under-utilized areas of the community.
- B. To meet the following housing-related needs:
  - 1. To provide a diversity of housing not currently provided by the private market.
  - 2. To provide a variety of housing ownership alternatives and housing choices.
  - 3. To promote affordable housing for low or moderate-income individuals.
  - 4. To promote neighborhood stabilization and revitalization by the removal of blight and the upgrading of existing housing stock in residential areas.
- C. To remove blight and encourage redevelopment in the commercial and industrial areas of the City in order to encourage high levels of property maintenance and provide reinvestment in those areas.
- D. To increase the tax base of the City in order to ensure the long-term ability of the City to provide adequate services for its residents, while lessening the reliance on residential property taxes.
- E. To retain local jobs, increase the local job base, and provide diversity in the job base.

- F. To increase the local business and industrial market potential of the City of Willmar.
- G. To encourage additional unsubsidized private development in the area, either directly, or through secondary "spin-off" development.
- H. To offset increased costs of redevelopment, over and above those costs that a developer would incur in the course of a typical development.
- I. To accelerate the development process and to achieve development on sites which would not be developed without an abatement.

#### 4. PROJECT APPROVAL CRITERIA

- 4.01 All new tax abatement projects approved by the City of Willmar should meet the following mandatory minimum approval criteria. However, it should not be presumed that a project meeting these criteria would automatically be approved. Meeting these criteria creates no contractual rights for any potential developer.
- A. The abatement shall be provided within applicable state legislative restrictions, State Auditor interpretation, debt limit guidelines, and other appropriate financial requirements and policies.
  - B. The project should meet one or more of the uses identified in Section 3, Eligible Uses.
  - C. The project must be consistent with the Willmar Comprehensive Land Use Plan and Willmar Zoning Ordinance, or required changes to the Comprehensive Land Use Plan and Zoning Ordinance must be under active consideration by the City at the time of approval.
  - D. Assistance will not be provided solely to broaden a developer's profit margins on a project. Prior to consideration of a tax abatement request, the City may undertake an independent underwriting of the project to help ensure that the request for assistance is valid.
  - E. Prior to approval of a tax abatement, the developer shall provide any required market and financial feasibility studies, appraisals, soil borings, information provided to private lenders for the project, and other information or data that the City or its financial consultants may require in order to proceed with an independent underwriting.
  - F. Any developer requesting tax abatement should be able to demonstrate past successful general development capability, as well as specific capability in the type and size of development proposed.
  - G. The developer must retain ownership of the project at least long enough to complete it, to stabilize its occupancy, and to establish the project management.

- H. The level of tax abatement should be reduced to the lowest possible level and least amount of time by maximizing the use of private and equity financing sources or income producing vehicles that can be structured into the project financing, prior to using additional business assistance funding.

## 5. PROJECT EVALUATION CRITERIA

- 5.01 All projects will be evaluated by the City Council on the following criteria for comparison with other proposed business assistance projects reviewed by the City, and for comparison with other subsidy standards (where appropriate). It is realized that changes in local markets, costs of construction, and interest rates may cause changes in the amount of business assistance subsidies that a given project may require at any given time.
- 5.02 Some criteria, by their very nature, must remain subjective. However, "benchmark" criteria maybe established for review proposes. The fact that a given proposal meets one or more "benchmark" criteria does not mean that it is entitled to funding under this policy, but rather that the City is in position to proceed with evaluations of (and comparisons between) various business assistance proposals, using uniform standards whenever possible.
- 5.03 Following are the evaluation criteria that will be used by the City of Willmar:
  - A. All proposals should, in the opinion of the City Council, optimize the private development potential of a site.
  - B. All proposals should, in the opinion of the City Council, create the highest feasible number of jobs on the site or otherwise satisfy economic development goals and priorities of the City at the time of application. All proposals shall meet the Business Subsidy Policy established by the City.
  - C. Tax abatement will not be separate work provided when the business requesting assistance would be in direct competition with an established business in the community unless it is clearly demonstrated that the business provides a service or use underserved and/or in high demand in the city.
  - D. Tax abatement should usually not be used to support speculative industrial, commercial, and office projects.
  - E. Tax abatement will usually not be used in a project that involves an excessive land and/or property price.
  - F. Tax abatement will not be used when the developer's credentials, in the judgment of the City, are inadequate due to past track record relating to: timeliness and quality level of completed projects, general reputation, bankruptcy, credit worthiness, or other relevant consideration by the City.

