



**WILLMAR CITY COUNCIL MEETING  
MONDAY, JULY 19, 2021 AT 6:00 PM  
BOARD ROOM, HEALTH AND HUMAN SERVICES BUILDING  
2200 – 23<sup>RD</sup> STREET NE, WILLMAR, MINNESOTA**

**AGENDA**

1. Call Meeting to Order
2. Roll Call
3. Pledge of Allegiance
4. Proposed Additions or Deletions to Agenda
5. Consent Items
  - Approve:
    - A. City Council Minutes of July 6, 2021
    - B. Willmar Municipal Utilities Commission Minutes of June 28, 2021
    - C. Planning Commission Minutes of June 30, 2021
    - D. Planning Commission Minutes of July 7, 2021
    - E. Accounts Payable Report for June 25 – July 8, 2021
    - F. Application for Municipal Utilities Commission – Shawn Mueske
    - G. Acknowledge Donations for 2<sup>nd</sup> Quarter of 2021
    - H. Miscellaneous Finance Reports
  - Accept:
    - I. Building Report for the Month of June, 2021
6. Approve Consent Agenda Items
7. Items Removed from Consent Agenda
8. Hearing:

6:00 p.m. – Establishment of TIF District and Approval of TIF Plan and Development Agreement for Suite Liv'n Ridgewater Site

  - Resolution Establishing Tax Increment Finance District
  - Resolution Approving Tax Increment Development Agreement
9. Preliminary Overview of TIF Plan for Block-25 Lofts
10. Consider Introduction of Ordinance Amending City Code Section 3-93 (Prohibited Activities in Premises of On-Sale Liquor) and Set Public Hearing
11. City Administrator Update:

(Council to discuss preference of two-hour Special Council meeting to discuss and prioritize the Capital Improvement Plan and receive presentation from staff regarding Pavement Management Plan)
12. "Community Pride" Announcements
13. Adjourn

# CITY OF WILLMAR

## MISSION STATEMENT

The City of Willmar is committed to providing responsible municipal service in an open, effective and efficient manner to all citizens of the local and area community. The ultimate goal is to preserve and enhance the quality of life for future generations.

## COMMUNITY VALUES

Fiscal Responsibility

Excellence in the Delivery of Service

Quality Service

Ethics and Integrity

Visionary Leadership and Planning

Open and Honest Communication

Professionalism

RESOLUTION NO. 17-90

A RESOLUTION BY THE MAYOR AND CITY COUNCIL OF THE CITY OF WILLMAR, MINNESOTA  
SUPPORTING THE CONSENSUS OF THE JULY 22, 2017 STRATEGY WORK SESSION

Motion By: Plowman

Second By: Mueske

WHEREAS, the City Council of the City of Willmar on July 22, 2017 held a Council Strategic Retreat to prioritize and reach a consensus with respect to views on capital projects.

WHEREAS, multiple projects were discussed under three categories defined as Facilities, Stormwater Management and Parks to provide additional guidance regarding execution of those projects.

WHEREAS, the following summary of capital priorities was reached:

Facilities:

1. City Hall (high consideration given to consolidation of multiple facilities)
2. Civic Center (ice plant is urgent/consider consultant for master plan) **COMPLETED**
3. Community Center/Auditorium tied (both guided by community input, tuckpointing of Auditorium immediate concern)
4. Aquatic Center (pool bottom repair immediate concern) **COMPLETED**

Stormwater Management:


1. Western Interceptor (design 2017, construction 2018) **COMPLETED**
2. Menards (design and land purchase 2018, construction 2019)
3. Kennedy School Area (not likely in the next five years)
4. Analyze annually and adjust plans **COMPLETED ONGOING**

Parks:

1. Robbins Island (\$250,000 match to receive \$606,000 Legacy Grant) **COMPLETED**
2. Neighborhood Parks and Playgrounds (replace play units) **PARTIALLY COMPLETED IN PROGRESS**
3. Rice Park/Miller Park (complete Rice to plan, reconstruct tennis courts at Miller) **COMPLETED**
4. Swansson Park (improved lighting for Baker Field) **COMPLETED**

NOW, THEREFORE, BE IT RESOLVED by the City Council of Willmar that the priorities developed at the July 22, 2017 Council Work Session be supported and developed into next year and future City budgets.

Dated this 7<sup>th</sup> day of August, 2017

  
\_\_\_\_\_  
Mayor

Attest:

  
\_\_\_\_\_  
City Clerk

**WILLMAR CITY COUNCIL PROCEEDINGS**  
**BOARD ROOM**  
**HEALTH AND HUMAN SERVICES BUILDING**  
**WILLMAR, MINNESOTA**

July 6, 2021  
6:00 p.m.

The regular meeting of the Willmar City Council was called to order by the Mayor Marv Calvin. Members present on a roll call were Mayor Marv Calvin, Council Members Rick Fagerlie, Julie Asmus, Thomas Butterfield, Michael O'Brien, Justin Ask, Vicki Davis, Andrew Plowman, and Audrey Nelsen. Present 9, Absent 0.

Also present were Interim City Administrator John Harren, Police Chief Jim Felt, Interim Public Works Director Gary Manzer, Parks and Recreation Director Rob Baumgarn, Planning and Development Services Director David Ramstad, Interim Human Resource Director Nancy Miller, City Clerk Judy Thompson, and City Attorney Robert Scott.

Additions/deletions to the agenda included: Council Member Plowman added Public Comment; Mayor Calvin added Discussion on Public Comment.

Council Member Fagerlie moved to approve the agenda, as amended. Council Member Ask seconded the motion which carried, on a roll call vote of Ayes 8, Noes 0.

City Clerk Judy Thompson reviewed the consent agenda.

- A. City Council Minutes of June 21, 2021
- B. Special City Council Minutes of June 22, 2021
- C. Special City Council Minutes of June 28, 2021
- D. Willmar Municipal Utilities Commission Minutes of June 28, 2021
- E. Park and Recreation Board Minutes of May 19, 2021
- F. Accounts Payable Report for June 11 –June 24, 2021
- G. Consider MN State One-Day to Four-Day Temporary On-Sale Liquor License Permit for Kandiyohi County Fair Association
- H. Consider MN State One-Day to Four-Day Temporary On-Sale Liquor License Permit for Foxhole Brewhouse Inc.
- I. Consider Spurs Corporation On-Sale Intoxicating Liquor License
- J. Accept Projects and Authorize Final Payment
  - **Resolution No. 2021-149** Project No. 1901-B Reconstruction of 13<sup>th</sup> and 14<sup>th</sup> Street SE
  - **Resolution No. 2021-150** Project No. 2001-C Water Main Replacement on West Highway 12
- K. Consider Working Out of Class Policy for Interim Public Works Director Gary Manzer
- L. **Resolution No. 2021-151** Consider Extension of Temporary Employment with John Harren as Interim City Administrator
- M. **Resolution No. 2021-152** Consider Resolution Dedicating Matching Funds MN DNR Shade Tree Grant Program
- N. Airport Commission Minutes of March 24, 2021
- O. Central Community Transit Minutes of January 26, 2021
- P. Application for Willmar Municipal Utilities Commission – Shawn Mueske

Council Member Fagerlie offered a motion to introduce **Resolution No. 2021-148 Approving Consent Agenda Items**. Council Member Nelsen seconded the motion which carried, on a roll call vote of Ayes 8, Noes 0.

Main Street Coordinator Willard Huyck presented a request to enter into a lease agreement allowing the installation and maintenance of a city-commissioned mural on the exterior of 309 Litchfield Avenue SW. The lease agreement will allow the mural to be displayed for up to 20 years, but City staff will re-evaluate continuation of the lease every five years. The City maintains the right to terminate the agreement at any time. The art piece was

sponsored by Blue Cross Blue Shield (BCBS) Healthy Together Willmar.

Mayor and Council welcomed Mr. Huyck to the City of Willmar, and asked that an update on Main Street be placed on a future agenda.

**Resolution No. 2021-153 Lease Agreement for Display of Mural on Downtown Property** was introduced by Council Member Fagerlie. Council Member Asmus seconded the motion which carried, on a roll call vote of Ayes 8, Noes 0.

Information Systems Coordinator Ross Smeby presented a request to re-appropriate funds in the capital improvement fund budget to replace the fuel system at the Public Works garage. He noted the current system was installed in 2014 and has been experiencing multiple maintenance problems.

**Resolution No. 2021-154 Reappropriating Funds From Public Works International Truck Purchase to the Public Works Fuel System Replacement Project for the Amount of \$40,000** was introduced by Council Member Plowman. Council Member O'Brien seconded the motion which carried, on a roll call vote of Ayes 8, Noes 0.

Information Systems Coordinator Ross Smeby presented a request to award the fuel system to O'Day Equipment, LLC in the amount of \$34,732.92.

**Resolution No. 2021-155 Awarding the Public Works Fuel System to O'Day Equipment, LLC. in the Amount of \$34,732.92** was introduced by Council Member Plowman. Council Member Nelsen seconded the motion which carried, on a roll call vote of Ayes 8 Noes 0.

Planning and Development Director Ramstad presented a request to approve AEHN LLC. Tax Increment Financing (TIF) Plan, TIF District, authorize execution of proposed TIF development agreement, and set a public hearing for July 19, 2021.

Following a lengthy discussion, **Resolution No. 2021-156 Calling Public Hearing on the Proposed Establishment of Housing Tax Increment Financing District – Suite Liv'n Ridgewater Site – Within Municipal Development District No. II and the Proposed Adoption of a Tax Increment Financing Plan Relating Thereto** was introduced by Council Member Fagerlie. Council Member Nelsen seconded the motion which carried, on a roll call vote of Ayes 8, Noes 0.

Steve Peppin, Willmar, addressed the Mayor and Council stating his support for a proposed boxing event to be held in Willmar and their desire to serve alcohol. He would like the current ordinance to be revised to allow the sale of alcohol at such event.

Mayor Calvin opened a discussion of placing public comment back on the regular agenda. Following discussion, the consensus of the Council was to return public comment back on the agenda. Mayor Calvin asked that further discussion be held at the August 2, 2021 Council meeting, and the discussion be placed as an agenda item for formal action.

Mayor Calvin offered the following comments: "Kudos" to Willmar Fests Board, new royalty, and those involved in making the Willmar Fests celebration a success; Rockin' Robbins begins on Tuesday, July 13th; Swansson Field project ground breaking ceremony will be held on July 14th at 10:00 a.m.

Council Member Fagerlie offered the following comments: the walking path on Lakeland Drive and Highway 12 is complete.

Council Member Fagerlie offered a motion to adjourn the meeting with Council Member Asmus seconding the motion which carried. The meeting adjourned at 6:52 p.m.

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MAYOR

Attest:

\_\_\_\_\_  
SECRETARY TO THE COUNCIL

**RESOLUTION NO. 2021-148**  
**APPROVING CONSENT AGENDA ITEMS**

Motion By: Fagerlie                      Second By: Nelsen

WHEREAS, the City Charter for the City of Willmar requires the City Council approve all Consent Agenda items by resolution.

BE IT RESOLVED by the City Council of the City of Willmar Minnesota, that all Consent Items of the July 6, 2021 City Council meeting be approved as presented.

Dated 6th day of July, 2021

/s/ Marv Calvin  
MAYOR

Attest:

/s/ Judy Thompson  
CITY CLERK

**RESOLUTION NO. 2021-149**

**A RESOLUTION ACCEPTING PROJECT NO. 1901-B AND AUTHORIZING FINAL PAYMENT.**

Motion By: Fagerlie                      Second By: Nelsen

IMPROVEMENT:              Project No. 1901-B – Reconstruction of 13<sup>th</sup> St SE, 14<sup>th</sup> St SE, 15<sup>th</sup> St SE & 16<sup>th</sup> St SE

CONTRACTOR:                      Duininck, Inc.  
DATE OF CONTRACT:              June 17, 2019  
BEGIN WORK:                      July 9, 2019  
COMPLETE WORK:                      June 30, 2020  
APPROVE, ENGINEERING DEPT:              May 28, 2021

**BE IT RESOLVED** by the City Council of the City of Willmar, Minnesota, that:

1.        The said City of Willmar Project No. 1901-B be herewith approved and accepted by the City of

Willmar.

2. The following summary and final payment be approved:

ORIGINAL CONTRACT AMOUNT:	\$2,232,137.65
FINAL NET CONTRACT AMOUNT, PROPOSED:	\$2,232,137.65
CHANGE ORDER NO. 1:	\$8,008.00
CHANGE ORDER NO. 2:	\$11,217.00
CHANGE ORDER NO. 3:	\$26,621.00
ACTUAL FINAL CONTRACT AMOUNT AS CONSTRUCTED:	\$2,248,748.48
Less Previous Payments	\$2,154,906.10
<b>FINAL PAYMENT DUE CONTRACTOR:</b>	<b>\$93,842.38</b>

Dated this 6th day of July, 2021

/s/ Marv Calvin  
Mayor

Attest:

/s/ Judy Thompson  
City Clerk

**RESOLUTION NO. 2021-150**

**A RESOLUTION ACCEPTING PROJECT NO. 2001-C AND AUTHORIZING FINAL PAYMENT.**

Motion By: Fagerlie Second By: Nelsen

IMPROVEMENT: Project No. 2001-C- Highway 12 West Water Main

CONTRACTOR:	G.F. Jedlicki, Inc.
DATE OF CONTRACT:	August 3, 2020
BEGIN WORK:	August 24, 2020
COMPLETE WORK:	May 3, 2021
APPROVE, ENGINEERING DEPT:	June 8, 2021

**BE IT RESOLVED** by the City Council of the City of Willmar, Minnesota, that:

1. The said City of Willmar Project No. 2001-C be herewith approved and accepted by the City of Willmar.

2. The following summary and final payment be approved:

ORIGINAL CONTRACT AMOUNT:	\$330,552.50
FINAL NET CONTRACT AMOUNT, PROPOSED:	\$330,552.50
CHANGE ORDER NO. 1:	\$4,490.84
ACTUAL FINAL CONTRACT AMOUNT AS CONSTRUCTED:	\$324,417.34
Less Previous Payments	\$299,159.60
<b>FINAL PAYMENT DUE CONTRACTOR:</b>	<b>\$25,257.74</b>

Dated this 6th day of July, 2021

    /s/ Marv Calvin      
Mayor

Attest:

    /s/ Judy Thompson      
City Clerk

### RESOLUTION NO. 2021-151

#### APPROVING EXTENSION OF TEMPORARY EMPLOYMENT OF JOHN HARREN

Motion By:     Fagerlie                          Second By:     Nelsen    

WHEREAS the temporary employment of John Harren as Interim City Administrator of the City of Willmar was approved by Council on June 7, 2021 effective June 8, 2021 and;

WHEREAS the conditions of John Harren's temporary employment as outlined in Resolution No. 2021-124 are proposed to be extended to coincide with the start date of a full-time City Administrator on July 19, 2021.

