

**COMMUNITY DEVELOPMENT COMMITTEE
MINUTES**

The Community Development Committee of the Willmar City Council met on Thursday, November 12, 2015, in Conference Room No. 1 at the City Office Building.

Present:	Rick Fagerlie	Chair
	Andrew Plowman	Vice Chair
	Audrey Nelsen	Member
	Tim Johnson	Member

Others present: Bruce Peterson - Director of Planning and Development Services, Steve Ahmann-Council Member, Steve Renquist - EDC Director, and Jim Sieben-MinnWest Technology Campus.

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 EDC Prospective Project (For Information Only)

Steve Renquist, Executive Director of the City and County Economic Development Commission, informed the Committee that the City has an opportunity to recruit a business to the City that is currently operating elsewhere in the County. The business is strongly considering a move from its present location and has received much interest from metropolitan communities. The business currently has local and Florida operations.

The company has expressed interest in Willmar, but has raised questions about economic development tools and incentives. They are looking for a commercial, non-industrial site. State programs will be investigated. However, the City may be asked to consider tax increment financing or tax abatement. Mr. Renquist said that he would return in the near future with additional information.

Item No. 4 MinnWest Technology Campus Tax Abatement Request(Motion)

Staff provided background information about the development of the MinnWest Technology Campus and the benefits of JOBZ and tax abatement in assisting in that growth. It has been proposed that the parcels that were in the JOBZ program be considered for a new tax abatement. The current City portion of real estate taxes for the JOBZ parcels is approximately \$41,600 per year.

Jim Sieben, Campus President, presented information showing the growth of tax base and employment at MinnWest. As of today, there are 450 employees in 32 companies operating on the campus. There has been \$16 million dollars invested in the campus to-date. A significant additional investment for the future is planned. Mr. Sieben also presented information depicting the monetary value of employees to the community, and related that information to the job growth on the campus. Mr. Sieben said that the campus, although on the right track, has not yet turned the corner on profitability. He requested a ten-year tax abatement on those parcels that are coming out of the JOBZ program. The county and school district will be asked to participate in the abatement.

The Committee discussed the past use of JOBZ and tax abatement on the campus. The success of the campus redevelopment was noted. Staff was asked for its recommendation. Staff recommended that the Council pursue a business subsidy agreement for a ten-year abatement with the terms to be determined by the Council and to include job creation and capital investment goals.

A motion was made by Council Member Nelsen, seconded by Council Member Plowman and passed that the Council pursue a business subsidy agreement for a ten-year tax abatement at 100% of the City's portion of taxes on the former JOBZ parcels. Also, that goals be included in the business subsidy agreement requiring the creation of 175 jobs and an additional eight million dollars in capital investment by the end of the ten year period.

Item No. 5 Industrial Park Update (For Information Only)

Staff brought the Committee up-to-date regarding development of the Willmar Industrial Park Fourth Addition on the west side of County State Aid Highway 5. It was noted that the northern two-thirds of the plat have been completed with curb and gutter and a first course of bituminous. The balance of the work will be completed in the spring of 2016. That work was delayed due to soil conditions.

The Committee was also informed about a contact from an out-of-county company interested in moving a business with 30 employees into the newest addition of the park. Discussion concluded by staff outlining the possible route for a future rail spur and opportunities for rail-based development on the west side of the expanded industrial park.

Item No. 6 Construction Update (For Information Only)

Staff presented information about construction values to-date in 2015 and offered a projection that values would be significantly higher in 2016.

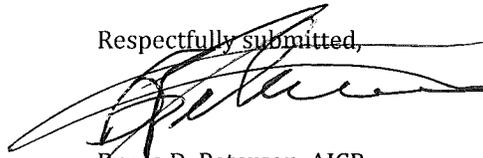
Item No. 7 New Business

The Committee discussed local economic development relationships involving the City, EDC, Chamber of Commerce, Willmar Area Development Corporation and Vision 2040 group.

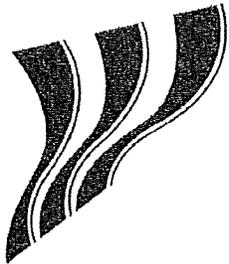
On a final matter the Committee requested that staff review the Industrial Park listing agreement and to bring forth recommendations for changes if warranted.

There being no further business to come before the Committee, the meeting was adjourned at 5:45 p.m. by Chair Fagerlie.

