

**COMMUNITY DEVELOPMENT COMMITTEE**

**MINUTES**

The Community Development Committee of the Willmar City Council met on Thursday, October 2, 2014, in Conference Room No. 1 at the City Office Building.

Present: Rick Fagerlie ..... Chair  
Bruce DeBlieck ..... Vice Chair  
Audrey Nelsen ..... Member  
Ron Christianson ..... Member

Others present: Bruce Peterson, Director of Planning and Development Services; Dennis Anderson, Council Member; Steve Ahmann, Council Member; Steve Gardner, Warren Hagen, David Little, "West Central Tribune".

Item No. 1      Call to Order

The meeting was called to order by Chair Fagerlie at 4:45 p.m.

Item No. 2      Public Comments

There were no public comments.

Item No. 3      Sidewalk Ordinance (Motion)

Staff presented the revised sidewalk ordinance. The version of the ordinance being considered by the Committee included the change dealing with the types of furniture suitable for use on the sidewalks. Staff informed the Committee that a meeting had been held earlier in the week with members of the downtown business community to discuss the ordinance. Issues discussed at that meeting included securing tables and chairs, limiting the months that sidewalks can be used for outdoor seating, property maintenance, and the use of glassware on the sidewalk. The Committee discussed ordinance issues at length.

Following discussion, a motion was made by Council Member DeBlieck, seconded by Council Member Nelsen, and passed to recommend to the Council that the ordinance be introduced as amended with the addition of a prohibition of tables and chairs on the sidewalks during the months of December through February. The motion carried.

Item No. 4      Tax Abatement Preliminary Request (Motion)

Staff presented a letter requesting tax abatement for the redevelopment of the Regency East Mobile Home Park. The park has been purchased by Gus Wurdell of Hutchinson, who intends to make improvements to infrastructure and common areas, as well as replace all of the homes in the park with new homes. The Committee discussed the level of abatement requested. Staff informed the Committee that no financial analysis had been performed. The matter was brought to Committee to determine whether or not it met the City's tax abatement policies, and whether Mr. Wurdell should be asked to submit a formal application. Some questions were raised regarding the value of property that would be subject to the abatement. Staff will research that matter and it will be part of the financial analysis. In the analysis, it will be determined whether or not the modular homes as personal property are included in the abatement.

Following discussion, a motion was made by Council Member Christianson, seconded by Council Member DeBlieck, and passed to recommend to the Council that preliminary approval be given to the abatement and that staff be directed to solicit a formal application from Mr. Wurdell. The motion carried.

Item No. 5      Old Business

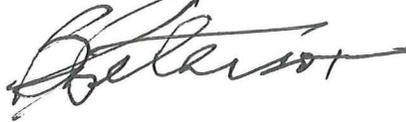
Council Member DeBlieck inquired about the requirement for a second access road to the west end of the Valley Brook subdivision. Staff said they would review plat requirements to determine the timing for the construction of the second access.

Item No. 6

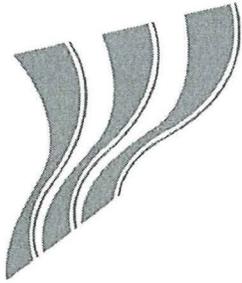
Council Member Christianson expressed concern about Council requests for information from department heads. He thought the process was cumbersome and delayed with some information being required to go through the City Administrator. Council Member Nelsen said that staff should not be put in the middle, and that protocol needs to be reinforced.

There being no further business to come before the Committee, the meeting was adjourned at 5:35 p.m. by Chair Fagerlie.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Bruce Peterson", written over a horizontal line.

Bruce Peterson, AICP  
Director of Planning and Development Services



CITY OF WILLMAR, MINNESOTA  
REQUEST FOR COMMITTEE ACTION

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

Meeting Date: October 2, 2014

Attachments:  Yes  No

CITY COUNCIL ACTION

Date: October 6, 2014

- Approved  Denied
- Amended  Tabled
- Other

Originating Department: Planning and Development Services

Agenda Item: Sidewalk Ordinance – continued

Recommended Action: Introduce the revised ordinance for a public hearing.

**Background/Summary:** Following the Council meeting of September 15, 2014, the Sidewalk Ordinance was referred back to Committee for additional consideration. The revised Ordinance reflects one major change, that being a requirement that furniture being placed on the sidewalks be suitable and manufactured for outdoor use and be properly maintained. Other than that, the Ordinance remains the same. Staff is meeting with members of the downtown business community prior to the Committee meeting, and will bring their comments to the Committee, as well.

**Alternatives:**

1. Further amend the Ordinance
2. Do nothing
3. Introduce the Ordinance as revised

Financial Considerations: N/A

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

Signature:

Comments:

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE AMENDING CHAPTER 8, LICENSES, PERMITS AND BUSINESS REGULATIONS, ARTICLE I, IN GENERAL, SECTION 8-3, USE OF PUBLIC SIDEWALKS IN THE CENTRAL BUSINESS DISTRICT FOR COMMERCIAL PURPOSES; AND CHAPTER 13, STREETS SIDEWALKS AND OTHER PUBLIC PROPERTY, ARTICLE I, IN GENERAL, SECTION 13-3, PLACING WASTE MATERIALS, LEAVING EQUIPMENT ON STREET, SIDEWALK OR PUBLIC GROUND; TEMPORARY PLACEMENT OF DUMPSTERS, COLLECTION BINDS OR COLLECTION BOXES IN PUBLIC RIGHTS-OF-WAY

The City Council of the City of Willmar hereby ordains as follows:

Section 1. AMENDMENT OF MUNICIPAL CODE SECTION 8-3. Chapter 8, Article I, Section 8-3 of the Willmar Municipal Code is hereby amended as follows (deleted material is crossed out; new material is underlined; sections and subsections not being amended are omitted):