BE IT RESOLVED by the City Council of the City of Willmar John Harren's temporary employment conditions as outlined in Resolution No. 2021-124 are hereby extended until July 19, 2021.

Dated this 6th day of July, 2021.

    /s/ Marv Calvin      
MAYOR

Attest:



/s/ Judy Thompson  
CITY CLERK

**RESOLUTION NO. 2021-152**

**AUTHORIZATION TO DESIGNATE FUNDS FOR THE MN DNR SHADE TREE PROGRAM GRANT.**

Motion By: Fagerlie                      Second By: Nelsen

BE IT RESOLVED, by the City Council of the City of Willmar designating \$10,000 of in-kind funds shall be taken from the Public Works operating budget over the course of the grant project from 2021-2024 as matching funds dedicated for tree removal and planting.

Dated this 6th day of July, 2021.

/s/ Marv Calvin  
Mayor

Attest:

/s/ Judy Thompson  
City Clerk

**RESOLUTION NO. 2021-153**

**LEASE AGREEMENT FOR DISPLAY OF MURAL ON DOWNTOWN PROPERTY**

Motion By: Fagerlie                      Second By: Asmus

BE IT RESOLVED by the City Council of the City of Willmar, a municipal corporation of the State of Minnesota, that the Mayor and City Administrator be authorized to enter into a Lease Agreement between the City of Willmar and the New Minnesotan Realty L.L.C.

Dated this 6th day of July, 2021.

/s/ Marv Calvin  
MAYOR

Attest:

/s/ John Harren  
INTERIM CITY ADMINISTRATOR

**RESOLUTION NO. 2021-154**

**REAPPROPRIATING FUNDS FROM PUBLIC WORKS INTERNATIONAL TRUCK PURCHASE TO THE PUBLIC WORKS FUEL SYSTEM REPLACEMENT PROJECT FOR THE AMOUNT OF \$40,000.00**

Motion By: Plowman                      Second By: O'Brien

BE IT RESOLVED by the City Council of the City of Willmar, to re-appropriate \$40,000.00 from the Public Works International Truck Purchase project to the Public Works Fuel System project.

BE IT FURTHER RESOLVED by the City Council of the City of Willmar to authorize the Finance Director to amend the Capital Improvement Fund Budget as follows:

Decrease:            Public Works International Truck purchase amount. \$40,000.00

Increase:            Public Works Fuel System Replacement amount, \$40,000.00

Dated this 6th day of July, 2021

/s/ Marv Calvin  
Mayor

Attest:

/s/ Judy Thompson  
City Clerk

**RESOLUTION NO. 2021-155**

**A RESOLUTION AWARDING THE PUBLIC WORKS FUEL SYSTEM TO O'DAY EQUIPMENT, LLC IN THE AMOUNT OF \$34,732.92.**

Motion By: Plowman                      Second By: Nelsen

BE IT RESOLVED by the City Council of the City of Willmar, a Municipal Corporation of the State of Minnesota, that the bid of O'Day Equipment, LLC of Elk River, MN for the Public Works Fuel System is accepted, and be it further resolved that the Mayor and City Administrator of the City of Willmar are hereby authorized to enter into an agreement with the bidder for the terms and consideration of the contract in the amount of \$34,732.92.

Dated this 6th day of July, 2021

/s/ Marv Calvin  
Mayor

Attest:

/s/ Judy Thompson  
City Clerk

**RESOLUTION NO. 2021-156**

**RESOLUTION CALLING PUBLIC HEARING ON THE PROPOSED ESTABLISHMENT OF HOUSING TAX INCREMENT FINANCING DISTRICT – SUITE LIVING RIDGEWATER SITE – WITHIN MUNICIPAL DEVELOPMENT DISTRICT NO. II AND THE PROPOSED ADOPTION OF A TAX INCREMENT FINANCING PLAN RELATING THERETO**

Motion By: Fagerlie Second By: Nelsen

BE IT RESOLVED by the City Council (the "Council") of the City of Willmar, Minnesota (the "City"), as follows:

1. Public Hearing. This Council shall meet on July 19, 2021, at approximately 6:00 p.m., to hold a public hearing on the following matters: (a) the proposed establishment of Housing Tax Increment Financing District No. Suite Liv’n Ridgewater Site (within Municipal Development District No. II, and (b) the proposed adoption of a Tax Increment Financing Plan relating thereto, all pursuant to and in accordance with Minnesota Statutes, Sections 469.124 through 469.133, both inclusive, as amended, and Minnesota Statutes, Sections 469.174 through 469.1794, both inclusive, as amended (collectively, the "Act").
2. Notice of Hearing: Filing of Tax Increment Financing Plan. The City Administrator is hereby authorized to cause a notice of the hearing, substantially in the form attached hereto as Exhibit A, to be published as required by the Act and to place a copy of the proposed Tax Increment Financing Plan on file in the Administrator's Office at the City Offices and to make such copies available for inspection by the public.
3. Consultation with Other Taxing Jurisdictions. The Administrator is hereby directed to mail a notice of the public hearing and a copy of the proposed Tax Increment Financing Plan to Kandiyohi County and Independent School District No. 347, informing those taxing jurisdictions of the estimated fiscal and economic impact of the establishment of the proposed tax increment financing district.

Whereupon said resolution was declared duly passed and adopted this 6th day of July, 2021.

/s/ Marv Calvin  
MAYOR

ATTEST:

/s/ John Harren  
INTERIM CITY ADMINISTRATOR

CITY OF WILLMAR  
COUNTY OF KANDIYOHI  
STATE OF MINNESOTA

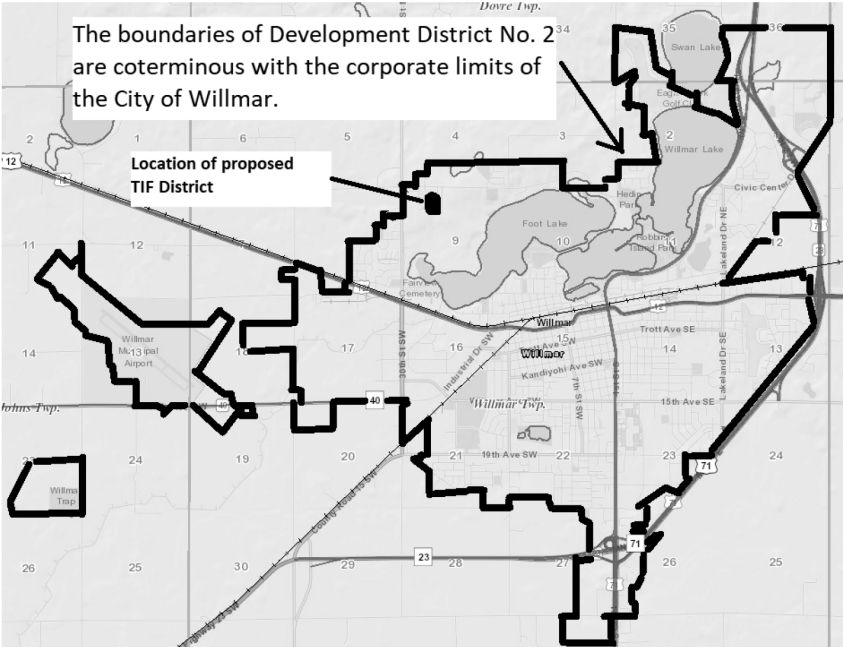
**NOTICE OF PUBLIC HEARING**

NOTICE IS HEREBY GIVEN that the City Council (the "Council") of the City of Willmar, Kandiyohi County, Minnesota, will hold a public hearing on Monday, July 19, 2021, at 6:00 p.m., at the Kandiyohi County Health and Human Services Building, 2200 23<sup>rd</sup> Street Northeast, Willmar, Minnesota, relating to the proposed establishment of Housing Tax Increment Financing District Suite Liv’n Ridgewater Site within Municipal Development District No. II, and the proposed adoption of a Tax Increment Financing Plan therefor, all pursuant to and in accordance

with Minnesota Statutes, Sections 469.124 through 469.133 and Sections 469.174 through 469.1794, inclusive, as amended. A copy of the proposed Tax Increment Financing Plan is on file and available for public inspection at the office of the City Administrator at City Hall.

The property proposed to be included in Housing Tax Increment Financing District Suite Liv'n Ridgewater Site is described in the Tax Increment Financing Plan on file in the office of the City Administrator. Subject to certain limitations, tax increment from the Tax Increment Financing District may be spent on eligible uses within the boundaries of Municipal Development District No. II.

A map of Municipal Development District No. II, as enlarged, and Housing Tax Increment Financing District Suite Liv'n Ridgewater Site is set forth below:



All interested persons may appear at the hearing and present their views orally or in writing prior to the hearing.

Dated: July 6, 2021

BY ORDER OF THE CITY COUNCIL

/s/ John Harren, Interim City Administrator

**WILLMAR MUNICIPAL UTILITIES COMMISSION**  
**MEETING MINUTES - JULY 12, 2021**  
**11:45 AM - WMU AUDITORIUM**

The Municipal Utilities Commission (MUC) met in its regular scheduled meeting on Monday, July 12, 2021, at 11:45 a.m. in the WMU Auditorium with the following Commissioners present: Justin Mattern, Nathan Weber, Abdirizak Mahboub, Bruce DeBlicek, Cole Erickson, and Kerry Johnson.

Others present at the meeting were: General Manager John Harren, Compliance/HR Manager Janell Johnson, Finance & Office Services Supervisor Andrea Prekker, IS Coordinator Mike Sangren, Executive Secretary Beth Mattheisen, Staff Electrical Engineer Jeron Smith, Facilities & Maintenance Supervisor Kevin Marti, Energy/Safety Outreach Coordinator Chris Radel, City Councilman Michael O'Brien, City Attorney Robert Scott, and WC Tribune Journalist Shelby Lindrud.

The meeting was opened by reciting the Pledge of Allegiance followed by Commissioner Mattern (President) asking if any revisions were needed to the agenda presented. There being none, a resolution to approve the consent agenda was requested. Following review and discussion, Commissioner DeBlicek offered a resolution to approve the consent agenda as presented. Commissioner Weber seconded.

**RESOLUTION NO. 39**

"BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that the consent agenda be approved as presented which includes:

- ❖ Minutes from the June 28, 2021, Commission meeting; and,
- ❖ Bills represented by vouchers No. 20210782 to No. 20210865 and associated wire transfers inclusive in the amount of \$229,702.99.

Dated this 12<sup>th</sup> day of July 2021.

\_\_\_\_\_  
President

Attest:

\_\_\_\_\_  
Secretary

The foregoing resolution was adopted by a vote of six ayes and zero nays,

Commissioner DeBlicek (PC Chair) reviewed with the Commission minutes from the July 1<sup>st</sup> WMU Planning Committee meeting (see attached). One item of discussion was the need to modify the current policy as it relates to water billing for multi-unit dwelling. Per Commission directive, Staff will bring a revised policy to the Planning Committee which will subsequently be presented to the Commission for consideration of approval. It was further noted that Staff will continue to inform WMU customers of policy changes and how they may affect utility billings. Following review, Commissioner DeBlicek offered a motion to approve the minutes of the July 1<sup>st</sup> WMU Planning Committee meeting as presented. Commissioner Erickson seconded the motion which carried by a vote of six ayes and zero nays.

Finance & Office Services Supervisor Prekker presented the Commission with the May 2021 Financial Reports along with a recap of the May 31, 2021 Investment Portfolio. The data presented included analyses of the Electric, Water, and Combined Divisions. Information contained in the reports reflect operating revenues & expenses, operating income, and retained earnings. Graphs depicting the 2020/2021 monthly year-to-date revenues, expenses, and retained earnings were also included with the financial data.

Facilities & Maintenance Supervisor Marti presented the Commission with the June 2021 Wind Turbine Report. Turbine availabilities for the month of June were at 78.8% (Unit #3) and 76.6% (Unit #4) with a total

monthly production of 269,811 kilowatt hours. In early June, an auto reset process in place did not function properly affecting the availability of the units. Staff has addressed the issue and procedural adjustments have been made to minimize this type of occurrence in the future.

Staff Electrical Engineer Smith presented the Commission with a Transmission Investment Update. An overview was given of the historic data, the Willmar Substation Project, the Priam Substation Project, additional transmission work, and anticipated future transmission projects. Costs associated with each project along with targeted in-service dates were provided. General Manager Harren further stated that the return on transmission investments is approximately 11%. Not only do these projects provide positive income, but they also increase the reliability of our transmission system.

As a member of Missouri River Energy Services (MRES), the Utility is provided a monthly update of the MRES and Western Minnesota Municipal Power Agency (WMMPA) Boards of Directors meeting. The update provides a brief overview of the topics discussed by the Boards and the actions taken. At this time, a video summary from the June 2021 MRES and WMMPA Boards of Directors meeting was presented.

Energy/Safety Outreach Coordinator Radel provided a listing of the drawing winners from the Utility's recent participation in the WillmarFest Block Party on June 24<sup>th</sup>. The following is a listing of the prize recipients:

- 1) Electric lawn mower: Mary Bock
- 2) \$50 utility bill credit (8): Shaylynn Johnson, Lori Darger, Beau Standfuss, Lennett Sarchuk, John Liedman, Harry Peterson, Kiara Dillabough, and Char Gunvalson
- 3) Pair of Stinger tickets (5): Marlin Breems, Ron Kotzenmacher, Bonnie Brunick, Christina Vander Pol, and Bill Paterson

General Manager Harren informed the Commission that the annual Employee Luncheon/Meeting will be held on Thurs., July 15<sup>th</sup>. The meeting provides the opportunity to introduce new employees and Commissioners to all while highlighting milestones achieved (i.e. years of service) .

General Manager Harren noted that WMU Committee meetings will be forthcoming. Tentative agenda items for the Labor Committee will include General Manager pay equity/compensation, Emergency Succession Plan, and clothing policy. Tentative agenda items for discussion by the Planning Committee will include water billing policy and NISC software.

For information: Upcoming meetings/events to note include:

- MRES Red Rock Hydroelectric Project Tour (July 22/July 29/or August 5 @ Pella, Iowa)
- MMUA Summer Conference (August 16-18 @ Cragun's Resort, Brainerd)

There being no further business to come before the Commission, Commissioner Mattern offered a motion to adjourn. Commissioner Mahboub seconded the motion which carried by a vote of six ayes and zero nays, and the meeting was adjourned at 12:42 pm.