Respectfully submitted,



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



CITY OF WILLMAR, MINNESOTA
REQUEST FOR COMMITTEE ACTION

Agenda Item Number: 3

Meeting Date: November 12, 2015

Attachments: Yes No

CITY COUNCIL ACTION

Date: _____

- Approved Denied
 Amended Tabled
 Other

Originating Department: Planning and Development Services

Agenda Item: EDC Prospective Project/Office Relocation

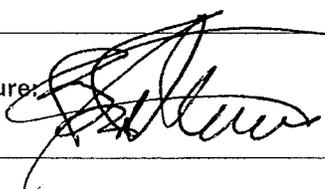
Recommended Action: Receive for information

Background/Summary: Steve Renquist, Executive Director of the City/County EDC will be present to discuss a possible office development project. The project involves the relocation of an office use from elsewhere in the County to the City of Willmar. The business owner has indicated an interest in economic development incentives. More information will be presented at the meeting.

Alternatives: N/A

Financial Considerations: To be determined

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

Signature: 

Comments:

Bruce Peterson

From: Steve Behrenbrinker
Sent: Thursday, November 05, 2015 3:49 PM
To: Bruce Peterson
Subject: JobZ Summary

Bruce, these are the JobZ parcels in the city. They all qualify for the program for 2015 payable 2016. If you need anything else let me know. Steve

PIN	Name	JobZ Value	City's Share of 2015 Tax (if Taxable)
95.508.0240	Nova Tech	\$1,038,600	\$6,800
95.508.0250	Nova Tech	\$980,400	\$6,500
95.508.0260	Nova Tech	\$215,700	\$1,400
95.508.0270	Nova Tech	\$836,700	\$5,500
95.508.0300	Nova Tech	\$ 197,100	\$1,300
95.508.0310	Nova Tech	\$49,400	\$300
95.508.0380	Epitopix	\$1,018,500	\$6,700
95.508.0400	Life Science	\$1,990,400	\$13,100
95.870.0300	ISCO	\$1,823,400	\$12,000
95.921.5854	Bernicks	\$1,290,000	\$8,800
Totals		\$9,440,200	\$62,400 <i>\$41,600</i>

