

COMMUNITY DEVELOPMENT COMMITTEE

MINUTES

The Community Development Committee of the Willmar City Council met on Thursday, December 11, 2014, in Conference Room No. 1 at the City Office Building.

Present:	Rick Fagerlie	Chair
	Bruce DeBlieck	Vice Chair
	Jim Dokken	Member
	Tim Johnson	Member

Others present: Bruce Peterson, Director of Planning and Development Services; Jill Bengtson, HRA; 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 Tax Abatement and Business Subsidy Policy Review (For Information Only)

In advance of the Council public hearing, the Committee reviewed Tax Abatement and Business Subsidy Policies as they relate to the Donner/Oil Air Tax Abatement request. Staff offered the opinion that the request met the City's policies and should be approved. It was noted that the resolution of approval and tax abatement agreement would be part of the Council packet.

Item No. 4 Railroad Project MOU (Motion)

Staff presented a memorandum of understanding for the proposed Willmar Wye/Bypass project. The City was being asked to approve another MOU to be used to apply for federal funding in the year 2015. The MOU, with the exception of the term of the MOU, was consistent with the MOU adopted by the Council in the summer of 2014.

A motion was made by Council Member DeBlieck, seconded by Council Member Johnson and passed that the City Council approve the Memorandum of Understanding and execute the document as presented.

Item No. 5 Highway 12 Corridor Vision Plan (For Information Only)

Staff briefly reviewed the process used in the course of soliciting input and generating recommendations for the Highway 12 Corridor Vision Plan. The Committee was reminded that the Plan would not include any specific design or engineering recommendations. Rather, it provides guidance for the City when projects are planned and executed in the future. The Plan will be presented to the Council at the December 15th meeting by representatives of the consultant SEH and MnDOT.

Item No. 6 Old Business

There was no old business to come before the Committee.

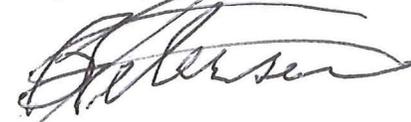
Item No. 7 New Business

HRA Small Cities Development Grant Program (Motion) - Jill Bengtson, HRA Director, was present to ask the City to submit a request to MN-DEED to extend the 2012 Small Cities Development Program into 2015 and to set a public hearing to include the Highland Apartments in the Small Cities Development Program target area. Results of the Small Cities Development Program rehabilitation efforts were reviewed and discussed. Approximately \$13,000 was unspent in Willmar and will be returned to MN-DEED.

Following discussion, a motion was made by Council Member DeBlieck, seconded by Council Member Johnson and passed that the City submit the request to MN-DEED to extend the 2012 Small Cities Development Program into 2015 and to set a public hearing to consider expanding the current Small Cities Development Program target area.

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 "B. Peterson", written over a horizontal line.

Bruce Peterson, AICP
Director of Planning and Development Services

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

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 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.

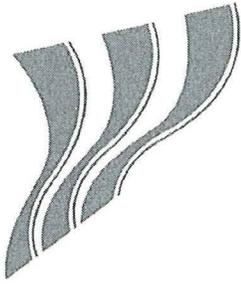
6. PROJECT FINANCING

- 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, MINNESOTA
REQUEST FOR COMMITTEE ACTION**

Agenda Item Number: _____

Meeting Date: December 11, 2014

Attachments: Yes No

CITY COUNCIL ACTION

Date: _____

- | | |
|-----------------------------------|---------------------------------|
| <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: Railroad Project MOU

Recommended Action: Approve the MOU as presented

Background/Summary: A revised Memorandum of Understanding (MOU) has been prepared for the Willmar Wye project to enable the parties to again pursue a grant under the U.S.D.O.T. Transportation Investment Generating Economic Recovery program. The general terms and conditions of the new MOU mirror those of the MOU approved earlier in 2014, however, the new MOU extends the term of the MOU to 2017.

Alternatives: Do not approve the MOU

Financial Considerations: The City previously agreed to provide right-of-way for the project.

