

COMMUNITY DEVELOPMENT COMMITTEE MINUTES

The Community Development Committee of the Willmar City Council met on Monday, August 10, 2020, by means of GoToMeeting.

<i>Present:</i>	Rick Fagerlie	Chair
	Julie Asmus	Council Member (in place of Vicki Davis)
	Audrey Nelson	Council Member (in place of Shawn Mueske)
	Kathy Schwantes	Council Member

Others Present

Dave Ramstad, Director of Planning and Development Services
Robert Scott, City Attorney

Item No. 1 Call to Order

The meeting was called to order at 5:17 p.m.

Item No. 2 Roll Call

Item No. 3 Discussion Items

There were no public comments.

Item No. 4 Action Items

a. Second Batch of Additional Renaissance Zone Incentives

Staff presented the history on the Renaissance Zone adopted by City Council on May 4, 2020. Staff then presented a revised tax abatement policy that included special conditions and the parameters for developers to receive special abatement considerations by the City as part of the Renaissance Zone Overlay District. The policy revisions do not prevent non-renaissance-zone abatements from occurring as part of the traditional zoning underlying the Renaissance Zone or in any other surrounding areas. The proposed amendments to the existing City tax abatement policy establishes a separate standardized process for projects that meet Renaissance Zone design criteria, so that said projects may be considered on a priority basis by the City.

A motion was made by Councilmember Schwantes, seconded by Councilmember Asmus recommending that the City Council adopt the revised City Tax Abatement Policy.

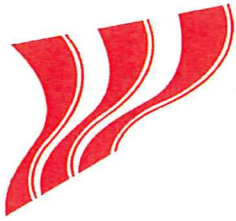
The motion carried.

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

Respectfully submitted,



David P. Ramstad, PhD
Director of Planning and Development Services



City Council Action Request

Council Meeting Date:	08/17/2020	Agenda Item Number:	11.a
Agenda Section:	Community Development	Originating Department:	Planning and Development Services Department
Resolution	Yes	Prepared by:	David Ramstad Director, Planning and Development
Ordinance	No	Reviewed By:	Brian Gramentz, City Administrator
No. of Attachments	4	Presented By:	David Ramstad Director, Planning and Development
Item:	Revise City's existing tax abatement policies to include a priority abatement incentive for the new Renaissance Zone Overlay District.		

RECOMMENDED ACTION:

Motion By: _____ Second By: _____, for the City Council to adopt the resolution approving revised city tax abatement policies.

COMMITTEE/BOARD/COMMISSION RECOMMENDATION:

It was the Community Development Committee's recommendation for the City Council to adopt the resolution to establish priority tax abatement policies for new Renaissance Zone Overlay District.

OVERVIEW:

On May 4th, 2020, the City Council adopted the Renaissance Zone, which is a new zoning overlay district encompassing the Central Business (CB) district and adjacent areas. The new district is a 5-year pilot program intended to encourage economic development. This district will offer greater flexibility relative to zoning requirements otherwise imposed by the underlying zoning districts and is regulated by Section 12 of the Zoning Ordinance, and defines the geographical boundaries within which certain development incentives will be targeted. When the council adopted the ordinance establishing the overlay district, it also removed parking restrictions on Saturdays in the Central Business District and provided building permit fee waivers as the first phase of development incentives. The proposed amendments to the City's existing Tax Abatement Policy provided herewith are primarily intended to create a standardized process for tax abatements to be approved for priority projects that satisfy the objectives of the Renaissance Zone.

Please note:

- In the "Amended Tax Abatement Policy" document, the red text are the proposed changes and additions.
- In the "Renaissance Zone - Project Evaluation Form" (AKA: The Rubric), the boxes with blue text are what evaluators on the Planning Commission and Development Committee would fill-in/replace (by hand on a blank copy, or electronically in an Excel doc.). The sums from the blue and green sections could be handwritten in the top two boxes highlighted in blue and green and

then tallied into the “Total Points” box. However, if done in the Excel doc, the above blue and green boxes will tally the figures automatically as the scores are input below for each criteria. Otherwise, the rubric is self-explanatory on how to score a project.