- G. Tax abatement will usually not be used for projects that would generate significant environmental problems in the opinion of the local, state, or federal governments.
- H. Tax abatement should not be provided to those projects that fail to meet good public policy criteria as determined by the Council, including: poor project quality; projects that are not in accord with the comprehensive plan, zoning, redevelopment plans, and city policies; projects that provide no benefit or improvement to surrounding land uses, the neighborhood, and/or the City; projects that do not have significant new, or retained, employment; projects that do not meet financial feasibility criteria established by the City' and projects that do not provide the highest and best desired use for the property.

## 6. PROJECT FINANCING

- 6.01 Tax abatement assistance can be provided in one of two different forms. One form is "pay as you go" wherein the City compensates the applicant for a predetermined amount for a predetermined number of years, allowing a portion of semi-annual tax payments to be repaid to the applicant after payment of property taxes by the applicant. The City will give special consideration to applicants applying for "pay as you go" assistance.
- 6.02 Another form of assistance is "up front" payment to the applicant wherein the City must issue revenue or general obligation bonds. The increased tax generated by the applicant's project is then used for repayment of the bonds. The City, because of the additional risk incurred in case of default, does not look upon this form of assistance favorably.

## 7. APPLICATION AND FEES

- 7.01 All requests for tax abatement shall be made using the forms/format required by the City.
- 7.02 The City shall require a deposit in the amount of \$2,500 from the applicant for the City to investigate the feasibility of providing tax abatement assistance to the applicant's project. If the costs reach the deposited amount, the City shall notify the applicant in writing and the applicant will be required to deposit additional funds prior to any additional work on the project being completed. If the tax abatement is approved and the applicant proceeds with the project, the City shall reimburse the applicant the amount of the deposit as an eligible abatement project cost. If the applicant does not proceed with the project, the City shall reimburse the applicant the unused portion of the deposit.

Dated: June 3, 2013

**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.

IV. REVENUE BONDS (PROJECT DEVELOPMENT-RELATED)

A. Use

Revenue-supported bonds, whether solely revenue backed or issued as general obligations with non-property tax revenue pledges, shall be used to finance only those public improvements which can be shown to be self-liquidating or fully supported by dedicated revenue sources, and needed for the infrastructure and economic development of the City.

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.

**COMMUNITY DEVELOPMENT COMMITTEE  
CITY OF WILLMAR, MINNESOTA  
THURSDAY, MARCH 28, 2013**

**MINUTES**

The Community Development Committee of the Willmar City Council met on Thursday, March 28, 2013, in Conference Room No.1 at the City Office Building. Chair Fagerlie called the meeting to order at 4:45pm.

**Present:**

Rick Fagerlie	Chair
Audrey Nelsen	Council Member
Tim Johnson	Council Member
Jim Dokken	Council Member
Bruce Peterson	Director of Planning and Development Services
Charlene Stevens	City Administrator

**Others present:** Frank Yanish – Mayor, Ron Christianson – Council Member, Joline Hovland – Habitat for Humanity, Kathy Aamot – Torgerson Properties, Inc. and David Little – West Central Tribune.

**1. PUBLIC COMMENTS (FOR INFORMATION ONLY)**

There were no public comments.