Respectfully Submitted,

WILLMAR MUNICIPAL UTILITIES

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Beth Mattheisen  
Executive Secretary

ATTEST:

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Abdirizak Mahboub, Secretary



**WILLMAR MUNICIPAL UTILITIES**  
**MUC Planning Committee Meeting Minutes**  
**Thursday, July 1, 2021**  
**12:00 pm – WMU Conference Room**

Attendees: Commissioners Bruce DeBlieck, Justin Mattern & Kerry Johnson, General Manager John Harren, Water System Supervisor Alan Neer, HR/Compliance Manager Janell Johnson, Finance & Office Services Supervisor Andrea Prekker, Administrative Secretary Beth Mattheisen, and from Carollo Engineering Reps Vinnie Hart & Seema Chavan (via Zoom).

Commissioner DeBlieck (PC Chair) called the meeting to order at 12:00 pm. Introductions were made by all attendees.

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- 1. NE Water Treatment Plant (90% review):** (Water System Supv. Neer and Carollo reps Hart & Chavan) General Manager Harren introduced Carollo Engineering Reps Vinnie Hart and Seema Chavan. Hart provided background data regarding the NE Water Treatment Plant Project which began approximately 10 years ago with the building of the pilot project. An overview of the NEWTP was presented with over 90% of the design/project work completed. With the project approaching “shovel ready” status, a review of the current cost estimates was presented which included an 8% escalation due to recent price increases to reflect an early 2022 bidding timeframe. The current total cost estimate for the project is \$19 million plus engineering and construction oversight of \$2 million. Breakdown of the cost estimates including alternate additional costs and the cost escalation due to significant commodity price increases (fuel, iron/steel, lumber, plastic, etc.) was given.

With the design portion of the project nearing completion, efforts to seek out funding assistance for the project continue. Carollo Rep Chavan provided an overview of the status of both State and Federal funding requests currently being pursued. (In all, at least 15 various funding possibilities have been pursued.)

At the Federal level, community funding of projects is being addressed (“earmarks”) with requests for full project funding with WMU to provide 20% match. At the State level, financing options have been submitted to the Senate Capital Investment Committee re capital budget and/or infrastructure bonding bills (Representative Dave Baker & Senator Andrew Lang). Rep. Baker will continue to address the project later this year including a visit to Willmar this fall to continue to pursue funding. While funding has not been secured to date, we will continue to pursue avenues for grant/bonding bill dollars to assist with the financing of the NEWTP. Harren added that while funding via the infrastructure bill would greatly assist in the financing of the project, future water rate increases will also be required. Once funding has been established, we will proceed with the project which is anticipated to take 18 months to construct (bidding process will begin in early 2022).

The current water demand/usage is nearing the city’s water capacity limitations. The increase in water usage is due to several factors including extreme weather and an increase in both residential and commercial services. Therefore, the need to proceed with the project is urgent. Any additional delays in the project could result in anticipated additional water restrictions. The effect of the new plant as it relates to the salty discharge issue was addressed. While the new plant will help to improve the current issue, it will not resolve nor meet compliance limitation requirements.

Following discussion, it was the consensus of the WMU Planning Committee to proceed with the NEWTP Project as presented.

*At this time, Hart, Chavan and Neer departed the meeting (12:50 pm).*

- 2. Pay Equity recap/review:** (HR/Compliance Manager Johnson)  
HR/Compliance Manager Johnson reviewed with the Committee the 2019 Pay Equity Report. To eliminate any gender-based inequities in compensation, state law requires all public jurisdictions

complete the report every two years. WMU files the report jointly with the City of Willmar to the department of Minnesota Management & Budget. Johnson informed the Committee that WMU is in compliance with the pay equity laws per the 2019 reporting. Johnson provided a review of the process involved in conducting the report (i.e. establishing ranking & point value and the equation of the data). Pay equity point value clarifications and comparable point values were addressed. Market values and additional complexities were discussed.

**3. 2020 Employee Survey results: (HR/Compliance Manager Johnson)**

HR/Compliance Manager Johnson presented the Committee with the results of the 2020 Management/Employee Engagement in Safety Survey conducted by Ridgewater College. WMU staff (100%) participated in the survey during safety training last December. The first staff survey of this type was conducted in 2018 and provided a baseline to assess changes. The survey consists of ten questions mixed within the questionnaire which target management and/or personnel. Since the first survey, management has continued to work with staff to address challenges by implementing several positive actions (i.e. Joe Schmit's monthly "*Silent Impact*" video series, full-staff updates, additional communication avenues, retaining "open door" policy by General Manager and HR Manager, etc.). Management furthermore continues to strive to provide equality among all personnel relating to policies. Results of the 2020 Management/Employee Engagement Survey were reviewed and presented a positive overall increase in morale by personnel. Johnson stated that the survey results reflect a positive improvement in both team building and communications, and continues to remain an ongoing mission that management is committed to.

Management will continue to provide a team-building atmosphere among its staff through various avenues. One option to utilize will be to re-cycle Joe Schmit's "*Silent Impact*" video series followed by employee group discussions. Committee members expressed their appreciation to management for their due diligence in effectively addressing the issues at hand and creating a positive work environment for all employees.

**4. Water Billing Policy for multi-unit dwellings (discussion): (HR/Compliance Manager Johnson and General Manager Harren)**

HR/Compliance Manager Johnson informed the Planning Committee that due to the increase in multi-unit dwellings within the city (i.e. apartment buildings), staff has assessed the inequities between residential dwellings and multi-unit dwellings. It is staff's recommendation that updates/modifications to the current Operations Policy as it relates to water service billing (meter and fixed cost charges) for such dwellings is warranted. The suggested solution would be to base the water billing on a per unit strategy instead of a per meter strategy beginning in 2022. Fixed cost charges need to be modified to resolve the current practice/policy in place. The goal is to achieve consistency for water billing much like sewer billing by the City. Staff further stated that this is not a rate increase, but a tool to balance out the water billing. Therefore, staff was soliciting support by the Planning Committee to assist in resolving the inequities between residential dwellings and multi-unit dwellings by modifying the current Operations Policy as it relates to water billing (from per meter to per unit).

Following discussion, it was the consensus of the Planning Committee to support staff's recommendation to pursue modifying the current water billing policy and defining the logistics to provide equality among WMU's customers.

**5. Adjournment:**

There being no further business to come before the WMU Planning Committee, Commissioner Mattern offered a motion to adjourn. Commissioner DeBlieck seconded the motion which carried, and the meeting was adjourned by a vote of three ayes and zero nays at 1:16 pm.



SUBJECT TO FINAL APPROVAL FROM PLANNING COMMISSION

**WILLMAR PLANNING COMMISSION  
CITY OF WILLMAR,  
WEDNESDAY, JUNE 30, 2021**

**MINUTES**

1. The Willmar Planning Commission met on Wednesday, June 30, 2021, at 7:00 p.m. virtually via GoToMeeting.

\*\* Members Present: Johnathan Marchand, Jeff Kimpling, Christina Nelson, Terry Sieck, Stephanie Carlson, Steven Dresler, Cletus Frank, and Justice Walker.

\*\* Members Absent: Khalif Ahmed Bashir.

\*\* Others Present: Alex Rau – Planning & Development Intern, David Ramstad – Director of Planning & Development, Robert Scott – Flaherty & Hood, Gabe Olson – AHEN, LLC, Ted Schmid – Chief Manager of Lumber One Development Company, LLC, Heidi Burton – Willmar, MN, Bill Paterson – Willmar, MN, Barbara Madsen, Aaron Backman – Executive Director of Economic Development Commission.

2. MINUTES: Minutes of the May 19, 2021, meetings were approved as presented. Motioned by Commissioner Kimpling, second by Commissioner Carlson.
3. NEW MEMBER – MR. STEVEN DRESLER: Mr. Dresler was introduced as a new member of the Planning Commission, and was unanimously affirmed to his new post. Commissioner Dresler provided some insights to his professional background in construction, and his experience working on other governmental boards.

Motion to approve by Commissioner Carlson, second by Commissioner Walker.

The motion carried.

4. Block 25 LUMBER ONE CONDITIONAL USE PERMIT FILE NO. 21-04: Staff presented a request by Lumber One Development of Avon, Minnesota for a conditional use on the property legally described as follows: North ½ of Lots 7, 8, 9, 10, 11, 12; South ½ of lots 7, 8, 9, North ½ of Lots, 7, 8, 9, 10, 11, 12. 25 ft of South ½ of lots 10, 11, 12; South 50 ft of lots 10, 11, 12.

Planning Intern Alex Rau stated the project is the first of its kind in the Renaissance Zone and the first large investment in the Central Business District in several decades. All zoning requirements are met, and sales agreements are in place. Director Ramstad stated the proposal meets the high Renaissance Zone standards of creativity, providing mixed-income housing opportunities, enhances the streetscape with significant landscaping, nearly doubles the parking capacity on the block, and fills a market-rate and urban housing gap in Willmar. EDC Director Bachman stated that as an infill project, the project significantly increases walking and cycling lifestyle in the community and fills a gap for housing in the heart of the community.

The public hearing was opened at 7:13 p.m. Bill Paterson asked if Lumber One owned or operated any other properties in the City of Willmar. Ted Schmid stated the proposal would be

Lumber One's first project in the City. There being no further questions or comments, the public hearing was closed at 7:16 p.m.

Commissioner Dresler asked how the City is supporting this Lumber One project. Director Ramstad stated that thus far, the project has received lost cost to free City owned land, but that the Renaissance Zone program will also provide the project with free building permits, free water access, free sewer access, TIF, matching grant loan program, and reduced utility connection fees. Director Ramstad stated that depending on the project and incentives it receives, the maximum cash value of all Renaissance Zone incentives is about \$740,000, spread out over a 15-year period.

Commissioner Dresler asked if the existing utilities was sufficient for the proposal. Director Ramstad said that City Engineering was consulted and that utilities are sufficient for the project. Mr. Schmid stated the timing of the Renaissance Zone aligned well with Lumber One's development schedule. He also mentioned that Lumber One's market survey of Willmar has illustrated a need for market rate studios and one-bedroom units. Commissioner Dresler asked what level of occupancy was needed to make the proposal financially viable. Mr. Schmid stated that Lumber One anticipates full capacity at the time of Certificate of Occupancy, but an operational loan is also in place in the event of slower than anticipated leasing. Commissioner Dresler sought clarity on the ownership and management of the property. Mr. Schmid stated Lumber One would be solely responsible for the development and management of the proposed project and that there are no plans to sell the property.

Commissioner Frank expressed concern with the loss of the 48 parking spaces on the publicly owned parking lot purchased by Lumber One from the City of Willmar. Commissioner Frank asked if any of the project's parking spaces would be for public use. Mr. Schmid stated that it was the intention of Lumber One that parking onsite would be private parking for tenants. Commissioner Frank expressed concern that the amount of parking provided in the site plans may be inadequate for future needs and asked that the Northerly corner of the proposed site plan, which is proposed to be green space, be available for future parking expansion, if need arises. Owner/developer Schmid agreed to this as a condition of CUP approval.

Commissioner Carlson motioned to approve, second by Commissioner Sieck.

The motion carried.

The Conditional Use Permit was approved with the following conditions:

- A. Must meet or exceed all RZ requirements, including the permanent designation of 5% of units rented at 80% AMI and recorded with Kandiyohi County Recorder.
- B. The project shall meet all applicable local, state, and federal regulations.
- C. Site plans including stormwater management must be submitted to the City of Willmar and all recommendations must be followed.
- D. The green space area located in the North Easterly corner of the site plan will be reserved for the future expansion of parking in the event the need arises.

5. SUITE LIV'N CONDITIONAL USE PERMIT FILE NO. 21-02: Staff presented the Conditional Use Permit Application requested by AHEN, LLC of Willmar, MN, to construct two (2) twenty-

four (24) unit multi-family structures on the property legally described as follows: the Westerly ½ of North East ¼ of NW ¼ Section 9 except North 622 ft & except South 370 ft & except East 220 ft & except West 355 ft & the Westerly 355 ft of the Fol Desk Property, West ½ of NE ¼ of NW ¼ of Section 9 except North 622 ft & except South 370 ft & except East 220 ft.

Commissioner Carlson mentioned that she had a previous professional relationship with AEHN, LLC as a former employee, and asked if said relationship would be a conflict of interest. City Attorney Scott asked if this relationship would have any hindrance on her ability to make an impartial decision. Commissioner Carlson said that there would be no hindrance on her ability to remain impartial. Scott stated that since she no longer works for AEHN and has not for many years, and can impartially make her conclusions, there would be no need for Commissioner Carlson recuses herself.

Director Ramstad stated there has been considerable amount of public comment against the proposed project. In response, staff have created a Management Maintenance Agreement between AEHN, LLC and the City of Willmar to address property maintenance concerns of residents and the City. The agreement is a condition of the TIF Development Agreement, and therefore if AEHN, LLC had any outstanding citations at time when tax increment payments were due, the City would withhold payment until AEHN, LLC is in compliance.

City Attorney Scott presented information defining the role of the Planning Commission in reviewing Conditional Use Permits.

The public hearing was opened at 8:02 p.m.

Ms. Burton stated she has lived in the adjacent College View neighborhood for 20-years. Ms. Burton expressed that there has been a considerable amount of crime at AEHN, LLC's existing multi-family structures that also front the single family home development. Ms. Burton presented a petition to the Commission with signatures from neighboring property owners and emails expressing their concerns.

Ms. Burton stated she had an issue with the lighting at AEHN's existing properties that shines into the adjacent single family homes. She also pointed to inadequate fencing and that AEHN tenants were trespassing through private single family property. Moreover, she said that there is considerable noise, debris and poor general maintenance of the property.

Director Ramstad stated that many of these concerns are addressed in the Management Maintenance Agreement between AEHN and the City of Willmar. Director Ramstad asked Gabe Olson, the owner of AEHN, LLC, if fencing could be constructed between the existing and new AEHN properties and the single-family homes that are adjacent to his real estate. Mr. Olson agreed that AEHN, LLC would create a continuous fence, as the land and any obstacles allow, and at AEHN's expense.

Ms. Madsen expressed concerns with stormwater runoff and water management in the area. Director Ramstad mentioned that an environmental and stormwater management study has not yet been completed. It was suggested that compliance with them be added as a condition for approval for the Conditional Use Permit. Ms. Madsen also expressed concerns that there was not enough recreation options and trails in the neighborhood for children, pedestrians and bicycles. Commissioner Carlson suggested that a bike trail between the properties would be a welcome addition to the area. Director Ramstad suggested that recreation and trails be addressed in the forthcoming Comprehensive Plan Workgroup that Commissioner Carlson will be joining.

Mr. Paterson expressed concern with lack of fencing in existing structures owned and operated by AEHN, LLC. Mr. Paterson stated that he has also observed that AEHN, LLC does not plow snow in the winter. Director Ramstad mentioned that there were meetings between AEHN and City Engineering Department regarding snow removal, and that those issues have been addressed in the Management Maintenance Plan, which is a condition to the TIF Development Agreement.