PRIMARY ISSUES/ALTERNATIVES TO CONSIDER:

Option A: Recommend approving the revised tax abatement policy
Option B: Recommend not approving the revised tax abatement policy
Option D: Delay action to gather additional information or provide requested revisions

BUDGETARY/FISCAL ISSUES:

Incentive is for projects that currently do not exist, and for an area that has not seen significant development in decades. Therefore, tax abatement is an unrealized loss in that the vast majority of Renaissance Zone parcels have not been developed to their highest and best use, and the requirements for minimum substantial development in order to receive the Renaissance Zone abatement will ultimately result in increased tax revenues for the City, County and School Board.

ATTACHMENTS:

Resolution
Amended Tax Abatement Policy
Renaissance Zone Tax Abatement Application
Project Evaluation Rubric



City of Willmar

Committee Action Request

Committee Meeting Date:	08/10/2020	Agenda Item Number:	4.a.i
Agenda Section:	NA	Originating Department:	Planning & Development Services
Resolution	Yes	Prepared by:	Dave Ramstad Director, Planning & Development
Ordinance	No	Reviewed By:	Brian Gramentz, City Administrator
No. of Attachments	4	Presented By:	Dave Ramstad Director, Planning & Development
Item:	Planning and Development Services Department request for approval of policies establishing tax abatement incentives for new Renaissance Zone Overlay District.		

RECOMMENDED ACTIONS:

Motion By: _____ Second By: _____, to recommend to the Council to adopt the resolution approving revised city tax abatement policies.

OVERVIEW:

On May 4th, 2020, the City Council adopted the Renaissance Zone, which is a new zoning overlay district encompassing the Central Business (CB) district and adjacent areas. The new district is a 5-year pilot program intended to encourage economic development. This district will offer greater flexibility relative to zoning requirements otherwise imposed by the underlying zoning districts and is regulated by Section 12 of the Zoning Ordinance, and defines the geographical boundaries within which certain development incentives will be targeted. When the council adopted the ordinance establishing the overlay district, it also removed parking restrictions on Saturdays in the Central Business District and provided building permit fee waivers as the first phase of development incentives. The proposed amendments to the City's existing Tax Abatement Policy provided herewith are primarily intended to create a standardized process for tax abatements to be approved for priority projects that satisfy the objectives of the Renaissance Zone.

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ATTACHMENTS:

- Resolution Approving Tax Abatement Policy
- Amended Tax Abatement Policy
- Renaissance Zone Tax Abatement Application
- Project Evaluation Rubric

Resolution No. ____

**A RESOLUTION APPROVING AMENDMENTS TO THE CITY'S TAX ABATEMENT
POLICY**

Motion By: _____ Second By: _____

WHEREAS, On May 4th, 2020, the Willmar City Council ("Council") established the Renaissance Zone, which is a new zoning overlay district encompassing the Central Business (CB) district and adjacent areas; and

WHEREAS, the new Renaissance Zone overlay district is a five-year pilot program intended to encourage economic development; and

WHEREAS, the Council now desires to build upon the second phase of development incentives targeted to the Renaissance Zone by adopting revised policies on tax abatement, which are available City-wide, but are enhanced for and expected to have a particular positive effect within the Renaissance Zone.

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Willmar, a Municipal Corporation of the State of Minnesota, that the Council hereby approves and adopts the revised Tax Abatement Policy attached hereto as Exhibit-1.

Dated this 17th day of August, 2020

Mayor

Attest:

City Clerk

EXHIBIT-1
Tax Abatement Policy

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. SCOPE

- 2.01 This policy shall apply to the use of tax abatement in support of projects anywhere in the City, while additionally establishing a standardized procedure and criteria for targeted use and approval of tax abatement to support projects within the City's Renaissance Zone overlay district.