**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 permitee 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.~~ Each permittee shall maintain general liability insurance that includes premises and operations insurance and products and completed operations insurance with minimum coverage amounts of \$50,000 per occurrence, \$10,000 per occurrence for property damage, and \$300,000 aggregate for personal injury or death, and which names the City of Willmar as an additional insured.
  - (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. No alcoholic beverages shall be sold or served on the public sidewalk for immediate consumption or otherwise except by an establishment holding a valid license encompassing such public sidewalk pursuant to Section 3-111, and only in compliance with all state and local regulations for the sale of alcoholic beverages. All waste liquids and foods; disposable cups, glasses, plates and utensils; and waste paper shall be placed in covered garbage receptacles.
- (7) All furniture placed on the sidewalk by a permit holder shall be suitable for and manufactured for outdoor use and shall be maintained in good condition.
- (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.

Section 2. AMENDMENT OF MUNICIPAL CODE SECTION 13-3. Chapter 13, Article I, Section 13-3 of the Willmar Municipal Code is hereby amended as follows (deleted material is crossed out; new material is underlined; sections and subsections not being amended are omitted):

**Sec. 13-3. ~~Placing waste materials, leaving equipment on~~ Obstructions on streets, sidewalks or public grounds prohibited; temporary placement of dumpsters, collection bins or collection boxes in public rights-of-way.**

- (a) No person shall encumber any street, sidewalk, alley, lane, boulevard or public ground within the limits of the city by throwing, placing or depositing thereon or therein any garbage, grass, lawn clippings, hay, leaves, brush, glass, metal, tin cans, paper or any other material whatsoever of a like nature, or by placing thereon or therein any cart, wagon, sleigh box, barrel, keg, lumber, firewood, posts, or any farm, road, agricultural or other machine, or any other material, object or equipment of a like nature unless otherwise authorized in this Code.

Section 3. EFFECTIVE DATE. This ordinance shall be effective from and after its adoption and second publication.

Passed by the City Council of the City of Willmar this \_\_\_ day of \_\_\_\_\_, 2014.

ATTEST:

\_\_\_\_\_  
Kevin Halliday, City Clerk

\_\_\_\_\_  
Frank Yanish, Mayor

VOTE:      \_\_\_ AHMANN   \_\_\_ ANDERSON   \_\_\_ CHRISTIANSON  
\_\_\_ DEBLIECK   \_\_\_ DOKKEN   \_\_\_ FAGERLIE   \_\_\_ JOHNSON   \_\_\_ NELSEN

This Ordinance introduced by Council Member: \_\_\_\_\_

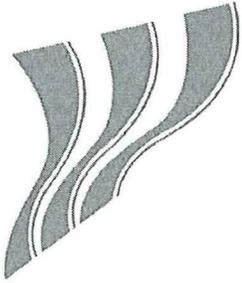
This Ordinance introduced on: \_\_\_\_\_

This Ordinance published on: \_\_\_\_\_

This Ordinance given a hearing on: \_\_\_\_\_

This Ordinance adopted on: \_\_\_\_\_

This Ordinance published on: \_\_\_\_\_



CITY OF WILLMAR, MINNESOTA  
REQUEST FOR COMMITTEE ACTION

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

Meeting Date: October 2, 2014

Attachments:  Yes  No

CITY COUNCIL ACTION

Date: October 6, 2014

- Approved  Denied
- Amended  Tabled
- Other

Originating Department: Planning and Development Services

Agenda Item: Tax Abatement Preliminary Request

Recommended Action: No recommendation.

**Background/Summary:** The City received the attached preliminary request for tax abatement from Gus Wurdell representing Willmar Redevelopment Company, LLC. The company recently purchased the Regency East Mobile Home Park and has plans to rehabilitate the property by improving infrastructure, on-site security, playground equipment, and, most importantly, bringing new homes into the park. Mr. Wurdell's request for Tax Abatement is for 10 years of tax abatement and states that the project cannot support itself without tax abatement from the City and County. Because the Community Development Committee has begun reviewing the entire tax abatement application process, staff wanted it brought to Committee at the earliest possible time and in advance of Mr. Wurdell filing a formal application.

- Alternatives:**
1. Offer preliminary approval and request the formal application
  2. Deny the preliminary request

**Financial Considerations:** Because the scope of the project has not been formally defined, there has been no financial information made available to allow staff to prepare a preliminary estimate of the abatement impact.

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

**Signature:**

**Comments:**

9/15/14

Bruce D Peterson, AICP,

Director Planning & Development Services

333 SW 6<sup>th</sup> St

Willmar, MN 56201

Bruce,

Our conversations over the past few years have focused on my desire to re-develop the Regency East Mobile Home Park. This land lease community has suffered from poor management and deferred maintenance which resulted in 75% vacancy and blighted conditions. After several years of trying to take over ownership of the park I have successfully closed on the community Sept 15<sup>th</sup>, 2014. It is my plan to rehab this property with new homes, infrastructure upgrades, security systems, playground and much more that will improve the quality of life for the community residents.

The residents that occupy manufactured housing communities are typically low to moderate income households. This type of housing allows for workforce level Willmar residents to achieve homeownership. Affordable/quality housing is in short supply in Willmar as noted in the Vision 2020/2040 community studies, and I believe this project will make tremendous impact towards satisfying this need. This project cannot support itself without the utilization of City and County Tax abatement. I am requesting consideration for 10 years worth of City portion tax abatement which would allow for sufficient time for redevelopment and position the community for long term success.

Please advise me on the process required to formally apply for tax abatement.

Respectfully,



Gus Wurdell

Willmar Redevelopment Company LLC

20455 248<sup>th</sup> Circle

Hutchinson, MN 55350

**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