With no further questions or comments, the public hearing was closed at 8:43 p.m.

Commissioner Kimpling motioned to approve, second by Commissioner Carlson.

The motion carried.

The Conditional Use Permit was approved with the following conditions:

- A. The use shall meet all applicable local, state, and federal regulations.
- B. Site plans, including stormwater management, must be submitted to City Engineering and all recommendations must be followed.
- C. Wetland management requirements must be met and approved by State and Local authorities.
- D. Installation of privacy fences between AEHN's property and neighboring single family home properties, including additional fencing where gaps exist to improve the separation and privacy of adjacent single family residential property.
- E. Adherence to the management maintenance plan as attached to AEHN, LLC TIF Development Agreement.
- F. Addition of shielding to lighting fixtures on exterior of the subject property and all properties facing single-family home lots.
- G. Adherence to any environmental assessment findings
- H. Landscape plans must be submitted to City Planning and all recommendations must be followed.

6. CAPITAL IMPROVEMENTS PROGRAM: Director Ramstad presented the proposed Capital Improvements Program. Staff stated that the proposed improvements are primarily maintenance oriented, with the exception of a few new civic projects. Director Ramstad said that all items align well with the Comprehensive Plan, and therefore recommended approval.

Motion to Approve by Commissioner Walker, second by Commissioner Carlson.

The motion carried.

Approved with the following conditions:

- A. Street repair and maintenance be made a priority.

B. Civic Center parking lot reconstruction and expansion be moved from 2025 to 2022/2023 as staff's determination.

7. MISCELLANY: Director Ramstad stated a new City Planner was hired and will begin work on July 6, 2021.

Director Ramstad thanked Commissioner Nelson for her service on the Planning Commission. Commissioner Nelson is leaving the Planning Commission to relocate to Virginia.

Commissioner Walker asked how long the Commission will be virtual. Director Ramstad stated that it is up to the Commission how they would like to proceed. Chair Marchand said that further discussion on the subject will follow.

8. There being no further business to come before the Commission, the meeting adjourned at 9:35 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'D. Ramstad', with a horizontal line drawn through it.

David Ramstad, PhD  
Planning & Development Director

SUBJECT TO FINAL APPROVAL FROM PLANNING COMMISSION

**WILLMAR PLANNING COMMISSION  
CITY OF WILLMAR,  
WEDNESDAY, JULY 7, 2021**

**MINUTES**

1. The Willmar Planning Commission met on Wednesday, July 7, 2021, at 7:02 p.m. virtually via GoToMeeting.

\*\* Members Present: Johnathan Marchand, Jeff Kimpling, Terry Sieck, Stephanie Carlson, and Justice Walker.

\*\* Members Absent: Khalif Ahmed Bashir, Cletus Frank, Steven Dresler.

\*\* Others Present: Alex Rau – Planning & Development Intern, David Ramstad – Director of Planning & Development, Kayode Adiatu – City Planner, Bashir Yusuf – Amin Grocery, Sarah Swedburg – Economic Development Commission, Alexa Turney – Bowman Construction

2. MINUTES: Minutes of the June 30, 2021 meeting was approved as presented. Motioned by Commissioner Kimpling, second by Commissioner Sieck.
3. AMIN GROCERY STORE PLAN REVIEW FILE NO. 21-05: Staff presented a request by Abdiweli Yusuf of Willmar, Minnesota for a plan review to move an existing grocery store to the property legally described as follows: Lot 10 & West 6 inches of Lot 9, Block 30, Original Town of Willmar (430 & 432 Litchfield Ave SW).

Sarah Swedburg and Bashir Yusuf presented plans on behalf of Abdiweli Yusuf. Amin Grocery is an existing business in Willmar located at 302 4<sup>th</sup> St SW. Mr. Yusuf will be purchasing the properties at 430 & 432 Litchfield Ave SW and relocating the grocery there. Existing tenants of two residential units and one commercial space will remain.

Chairperson Marchand sought clarity on whether the two structures and parcels were being sold as one. Ms. Swedburg stated that the structures will be sold as one.

Motion to approve by Commissioner Carlson, second by Commissioner Walker.

The motion carried.

4. TIDAL AUTO SPA PLAN REVIEW FILE NO. 21-04: Staff presented a request by John La Pointe of Tampa, FL, for a Planning Commission Plan Review to construct a Car Wash on the property legally described as NW¼ of the SW¼ of Section 23.

The property is zoned General Business, and the use of a car wash requires a Plan Review. Bowman Construction representative Ms. Turney stated that the property is a 1.7 acre site, and that they are planning on using half the property that fronts 19<sup>th</sup> Avenue SE. The other half of the site is an existing bowling alley that has been closed for a significant and indefinite time. Ms. Turney also stated that Tidal Auto is opening numerous other locations across the country. Each location offers subscription based plans.

Chairperson Marchand asked if there are other payment options other than subscriptions. Ms. Turney responded that there are a number of package options customers may purchase or they may pay-as-they-go. Chairperson Marchand asked if they intend to leave the remaining structure as it is, Ms. Turney responded yes. Commissioner asked if the parcel or the whole site had been purchased. Ms. Turney said that there would be a minor subdivision plat, which would separate the two sites, and that the bowling alley property will remain as is.

Commissioner Walker asked if the business is going to be on the corner across Qdoba. Ms. Turney said it was. Commissioner Walker then asked what the timeline is for the project. Ms. Turney responded that they plan to start construction as soon as possible, upon approval. Commissioner Walker expressed his concern over 5<sup>th</sup> street traffic volume and access. Ms. Turney said that they have coordinated with City Engineer, which is why the curb-cuts align with curb-cuts across the streets of both 5<sup>th</sup> Street and 19<sup>th</sup> Avenue SE.

Chairperson Marchand asked about whether the City could sufficiently accommodate the project's water needs. Ms. Turney stated that they only needed a 2-inch water line. Commissioner Carlson asked if water use will be from the City or tap a well. Ms. Turney stated it is going to be City water. Planning Intern Rau also mentioned that the City of Willmar does not allow well within the City limits.

Motion to approve by Commissioner Walker, second by Commissioner Kimpling.

The motion carried.

5. SUITE LIV'N TIF: Director Ramstad tendered an apology for bringing the item late to the agenda. He mentioned that the TIF District does not conflict with Willmar's Comprehensive Plans and requested that the Planning Commission adopt the Resolution approving the TIF district. Director Ramstad stated that TIF district is the site of the property and the Development District is coterminous with Willmar's city limits.

Director Ramstad stated that the Planning Commission would also perform this same process when Block-25 Lofts' TIF District is presented. Director Ramstad also mentioned for informational purposes that all future TIF Agreements will have the condition that the owner must remain in compliance with all Willmar property maintenance regulations. Chairperson Marchand asked for clarity about the duration of the TIF. Director Ramstad stated that the maximum the City can do for a Housing-TIF is 25-years, but the City is only doing 15-years for the Suite Liv'n project. Director Ramstad explained that the developer first pays their property tax, then that tax increment is paid back to the developer minus the 10% City Administrative Fee. He also pointed out that if values increase, then the TIF can be paid off earlier than 15-years. Conversely, if values decline, then the City does not owe any more than agreed upon after the TIF expires in 15-years.

Motion to approve by Commissioner Walker, second by Commissioner Sieck.

The motion carried.

6. Miscellany: Director Ramstad stated that per City Attorney guidance that tonight's meeting must be the last virtual meeting because the Governor and City have both rescinded online meeting venues. Director Ramstad also asked if the commission would like to meet in the City hall main Conference Room and if a 6 p.m. meeting time could be considered. Chairperson Marchand asked commissioners if 6 p.m. was a workable time for their schedules. Consensus appeared to

be in favor according to Chairperson Marchand. Director Ramstad requested a motion and vote for the record. Chairperson Marchand agreed.

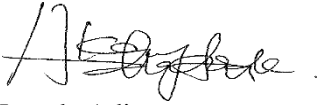
Motion to adjust meeting time to 6 p.m. by Commissioner Carlson, second by Commissioner Walker.

The motion carried.

Director Ramstad then provided the Planning Commission with an update on projects in the pipeline.

7. There being no further business to come before the Commission, the meeting adjourned at 8:02 p.m.

Best Regards,

A handwritten signature in black ink, appearing to read "Kayode Adiatu", with a horizontal line drawn through the middle of the signature.

Kayode Adiatu  
City Planner



Report Selection:

Optional Report Title.....INCLUDES ONLY POSTED TRANS

INCLUSIONS:

Fund & Account.		thru
Check.. Date.....	06/25/2021	thru 07/08/2021
Source Codes.....		thru
Journal Entry Dates.....		thru
Journal Entry Ids.....		thru
Check.. Number.....		thru
Project.....		thru
Vendor.....		thru
Invoice.....		thru
Purchase Order.....		thru
Bank.....		thru
Totals Only?.....	N	
1099 Vendors Only?.....		
Lower Dollars Limit.....		
Create Excel file & Download	N	

Run Instructions:

Jobq	Banner	Copies	Form	Printer	Hold	Space	LPI	Lines	CPI	CP	SP	RT
J		01		MNWIPRT12	Y	S	6	066	10			

Vendor Payment History Report  
INCLUDES ONLY POSTED TRANS

VENDOR NAME AND NUMBER	CHECK#	DATE	DESCRIPTION	AMOUNT	CLAIM	INVOICE	PO#	F S 9 BX M	ACCOUNT NAME	ACCOUNT
AMAZON CAPITAL SERVICES			003557							
	62383	07/08/21	COMPUTER SPEAKERS	23.98		1RNK-VDJ4-9MDW		D -	SMALL TOOLS	101.41409.0221
	62383	07/08/21	TAPE DISPENSER/SCISSORS	17.08		1R76-T4XD-3WH6		D -	OFFICE SUPPLIES	101.41409.0220
	62383	07/08/21	PHONE CASE	21.98		1R76-T4XD-3WH6		D -	GENERAL SUPPLIES	101.41409.0229
	62383	07/08/21	2 DELL DESKTOP COMPUTERS	650.96		19YT-1WGV-W4R7		D -	SMALL TOOLS	101.41409.0221
				714.00						
			VENDOR TOTAL	714.00		*CHECK TOTAL				
AMERICAN WELDING & GAS I			000057							
	62384	07/08/21	WELDING GAS	73.05		07906376		D -	GENERAL SUPPLIES	101.43425.0229
ANDERSON LAW OFFICES			002954							
	62385	07/08/21	LEGAL SERVICES-JUN	17,026.33		2083		D N 01	PROFESSIONAL SER	101.41406.0446
AT&T MOBILITY			000075							
	62386	07/08/21	PHONE SERV-JUN	1,270.22		X07032021		D -	COMMUNICATIONS	101.41409.0330
AUSTIN INCORPORATED			003610							
	62387	07/08/21	SEPTIC PUMPING	190.00		18319		D -	OTHER SERVICES	230.43430.0339
BACKES TECHNOLOGY SERVIC			000087							
	62388	07/08/21	PHONE SERVICE	154.52		19363		D -	COMMUNICATIONS	101.45433.0330
BANKS/ERIC			003525							
	62389	07/08/21	CANDY-WLMR FEST PARADE	300.00		0001		D -	GENERAL SUPPLIES	101.45432.0229
BARNUM GATE SERVICES INC			003188							
	62390	07/08/21	ROLLERS FOR FRONT GATE	118.00		27488		D -	MTCE. OF OTHER I	651.48484.0226
BATTERY WHOLESALE INC			002860							
	62391	07/08/21	L.S. UPS BATTERIES	33.08		173797WIL		D -	MTCE. OF EQUIPME	651.48485.0224
	62391	07/08/21	BATTERY RECYCLING FEE	17.00		173805WIL		D -	CLEANING AND WAS	651.48484.0338
				50.08						
			VENDOR TOTAL	50.08		*CHECK TOTAL				
BECKER ARENA PRODUCTS IN			000097							
	62392	07/08/21	HOCKEY LINES FOR RINKS	2,032.77		600928		D -	GENERAL SUPPLIES	101.45433.0229
BENNETT OFFICE TECHNOLOG			000099							
	62393	07/08/21	MANAGED PRINT SERVICES	67.62		317699		D -	OFFICE SUPPLIES	208.45005.0220
BENNETT VENTURES INC			001323							
	62394	07/08/21	KEYS-PORTABLE BLEACHERS	41.00		014993B		D -	MTCE. OF EQUIPME	101.43425.0224
BERNICK'S PEPSI-COLA CO			000103							
	62395	07/08/21	CONCESSION SUPPLIES	1,803.20		225147		D -	GENERAL SUPPLIES	101.45437.0229
BREMER BANK			000263							
	62396	07/08/21	2020 GO IMP BOND-I	8,610.00		070121		D -	INTEREST	300.47100.0444
	62396	07/08/21	2014 GO IMP BOND-I	924.42		070121		D -	INTEREST	314.47100.0444