3. STATUTORY AUTHORITY

- 3.01 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.

4. ELIGIBLE USES

- 4.01 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.
- J. To encourage the development and redevelopment of housing, commercial, and mixed-use projects in the Renaissance Zone overlay district, pursuant to Section 7 below.

5. PROJECT APPROVAL CRITERIA

5.01 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 4, Eligible Uses.
- C. The project must be consistent with the Willmar Comprehensive Land Use Plan or Willmar Economic Development Commission Strategic 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.

6. PROJECT EVALUATION CRITERIA

- 6.01 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.
- 6.02 Some criteria, by their very nature, must remain subjective. However, "benchmark" criteria maybe established for review purposes. 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.
- 6.03 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~~ should 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.

7. RENAISSANCE ZONE

7.01 It is the policy of the City of Willmar to encourage and promote desired economically beneficial development within the City's Renaissance Zone overlay district, and the Willmar City Council finds that tax abatement is an important and preferred tool to promote development in furtherance of the following objectives:

- A. Encourage the adaptive reuse of heritage-designated properties and existing infrastructure;
- B. Encourage creativity and contextually complementary uses;
- C. Encourage pedestrian-scaled streetscape (e.g. walkability and promotion of activities);
- D. Encourage density and increase Willmar's population;
- E. Promote the Renaissance Zone as an entertainment district (restaurants, specialty retail, arts & culture, experiences, etc.), complementing the 1st Street commercial corridor;

- F. Provide mixed-income housing units, whether rental or owner-occupied;
- G. Provide mixed-use development, including mixed retail/office uses;
- H. Create a healthy, equitable, and resilient community; and
- I. Reduce the number of non-conforming uses;

7.02 Notwithstanding anything to the contrary herein, at all times while the Renaissance Zone overlay district is in effect pursuant to Ordinance No. 1060, housing, commercial, and mixed-use projects in the Renaissance Zone overlay district shall receive priority consideration for tax abatement. Projects proposed in the Renaissance zone that meet the requirements of Section 7.04 and all applicable statutory requirements, and are approved by the Planning Commission and Community Development Committee, will be expected to receive City Council approval.

7.03 Projects within the Renaissance Zone requesting tax abatement must apply by submitting a general Renaissance Zone incentive application, a Tax Abatement application, and all required documentation supporting the application.

7.04 The City Council designates the Willmar Planning Commission and Community Development Committee to review and score all applications for tax abatement or projects within the Renaissance Zone by applying project evaluation criteria to be developed and updated from time-to-time by the Planning and Development Services Department, including minimum investment thresholds presented in the following table, as the same may be annually updated by the City of Willmar Planning and Development Services Department based on market conditions.

A. Minimum Investment Thresholds (as initially adopted for 2020):

<u>2020 MINIMUM INVESTMENT THRESHOLDS</u>			
<u>State of MN Property Tax Exemption: Years 1-5 = 100%; after Year-5 exemption cannot be 100%</u>			
<u>Term</u>	<u>Renovation</u>	<u>New Construction</u>	<u>Abatement Percentage</u>
<u>5 years</u>	<u>\$30 SF</u>	<u>\$50 SF</u>	<u>100%, Years 1-5</u>
<u>10 years</u>	<u>\$45 SF</u>	<u>\$75 SF</u>	<u>100%, Years 1-5</u> <u>75%, Years 6-10</u>
<u>15 years</u>	<u>\$60+ SF</u>	<u>\$100+ SF</u>	<u>100%, Years 1-5</u> <u>75%, Years 6-10</u> <u>50%, Years 11-15</u>

B. Other Requirements: Planning and Development Services staff shall develop and apply standardized evaluative criteria so as to address the following:

1. Whether the project promotes the objectives set forth in

Section 7.01;

2. Whether the project satisfies viability standards, including: (a) whether the project meets a market demand or fills a gap, (b) feasibility, and (c) shovel readiness.