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

Signature:

Comments:

MEMORANDUM OF UNDERSTANDING

WILLMAR, MINNESOTA – WYE AND INDUSTRIAL SPUR

This Memorandum of Understanding ("**Memorandum**") is entered into this ____ day of _____, 2014 by and between BNSF Railway Company, a Delaware corporation ("**BNSF**"), the City of Willmar, Minnesota, ("**City**"), Kandiyohi County, Minnesota, ("**County**"), Kandiyohi County, the Kandiyohi County and the City of Willmar Economic Development Commission ("**EDC**"), and the State of Minnesota by and through its Department of Transportation ("**State**"). BNSF, City, County, EDC and State are collectively referred to as the "**Parties**".

This Memorandum identifies the general terms of a proposed agreement under which the Parties would be willing to pursue a definitive agreement regarding: (i) the creation of a Wye Connection track ("**Wye Track**") (ii) a rail spur extension into the City of Willmar Industrial Park ("**Rail Spur**"), and (iii) establishment of a public-private arrangement for shared funding of said Wye Track construction (matters (i), (ii) and (iii) collectively, "**Proposed Project**").

It is expressly understood by the Parties that unless expressly provided herein: (i) this Memorandum is not intended to represent a binding agreement between the Parties and (ii) the Parties have no obligation to incur costs relating to the Proposed Project, to perform planning, engineering or construction herein proposed, or to agree to any other portion of the Proposed Project. Within the context of that understanding, all statements applying present, transitive verbs (e.g. "will", "shall", etc.) should be construed as proposed terms to be included in a Definitive Agreement, which would incorporate the concept expressed in such statement.

By its execution hereof, each of the Parties represents that it has been duly authorized to sign this Memorandum. BNSF, City, County, EDC and State agree to discuss and negotiate in good faith using commercially reasonable efforts to further express the details, allocation of costs and other obligations relating to the Proposed Project as may be included in a Definitive Agreement. The proposed terms and conditions of this Memorandum are as follows:

Article I. Background and Proposed Project Outline

1. The Proposed Project consists of the construction of the Wye Track connection running north-south between the BNSF Railway Morris and Marshall subdivisions through the Project Area, as further illustrated in Exhibit "A" attached hereto. The Wye Track would enable through trains to bypass the existing yard, thus reducing the amount of in-town train traffic and at-grade crossing blockages in the central part of Willmar. In addition to the community and environmental benefits, the Wye Track would increase BNSF's operational flexibility and improve its environmental footprint. The Proposed Project would also result in expanded rail service opportunities to businesses and other users in the Park and greater Project Area.

2. As further detailed in this Memorandum, the Proposed Project would be funded by a public-private partnership of BNSF, City, County, EDC and State. The Proposed Project is of regional and national significance and, as such, could be a candidate for state and/or federal funding, including but not limited to funding under the Transportation Investment Generating Economic Recovery ("**TIGER**") grant program administered by U.S. Department of Transportation ("**USDOT**").

Article II. Public-Private Partnership: City, County, EDC, BNSF and State

1. The Parties acknowledge and agree that the Proposed Project is made viable only through a public-private partnership arrangement whereby BNSF, City, County, EDC and State would co-fund the Proposed Project, in addition to potential funding contributions from possible third party sources, including without limitation USDOT. It is also agreed that for purposes of the TIGER grant application, the State will be the lead applicant to the USDOT and the other Parties will be co-applicants for the Proposed Project.

2. Preliminary Engineering. BNSF would organize and fund preliminary engineering and environmental work ("**Preliminary Engineering**") at an estimated cost of \$300,000. The Preliminary Engineering would be conducted for the purpose of achieving the following goals:

- (i) To determine a final configuration of permanent physical structures comprising the proposed Wye Track, including the location of new track, the alteration of existing track, and the orientation of supporting structures;
- (ii) To develop a scope of work for the Proposed Project and cost estimates to a reasonably confident degree; and
- (iii) To identify and assess the Proposed Project from the standpoint of environmental risks and impact, right-of-way acquisition needs, and overall public and private benefits to the community.