Vendor Payment History Report  
INCLUDES ONLY POSTED TRANS

VENDOR NAME AND NUMBER		CHECK#	DATE	DESCRIPTION	AMOUNT	CLAIM	INVOICE	PO#	F	S	9	BX	M	ACCOUNT NAME	ACCOUNT
BREMER BANK				000263											
	62396	07/08/21	2019 GO IMP BOND-I		30,118.50		070121		D	-				INTEREST	319.47100.0444
					39,652.92		*CHECK TOTAL								
				VENDOR TOTAL	39,652.92										
CAPITAL ONE				003647											
	62397	07/08/21	FAREWELL COFFEE SUPPLIES		37.70		052821		D	-				GENERAL SUPPLIES	101.41408.0229
	62397	07/08/21	OFFICE SUPPLIES		8.84		060821		D	-				OFFICE SUPPLIES	101.45432.0220
	62397	07/08/21	GARMENT RACKS		19.64		060821		D	-				GENERAL SUPPLIES	101.45432.0229
	62397	07/08/21	DRINKING WATER		19.90		060921		D	-				GENERAL SUPPLIES	101.42411.0229
	62397	07/08/21	DVD-MOVIE IN THE PARKS		9.96		061621		D	-				GENERAL SUPPLIES	899.45432.0229
	62397	07/08/21	COFFEE		25.36		061721		D	-				SUBSISTENCE OF P	101.42411.0227
	62397	07/08/21	ADDRESS LABELS/NAME TAGS		8.84		061721		D	-				OFFICE SUPPLIES	101.45432.0220
	62397	07/08/21	T-BALL BATS		208.49		061721		D	-				GENERAL SUPPLIES	101.45432.0229
	62397	07/08/21	POPCORN-MOVIES IN PARK		12.12		061821		D	-				GENERAL SUPPLIES	101.45432.0229
					350.85		*CHECK TOTAL								
				VENDOR TOTAL	350.85										
CARDMEMBER SERVICE				002365											
	387	06/30/21	#209256-JACKS		75.49		STMT/5-21		M	-				INVENTORIES-MDSE	101.125000
	387	06/30/21	#209256-AWNING		181.20		STMT/5-21		M	-				INVENTORIES-MDSE	101.125000
	387	06/30/21	#209256-ELEC CONNECTOR		31.28		STMT/5-21		M	-				INVENTORIES-MDSE	101.125000
	387	06/30/21	2022 CAMERA STRGE SUBSCR		41.58		STMT/5-21		M	-				PREPAID EXPENSES	101.128000
	387	06/30/21	INTERVIEW PANEL-MEALS		507.44		STMT/5-21		M	-				TRAVEL-CONF.-SCH	101.41401.0333
	387	06/30/21	AED SUPPLIES		25.20		STMT/5-21		M	-				GENERAL SUPPLIES	101.41408.0229
	387	06/30/21	3 US FLAGS		78.53		STMT/5-21		M	-				GENERAL SUPPLIES	101.41408.0229
	387	06/30/21	DOC MONTHLY SOFTWARE		95.00		STMT/5-21		M	-				SUBSCRIPTIONS AN	101.41409.0443
	387	06/30/21	2021 ZOOM MEETINGS	1,	223.83		STMT/5-21		M	-				SUBSCRIPTIONS AN	101.41409.0443
	387	06/30/21	FILE TRANSFER SERV-MAY		100.00		STMT/5-21		M	-				SUBSCRIPTIONS AN	101.41409.0443
	387	06/30/21	OFF SITE BACKUP-MAY		34.99		STMT/5-21		M	-				SUBSCRIPTIONS AN	101.41409.0443
	387	06/30/21	FOREIGN TRANSACTION FEE		1.90		STMT/5-21		M	-				OTHER CHARGES	101.41409.0449
	387	06/30/21	LOCKOUT TOOL KIT		204.28		STMT/5-21		M	-				SMALL TOOLS	101.42411.0221
	387	06/30/21	CELL PHONE HOLDER		12.93		STMT/5-21		M	-				SMALL TOOLS	101.42411.0221
	387	06/30/21	EXPLORER ACADEMY-MEALS		166.56		STMT/5-21		M	-				SUBSISTENCE OF P	101.42411.0227
	387	06/30/21	EXPLORER ACADEMY-MEALS		171.59		STMT/5-21		M	-				SUBSISTENCE OF P	101.42411.0227
	387	06/30/21	EXPLORER ACADEMY-MEALS		96.53		STMT/5-21		M	-				SUBSISTENCE OF P	101.42411.0227
	387	06/30/21	BATTERIES		43.10		STMT/5-21		M	-				GENERAL SUPPLIES	101.42411.0229
	387	06/30/21	FIREARMS SUPPLIES		110.32		STMT/5-21		M	-				GENERAL SUPPLIES	101.42411.0229
	387	06/30/21	ANDERSON-CONF REGIS.		175.00		STMT/5-21		M	-				TRAVEL-CONF.-SCH	101.42411.0333
	387	06/30/21	HAY-CONF REGIS.		175.00		STMT/5-21		M	-				TRAVEL-CONF.-SCH	101.42411.0333
	387	06/30/21	REF DBL CHG-ADVISOR DUES		35.00CR		STMT/5-21		M	-				SUBSCRIPTIONS AN	101.42411.0443
	387	06/30/21	FDIC CONF AIRFARE		413.80		STMT/5-21		M	-				TRAVEL-CONF.-SCH	101.42412.0333
	387	06/30/21	FDIC CONF AIRFARE		413.80		STMT/5-21		M	-				TRAVEL-CONF.-SCH	101.42412.0333
	387	06/30/21	TRK RIDE/LNCH WITH CHIEF		11.87		STMT/5-21		M	-				TRAVEL-CONF.-SCH	101.42412.0333
	387	06/30/21	FAREWELL COFFEE SUPPLIES		73.98		STMT/5-21		M	-				SUBSISTENCE OF P	101.43417.0227
	387	06/30/21	CITY ENGINEER AD		199.00		STMT/5-21		M	-				ADVERTISING	101.43417.0447
	387	06/30/21	TONER		284.56		STMT/5-21		M	-				OFFICE SUPPLIES	101.43425.0220
	387	06/30/21	OFFICE SUPPLIES		34.51		STMT/5-21		M	-				OFFICE SUPPLIES	101.43425.0220
	387	06/30/21	POSTAGE		7.00		STMT/5-21		M	-				POSTAGE	101.43425.0223
	387	06/30/21	POSTAGE		67.95		STMT/5-21		M	-				POSTAGE	101.43425.0223

Vendor Payment History Report  
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VENDOR NAME AND NUMBER		CHECK#	DATE	DESCRIPTION	AMOUNT	CLAIM	INVOICE	PO#	F	S	9	BX	M	ACCOUNT NAME	ACCOUNT
CARDMEMBER SERVICE				002365											
		387	06/30/21	POSTAGE	60.40		STMT/5-21		M	-				POSTAGE	101.43425.0223
		387	06/30/21	POSTAGE	118.05		STMT/5-21		M	-				POSTAGE	101.43425.0223
		387	06/30/21	POSTAGE	14.55		STMT/5-21		M	-				POSTAGE	101.43425.0223
		387	06/30/21	DEPT HEAD MTG-DONUTS	10.17		STMT/5-21		M	-				GENERAL SUPPLIES	101.43425.0229
		387	06/30/21	BOTTLED WTR-PW OPEN HSE	7.98		STMT/5-21		M	-				GENERAL SUPPLIES	101.43425.0229
		387	06/30/21	BOTTLED WTR-PW OPEN HSE	7.98		STMT/5-21		M	-				GENERAL SUPPLIES	101.43425.0229
		387	06/30/21	WIERSCHEM-AFO TRNG/CERT.	360.00		STMT/5-21		M	-				TRAVEL-CONF. -SCH	101.43425.0333
		387	06/30/21	LABELS/OFFICE SUPPLIES	19.07		STMT/5-21		M	-				OFFICE SUPPLIES	101.45432.0220
		387	06/30/21	PITCHING MOUND	686.00		STMT/5-21		M	-				SMALL TOOLS	101.45432.0221
		387	06/30/21	BALL PUMP	51.72		STMT/5-21		M	-				SMALL TOOLS	101.45432.0221
		387	06/30/21	FIELD CHALKER/RAKE	782.11		STMT/5-21		M	-				SMALL TOOLS	101.45432.0221
		387	06/30/21	KEYS	42.93		STMT/5-21		M	-				MTCE. OF EQUIPME	101.45432.0224
		387	06/30/21	OUTFIELD FENCE PVC PIPE	64.44		STMT/5-21		M	-				MTCE. OF OTHER I	101.45432.0226
		387	06/30/21	TENNIS TEACHING CART	122.00		STMT/5-21		M	-				GENERAL SUPPLIES	101.45432.0229
		387	06/30/21	PROJECTOR/SPKR AUX CORD	20.37		STMT/5-21		M	-				GENERAL SUPPLIES	101.45432.0229
		387	06/30/21	VOLLEYBALL NET	154.15		STMT/5-21		M	-				GENERAL SUPPLIES	101.45432.0229
		387	06/30/21	PARK IT SUPPLIES	85.79		STMT/5-21		M	-				GENERAL SUPPLIES	101.45432.0229
		387	06/30/21	PARK IT SUPPLIES	244.26		STMT/5-21		M	-				GENERAL SUPPLIES	101.45432.0229
		387	06/30/21	YOUTH PROGRAM SUPPLIES	13.47		STMT/5-21		M	-				GENERAL SUPPLIES	101.45432.0229
		387	06/30/21	KEYBOARD	30.19		STMT/5-21		M	-				GENERAL SUPPLIES	101.45432.0229
		387	06/30/21	PARK IT SUPPLIES	34.50		STMT/5-21		M	-				GENERAL SUPPLIES	101.45432.0229
		387	06/30/21	YOUTH PROGRAM SUPPLIES	18.33		STMT/5-21		M	-				GENERAL SUPPLIES	101.45432.0229
		387	06/30/21	AMAZON MEMBERSHIP-MAY	14.01		STMT/5-21		M	-				SUBSCRIPTIONS AN	101.45432.0443
		387	06/30/21	I-CLOUD CAMERA STORAGE	199.96		STMT/5-21		M	-				SUBSCRIPTIONS AN	101.45433.0443
		387	06/30/21	2021 CAMERA STRGE SUBSCR	58.22		STMT/5-21		M	-				SUBSCRIPTIONS AN	101.45433.0443
		387	06/30/21	WILLMAR FEST SUPPLIES	39.66		STMT/5-21		M	-				GENERAL SUPPLIES	101.45435.0229
		387	06/30/21	COFFEE/CUPS/LEMONADE	27.30		STMT/5-21		M	-				GENERAL SUPPLIES	101.45435.0229
		387	06/30/21	SPOONS/FORKS/CUPS	35.84		STMT/5-21		M	-				GENERAL SUPPLIES	101.45435.0229
		387	06/30/21	WILLMAR FEST SUPPLIES	27.42		STMT/5-21		M	-				GENERAL SUPPLIES	101.45435.0229
		387	06/30/21	SAFETY-HEAD IMMOBILIZER	87.00		STMT/5-21		M	-				SUBSISTENCE OF P	101.45437.0227
		387	06/30/21	CLEANING SUPPLIES	171.46		STMT/5-21		M	-				CLEANING AND WAS	101.45437.0228
		387	06/30/21	CLEANING SUPPLIES	93.80		STMT/5-21		M	-				CLEANING AND WAS	101.45437.0228
		387	06/30/21	SUMMER STAFF SHIRTS	84.00		STMT/5-21		M	-				GENERAL SUPPLIES	101.45437.0229
		387	06/30/21	LIFE GUARD SUIT	37.95		STMT/5-21		M	-				GENERAL SUPPLIES	101.45437.0229
		387	06/30/21	LIFE GUARD SUITS	107.95		STMT/5-21		M	-				GENERAL SUPPLIES	101.45437.0229
		387	06/30/21	BATTERIES/1ST AID SUPPL.	117.31		STMT/5-21		M	-				GENERAL SUPPLIES	101.45437.0229
		387	06/30/21	WRIST BANDS	36.66		STMT/5-21		M	-				GENERAL SUPPLIES	101.45437.0229
		387	06/30/21	FACEBOOK ADVERTISING	15.00		STMT/5-21		M	-				ADVERTISING	235.41402.0447
		387	06/30/21	HEX TOOL	24.21		STMT/5-21		M	-				SMALL TOOLS	236.45436.0221
		387	06/30/21	BIKE RACK	53.93		STMT/5-21		M	-				GENERAL SUPPLIES	236.45436.0229
		387	06/30/21	SCADA PHONE LINE-MAY	35.51		STMT/5-21		M	-				COMMUNICATIONS	651.48484.0330
		387	06/30/21	PITCHING MOUND	686.00		STMT/5-21		M	-				SMALL TOOLS	899.45432.0221
		387	06/30/21	PAINT ACTIVITY SUPPLIES	168.06		STMT/5-21		M	-				GENERAL SUPPLIES	899.45435.0229
				VENDOR TOTAL	10,092.93										
					10,092.93									*CHECK TOTAL	
CARRANZA/NOE				002547											
		62398	07/08/21	INTERPRETED 05/22/21	120.00		317		D	N	01			PROFESSIONAL SER	101.42411.0446

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VENDOR NAME AND NUMBER	CHECK#	DATE	DESCRIPTION	AMOUNT	CLAIM	INVOICE	PO#	F S 9 BX M	ACCOUNT NAME	ACCOUNT
CARRANZA/NORMA I			002542							
	62399	07/08/21	INTERPRETED 06/02/21	120.00		318		D N 01	PROFESSIONAL SER	101.42411.0446
CARRIS HEALTH - RICE HOS			001166							
	62400	07/08/21	DRAW CHG-CASE 21007317	37.96		16355		D -	PROFESSIONAL SER	101.42411.0446
CENTERPOINT ENERGY			000467							
	62401	07/08/21	NATURAL GAS-JUN	5.99		6038773/6-21		D -	UTILITIES	101.43425.0332
	62401	07/08/21	NATURAL GAS-JUN	13.57		6061271/6-21		D -	UTILITIES	101.45433.0332
	62401	07/08/21	NATURAL GAS-JUN	5.99		6069198/6-21		D -	UTILITIES	101.43425.0332
	62401	07/08/21	NATURAL GAS-JUN	755.59		6085332/6-21		D -	UTILITIES	101.45433.0332
	62401	07/08/21	NATURAL GAS-JUN	5.99		6093527/6-21		D -	UTILITIES	101.43425.0332
			VENDOR TOTAL	787.13		*CHECK TOTAL				
CENTRAL COUNTIES COOPERA			001259							
	62402	07/08/21	WEED KILLER	200.00		16420		D -	GENERAL SUPPLIES	101.43425.0229
	62402	07/08/21	WEED KILLER	433.10		16659		D -	GENERAL SUPPLIES	101.43425.0229
			VENDOR TOTAL	633.10		*CHECK TOTAL				
CHAMBERLAIN OIL CO			000154							
	62403	07/08/21	OIL	563.26		362614-00		D -	INVENTORIES-MDSE	101.125000
CHARTER COMMUNICATIONS			000736							
	62404	07/08/21	PHONE SERV-JUL	1,285.47		0009126062221		D -	COMMUNICATIONS	101.41409.0330
	62404	07/08/21	INTERNET SERVICE-JUL	184.97		0438138070221		D -	COMMUNICATIONS	101.41409.0330
			VENDOR TOTAL	1,470.44		*CHECK TOTAL				
CLARION EVENTS-FDIC 2021			.03102							
	62405	07/08/21	DELEEUW-FDIC CONF REGIS.	637.00		1227911		D -	TRAVEL-CONF. -SCH	101.42412.0333
CONCORDE BANK			002887							
	62406	07/08/21	2015 GO IMP BOND-I	721.88		070121		D -	INTEREST	315.47100.0444
	62406	07/08/21	2016 GO IMP BOND-I	787.50		070121		D -	INTEREST	316.47100.0444
	62406	07/08/21	2019 GO IMP BOND-I	931.50		070121		D -	INTEREST	319.47100.0444
	62406	07/08/21	2017 GO IMP BOND-I	2,990.00		070121		D -	INTEREST	397.47100.0444
			VENDOR TOTAL	5,430.88		*CHECK TOTAL				
CROW CHEMICAL & LIGHTING			000186							
	62407	07/08/21	HAND TOWELS	92.40		21225		D -	GENERAL SUPPLIES	651.48484.0229
	62407	07/08/21	TOILET TISSUE/SUPPLIES	418.90		21250		D -	GENERAL SUPPLIES	101.43425.0229
	62407	07/08/21	GARBAGE BAGS	146.50		21282		D -	GENERAL SUPPLIES	101.43425.0229
	62407	07/08/21	NITRILE GLOVES	275.00		21358		D -	GENERAL SUPPLIES	101.43425.0229
	62407	07/08/21	TOILET TISSUE/SUPPLIES	145.85		21358		D -	GENERAL SUPPLIES	101.43425.0229
	62407	07/08/21	GARBAGE BAGS	84.50		21359		D -	GENERAL SUPPLIES	101.43425.0229
			VENDOR TOTAL	1,163.15		*CHECK TOTAL				
			VENDOR TOTAL	1,163.15						