7.05 Nothing in this Section 7 shall be construed as prohibiting the City Council from approving, in its discretion, tax abatement for a project in the Renaissance Zone that satisfies all regulations of the underlying zoning district under any other section of this policy.

7.06 If the Planning Commission and Community Development Committee recommend a Renaissance Zone project for a tax abatement under this Section, the Community Development Committee shall forward a report to the City Council identifying (1) the recommended amount and terms of the abatement; (2) how the Committee expects the benefits to the City to at least equal or exceed the costs to the City; (3) what public interest is served by the abatement; and (4) a projection of the total amount of the abatement.

8. PROJECT FINANCING

- 8.01 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.
- 8.02 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.

9. LIMITATIONS ON ABATEMENTS

9.01 The City shall not abate more than (1) ten percent (10%) of the net tax capacity of the political subdivision for the taxes payable year to which the abatement applies or (2) \$200,000, whichever is greater, pursuant to Minn. Stat. § 469.1813.

10. APPLICATION AND FEES

- 10.01 All requests for tax abatement shall be made using the forms/format required by the City.
- 10.02 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
Amended: _____, 2020

City of Willmar
RENAISSANCE ZONE APPLICATION

NOTE: Information in this application will be provided to **Willmar Planning Commission and/or Development Committee** followed by approval of the **Willmar City Council**. Personal and private information, such as tax IDs, will remain confidential. Projects requesting tax abatement, TIF, free City-owned land, or alteration in zoning will be scored by the Willmar Planning Commission & Development Committee using the "Renaissance Zone Rubric."

APPLICANT INFORMATION

Business Name *(if applicable)*:

Type of business: ☐ Sole Proprietorship ☐ Corporation ☐ Partnership

Applicant/Contact Person:

Applicant Address:

Email:

Phone:

Have you declared bankruptcy within the last seven (7) years? ☐ No ☐ Yes *(attach explanation)*

Do you have any pending lawsuits, civil or criminal? ☐ No ☐ Yes *(attach explanation)*

CO-APPLICANT NAME *(if applicable)*:

ADDRESS:

CITY, STATE, ZIP:

EMAIL:

PHONE:

PROPERTY OWNER NAME *(if different)*:

ADDRESS:

CITY, STATE, ZIP:

EMAIL:

PHONE:

PROJECT INFORMATION

SITE ADDRESS:

PARCEL ID:

LEGAL DESCRIPTION:

PROPERTY IS: **Owner Occupied** **Leased** **Vacant**

Current & Proposed Use of Property *(list each storefront & its use if applicable)*:

Square Footage of the Lot & Building – *(Current and Proposed; list each floor separately)*:

Type of Project *(circle all that apply)*:

New Construction

Rehabilitation

Residential

Retail

Office

Mixed-Use

Certify Building is located in Renaissance Zone: **Yes** **No** *(Please mark general project location on below map)*

Certify Building is located in Renaissance Zone: **Yes** **No**

PROJECT'S ESTIMATED START DATE:

PROJECT COMPLETION DATE:



INCENTIVES REQUESTED *(Complete Additional Form Indicated)*

- | | | |
|---|---|---|
| <input type="checkbox"/> TAX ABATEMENT (Form-A) | <input type="checkbox"/> PARKING REDUCTION (Form-D) | <input type="checkbox"/> TAX INCREMENT FINANCING (Form-G) |
| <input type="checkbox"/> STOREFRONT LOAN (Form-B) | <input type="checkbox"/> FREE PERMITS (Form-E) | <input type="checkbox"/> HOTEL/CONF (Form-H) |
| <input type="checkbox"/> FREE CITY LAND (Form-C) | <input type="checkbox"/> HERITAGE (Form-F) | |

ARCHITECT INFORMATION *(If applicable)*

ARCHITECTURAL FIRM:

CONTACT'S NAME:

MAILING ADDRESS:

EMAIL:

CITY, STATE, ZIP:

PHONE:

CONTRACTOR INFORMATION *(If applicable)*

Contact's Name:

2nd Contact Person:

Business Name:

Address:

City:

State:

ZIP Code:

Email:

Telephone:

LEGAL COUNSEL *(If applicable)*

Organization's Name:

Address:

Contact Person:

Telephone:

FINANCIAL CONSULTANT / ACCOUNTANT

Organization's Name:

Address:

Contact Person:

Telephone:

PROJECT SUMMARY			
(Attach additional sheets, if necessary)			
(Please include scope of work, a detailed cost estimate of the work to be completed; describe rental/ownership housing income mix, expected date of 95% occupancy; initial operating reserves prior to lease-up; and describe the impact this project has on any historic-or heritage-designated properties - Add attachments as necessary)			
ZONING INFORMATION			
STANDARD SETBACK REQUIREMENTS <ul style="list-style-type: none"> 30' from right-of-way (residential) 30' from rear (residential) 10' from interior sides (residential) 25' from right-of-way (commercial) 10' from interior lot lines (commercial) 		<ul style="list-style-type: none"> 0' (Central Business District) 15' from right-of-way (parking surfaces) 10' from interior lot lines (parking surfaces & accessory structures – multi family or commercial) 5' from interior lot lines (parking surfaces & accessory structures - residential) 	
HEIGHT & SETBACKS			
<ul style="list-style-type: none"> 3 - 4 stories – 25% Setback Allowance (must be landscaped & pedestrian oriented - not parking) 5 - 6stories – 50% Setback Allowance (must be landscaped & pedestrian oriented - not parking)) 		YES	NO
		YES	NO
OBJECTIVES OF OPEN ZONING <ul style="list-style-type: none"> a) Encourage the adaptive reuse of heritage-designated & existing infrastructure b) Encourage creativity (reviewed & approved by Committee & Planning Commission prior to Building Permit application) c) Encourage pedestrian-scaled streetscape (e.g. walkability & promotion of activities) d) Encourage density and increase Willmar's population e) Promote the Renaissance Zone as an entertainment district, so that downtown & 1st Street do not compete but complement each other f) Provide mixed-income housing units, whether rental or ownership - e.g. market rate, 80% AMI, 60% AMI, 30% AMI and/or subsidized (See Form-A, Minimum Project Thresholds) g) Creating a healthy, equitable, and resilient community h) Reduce non-conforming zoning regulations i) Eliminate dwelling unit restrictions in residential zones. However, development proposals must creatively consider the provisions: parking; mixed rental/ownership housing opportunities in the area; green space/play space, retail and/or offices j) Encourage contextual uses & creativity k) Encourage entertainment uses (restaurants, specialty retail, arts & culture, experiences, etc.) 			
DESCRIBE HOW PROJECT DEVIATES FROM EXISTING ZONING			
(Add attachments as necessary)			
DESCRIBE HOW PROJECT ADDRESSES EACH OF RENAISSANCE ZONE OBJECTIVE			
(Add attachments as necessary)			
ADDITIONAL DOCUMENTS NEEDED			
<ol style="list-style-type: none"> Budget with quote(s) Current photos of site or existing building(s) Scale drawings and specifications of proposed improvements <p>To fully explain your project to the Development Committee, Planning Commission, and City Council, please provide all necessary site plan(s), landscape design documents, building plan(s), exterior elevation(s), interior elevation(s), interior perspectives/renderings, exterior perspectives/renderings.</p>			

FORM A – TAX ABATEMENT

Note: Projects requesting tax abatement, TIF, free City-owned land, or alteration in zoning will be scored by the Willmar Planning Commission & Development Committee using the “Renaissance Zone Rubric.”