BNSF reserves exclusive control of Preliminary Engineering and reserves the right to terminate in the event that findings produced in the course thereof reveal matters which, in BNSF's sole discretion, would materially impede BNSF's financial, legal or operational ability to continue pursuing the Proposed Project.

3. Supplemental Development Expenses. After reviewing the Preliminary Engineering, if the Parties determine that there is a mutual desire to continue developing the Proposed Project and pursue the Definitive Agreement, then it is anticipated that the Parties will assume shared financial responsibility in excess of the Preliminary Engineering, which may consist of actual funds or in-kind services provided by City, County, EDC, or third party partner(s).

4. TIGER Application. BNSF, City, County, EDC and State acknowledge that the Proposed Project and the Parties' ability to enter into a Definitive Agreement would be materially advanced by a commitment of TIGER funds from USDOT. The parties agree to coordinate efforts to timely submit application for TIGER funds as soon as reasonably possible after USDOT issues a 2015 notice of availability therefor. The Parties will cooperate and assist each other in good faith to procure any materials prerequisite to the TIGER application, as determined by USDOT. BNSF and City further agree to coordinate efforts to timely submit application for funding from other sources including State or other public agencies as soon as reasonably possible after notice of availability is issued by the applicable granting entity.

5. Permits and Other Government Approvals. BNSF, City, County, EDC and State, agree to cooperate in good faith in order to obtain any governmental permit, license or other approval reasonably necessary for the performance of obligations relating to the Proposed Project.

6. Timeline Goals. The Parties agree to advance discussions in contemplation of the following benchmark achievement dates:

- Memorandum executed December 15, 2014,
- Final Engineering completion April 1, 2015, and
- Public funding applications (including TIGER) April 2015.

7. Future Funding. It is anticipated that through the Public-Private Partnership, each party will contribute through financial means, in-kind services or products or other means. The Parties intend that the amounts of such future support for the Proposed Project will be addressed in the Definitive Agreement.

Article IV. BNSF Alternative Loop Track

1. Notwithstanding the foregoing, the Parties acknowledge that the Proposed Project is contingent on the ability of the Parties to provide and/or obtain outside funding and on uncertain social, governmental and economic circumstances and projections affecting business and operations, among other considerations.

2. Without limitation to BNSF's commitment to pursue the Proposed Project in cooperation with City and State as stated in this Memorandum, BNSF reserves the right to plan and conduct preliminary development of a loop track or other alternative track configurations intended to address BNSF's local and regional operational capacity needs. While the Parties agree to further explore the possibility of moving forward with the Proposed Project and entering into a Definitive Agreement regarding same, the Parties expressly acknowledge and agree that BNSF has the right, in its sole discretion, to pursue any final capacity-expanding project, whether the Proposed Project or an alternative, that best comports with BNSF's regional economic and business goals. City, County, EDC and State expressly acknowledge and agree that BNSF has no obligation to pursue further discussions with City and State regarding the Proposed Project if at any time during the BNSF Early Development BNSF determines, in its sole discretion, that the Proposed Project will not adequately meet BNSF's needs, that findings in BNSF Early Development in regards to costs, mitigation, operational flexibility, or other unforeseen conditions that will adversely impact BNSF.

Article V. Miscellaneous Provisions

1. Term. The term of this Memorandum ("**Term**") will begin on the date first written above or when all appropriate signatures of the Parties have been obtained, whichever is later. This Memorandum will remain in effect until the earliest of the following to occur:

- (i) the Parties agree in writing to terminate this Memorandum;
- (ii) the Parties fully execute the Definitive Agreement; or
- (iii) _____, 2017, unless mutually extended in writing by the Parties.

Upon expiration of the Term, the provisions of this Memorandum will become void and of no further force or effect.

