

COMMUNITY DEVELOPMENT COMMITTEE

MINUTES

The Community Development Committee of the Willmar City Council met on Thursday, March 27, 2014, in Conference Room No. 1 at the City Office Building.

Present:	Rick Fagerlie	Chair
	Denis Anderson	Member
	Jim Dokken	Member
	Tim Johnson	Member

Others present: Frank Yanish, Mayor; Audrey Nelsen, Council Member; Ron Christianson, Council Member; Steve Ahmann, Council Member; Bruce Peterson, Director of Planning and Development Services; Charlene Stevens, City Administrator; Dean Shuck, County Commissioner; Larry Kleindl, County Administrator; Randy Alsleben, Jennie-O Turkey Store; Steve Renquist, EDC; Jean Spaulding, EDC; Gary Danielson, County Engineer; Marv Calvin, Kathy Schwantes, Ryan Raske, AECOM; Jesus Celis, BNSF; and 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 BNSF Wye Track Project (Motion)

Ryan Raske of AECOM, assisted by Jesus Celis of BNSF Railroad, presented information to the Committee regarding a proposed TIGER grant for construction of a wye/by-pass west of Willmar. TIGER stands for Transportation Investment Generating Economic Recovery. Project partners have been BNSF, MnDOT, City of Willmar, Kandiyohi County, and the EDC.

A PowerPoint presentation was viewed and discussed (see attachment.) Track and route geometrics were presented. Several minor roads will require rerouting and an at-grade crossing will be constructed at County Road 55. Road-over-rail overpasses would be constructed on Highway 12 and Highway 40. The typical railroad right-of-way width will be 150'. A combination of private and municipal property takes are needed. Approximately 27 acres of City-owned property and 103 acres of privately owned property is needed for the railroad and overpass right-of-ways. Most private property owners have been receptive to the project.

A memorandum of understand (MOU) has been prepared that spells out generally the responsibilities of all parties to the project. If the TIGER grant is unsuccessful, none of the parties will be held responsible for claims made in the MOU. Project benefits include: a reduction in blocked crossings, less train horn noise, fewer idling trains, lower emissions, and an increase in economic development potential. The project would allow for a switch and siding into the west end of the new industrial park. It was estimated that 7-10 trains per day would be diverted due to the construction of the wye/bypass, significantly reducing the amount of traffic in and out of the Willmar yard.

Council Member Dokken proposed a public meeting to get citizen input. Mr. Raske said that the grant application was due on April 28, 2014 with all information to be submitted by April 21, 2014. It is anticipated that the grant award will occur in September 2014. Design will take a full year and construction could begin in 2016. The Committee discussed the project in depth including preliminary costs and benefits to the community.

Following discussion, a motion was made by Council Member Anderson, seconded by Council Member Johnson, to recommend that the City approve entering into the MOU, participating as a co-applicant, and providing the right-of-way for the project across City property, subject to a future hearing and ordinance. The motion carried.

Item No. 4 Jennie-O Turkey Store Project (Motions)

Staff presented additional information regarding the Jennie-O Turkey Store project. The process for land transfers was discussed. The relationship between the purchase agreement and subsequent development agreement was also discussed. It was noted that the job creation and retention goals for the project would be audited in the annual business subsidy reports that are submitted to the State of Minnesota. Discussion concluded by the Committee reviewing the application of employment credits from Phase I to Phase II, and the mechanism to make it happen. It was acknowledged that the exact impact of the industrial land write-down policy on the purchase prices for both phases of the project would not be known until the projects are completed. Language in the business subsidy and development agreements will address this issue.

Following discussion, a motion was made by Council Member Anderson, seconded by Council Member Fagerlie, to recommend that the City approve the purchase agreement and right of first refusal in substantial conformance with the draft, subject to the public hearing and ordinance adoption. The motion carried 2 to 1, with Council Member Dokken voting "No" and Council Member Johnson abstaining.

Staff presented information to the Committee regarding the proposed tax increment financing program for the project. Timeframes and steps to follow were discussed at length. In order to stay on schedule and to meet the statutory timeframes, staff said it was necessary for the Committee to set a public hearing for the tax increment financing plan. In the interim, staff will be providing information to the County and School District regarding the potential financial impacts on those taxing jurisdictions.

A motion was made by Council Member Fagerlie, seconded by Council Member Johnson, that the City set a hearing on the Jennie-O Turkey Store Tax Increment Financing Plan for May 5, 2014. The motion carried.

Item No. 5 Old Business

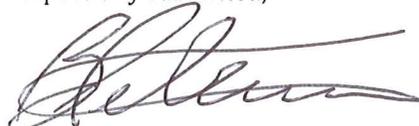
Staff provided an update on the Rule Tire project. An offer by an adjacent property owner to buy one of the decrepit buildings was discussed. Staff recommended that there be no sale of buildings, and that the City proceed with demolition as planned due to the extremely poor condition of the structures.

Item No. 6 New Business

There was no new business to come before the Committee.

There being no further business to come before the Committee, the meeting was adjourned at 5:50 p.m. by Chair Fagerlie.

Respectfully submitted,



Bruce Peterson, AICP
Director of Planning and Development Services