**2. TPI TAX ABATEMENT REQUEST (MOTION)**

Staff presented a request from Torgerson Properties, Inc. (TPI) for tax abatement on their upcoming project. The hotel, restaurant, and conference center complex on East Highway 12 is slated to undergo major renovations and expansion over the next two years. Bids have come in over budget and are driving the request for tax abatement. The company is requesting that the taxes on the increase in value resulting from the expansion and remodel be abated and returned to them for a 10 year period. They have requested that the property taxes paid in 2013 be set as the baseline for establishing the abatement number. Staff is working on abatement estimates based on the TPI projections for changes in net operating income.

Any abatement granted to TPI would be figured in the levy and would be spread across the entire taxing jurisdiction. The City and any other taxing jurisdiction involved in the abatement will continue to receive the taxes being paid on the current value. Kathy Aamot of TPI was present to answer questions regarding project details.

Following discussion, a motion was made by Council member Nelsen, seconded by Council member Johnson and passed for the following:

**RECOMMENDATION:** That the Council give preliminary approval to the tax abatement and that a public hearing be set for April 15, 2013 to consider the abatement request.

**3. TAX ABATEMENT POLICIES (FOR INFORMATION ONLY)**

Staff reviewed the current policies for development incentives, specifically as they relate to tax increment financing. These are the policies that have been used in the past to review tax abatement requests. In the course of researching other communities, very little in the way of tax abatement policies were discovered. This is due primarily to the fact that tax abatement grants taxing jurisdictions broader discretionary authority than do most of the other financing incentives. Staff was recommending that the City keep the policies flexible so that the Council retains their broad discretion in granting or denying tax abatement requests. It was noted that the four active abatements would all be retired within the next three years. In the course of discussing actual abatement policies, staff proposed that the policies include language that will follow the tax increment financing policies, but will eliminate the requirement that an application demonstrate financial need. This is not a statutory requirement. Staff will draft a broad based tax abatement policy and return those policies to the Committee in the near future for discussion.

**4. RULE TIRE BUILDING (MOTION)**

Staff provided an update on the offer by the heirs of Jim Rule to give the former Rule Tire property to the City. Research has determined that there is a minor amount of asbestos ceiling tile in the building. Fuel tanks have been removed and no other environmental hazards have been identified. The family has agreed to pay the delinquent taxes on the property. Joline Hovland of Habitat for Humanity was present to indicate their interest in a portion of the property. The Committee discussed various options for obtaining and using the property, including the City receiving it all and leasing a portion of the property to Habitat for Humanity. Another option might be that the family gifts a portion of the property to each entity. Staff will follow up with the City Attorney regarding the options for resale, gifting or leasing if the City acquires the property.

A motion was made by Council member Nelsen, seconded by Council member Johnson and passed for the following:

**RECOMMENDATION:** To submit the proposal to the Planning Commission for their Charter required review and to pursue other options for acquisition and use of the site.

5. There being no further business to come before the Committee, the meeting adjourned at 5:30pm.

Respectfully Submitted,

Bruce Peterson, AICP  
Director of Planning and Development Services

**COMMUNITY DEVELOPMENT COMMITTEE  
CITY OF WILLMAR, MINNESOTA  
THURSDAY, APRIL 25, 2013**

**MINUTES**

The Community Development Committee of the Willmar City Council met on Thursday, April 25, 2013, in Conference Room No.1 at the City Office Building. Chair Fagerlie called the meeting to order at 4:45pm.

**Present:**

Rick Fagerlie	Chair
Dennis Anderson	Council Member
Tim Johnson	Council Member
Jim Dokken	Council Member
Bruce Peterson	Director of Planning and Development Services
Charlene Stevens	City Administrator

**Others present:** Frank Yanish – Mayor, Audrey Nelsen – Council Member, Steve Renquist – EDC Director, and Gary Gillman

**1. PUBLIC COMMENTS (FOR INFORMATION ONLY)**

There were no public comments.