2. Ancillary Costs Assumed by Individual Party. Separate from and in addition to the BNSF Development Expenses, any costs incurred by BNSF prior to the executed Definitive Agreement will be borne exclusively by BNSF. In addition any costs incurred by the other Parties prior to the executed Definitive Agreement will be borne exclusively by the Parties. Neither party will reimburse the other for such costs incurred.

3. Continuing Commitment to Negotiations. Subject to the provisions herein, the Parties agree to discuss and negotiate in good faith using commercially reasonable efforts to reach agreement with respect to the Proposed Project and a Definitive Agreement, including the application for and securing of TIGER funds or other publicly available funds and the allocation of responsibility for any future expenses.

4. Government Data. The parties acknowledge that this Memorandum, as well as any data created, collected, stored, or received under the terms of this Memorandum, are "Government Data" within the meaning of the Minnesota Government Data Practices Act (Minnesota Statutes chapter 13), and that they must comply with the provisions of the Act as it relates to such data.

Article VI. Non-Binding

The Parties understand and expressly acknowledge that this Memorandum outlines only certain general terms that might be included in a Definitive Agreement concerning the Proposed Arrangement, and that essential elements of a Definitive Agreement still remain to be negotiated and agreed upon by the Parties. It is the express mutual intention of the parties that, except as expressly stated to the contrary, this Memorandum shall not give rise to any legally binding contractual obligations between the Parties. Rather, this Memorandum only expresses the intention of the parties to conduct negotiations relative to the Proposed Project which may or may not result in the formation and consummation of a formal, binding Definitive Agreement. It is the express mutual intention of the Parties that, notwithstanding anything to the contrary contained herein, the execution of a formal, written Definitive Agreement by duly authorized representatives of the Parties is a condition precedent to the creation of a binding contractual relationship between the Parties and that no party hereto will be under any legal obligation of any kind whatsoever with respect to the Proposed Project by virtue of this or any other written or oral expression by it or by any of its representatives. Any party may, upon written notice, amend, or discontinue its role outlined in this Memorandum. Because of the mutual desire to proceed, each party fully intends to make a good faith effort to achieve the goals described above including working together to find mutually beneficial solutions when problems arise.

[Signature page follows]

This Memorandum is made effective and entered into by and between the Parties as of the date first set forth above.

BNSF:

BNSF Railway Company, a Delaware corporation

By: _____

Name: _____

Title: _____

CITY:

City of Willmar, Minnesota, a Minnesota municipal corporation

By: _____

Name: _____

Title: _____

COUNTY:

Kandiyohi County, Minnesota,

By: _____

Name: _____

Title: _____

EDC:

Kandiyohi County and City of Willmar Economic Development Commission, a political subdivision of the State of Minnesota

By: _____

Name: _____

Title: _____

STATE:

Minnesota Department of Transportation

By: _____

Name: _____

Title: _____

Date: _____

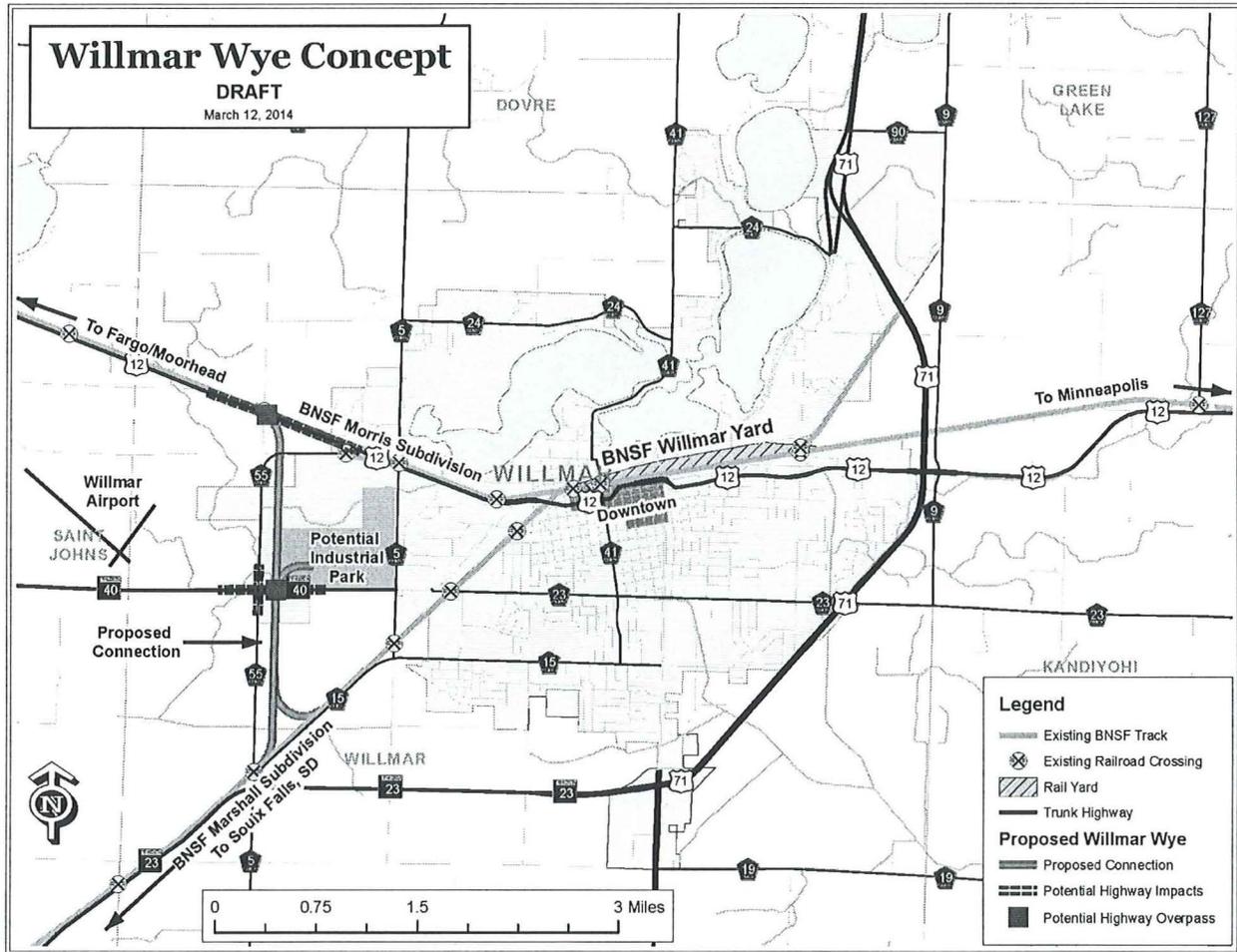
MnDOT Contract Management
(as to form)

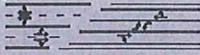
By: _____

Date: _____

EXHIBIT "A"

Illustration of Proposed Project and Wye Track





Willmar Highway 12 Corridor Vision Plan

Between County Road 5 (30th Street SW) and 45th Street SE

Final Study Report

Prepared for MnDOT, City of Willmar, and Kandiyohi County

1.0 INTRODUCTION

Decisions about transportation and land use are inseparably linked. Poorly coordinated land use and transportation planning can lead to inefficient development patterns that can limit economic development opportunities and adversely affect highway mobility and safety. Well-coordinated planning, as demonstrated by the Highway 12 Corridor Vision Plan, helps multiple jurisdictions work together to identify transportation investments that support vibrant, healthy communities, and to make land use decisions that maximize transportation system performance.

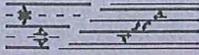
In January 2014, the Minnesota Department of Transportation (MnDOT), City of Willmar, and Kandiyohi County, initiated a transportation and land use planning process focused on identifying the long-term “vision” for an approximate 5-mile stretch of Trunk Highway 12 through the City of Willmar.