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VENDOR NAME AND NUMBER	CHECK#	DATE	DESCRIPTION	AMOUNT	CLAIM	INVOICE	PO#	F S 9 BX M	ACCOUNT NAME	ACCOUNT
CROW RIVER READY MIX			003648							
	62408	07/08/21	CONCRETE FOR PLAY EQUIP	455.70		1584		D -	MTCE. OF OTHER I	101.43425.0226
DEPT OF HUMAN SERVICES			002914							
	62409	07/08/21	ECPN PAYMENT-AUG	11,033.72		00000659709		D -	OTHER CHARGES	101.41428.0449
DOOLEY'S PETROLEUM INC			000212							
	62410	07/08/21	6,004 GALLONS UNLEADE	16,318.93		137924		D -	INVENTORIES-MDSE	101.125000
	62410	07/08/21	2,002 GALLONS DIESEL	4,717.84		137924		D -	INVENTORIES-MDSE	101.125000
			VENDOR TOTAL	21,036.77		*CHECK TOTAL				
DUININCK CONCRETE			000151							
	62411	07/08/21	CONCRETE	205.00		105046		D -	MTCE. OF OTHER I	101.43425.0226
DUININCK INC			000222							
	62412	07/08/21	MILL & OVERLAY 1ST ST S	593.04		2003-A/EST.3		D -	MTCE. OF OTHER I	400.48451.0336
	62412	07/08/21	MIX FOR STREET PATCHIN	2,898.29		546562		D -	MTCE. OF OTHER I	101.43425.0226
	62412	07/08/21	PARK PEA ROCK	2,590.28		546795		D -	MTCE. OF OTHER I	101.43425.0226
			VENDOR TOTAL	6,081.61		*CHECK TOTAL				
ED'S SERVICE CENTER & SA			000231							
	62413	07/08/21	TOWING CHARGES-MAY	77.12		STMT/5-21		D -	OTHER SERVICES	101.42411.0339
FASTENAL COMPANY			001188							
	62414	07/08/21	SHOP SUPPLIES	5.69		MNWIL196188		D -	GENERAL SUPPLIES	651.48484.0229
FELT/JAMES E			000993							
	62415	07/08/21	FUEL REIMB.-FUNERAL/MTG	28.92		061121		D -	MOTOR FUELS AND	101.42411.0222
	62415	07/08/21	FUEL REIMB.-FUNERAL	34.50		061721		D -	MOTOR FUELS AND	101.42411.0222
	62415	07/08/21	FUEL REIMB.-LEMA MTG	34.73		062321		D -	MOTOR FUELS AND	101.42411.0222
			VENDOR TOTAL	98.15		*CHECK TOTAL				
FERGUSON ENTERPRISES INC			000810							
	62416	07/08/21	HYDRANT PARTS	37.83		0477070		D -	MTCE. OF OTHER I	101.43425.0226
FORUM COMMUNICATIONS COM			002269							
	62417	07/08/21	ORD.-SURFACE WTR MGMT	252.52		CL01774220		D -	ADVERTISING	101.43418.0447
FP MAILING SOLUTIONS			001791							
	62418	07/08/21	POSTAGE MTR RENT-2ND QTR	174.21		RI104843660		D -	RENTS	101.42411.0440
	62418	07/08/21	POSTAGE MTR RENT-3RD QTR	180.01		RI104950270		D -	RENTS	101.42411.0440
			VENDOR TOTAL	354.22		*CHECK TOTAL				
FRANZ REPROGRAPHICS INC			002499							
	62419	07/08/21	PLOTTER REPAIR-PARTS	280.00		231360-0		D -	MTCE. OF EQUIPME	101.43417.0224
	62419	07/08/21	PLOTTER REPAIR-LABOR	700.00		231360-0		D -	MTCE. OF EQUIPME	101.43417.0334

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VENDOR NAME AND NUMBER	CHECK#	DATE	DESCRIPTION	AMOUNT	CLAIM	INVOICE	PO#	F S 9 BX M	ACCOUNT NAME	ACCOUNT
FRANZ REPROGRAPHICS INC			002499							
			VENDOR TOTAL	980.00						
				980.00						*CHECK TOTAL
FRONTIER PRECISION INC			001696							
	62420	07/08/21	SURVEYING SUPPLIES	44.34		235690		D -	GENERAL SUPPLIES	101.43417.0229
GENERAL MAILING SERVICES			000293							
	62421	07/08/21	POSTAGE 06/14-06/18/21	19.55		57646		D -	POSTAGE	101.41400.0223
	62421	07/08/21	POSTAGE 06/14-06/18/21	72.15		57646		D -	POSTAGE	101.41402.0223
	62421	07/08/21	POSTAGE 06/14-06/18/21	40.35		57646		D -	POSTAGE	101.41403.0223
	62421	07/08/21	POSTAGE 06/14-06/18/21	17.15		57646		D -	POSTAGE	101.41405.0223
	62421	07/08/21	POSTAGE 06/14-06/18/21	15.00		57646		D -	POSTAGE	101.41408.0223
	62421	07/08/21	POSTAGE 06/14-06/18/21	2.60		57646		D -	POSTAGE	101.42412.0223
	62421	07/08/21	POSTAGE 06/14-06/18/21	0.65		57646		D -	POSTAGE	101.43417.0223
	62421	07/08/21	POSTAGE 06/14-06/18/21	9.45		57646		D -	POSTAGE	101.43425.0223
	62421	07/08/21	POSTAGE 06/14-06/18/21	0.65		57646		D -	POSTAGE	101.45432.0223
	62421	07/08/21	POSTAGE 06/14-06/18/21	7.15		57646		D -	POSTAGE	651.48484.0223
	62421	07/08/21	POSTAGE	990.65		57736		D -	POSTAGE	208.45006.0223
	62421	07/08/21	POSTAGE	605.55		57906		D -	POSTAGE	208.45006.0223
	62421	07/08/21	POSTAGE	78.67		57915		D -	POSTAGE	101.42411.0223
	62421	07/08/21	POSTAGE	27.28		57916		D -	POSTAGE	101.42412.0223
	62421	07/08/21	POSTAGE	28.15		57916		D -	POSTAGE	651.48484.0223
	62421	07/08/21	POSTAGE 06/21-06/25/21	2.60		57924		D -	POSTAGE	101.41400.0223
	62421	07/08/21	POSTAGE 06/21-06/25/21	1.85		57924		D -	POSTAGE	101.41401.0223
	62421	07/08/21	POSTAGE 06/21-06/25/21	9.80		57924		D -	POSTAGE	101.41402.0223
	62421	07/08/21	POSTAGE 06/21-06/25/21	4.55		57924		D -	POSTAGE	101.41405.0223
	62421	07/08/21	POSTAGE 06/21-06/25/21	15.00		57924		D -	POSTAGE	101.41408.0223
	62421	07/08/21	POSTAGE 06/21-06/25/21	1.95		57924		D -	POSTAGE	101.43425.0223
	62421	07/08/21	POSTAGE 06/28-07/02/21	7.45		57988		D -	POSTAGE	101.41400.0223
	62421	07/08/21	POSTAGE 06/28-07/02/21	21.15		57988		D -	POSTAGE	101.41402.0223
	62421	07/08/21	POSTAGE 06/28-07/02/21	38.35		57988		D -	POSTAGE	101.41403.0223
	62421	07/08/21	POSTAGE 06/28-07/02/21	18.20		57988		D -	POSTAGE	101.41405.0223
	62421	07/08/21	POSTAGE 06/28-07/02/21	15.00		57988		D -	POSTAGE	101.41408.0223
	62421	07/08/21	POSTAGE 06/28-07/02/21	1.30		57988		D -	POSTAGE	101.41409.0223
	62421	07/08/21	POSTAGE 06/28-07/02/21	1.30		57988		D -	POSTAGE	101.41420.0223
	62421	07/08/21	POSTAGE 06/28-07/02/21	0.65		57988		D -	POSTAGE	101.42411.0223
	62421	07/08/21	POSTAGE 06/28-07/02/21	3.90		57988		D -	POSTAGE	101.42412.0223
	62421	07/08/21	POSTAGE 06/28-07/02/21	0.65		57988		D -	POSTAGE	101.43417.0223
	62421	07/08/21	POSTAGE 06/28-07/02/21	23.45		57988		D -	POSTAGE	101.43425.0223
	62421	07/08/21	POSTAGE 06/28-07/02/21	1.30		57988		D -	POSTAGE	101.45432.0223
	62421	07/08/21	POSTAGE 06/28-07/02/21	1.30		57988		D -	POSTAGE	101.45433.0223
	62421	07/08/21	POSTAGE 06/28-07/02/21	1.30		57988		D -	POSTAGE	101.45435.0223
	62421	07/08/21	POSTAGE 06/28-07/02/21	4.25		57988		D -	POSTAGE	230.43430.0223
	62421	07/08/21	POSTAGE 06/28-07/02/21	4.55		57988		D -	POSTAGE	651.48484.0223
			VENDOR TOTAL	2,094.85						
				2,094.85						*CHECK TOTAL

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VENDOR NAME AND NUMBER	CHECK#	DATE	DESCRIPTION	AMOUNT	CLAIM	INVOICE	PO#	F S 9 BX M	ACCOUNT NAME	ACCOUNT
GREENSPRING MEDIA GROUP 001504	62422	07/08/21	ULTIMATE TRAVEL GUIDE	2,520.00		2021-41671		D -	OTHER CHARGES	208.45010.0449
HANSEN ADVERTISING SPECI 000321	62423	07/08/21	SUMMER STAFF T-SHIRTS	570.00		44201		D -	GENERAL SUPPLIES	101.45432.0229
HAUG IMPLEMENT CO - JOHN 000324	62424	07/08/21	#190220-SERVICE TRACTOR	309.01		390335		D -	MTCE. OF EQUIPME	651.48486.0224
	62424	07/08/21	#190220-SERVICE TRACTOR	262.70		390335		D -	MTCE. OF EQUIPME	651.48486.0334
				571.71					*CHECK TOTAL	
			VENDOR TOTAL	571.71						
HAUG-KUBOTA LLC 002609	62425	07/08/21	COOLANT FOR MOWER	22.78		17638		D -	MTCE. OF EQUIPME	651.48484.0224
	62425	07/08/21	FILTERS/BLADES/BUSHINGS	681.56		17689		D -	INVENTORIES-MDSE	101.125000
				704.34					*CHECK TOTAL	
			VENDOR TOTAL	704.34						
HAWKINS INC 000325	62426	07/08/21	FERRIC CHLORIDE	5,844.05		4962547		D -	GENERAL SUPPLIES	651.48484.0229
	62426	07/08/21	FERRIC CHLORIDE	5,827.06		4966683		D -	GENERAL SUPPLIES	651.48484.0229
	62426	07/08/21	FERRIC CHLORIDE	5,807.63		4970901		D -	GENERAL SUPPLIES	651.48484.0229
				17,478.74					*CHECK TOTAL	
			VENDOR TOTAL	17,478.74						
HERITAGE BANK 000001	62427	07/08/21	2014 GO IMP BOND-I	924.42		070121		D -	INTEREST	314.47100.0444
HIGHLAND PRODUCTS GROUP 003650	62428	07/08/21	PICNIC TABLES	626.30		310014739		D -	SMALL TOOLS	101.45432.0221
	62428	07/08/21	PICNIC TABLES	3,200.00		310014739		D -	SMALL TOOLS	899.45432.0221
				3,826.30					*CHECK TOTAL	
			VENDOR TOTAL	3,826.30						
HILLYARD\HUTCHINSON 000333	62429	07/08/21	CLEANING SUPPLIES	621.13		604370669		D -	CLEANING AND WAS	101.45437.0228
	62429	07/08/21	TOILET TISSUE/SUPPLIES	355.48		604370669		D -	GENERAL SUPPLIES	101.45437.0229
	62429	07/08/21	GARBAGE BAGS	152.64		604374858		D -	GENERAL SUPPLIES	101.45437.0229
	62429	07/08/21	FOOD GLOVES	20.80		604378967		D -	GENERAL SUPPLIES	101.45437.0229
				1,150.05					*CHECK TOTAL	
			VENDOR TOTAL	1,150.05						
HOME STATE BANK 003067	62430	07/08/21	2020 GO IMP BOND-I	2,861.25		070121		D -	INTEREST	300.47100.0444
	62430	07/08/21	2014 GO IMP BOND-I	924.42		070121		D -	INTEREST	314.47100.0444
	62430	07/08/21	2015 GO IMP BOND-I	3,530.63		070121		D -	INTEREST	315.47100.0444
	62430	07/08/21	2016 GO IMP BOND-I	3,975.00		070121		D -	INTEREST	316.47100.0444
	62430	07/08/21	2019 GO IMP BOND-I	4,163.00		070121		D -	INTEREST	319.47100.0444
				15,454.30					*CHECK TOTAL	
			VENDOR TOTAL	15,454.30						