TAX INFORMATION

Provide current estimated tax-assessed-value of building(s), current annual property tax on building(s), estimated as-if value and tax of additional building value after the abatement expires (from County Assessor):

Provide evidence that the applicant is current on property taxes (from County Assessor):

MINIMUM INVESTMENT THRESHOLDS

State of MN Property Tax Exemption: Years 1-5 = 100%; after Year-5, exemption cannot be 100%

Term	Renovation	New Construction	Abatement Percentage / Term
5 years	\$30 SF	\$50 SF	100% / Years 1-5
10 years	\$45 SF	\$75 SF	100% / Years 1-5 75% / Years 6-10
15 years	\$60+ SF	\$100+ SF	100% / Years 1-5 75% / Years 6-10 50% / Years 11-15

New Construction SF Cost is greater than or equal to: **NA** **\$50** **\$75** **\$100**

Renovation SF Cost is greater than or equal to: **NA** **\$30** **\$45** **\$60**

Private Matching Funds (*Source and Amount*):

Public to Private Match Ratio:

Project Start Date: _____ Project Completion Date: _____

MINIMUM PROJECT THRESHOLDS

- ☐ All projects must have at least 10,000 Gross SF above grade
- ☐ Mixed-use projects with a housing component shall have at least 4 dwelling-units.
- ☐ Housing-only projects shall have at least 10 dwelling-units, and must have covenants designating at least 5% of the units (percentage rounded down and not less than 1 unit) as being at rents for households at less than or equal to 80% Area Median Income (AMI)
- ☐ Renovations projects shall meet a minimum renovation investment of 50% of current assessed value. If a renovation project includes a distinct change of use and a housing component, the project shall have at least 4 dwelling-units.
- ☐ The project must not include single-family residential housing structures.
- ☐ All projects must be at least three levels (not including a mezzanine)
- ☐ Current Land Value and Current Building Value remain taxable

IF ABATEMENT IS APPROVED, ADDITIONAL DOCUMENTS MAY BE REQUIRED BEFORE FINAL APPROVAL

ADDITIONAL INFORMATION

A. Exemption Start Date

City of Willmar will start the property tax exemption once the project has met the required investment threshold and received a Certificate of Occupancy. For final approval, submit a final accounting-proforma demonstrating that the Project has met the minimum investment threshold prior to January 2nd to receive the earliest possible property tax exemption. The submission of the final accounting-proforma impacts the timing of when the exemption is reflected on taxes payable. For example, a final accounting submitted in December 2020, is certified January 2021, and the exemption reduces property taxes payable for 2022. It is therefore the responsibility of the Project Developer to time the project accordingly.

B. Renaissance Zone incentives are eligible to be combined with Opportunity Zone incentives.

C. The land and building on or to be constructed on the property must be subject to real property taxes for the duration of the abatement period and for a minimum of five years thereafter.

D. Other Commissions / Approval Processes

The applicant may be required to secure approvals through other commissions or boards. An approved Renaissance Zone project does not override or supersede any other needed approvals from the Opportunity Zone Program, Planning Commission or other boards, commissions or committees having review authority.

E. Minor Revisions

The City Administrator, or their designee, may authorize minor revisions to this Policy when deemed to be in the best interest of the City and which does not change the overall intent of the Policy as originally approved by the City Council.

F. Waiver

City Council reserves the right to deviate from the investment threshold requirements, but developers must request such action in writing. Developer is encouraged to include information that will support their written request. Willmar's Director of Planning and Development and/or Director of Economic Development Commission will investigate developer's request and may require any additional information they deem necessary to support their conclusions and recommendations to Council. City Council may approve or deny developer's request at their discretion for any reason.