**2. BUSINESS SUBSIDY POLICY (MOTION)**

Staff presented the City of Willmar business subsidy policy that was adopted in 2004 and amended in 2007. The policy is a statutory requirement for any community that grants business subsidies. The policy was used to guide recommendations for the recent Torgerson Project, as a tax abatement is a form of business subsidy. It was noted that the policy currently sets a wage floor of \$11.00 for jobs created by businesses receiving business subsidies. Staff was recommending that the wage floor be adjusted to \$12.00 per hour based on the most recent median City and County hourly wage statistics.

Following discussion, a motion was made by Council member Dokken, seconded by Council member Johnson and passed for the following:

**RECOMMENDATION:** To adjust the wage floor in the business subsidy policy to \$12.00 per hour.

Policy discussion continued with a brief review of the tax increment financing policies. The review criteria in the TIF policies were used in crafting a recommendation for the Torgerson project. With regard to a possible tax abatement policy, staff recommended that any policy be flexible and follow state statutes. It was also recommended that the review criteria in the tax abatement policy be consistent with the TIF policy. Council member Anderson agreed that the City needed to have flexibility because of the wide range of projects the City could face. He said that it was necessary for the City to have as much discretion as possible. Council member Johnson said that it was a good idea to have an individual policy for tax abatement, and he too liked the idea of flexibility. Council member Dokken said he agreed with the previous comments, but asked that all decisions and

recommendations be documented. Staff stated that written agreements, including subsidy goals and claw back provisions, are part of the current process. Staff will craft a tax abatement policy and return to Committee for review and comment.

**3. MISCELLANY (FOR INFORMATION ONLY)**

The Committee discussed the issue of security at the auditorium relative to graffiti, thefts, and unauthorized entrance. Staff told the Committee that the 2013 capital improvement budget included \$25,000 for doors. The door projects are being bid and it is hoped that there is money left over for security cameras and a card reader system.

Conditions at Regency East were also discussed. Staff said that with the snow gone, it would be easier to tour the parks and write up violations.

It was requested that parking issues in the area of 11<sup>th</sup> Street Southeast and Willmar Avenue be referred to the Public Works/Safety Committee.

- 4.** There being no further business to come before the Committee, the meeting adjourned at 5:25pm.

Respectfully Submitted,

Bruce Peterson, AICP  
Director of Planning and Development Services

**COMMUNITY DEVELOPMENT COMMITTEE  
CITY OF WILLMAR, MINNESOTA  
THURSDAY, MAY 30, 2013**

**MINUTES**

The Community Development Committee of the Willmar City Council met on Thursday, May 30, 2013, in Conference Room No.1 at the City Office Building. Chair Fagerlie called the meeting to order at 4:45pm.

**Present:**

Rick Fagerlie	Chair
Bruce DeBlieck	Council Member
Tim Johnson	Council Member
Jim Dokken	Council Member
Bruce Peterson	Director of Planning and Development Services

**Others present:** Frank Yanish – Mayor, Audrey Nelsen – Council Member, Steve Renquist – EDC Director, David Little – West Central Tribune

**1. PUBLIC COMMENTS (FOR INFORMATION ONLY)**

There were no public comments.

**2. TAX INCREMENT FINANCING AND TAX ABATEMENT UPDATE (FOR INFORMATION ONLY)**

Staff provided an update on the City's historical use of tax increment financing and tax abatement tools to assist business and industry (See Attachment A). It was noted that at one time the City had 16 tax increment districts, but as of 2012 all districts had been decertified. The Committee was informed that the City has used tax abatement to assist five businesses. One of those businesses has had their abatement retired and three of the remaining four will expire by the end of 2016. With changes to the tax increment financing legislation, tax abatement has become the tool of choice for economic development.