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VENDOR NAME AND NUMBER	CHECK#	DATE	DESCRIPTION	AMOUNT	CLAIM	INVOICE	PO#	F S 9 BX M	ACCOUNT NAME	ACCOUNT
HORIZON COMMERCIAL POOL 003075	62431	07/08/21	POOL CHEMICALS	15,086.55		210524020-JV		D -	GENERAL SUPPLIES	101.45437.0229
HOUR MEDIA 002697	62432	07/08/21	AAA LIVING AD JUN-AUG	500.00		06-21-AAA1109		D -	ADVERTISING	208.45006.0447
JOHANNECK WTR CONDITIONI 003355	62433	07/08/21	COOLER RENTAL	1.00		CR1711-3-095		D -	RENTS	651.48484.0440
	62433	07/08/21	COOLER RENTAL	2.00		CR1711-3-107		D -	RENTS	651.48484.0440
	62433	07/08/21	R.O. SYSTEM RENTAL	39.00		ER1801-3-042		D -	RENTS	101.41408.0440
	62433	07/08/21	COOLER RENTAL	2.00		ER1801-3-042		D -	RENTS	101.41408.0440
	62433	07/08/21	DRINKING WATER	28.00		81263		D -	GENERAL SUPPLIES	651.48484.0229
	62433	07/08/21	SOFTENER SALT	380.30		81263		D -	GENERAL SUPPLIES	651.48484.0229
	62433	07/08/21	SOFTENER SALT	18.40		81406		D -	GENERAL SUPPLIES	101.43425.0229
	62433	07/08/21	DRINKING WATER	34.00		81568		D -	GENERAL SUPPLIES	651.48484.0229
	62433	07/08/21	DRINKING WATER	36.00		81578		D -	GENERAL SUPPLIES	651.48484.0229
	62433	07/08/21	SOFTENER SALT	18.40		81746		D -	GENERAL SUPPLIES	101.41408.0229
	62433	07/08/21	DRINKING WATER	22.00		81860		D -	GENERAL SUPPLIES	651.48484.0229
	62433	07/08/21	DRINKING WATER	44.00		82118		D -	GENERAL SUPPLIES	651.48484.0229
	62433	07/08/21	DRINKING WATER	30.00		82372		D -	GENERAL SUPPLIES	651.48484.0229
				655.10						
			VENDOR TOTAL	655.10						
						*CHECK TOTAL				
KANDI STEEL AND FAB 000867	62434	07/08/21	STEEL FOR SHOP	35.70		3079		D -	MTCE. OF EQUIPME	101.45433.0224
KANDIYOHI CO AUDITOR 000376	62435	07/08/21	LANDFILL CHARGES-JUN	59.13		456665		D -	CLEANING AND WAS	101.43425.0338
KENSINGTON BANK 003068	62436	07/08/21	2020 GO IMP BOND-I	2,861.25		070121		D -	INTEREST	300.47100.0444
	62436	07/08/21	2014 GO IMP BOND-I	924.42		070121		D -	INTEREST	314.47100.0444
	62436	07/08/21	2015 GO IMP BOND-I	2,821.88		070121		D -	INTEREST	315.47100.0444
	62436	07/08/21	2016 GO IMP BOND-I	3,975.00		070121		D -	INTEREST	316.47100.0444
	62436	07/08/21	2019 GO IMP BOND-I	5,267.00		070121		D -	INTEREST	319.47100.0444
	62436	07/08/21	2017 GO IMP BOND-I	4,355.00		070121		D -	INTEREST	397.47100.0444
				20,204.55						
			VENDOR TOTAL	20,204.55						
						*CHECK TOTAL				
KING'S ELECTRIC LLC 003138	62437	07/08/21	LOW VOLTAGE WIRE/BOXES	415.32		1758		D -	MTCE. OF STRUCTU	101.41408.0225
KNUDSEN/BEV .03101	62438	07/08/21	PARADE ANNOUNCER	100.00		062621		D -	PROFESSIONAL SER	101.45001.0446
LAKE COUNTRY FIREPLACE & 003248	62439	07/08/21	PLAYGROUND FABRIC	1,100.00		96703		D -	MTCE. OF OTHER I	101.43425.0226

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VENDOR NAME AND NUMBER	CHECK#	DATE	DESCRIPTION	AMOUNT	CLAIM	INVOICE	PO#	F S 9 BX M	ACCOUNT NAME	ACCOUNT
LAKE REGION BANK 002886										
	62440	07/08/21	2020 GO IMP BOND-I	2,861.25		070121		D -	INTEREST	300.47100.0444
	62440	07/08/21	2014 GO IMP BOND-I	924.42		070121		D -	INTEREST	314.47100.0444
	62440	07/08/21	2015 GO IMP BOND-I	2,821.88		070121		D -	INTEREST	315.47100.0444
	62440	07/08/21	2016 GO IMP BOND-I	3,950.00		070121		D -	INTEREST	316.47100.0444
	62440	07/08/21	2019 GO IMP BOND-I	5,267.00		070121		D -	INTEREST	319.47100.0444
	62440	07/08/21	2017 GO IMP BOND-I	5,785.00		070121		D -	INTEREST	397.47100.0444
			VENDOR TOTAL	21,609.55		*CHECK TOTAL				
LINDAHL/JASON 001400										
	62441	07/08/21	MILEAGE 5/1-6/30/21	157.92		070721		D -	TRAVEL-CONF.-SCH	651.48484.0333
LINK SUPPORT SERVICES LL 003624										
	62442	07/08/21	MTCE ON UPS/BATTERIES	92.47		1616		D -	MTCE. OF EQUIPME	651.48484.0224
	62442	07/08/21	MTCE ON UPS/BATTERIES	1,150.00		1616		D -	MTCE. OF EQUIPME	651.48484.0334
			VENDOR TOTAL	1,242.47		*CHECK TOTAL				
LITTLE CROW SKI SHOWS 000417										
	62443	07/08/21	2021 SPONSORSHIP	1,000.00		6868		D -	OTHER CHARGES	208.45013.0449
LOCAL GOV'T INFORMATION 003226										
	62444	07/08/21	MONTHLY SUBSCRIP.-JUL	2,213.00		50605		D -	SUBSCRIPTIONS AN	101.41409.0443
MAGNUSON SHEET METAL INC 001121										
	62445	07/08/21	A/C MTCE-PARTS	822.50		140822		D -	MTCE. OF STRUCTU	230.43430.0225
	62445	07/08/21	A/C MTCE-LABOR	150.00		140822		D -	MTCE. OF STRUCTU	230.43430.0335
			VENDOR TOTAL	972.50		*CHECK TOTAL				
MARCO TECHNOLOGIES LLC 000437										
	62446	07/08/21	SHREDDING SERVICE	27.08		INV8878850		D -	PROFESSIONAL SER	101.41403.0446
MARCO TECHNOLOGIES LLC 001838										
	62447	07/08/21	COPIER LEASE-JUL	180.00		446830143		D -	RENTS	651.48484.0440
MENARDS 000449										
	62448	07/08/21	WOOD/ELECTRICAL PARTS	20.02		20048		D -	MTCE. OF STRUCTU	101.45433.0225
	62448	07/08/21	GLUE/PAINTING SUPPLIES	87.89		20048		D -	GENERAL SUPPLIES	101.45433.0229
	62448	07/08/21	BUNGEE CORDS	23.80		20276		D -	GENERAL SUPPLIES	101.45437.0229
	62448	07/08/21	PARADE BUCKETS	9.60		20278		D -	GENERAL SUPPLIES	101.45432.0229
	62448	07/08/21	DOOR KNOB	43.98		20279		D -	MTCE. OF STRUCTU	101.43425.0225
	62448	07/08/21	PARADE SUPPLIES	38.63		20316		D -	GENERAL SUPPLIES	101.43425.0229
	62448	07/08/21	SIGN POSTS	199.20		20502		D -	MTCE. OF OTHER I	101.43425.0226
	62448	07/08/21	CLOCK	7.99		20546		D -	GENERAL SUPPLIES	101.43425.0229
	62448	07/08/21	BATTERIES	14.99		20546		D -	GENERAL SUPPLIES	101.43425.0229
	62448	07/08/21	COFFEE	76.08		20562		D -	GENERAL SUPPLIES	101.41408.0229
	62448	07/08/21	2 BELT DRIVE DRUM FANS	357.61		20562		D -	SMALL TOOLS	101.45427.0221
	62448	07/08/21	PAINT FOR THE BLDG	95.96		20562		D -	MTCE. OF STRUCTU	101.45427.0225

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VENDOR NAME AND NUMBER		CHECK#	DATE	DESCRIPTION	AMOUNT	CLAIM	INVOICE	PO#	F S 9 BX M	ACCOUNT NAME	ACCOUNT
MENARDS				000449							
	62448	07/08/21		PAINTING SUPPLIES	52.62		20562		D -	GENERAL SUPPLIES	101.45427.0229
	62448	07/08/21		AIR FLTRS FOR A/C UNIT	32.88		20601		D -	MTCE. OF STRUCTU	101.43425.0225
	62448	07/08/21		PVC PIPE	104.41		20657		D -	MTCE. OF EQUIPME	101.43425.0224
	62448	07/08/21		SLEDGE HAMMER/CHISEL SET	69.87		20715		D -	SMALL TOOLS	101.45433.0221
	62448	07/08/21		PLANT SUPPLIES	18.56		20924		D -	GENERAL SUPPLIES	651.48484.0229
	62448	07/08/21		BUNGEE CORDS	49.64		4964		D -	GENERAL SUPPLIES	101.45437.0229
					1,303.73						
				VENDOR TOTAL	1,303.73						
											*CHECK TOTAL
MILLER/JAMES				.02229							
	62449	07/08/21		PARADE ANNOUNCER	100.00		062621		D -	PROFESSIONAL SER	101.45001.0446
MINI BIFF LLC				001805							
	62450	07/08/21		TOILET RENTALS	86.96		A-123700		D -	RENTS	101.43425.0440
	62450	07/08/21		TOILET RENTALS	76.76		A-123701		D -	RENTS	101.43425.0440
	62450	07/08/21		TOILET RENTALS	86.96		A-123702		D -	RENTS	101.43425.0440
	62450	07/08/21		TOILET RENTALS	86.96		A-123708		D -	RENTS	101.43425.0440
	62450	07/08/21		TOILET RENTALS	86.96		A-123740		D -	RENTS	101.43425.0440
	62450	07/08/21		TOILET RENTALS	86.96		A-123747		D -	RENTS	101.43425.0440
	62450	07/08/21		TOILET RENTALS	86.96		A-123775		D -	RENTS	101.43425.0440
	62450	07/08/21		TOILET RENTALS	86.96		A-123967		D -	RENTS	101.43425.0440
	62450	07/08/21		TOILET RENTALS	86.96		A-123968		D -	RENTS	101.43425.0440
	62450	07/08/21		TOILET RENTALS	86.96		A-123970		D -	RENTS	101.43425.0440
	62450	07/08/21		TOILET RENTALS	86.96		A-124025		D -	RENTS	101.43425.0440
					946.36						
				VENDOR TOTAL	946.36						
											*CHECK TOTAL
MN HWY SAFETY & RESEARCH				000352							
	62451	07/08/21		EVO/PIT REFRESHER TRNG	445.00		629430-8677		D -	TRAVEL-CONF. -SCH	101.42411.0333
MUNICIPAL UTILITIES				000541							
	62452	07/08/21		WTR FOR COMMUNITY GARDEN	293.17		1469		D -	UTILITIES	101.45435.0332
	62452	07/08/21		UTILITIES FOR JUN	1,001.63		6/21		D -	UTILITIES	101.42412.0332
	62452	07/08/21		UTILITIES FOR JUN	4,472.44		6/21		D -	UTILITIES	101.43425.0332
	62452	07/08/21		UTILITIES FOR JUN	2,567.30		6/21		D -	UTILITIES	230.43430.0332
	62452	07/08/21		UTILITIES FOR JUN	57,367.21		6/21		D -	UTILITIES	651.48484.0332
	62452	07/08/21		UTILITIES FOR JUN	268.65		6/21		D -	UTILITIES	651.48485.0332
					65,970.40						
				VENDOR TOTAL	65,970.40						
											*CHECK TOTAL
MVTL LABORATORIES INC				000544							
	62453	07/08/21		LAB TESTING	46.00		1094691		D -	PROFESSIONAL SER	651.48484.0446
	62453	07/08/21		LAB TESTING	46.00		1095962		D -	PROFESSIONAL SER	651.48484.0446
					92.00						
				VENDOR TOTAL	92.00						
											*CHECK TOTAL
MVTV WIRELESS				003372							
	62454	07/08/21		AIRPORT INTERNET-JUL	162.95		11699-20210701		D -	COMMUNICATIONS	101.41409.0330

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NCL OF WISCONSIN INC			001627							
	62455	07/08/21	LAB SUPPLIES	368.50		456411		D -	GENERAL SUPPLIES	651.48484.0229
NELSON INTERNATIONAL			000568							
	62456	07/08/21	#119287-EXHAUST VALVE	712.24		X101084177:01		D -	INVENTORIES-MDSE	101.125000
	62456	07/08/21	#119287-AIR FITTINGS	64.78		X101084665:01		D -	INVENTORIES-MDSE	101.125000
			VENDOR TOTAL	777.02		*CHECK TOTAL				
				777.02						
O'REILLY AUTOMOTIVE INC			000650							
	62457	07/08/21	#170558-BRAKE PARTS	89.99		1528-325019		D -	INVENTORIES-MDSE	101.125000
	62457	07/08/21	#170559-BRAKE ROTOR	136.72		1528-325054		D -	INVENTORIES-MDSE	101.125000
	62457	07/08/21	RETURNED BRAKE ROTOR	60.00CR		1528-325202		D -	INVENTORIES-MDSE	101.125000
	62457	07/08/21	#070455-PARTS	101.22		1528-327062		D -	INVENTORIES-MDSE	101.125000
	62457	07/08/21	BATTERY FOR SAND PRO	106.97		1528-327884		D -	MTCE. OF EQUIPME	101.45432.0224
	62457	07/08/21	VEHICLE CLEANING SUPPL.	47.53		1528-334840		D -	GENERAL SUPPLIES	101.43425.0229
	62457	07/08/21	#171174-CNTL ARM BSHNGS	96.24		1528-340120		D -	INVENTORIES-MDSE	101.125000
			VENDOR TOTAL	518.67		*CHECK TOTAL				
				518.67						
OFFICE SERVICES			000589							
	62458	07/08/21	OFFICE SUPPLIES-JUN	455.83		STMT/6-21		D -	OFFICE SUPPLIES	101.41410.0220
PAPER & THREADS LLC			002895							
	62459	07/08/21	CAPS FOR INCLEMENT WTHR	144.00		070321		D -	SUBSISTENCE OF P	101.42411.0227
	62459	07/08/21	CAPS FOR INCLEMENT WTHR	330.00		070321		D -	SUBSISTENCE OF P	101.42411.0227
			VENDOR TOTAL	474.00		*CHECK TOTAL				
				474.00						
PEST PRO II			001968							
	62460	07/08/21	PEST CONTROL SERVICES	37.00		31830		D -	PROFESSIONAL SER	101.45435.0446
PLUMBING & HEATING OF WI			000618							
	62461	07/08/21	REPL. CLOSET COLLAR	56.73		30706		D -	MTCE. OF STRUCTU	101.41408.0225
	62461	07/08/21	REPL. CLOSET COLLAR	135.00		30706		D -	MTCE. OF STRUCTU	101.41408.0335
	62461	07/08/21	REPAIR WTR LINE LEAK	22.95		30709		D -	MTCE. OF STRUCTU	101.41408.0225
	62461	07/08/21	REPAIR WTR LINE LEAK	90.00		30709		D -	MTCE. OF STRUCTU	101.41408.0335
			VENDOR TOTAL	304.68		*CHECK TOTAL				
				304.68						
PRAIRIE WOODS ENV LEARNI			002029							
	62462	07/08/21	KIDS/KAYAKS PROGRAM FEE	315.00		15304		D -	PROFESSIONAL SER	101.45432.0446
QUICK SIGNS			001093							
	62463	07/08/21	SIGNS FOR FLOAT	108.00		178233		D -	GENERAL SUPPLIES	101.43425.0229
RILEY BROS CONSTRUCTION			000653							
	62464	07/08/21	6TH ST SWR/CURB/GTR/P	37,253.15		2001B/EST. 4		D -	MTCE. OF OTHER I	400.48451.0336