City of Willmar
RENAISSANCE ZONE - PROJECT EVALUATION FORM

Points Possible	100	PROJECT SCORE REQUIREMENT: To receive Development Committee and Planning Commission recommendation for approval by the City Council approval, projects must receive a minimum of 71 points (Excellent or better).		
Points Awarded - RZ OBJECTIVES	53			
Points Awarded - VIABILITY	28			
Total Points	81	APPLICABLE PROJECTS: Non-Traditional Zoning, TIF, Abatement, Free City Land, Heritage Designated Improvements		
		EVALUATOR'S COMMENTS		
Project Name	Greatest Thing Since Sliced Bread	Love this project! Owner and contractor have provided very creative solutions that will greatly enhance the Renaissance Zone. They have also done their homework and have seemingly covered all contingencies.		
Address	426 Litchfield Avenue SW			
RENAISSANCE ZONE OBJECTIVES - 65% of Evaluation Score				
EVALUATOR'S QUALITATIVE SCORES	POINT SCALE			
CREATIVITY	Outstanding 18 - 20	Excellent 14 - 17	Good 10 - 13	Unacceptable 0 - 9
18	Project is most creative in providing spatial, contextual and architectural solutions in a most appealing and functional manner.	Project provides above average solutions that expertly address contextual, spatial and architectural relationships.	Project addresses most of the issues with adequate solutions, but some concerns remain unaddressed.	Projects does not address many key issues, or solutions are either nonexistent or undesirable.
MIXED-INCOME HOUSING and/or RETAIL - OFFICE	Outstanding 18 - 20	Excellent 14 - 17	Good 10 - 13	Unacceptable 0 - 9
12	Project hss demographically aligned mix of upper-, middle- and lower-income housing - AND/OR- Office/Retail spaces preleased.	Project mix of upper-, middle- and lower-income housing units in near alignment with demographics -AND/OR- Some Office/Retail preleased.	Project housing meets minimum 5% affordable ratio/Exceeds a 25% ratio -AND/OR- Office/Retail spaces speculative and do not have leases.	Project's housing excludes at least one income class. -AND/OR- Office/Retail are inadequate in a significant way.
COMPLEMENTS and/or ENHANCES RENAISSANCE ZONE	Outstanding 14 - 15	Excellent 11 - 13	Good 9 - 10	Unacceptable 0 - 8
14	Project is exceptional in the way it enhances and complements surrounding amenities -OR- as an iconic amenity/building itself.	Project adds substantial enhancements to surrounding entertainment and building amenities.	Project adequately integrates with entertainment uses.	Project lacks or has minimal integration with entertainment uses.
COMPLEMENTS and/or ENHANCES PEDESTRIAN EXPERIENCE	Outstanding 9 - 10	Excellent 7 - 8	Good 5 - 6	Unacceptable 0 - 4
9	Project is outstanding in its enhancement of the pedestrian experience, both along streets and through the building.	Project substantially enhances the pedestrian experience along streets and through building.	Project adequately integrates pedestrian amenities.	Project lacks or has minimal integration of pedestrian amenities.
VIABILITY OF THE PROJECT - 35% of Evaluation Score				
EVALUATOR'S PRACTICALITY SCORES	POINT SCALE			
MEETS A DEMAND / FILLS A GAP	Outstanding 14 - 15	Excellent 11 - 13	Good 9 - 10	Unacceptable 0 - 8
12	Project meets excess demand or fills gap in an extraordinary way that is not met by any others or by a very few.	Project meets excess demand or fills gap in a significant way.	Project meets a minimal amount of demand or partially fills a gap.	Project appears to provide excess housing, retail, office or other use above market demand
FEASIBILITY	Outstanding 9 - 10	Excellent 7 - 8	Good 5 - 6	Unacceptable 0 - 4
9	Project has significant funding and reserves above needs, and has apparently mitigated all known risks.	Project excellent access to funding, has excess reserves and is well grounded in market analysis.	Project's financial plan adequately grounded in market analysis.	Project seems very speculative and not well grounded in market.
SHOVEL READINESS	Outstanding 9 - 10	Excellent 7 - 8	Good 5 - 6	Unacceptable 0 - 4
7	Project's ready to go, its site issues and construction schedule are well understood, detailed and well considered.	Project's initial phases are ready to go, construction phases are are well planned.	Project has adequate planning, but some loose-ends need to be addressed during construction.	Project's site and design have many unknowns and major issues are still unaddressed.