Estimated Value of new employees to the community

Item	Benefiting	Factor		1		10		50		300		300 employees times 20 years in the community		4 Times community bounce	
		1	1	New Employee	New Employees										
Salary	Employee	\$	45,000	\$	450,000.00	\$	2,250,000.00	\$	13,500,000.00	\$	486,000,000.00	\$	1,944,000,000.00		
State/Local Tax	State Gov	\$	3,375	\$	33,750.00	\$	168,750.00	\$	1,012,500.00	\$	36,450,000.00	\$	145,800,000.00		
FICA	FICA	\$	3,600	\$	36,000.00	\$	180,000.00	\$	1,080,000.00	\$	38,880,000.00	\$	155,520,000.00		
Fed Tax	Fed Gov	\$	4,500	\$	45,000.00	\$	225,000.00	\$	1,350,000.00	\$	48,600,000.00	\$	194,400,000.00		
		\$	-	\$	-	\$	-	\$	-	\$	-	\$	-		
Home	Perkins Lumber and Builder	\$	200,000	\$	2,000,000.00	\$	10,000,000.00	\$	60,000,000.00	\$	2,160,000,000.00	\$	8,640,000,000.00		
House payment	Bremer Bank	\$	14,400	\$	144,000.00	\$	720,000.00	\$	4,320,000.00	\$	155,520,000.00	\$	622,080,000.00		
Real estate Tax	County, City, and School	\$	1,750	\$	17,500.00	\$	87,500.00	\$	525,000.00	\$	18,900,000.00	\$	75,600,000.00		
Nat Gas	Excel Energy	\$	1,000	\$	10,000.00	\$	50,000.00	\$	300,000.00	\$	10,800,000.00	\$	43,200,000.00		
Electricity	Kandi Power/Municipal Utilities	\$	1,000	\$	10,000.00	\$	50,000.00	\$	300,000.00	\$	10,800,000.00	\$	43,200,000.00		
telephone	Quest	\$	400	\$	4,000.00	\$	20,000.00	\$	120,000.00	\$	4,320,000.00	\$	17,280,000.00		
Cell phone	Midwest Wireless	\$	600	\$	6,000.00	\$	30,000.00	\$	180,000.00	\$	6,480,000.00	\$	25,920,000.00		
Cable TV	Charter	\$	400	\$	4,000.00	\$	20,000.00	\$	120,000.00	\$	4,320,000.00	\$	17,280,000.00		
Internet	Charter	\$	200	\$	2,000.00	\$	10,000.00	\$	60,000.00	\$	2,160,000.00	\$	8,640,000.00		
Food	Cashwise	\$	2,000	\$	20,000.00	\$	100,000.00	\$	600,000.00	\$	21,600,000.00	\$	86,400,000.00		
Entertainment	Theater	\$	600	\$	6,000.00	\$	30,000.00	\$	180,000.00	\$	6,480,000.00	\$	25,920,000.00		
Home improvement	Home Depot	\$	400	\$	4,000.00	\$	20,000.00	\$	120,000.00	\$	4,320,000.00	\$	17,280,000.00		
Clothes	Mall	\$	250	\$	2,500.00	\$	12,500.00	\$	75,000.00	\$	2,700,000.00	\$	10,800,000.00		
Misc and Savings	Employee	\$	400	\$	4,000.00	\$	20,000.00	\$	120,000.00	\$	4,320,000.00	\$	17,280,000.00		
		\$	-	\$	-	\$	-	\$	-	\$	-	\$	-		
Car	Mills Auto	\$	28,000	\$	280,000.00	\$	1,400,000.00	\$	8,400,000.00	\$	302,400,000.00	\$	1,209,600,000.00		
Car payment	Heritage Bank	\$	6,500	\$	65,000.00	\$	325,000.00	\$	1,950,000.00	\$	70,200,000.00	\$	280,800,000.00		
Gas	Gas Stations	\$	1,500	\$	15,000.00	\$	75,000.00	\$	450,000.00	\$	16,200,000.00	\$	64,800,000.00		
Car repair	Bumper to Bumper	\$	325	\$	3,250.00	\$	16,250.00	\$	97,500.00	\$	3,510,000.00	\$	14,040,000.00		
		\$	-	\$	-	\$	-	\$	-	\$	-	\$	-		
Boat/Motorcycle	Little Crow Sports	\$	15,000	\$	150,000.00	\$	750,000.00	\$	4,500,000.00	\$	162,000,000.00	\$	648,000,000.00		
Boat payment	Home State Bank	\$	1,500	\$	15,000.00	\$	75,000.00	\$	450,000.00	\$	16,200,000.00	\$	64,800,000.00		
Gas	Gas Stations	\$	300	\$	3,000.00	\$	15,000.00	\$	90,000.00	\$	3,240,000.00	\$	12,960,000.00		
Total	Everyone	\$	45,000	\$	450,000.00	\$	2,250,000.00	\$	13,500,000.00	\$	486,000,000.00	\$	1,944,000,000.00		

Column H takes into account inflation and salary increases @ 3% per year over 20 years

Column H shows only the value of these dollars on the first bounce through the community

In the last column it is estimated that these dollars will bounce through the community 4 times ???

In the last column it is assumed that the house is purchased only once in 20 years

In the last column it is assumed that the boat/motorcycle/snowmobile purchased only twice in 20 years

In the last column it is assumed that the car purchased 4 times in 20 years

All remaining numbers are annually



CITY OF WILLMAR, MINNESOTA
REQUEST FOR COMMITTEE ACTION

Agenda Item Number: 5

Meeting Date: November 12, 2015

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: Industrial Park Update

Recommended Action: Receive for information

Background/Summary: Staff will present an update on industrial park development. Included will be discussion of a potential business relocation from a neighboring County to the newest phase of the Willmar Industrial Park. Staff has met with the business and discussed the land write-down policy for the land acquisition. The business has expressed great interest in making a decision soon. Staff will answer questions as they arise.

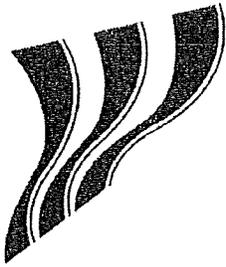
Alternatives: N/A

Financial Considerations: To be determined

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

Signature:

Comments:



CITY OF WILLMAR, MINNESOTA
REQUEST FOR COMMITTEE ACTION

Agenda Item Number: 6

Meeting Date: November 12, 2015

Attachments: Yes No

CITY COUNCIL ACTION

Date: _____

- Approved Denied
 Amended Tabled
 Other

Originating Department: Planning and Development Services

Agenda Item: Construction Update

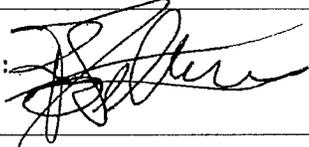
Recommended Action: Receive for information

Background/Summary: Staff will present an update on construction valuations and fee collections through the end of October, and will provide a comparison with the same period for 2014.