The purpose of the Highway 12 Corridor Vision Plan is to provide a framework to make informed decisions, manage growth in an orderly fashion and guide development/redevelopment of the physical environment. The plan is intended to provide the City of Willmar with a corridor vision plan map for Highway 12 that recommends the type of highway section needed in the future and where candidate access modifications should be considered as opportunities occur over time. In addition, this plan offers a vision for the study area’s future development patterns and streetscape opportunities to enhance corridor aesthetics and create a gateway identity.

Through the study process, the project partners (MnDOT, City of Willmar, and Kandiyohi County) identified a Corridor Vision Statement that was developed with the consideration of key findings related to the existing conditions along the corridor and by integrating public input generated as part of the public outreach from the corridor study. The Highway 12 Corridor Vision Statement is as follows:

“Highway 12 through the City of Willmar will facilitate the efficient movement of citizens, visitors, and commerce within and through the city on a safe, well maintained, convenient, coordinated, and fiscally responsible route using a balanced approach of land use and transportation policies and investments.”





The Highway 12 Corridor Vision Plan is designed to complement the City of Willmar's Comprehensive Plan and support land use policies, standards, and regulations. This is a working document and can assist the study partners in prioritizing and coordinating the implementation of future land use and transportation improvement projects. The plan considers influences within the study area as well as surrounding factors. The full implementation of this vision is targeted over the next five, ten and even twenty years and will serve as a blueprint guide to help the City of Willmar continue to provide services in a planned and organized fashion and help to make the community's visions a reality.



Highway 12 looking west toward Lakeland Drive intersection



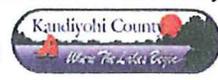
Highway 12 east of TH 23/71 interchange

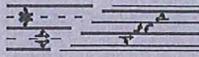


Downtown Willmar looking east along Highway 12



Highway 12 looking east at County Road 5 intersection





2.0 STUDY PROCESS OVERVIEW

The Highway 12 Corridor Vision Plan planning process was kicked off in January 2014 and was conducted in four primary phases: Data Collection, Stakeholder Involvement, Conceptual Analysis, and Recommendation phases. The process was led by a Technical Advisory Team (TAT) consisting of staff from MnDOT, City of Willmar, Kandiyohi County, and their consultant. In addition, a Project Advisory Committee (PAC) was formed, which was made up of community leaders, area stakeholders, and local business owners. These advisory groups helped define the study area's existing conditions and future transportation and land use needs.

Data Collection Phase

During the Data Collection Phase, the Highway 12 Existing Conditions and Corridor Issues Technical Memorandum and Highway 12 Corridor Study Goals & Objectives Technical Memorandum were prepared. This phase established a further understanding of the corridor study area. The TAT compiled data through existing ordinances, plans, maps, studies, and GIS datasets. Site visits along the corridor were also conducted to compile and confirm essential baseline information.

Planning Phases

Data Collection

- Gather Existing Conditions
- Review Past Plans/Studies
- Set Study Goals & Objectives
- Identify Stakeholders

Stakeholder Involvement

- Focus Group Meetings
- Issues Identification
- Council/Board Updates
- PAC meetings

Conceptual Analysis

- Capacity, Mobility, Safety
- Development Opportunities
- Property Access
- Connectivity
- Aesthetics

Recommendations

- Vision Concept Layout/Map
- Overlay Zoning Ordinance
- Implementation Tools
- Plan Review & Adoption

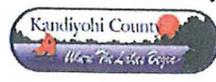
Key Tasks Completed

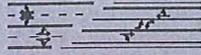


Picture taken during a focus group meeting for the Highway 12 Study.

Stakeholder Involvement Phase

The planning process engaged the study area property owners and business owners to build consent on the long-term vision plan. A series of focus group meetings were held in March 2014 to identify issues and seek public information for targeted areas along the corridor (East Business Group, Residential Group, Downtown District Group, West Business Group, and Emergency Service Providers). Participants in the focus group meetings were asked to share their issues, concerns, and desires for transportation and land use improvements within the corridor study area.