**3. TAX ABATEMENT POLICY (MOTION)**

Staff presented a draft policy for the use of tax abatement (See Attachment B). The City Council had requested that staff draft a policy to be used to review and evaluate requests for tax abatement. Staff said that it was necessary to keep the policy simple. The draft policy includes sections on purpose, statutory authority, eligible uses, approval criteria, evaluation criteria, project financing, and application and fees.

Following discussion, a motion was made by Council member Dokken, seconded by Council member DeBlieck and passed for the following:

**RECOMMENDATION:** To adopt the policy as presented.

4. **NEW BUSINESS**

The Committee discussed the advantages of eliminating paper agendas and meeting packets. Staff informed the Committee that there will be a request in the 2014 Capital Budget for the necessary software and equipment to move to an electronic agenda system.

Council member Johnson requested that staff provide an update on enforcement of residential maintenance violations.

5. **FUTURE AGENDA ITEMS**

Staff is preparing information on garbage and waste disposal to be reviewed by the Committee at a future meeting.

6. There being no further business to come before the Committee, the meeting adjourned at 5:30pm.

Respectfully Submitted,

Bruce Peterson, AICP  
Director of Planning and Development Services

**COMMUNITY DEVELOPMENT COMMITTEE  
CITY OF WILLMAR, MINNESOTA  
THURSDAY, OCTOBER 17, 2013**

**MINUTES**

The Community Development Committee of the Willmar City Council met on Thursday, October 17, 2013, in Conference Room No.1 at the City Office Building. Chair Fagerlie called the meeting to order at 4:45pm.

**Present:**

Rick Fagerlie	Chair
Jim Dokken	Council Member
Bruce DeBlieck	Council Member
Bruce Peterson	Director of Planning and Development Services

**Others present:** Steve Renquist, EDC Director

**1. PUBLIC COMMENTS (FOR INFORMATION ONLY)**

There were no public comments.

**2. LAND PRICING WRITE-DOWN POLICY (MOTION)**

Staff presented a proposed policy to write down the cost of land in the Industrial Park (see attachment). The policy is necessary to stay competitive with other communities in offering our Industrial Park properties for sale. Steve Renquist, Economic Development Commission Director, emphasized the need for competitive sales of property and to further the ability of staff to market the properties. Staff noted that the real value of the land lies in its ability to grow jobs and tax base.

The Committee discussed the value of the Industrial Park to the region. Staff agreed that the Industrial Park development was a regional project in that the infrastructure for the Industrial Park was being paid for by Local Option Sale Tax funding. Those funds were collected, in part, from shoppers and visitors from beyond the City. It was noted that the proposed policy should be changed so that the reference in No. 5 was for State Statutes Chapter 469 and 116 J, not Chapter 169.

Following discussion, a motion was made by Council Member DeBlieck, seconded by Council Member Dokken, and passed for the following:

**RECOMMENDATION:** To adopt the policy with the change to the statute language.

3. **RULE TIRE BUILDING (MOTION)**

Staff presented an update on the status on the Rule family's attempt to gift the former Rule Tire Shop property to the City. The family has expressed urgency in completing a transaction, or else they are going to let the property go tax forfeiture. Recently, another non-profit entity has come forward that would like to acquire the property and use it for a parking lot. The parking lot would keep the property on the tax rolls. Staff was recommending that the City continue to work as a liaison between the parties and to try to complete the gift of the property to the other non-profit organization. Failing that, it was staff's recommendation that the City accept the property as a gift.

Following discussion, a motion was made by Council Member Dokken, seconded by Council Member DeBlieck, and passed for the following:

**RECOMMENDATION:** That the City accept the Rule property as a gift, unless they are able to complete the transaction with the other non-profit entity. Also, that the matter be referred to Finance to determine a source of demolition funding estimated at \$60,000. One condition to City acceptance would be that all real state taxes and penalties be paid and there be no encumbrances on the property.

4. There being no further business to come before the Committee, the meeting adjourned at 5:40 p.m.

Respectfully Submitted,

Bruce Peterson, AICP  
Director of Planning and Development Services