Alternatives: N/A

Financial Considerations: N/A

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

Signature: 

Comments:

Monthly Grand Totals

419 \$33,910,240.28 167,215.89 \$90,198.12 \$16,920.58 \$275,395.11

YTD Totals

From 01/01/2015 To 10/31/2015

Use	Count	Value	Building	Planchek	Surcharge	Total
Churches/Schools	1	\$1,500,000.00	\$6,387.25	\$4,151.71	\$750.00	\$11,388.96
Commercial Add/Alter	68	18,884,780.15	\$82,361.74	\$51,341.66	\$9,404.01	\$143,987.93
Commercial New	4	\$6,329,502.00	\$22,267.75	\$14,474.04	\$3,164.76	\$39,906.55
Garage/Shed	10	\$271,697.24	\$3,542.00	\$1,416.80	\$135.84	\$5,174.64
Mobile Home In/Out	20	\$0.00	\$1,345.00	\$0.00	\$5.00	\$1,350.00
Move/Raze	16	\$0.00	\$1,130.00	\$0.00	\$0.00	\$1,130.00
New Single-Family Dwelling	11	\$3,288,368.02	\$19,605.75	\$9,280.02	\$1,644.20	\$30,529.97
New Two-Family Dwelling	5	\$1,563,679.10	\$9,761.25	\$3,904.50	\$781.83	\$14,447.58
Residential Add/Alter	284	\$2,072,213.77	\$20,815.15	\$5,629.39	\$1,034.94	\$27,479.48
YTD Grand Totals	419	\$33,910,240.28	\$167,215.89	\$90,198.12	\$16,920.58	\$275,395.11

Residential Add/Alter

From 10/01/2014 To 10/31/2014

Permit No.	Date Paid	Owner	Address	Parcel	Contractor	Use	Value	Building	Planchek	Surcharge	Total	Receipt No
22852	10/28/2014	APOLINAR DOMINGUEZ	913 20TH Avenue SE	95-138-0110	AHMANN CONSTRUCTION OF WILLMAR, INC	Residential Add/Alter	\$1,500.00	\$48.50	\$19.40	\$0.75	\$68.65	99389
22657	10/23/2014	JOE KOTZENMACHER	1308 19TH Avenue SE	95-143-0150	SELF	Residential Add/Alter	\$2,500.00	\$30.00	\$0.00	\$1.25	\$31.25	99363
Monthly Totals						28	\$126,848.44	\$1,626.00	\$236.80	\$63.44	\$1,926.24	
Monthly Grand Totals						53	\$2,705,500.52	\$19,252.50	\$7,427.92	\$1,352.78	\$28,033.20	

YTD Totals

From 01/01/2014 To 10/31/2014

Use	Count	Value	Building	Planchek	Surcharge	Total
Churches/Schools	3	\$798,102.00	\$5,156.75	\$3,351.88	\$399.05	\$8,907.68
Commercial Add/Alter	83	\$11,330,018.76	\$57,131.03	\$32,193.91	\$5,631.20	\$94,956.14
Commercial New	17	\$8,433,699.53	\$99,748.75	\$63,109.46	\$14,216.84	\$177,075.05
Garage/Shed	7	\$95,432.46	\$1,510.75	\$722.93	\$47.71	\$2,281.39
Mobile Home In/Out	8	\$0.00	\$250.00	\$0.00	\$0.00	\$250.00
Move/Raze	24	\$0.00	\$2,745.00	\$0.00	\$0.00	\$3,045.00
New Single-Family Dwelling	10	\$3,186,580.97	\$19,674.00	\$8,220.16	\$1,593.28	\$29,487.44
New Two-Family Dwelling	3	\$907,238.76	\$5,706.75	\$1,712.02	\$453.63	\$7,872.40
Residential Add/Alter	246	\$1,817,840.15	\$17,297.25	\$4,019.90	\$907.44	\$22,304.59
YTD Grand Totals	401	\$46,568,912.63	\$209,220.28	\$113,330.26	\$23,249.15	\$346,179.69