As mentioned above, a PAC was also formed that included stakeholders that represented community interests throughout the corridor study area. The PAC meetings were held to present ideas and gather feedback.

Conceptual Analysis Phase

During the Conceptual Analysis Phase, the TAT gave thorough consideration to observations, existing conditions and data gathered from the previous phases. Issues were categorized and presented on an "Issues Map". Potential recommendations were explored that included a corridor vision conceptual layout. The conceptual layout illustrated the recommended highway section, typical section(s), candidate access modification locations, and planned improvements near the Highway 12/Highway 71 interchange. The TAT team received feedback regarding critical issues and further refined the conceptual layout based on comments.

Recommendations Phase

The information developed and refined during the Conceptual Analysis Phase was then blended into strategies. A clear vision with recommendations was developed and implementation tools were outlined. This final Highway 12 Corridor Vision Plan will be presented to the Willmar City Council and Kandiyohi County Board.



Highway 12 supports Agri-Business and the movement of goods/products to market.



Looking west along Highway 12 near the 3rd Street intersection in the downtown district.

December 12, 2014

Memorandum

To: Bruce Peterson, Planning and Development Director, City of Willmar
Willmar City Council Finance Committee

From: Jill Bengtson

RE: Request for 2012 Small Cities Development Program Grant Extension

The 2012 Small Cities Development Program is scheduled to expire on December 31, 2014. In 2013, Minnesota Housing allocated the Willmar HRA low income housing tax credits to rehab Highland Apartments. When Minnesota Housing reviews tax credit applications, it consults with the Minnesota Department of Employment and Economic Development which provides additional funds to the application process. At that time, DEED contacted the HRA and requested the 2012 SCDP funds reserved for rental rehab be applied to the Highland Tax Credit project. Because Minnesota Housing will not be closing on the Highland Tax Credit project before December 31, 2014, a request needs to be made to DEED to extend the City's Grant Agreement into 2015 so the Small Cities funds can be utilized on the project.

The City is also required to have a public hearing to expand the original program target area to include Highland Apartments location. Highland Apartments is located just outside the current First Street boundary.

The HRA respectfully requests the City make a request to MN DEED to extend the 2012 SCDP into 2015 and set a public hearing date to consider expanding the current SCDP target area.

	A	D	E	F	G	H	I	J	K	L	M	N
1	WILLMAR REHAB COSTS											
2												
3												
4												
5												
6		SCDP	A.H.P	CRV	MHFA	GMHF	LEAD	HRA	PRIVATE	PROGRAM	TOTAL	Program
7										INCOME	REHAB	Funds Remaining
8												\$210,000 available
9	1	\$19,196.00									\$19,196.00	done
10	2	\$9,693.00						\$4,154.00			\$13,847.00	done
11	3	\$14,639.00									\$14,639.00	done
12	4	\$21,301.00									\$21,301.00	
13	5	\$11,456.00									\$11,456.00	
14	6	\$16,003.00						\$6,859.00			\$22,862.00	done
15	7	\$22,630.00						\$10,000.00			\$32,630.00	done
16	8	\$4,946.00									\$4,946.00	done
17	9	\$14,416.00						\$6,179.00			\$20,595.00	done
18	10	\$23,466.00									\$23,466.00	done
19	11	\$20,137.00						\$8,630.00			\$28,767.00	done
20	12	\$19,856.00									\$19,856.00	
21	13	\$21,567.00						\$9,243.00			\$30,810.00	
22	14										\$0.00	
23	15										\$0.00	
24	16										\$0.00	
25		\$219,306.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$45,065.00	\$0.00	\$0.00	\$264,371.00	-\$9,306.00
26												
27		\$21,930.60	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$15,021.67	\$0.00	\$0.00	\$26,437.10	
28												
29	RAYMOND REHAB COSTS											
30												
31												
32		SCDP	A.H.P	CRV	MHFA	GMHF	LEAD	HRA	HOME	PROGRAM	TOTAL	
33									OWNER	INCOME	REHAB	
34												\$270,000 available
35	1	\$19,688.00							\$2,188.00		\$21,876.00	done
36	2	\$16,696.00									\$16,696.00	done
37	3	\$20,199.00									\$20,199.00	done
38	4	\$7,419.00							\$3,180.00		\$10,599.00	done
39	5	\$11,202.00									\$11,202.00	done
40	6	\$15,574.00							\$6,675.00		\$22,249.00	done
41	7	\$17,217.00							\$7,379.00		\$24,596.00	done
42	8	\$11,781.00							\$0.00		\$11,781.00	done
43	9	\$0.00									\$0.00	will not go forward
44	10	\$12,980.00									\$12,980.00	done
45	11	\$19,743.00									\$19,743.00	done
46	12	\$18,705.00							\$0.00		\$18,705.00	done
47	13	\$25,069.00						\$5,000.00	\$5,744.00		\$35,813.00	done
48	14	\$15,589.00							\$6,681.00		\$22,270.00	
49	15	\$13,147.00									\$13,147.00	
50												
51												
52		\$225,009.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$25,166.00	\$0.00	\$261,856.00	\$44,991.00
53												
54		\$20,455.36	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,287.82	\$0.00	\$23,805.09	

	A	D	E	F	G	H	I	J	K	L	M	N	O	P	
1	DOWNTOWN COMMERCIAL REHAB COSTS														
2															
3															
4															
5															
6		SCDP	A.H.P	CRV	MHFA	GMHF	LEAD	HRA	PRIVATE	PROGRAM	TOTAL	Program			
7										INCOME	REHAB	Funds Remaining			
8												\$267,800.00 available			
9	1	\$30,000.00						\$12,000.00	\$31,030.00		\$73,030.00	done			
10	2	\$25,375.00						\$10,150.00	\$15,225.00		\$50,750.00				
11	3	\$30,000.00						\$12,000.00	\$27,172.00		\$69,172.00	done			
12	4	\$28,821.00						\$11,528.00	\$17,293.00		\$57,642.00				
13	5	\$29,272.00						\$11,709.00	\$17,563.00		\$58,544.00				
14	6	\$29,462.00						\$11,785.00	\$17,677.00		\$58,924.00				
15	7	\$30,000.00						\$12,000.00	\$38,058.00		\$80,058.00	done			
16	8	\$0.00									\$0.00				
17	9	\$21,144.00						\$8,458.00	\$12,686.00		\$42,288.00	done			
18	10	\$30,000.00						\$12,000.00	\$18,660.00		\$60,660.00	projected			
19	11										\$0.00				
20	12										\$0.00				
21	13										\$0.00				
22	14														
23	15														
24	16														
25		\$254,074.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$101,630.00	\$195,364.00	\$0.00	\$551,068.00	\$13,726.00			
26															
27		\$84,691.33	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$33,876.67	\$65,121.33	\$0.00	\$183,689.33				
28															
29	DOWNTOWN RENTAL REHAB COSTS														
30															
31															
32		SCDP	A.H.P	CRV	MHFA	GMHF	LEAD	HRA	HOME	PROGRAM	TOTAL				
33									OWNER	INCOME	REHAB				
34												\$196,350.00 available			
35	1	\$166,681.00									\$166,681.00				
36	2	\$14,016.00							\$7,008.00	\$7,008.00	\$28,032.00	done			
37	3	\$7,980.00							\$3,990.00	\$3,990.00	\$15,959.00	done			
38	4	\$7,673.00							\$3,592.00	\$3,592.00	\$14,367.00	done			
39	5										\$0.00				
40	6										\$0.00				
41	7										\$0.00				
42	8										\$0.00				
43															
44															
45		\$196,350.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$14,590.00	\$14,590.00	\$225,039.00	\$0.00			
46															
47		\$65,450.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$7,295.00	\$7,295.00	\$75,013.00				