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VENDOR NAME AND NUMBER		CHECK#	DATE	DESCRIPTION	AMOUNT	CLAIM	INVOICE	PO#	F S 9 BX M	ACCOUNT NAME	ACCOUNT
RUNNING'S SUPPLY INC				001418							
	62465	07/08/21	PLAYGROUND CABLE	111.07			5365183		D -	MTCE. OF OTHER I	101.43425.0226
	62465	07/08/21	GAS METER	219.99			5366172		D -	SMALL TOOLS	651.48484.0221
	62465	07/08/21	HEDGE TRIMMER	169.99			5366172		D -	SMALL TOOLS	651.48484.0221
	62465	07/08/21	SAUNDERS-SAFETY BOOTS	144.49			5370425		D -	SUBSISTENCE OF P	101.43425.0227
	62465	07/08/21	HITCH PIN	5.49			5371854		D -	GENERAL SUPPLIES	651.48484.0229
	62465	07/08/21	HEARING PROTECTOR	29.99			5373787		D -	SUBSISTENCE OF P	101.43425.0227
	62465	07/08/21	FIMCO TANK CLEANER	24.99			5385689		D -	GENERAL SUPPLIES	101.43425.0229
	62465	07/08/21	STICK FLAG/SPRAY GUN	41.31			5385689		D -	GENERAL SUPPLIES	101.43425.0229
	62465	07/08/21	#119287-BEARING HOLDER	20.99			5390653		D -	INVENTORIES-MDSE	101.125000
	62465	07/08/21	WADERS	379.98			5391921		D -	SUBSISTENCE OF P	101.43425.0227
				1,148.29							
			VENDOR TOTAL	1,148.29							
SCHAEFFER MFG CO				001122							
	62466	07/08/21	SHOP SUPPLIES	434.36			GTX1073-INV1		D -	GENERAL SUPPLIES	101.43425.0229
SCHWANKE TRACTOR & TRUCK				000681							
	62467	07/08/21	#62312J-SWITCH	24.95			6999		D -	INVENTORIES-MDSE	101.125000
SELCHOW/LARRY				.00587							
	62468	07/08/21	FILMED WLMR FEST PARADE	100.00			062621		D -	PROFESSIONAL SER	101.45001.0446
SERVICE CENTER/CITY OF W				000685							
	62469	07/08/21	EQUIPMENT REPAIR-PART	10,081.97			STMT/6-21		D -	INSURANCE DEDUCT	101.41428.0822
	62469	07/08/21	EQUIPMENT REPAIR-PARTS	19.27			STMT/6-21		D -	MTCE. OF EQUIPME	101.41402.0224
	62469	07/08/21	EQUIPMENT REPAIR-PARTS	1,428.35			STMT/6-21		D -	MTCE. OF EQUIPME	101.42411.0224
	62469	07/08/21	EQUIPMENT REPAIR-PARTS	157.32			STMT/6-21		D -	MTCE. OF EQUIPME	101.42411.0224
	62469	07/08/21	EQUIPMENT REPAIR-PARTS	19.27			STMT/6-21		D -	MTCE. OF EQUIPME	101.43417.0224
	62469	07/08/21	EQUIPMENT REPAIR-PARTS	3,578.79			STMT/6-21		D -	MTCE. OF EQUIPME	101.43425.0224
	62469	07/08/21	EQUIPMENT REPAIR-PARTS	3,974.44			STMT/6-21		D -	MTCE. OF EQUIPME	101.43425.0224
	62469	07/08/21	EQUIPMENT REPAIR-PARTS	572.01			STMT/6-21		D -	MTCE. OF EQUIPME	651.48484.0224
				19,831.42							
			VENDOR TOTAL	19,831.42							
SHERWIN WILLIAMS CO				000690							
	62470	07/08/21	GLASS BEADS	267.71			0867-5		D -	GENERAL SUPPLIES	101.43425.0229
	62470	07/08/21	TRAFFIC PAINT	222.39			0906-1		D -	GENERAL SUPPLIES	101.43425.0229
	62470	07/08/21	TRAFFIC PAINT	55.44			0926-9		D -	GENERAL SUPPLIES	101.43425.0229
	62470	07/08/21	FIELD MARKING PAINT	277.20			3892-0		D -	GENERAL SUPPLIES	101.45432.0229
	62470	07/08/21	TRAFFIC PAINT	368.50			4012-4		D -	GENERAL SUPPLIES	101.43425.0229
	62470	07/08/21	PAINTING SUPPLIES	20.30			4198-1		D -	GENERAL SUPPLIES	101.43425.0229
	62470	07/08/21	TRAFFIC PAINT	1,185.00			4295-5		D -	GENERAL SUPPLIES	101.43425.0229
	62470	07/08/21	PAINTING SUPPLIES	5.86			4578-4		D -	GENERAL SUPPLIES	101.43425.0229
	62470	07/08/21	CHEMICAL-CLN PAINT MACH.	153.50			4770-7		D -	GENERAL SUPPLIES	101.43425.0229
	62470	07/08/21	SHELTER PAINT	238.84			4830-9		D -	MTCE. OF STRUCTU	101.43425.0225
				2,794.74							
			VENDOR TOTAL	2,794.74							

Vendor Payment History Report  
INCLUDES ONLY POSTED TRANS

VENDOR NAME AND NUMBER	CHECK#	DATE	DESCRIPTION	AMOUNT	CLAIM	INVOICE	PO#	F S 9 BX M	ACCOUNT NAME	ACCOUNT
SMEBY/ROSS			002570							
	62471	07/08/21	MILEAGE 6/1-6/30/21	29.12		070721		D -	TRAVEL-CONF.-SCH	101.41409.0333
STEINBEISSER AUTO REPAIR			003256							
	62472	07/08/21	PROPANE-STREET PATCHING	76.65		11773		D -	MTCE. OF OTHER I	101.43425.0226
STERLING WATER-MINNESOTA			000188							
	62473	07/08/21	SOFTENER RENTAL-JUL	19.45		315X02697000		D -	RENTS	101.41408.0440
	62473	07/08/21	SOFTENER SALT	49.50		315X02709300		D -	GENERAL SUPPLIES	230.43430.0229
			VENDOR TOTAL	68.95		*CHECK TOTAL				
SUMMIT FIRE PROTECTION			002555							
	62474	07/08/21	ALARM MONITORING-3RD QTR	120.00		150002952		D -	MTCE. OF STRUCTU	101.41408.0335
	62474	07/08/21	SPRINKLER SYSTEM INSP.	198.00		150003457		D -	MTCE. OF STRUCTU	101.41408.0335
			VENDOR TOTAL	318.00		*CHECK TOTAL				
SURPLUS WAREHOUSE INC			000728							
	62475	07/08/21	RECYCLING FEE	50.00		3758		D -	CLEANING AND WAS	101.43425.0338
SYSCO WESTERN MINNESOTA			000161							
	62476	07/08/21	CONCESSION SUPPLIES	695.23		153951163		D -	GENERAL SUPPLIES	101.45437.0229
	62476	07/08/21	CONCESSION SUPPLIES	477.10		153955840		D -	GENERAL SUPPLIES	101.45437.0229
	62476	07/08/21	CONCESSION SUPPLIES	699.96		153957995		D -	GENERAL SUPPLIES	101.45437.0229
			VENDOR TOTAL	1,872.29		*CHECK TOTAL				
TEMPLER/THOMAS			001406							
	62477	07/08/21	SAFETY BOOTS	175.00		070721		D -	SUBSISTENCE OF P	651.48484.0227
TRAFFIC MARKING SERVICE			001543							
	62478	07/08/21	R.I. PAVEMENT MARKING	1,564.75		11732		D -	MTCE. OF OTHER I	101.43425.0336
	62478	07/08/21	PAVEMENT MARKING	13,760.00		11732		D -	MTCE. OF OTHER I	101.43425.0336
			VENDOR TOTAL	15,324.75		*CHECK TOTAL				
UNITED PRAIRIE BANK			003324							
	62479	07/08/21	2019 GO IMP BOND-I	4,163.00		070121		D -	INTEREST	319.47100.0444
VIGIL/KATIE			.02810							
	62480	07/08/21	PARADE CAMERA OPERATOR	100.00		062621		D -	PROFESSIONAL SER	101.45001.0446
VINNA HUMAN RESOURCES			003635							
	62481	07/08/21	HR SERVICES-JUN	8,500.00		374		D -	PROFESSIONAL SER	101.41420.0446
WELLS FARGO ADVISORS			003598							
	386	06/30/21	FHLB-3130AMW57	270,000.00		063021		M -	INVESTMENTS	101.109000
	386	06/30/21	FHLB-3130AMW57	400,000.00		063021		M -	INVESTMENTS	220.109000
	386	06/30/21	FHLB-3130AMW57	20,000.00		063021		M -	INVESTMENTS	311.109000

Vendor Payment History Report  
INCLUDES ONLY POSTED TRANS

VENDOR NAME AND NUMBER	CHECK#	DATE	DESCRIPTION	AMOUNT	CLAIM	INVOICE	PO#	F S 9 BX M	ACCOUNT NAME	ACCOUNT
WELLS FARGO ADVISORS			003598							
	386	06/30/21	FHLB-3130AMW57	20,000.00		063021		M -	INVESTMENTS	312.109000
	386	06/30/21	FHLB-3130AMW57	20,000.00		063021		M -	INVESTMENTS	313.109000
	386	06/30/21	FHLB-3130AMW57	20,000.00		063021		M -	INVESTMENTS	319.109000
				750,000.00						
			VENDOR TOTAL	750,000.00		*CHECK TOTAL				
WEST CENTRAL COMMUNICATI			000796							
	62482	07/08/21	EL#6-CHECKED RADIO	250.00		091802S		D -	MTCE. OF EQUIPME	651.48487.0334
WILLMAR AUTO VALUE			002689							
	62483	07/08/21	#183430-BRAKE PARTS	127.99		22396156		D -	INVENTORIES-MDSE	101.125000
	62483	07/08/21	DIESEL EXHAUST FLUID	23.98		22396331		D -	MOTOR FUELS AND	101.42412.0222
	62483	07/08/21	#090639-TPMS SENSOR	42.99		22397354		D -	INVENTORIES-MDSE	101.125000
	62483	07/08/21	#171173-EVAP PURGE VALVE	40.99		22397410		D -	INVENTORIES-MDSE	101.125000
	62483	07/08/21	#171173-BRAKE ROTORS	76.00		22397428		D -	INVENTORIES-MDSE	101.125000
	62483	07/08/21	#171173-BRAKE PARTS	161.98		22397429		D -	INVENTORIES-MDSE	101.125000
	62483	07/08/21	OIL/FILTERS	48.42		22397614		D -	MOTOR FUELS AND	651.48484.0222
	62483	07/08/21	#133257-BATTERIES	222.32		22398014		D -	INVENTORIES-MDSE	101.125000
	62483	07/08/21	#040582-BALL JOINTS	277.96		22398049		D -	INVENTORIES-MDSE	101.125000
	62483	07/08/21	#040582-BRAKE PARTS	129.97		22398549		D -	INVENTORIES-MDSE	101.125000
	62483	07/08/21	#160774-VAR VALVE TIMING	29.99		22398944		D -	INVENTORIES-MDSE	101.125000
	62483	07/08/21	CABIN AIR FILTER	27.75		22399216		D -	INVENTORIES-MDSE	101.125000
	62483	07/08/21	SILICONE BRAKE FLUID	37.99		22399322		D -	GENERAL SUPPLIES	101.43425.0229
				1,248.33						
			VENDOR TOTAL	1,248.33		*CHECK TOTAL				
WILLMAR BASKETBALL BOOST			003440							
	62484	07/08/21	BB CAMP INSTRUCTION	5,190.00		062821		D -	PROFESSIONAL SER	101.45432.0446
WILLMAR CHAMBER OF COMME			000812							
	62485	07/08/21	OFFICE SUPPLIES	20.47		CC STMT/5-21		D -	OFFICE SUPPLIES	208.45005.0220
	62485	07/08/21	OFFICE SUPPLIES	14.41		CC STMT/5-21		D -	OFFICE SUPPLIES	208.45005.0220
	62485	07/08/21	OFFICE 365 SUBSCRIP.	7.54		CC STMT/5-21		D -	COMMUNICATIONS	208.45005.0330
	62485	07/08/21	PHONE SERVICE-MAY	99.98		CC STMT/5-21		D -	COMMUNICATIONS	208.45005.0330
	62485	07/08/21	PHONE SERV-CVB MAIN LINE	14.00		CC STMT/5-21		D -	COMMUNICATIONS	208.45005.0330
	62485	07/08/21	MACVB ED. SUMMIT REGIS.	125.00		CC STMT/5-21		D -	TRAVEL-CONF.-SCH	208.45005.0333
	62485	07/08/21	LEISURE COMMITTEE LNCHS	77.23		CC STMT/5-21		D -	TRAVEL-CONF.-SCH	208.45005.0333
	62485	07/08/21	POP/WATER FOR MEETINGS	39.55		CC STMT/5-21		D -	TRAVEL-CONF.-SCH	208.45005.0333
	62485	07/08/21	BOXES FOR WELCOME BAGS	13.92		CC STMT/5-21		D -	OTHER CHARGES	208.45008.0449
	62485	07/08/21	GOOGLE ADVERTISING	250.46		CC STMT/5-21		D -	OTHER CHARGES	208.45010.0449
				662.56						
			VENDOR TOTAL	662.56		*CHECK TOTAL				
WILLMAR COMMUNITY EDUCAT			001243							
	62486	07/08/21	SPACE RENTAL-YTH BSKTBLL	200.00		2021-150		D -	RENTS	101.45432.0440
WILLMAR CRANE SERVICE			000899							
	62487	07/08/21	CRANE SERVICES	400.00		5677		D -	MTCE. OF EQUIPME	651.48484.0334





ACS FINANCIAL SYSTEM  
07/08/2021 14:52:55

Vendor Payment History Report  
INCLUDES ONLY POSTED TRANS

CITY OF WILLMAR  
GL540R-V08.15 PAGE 16

VENDOR NAME AND NUMBER	CHECK#	DATE	DESCRIPTION	AMOUNT	CLAIM	INVOICE	PO#	F	S	9	BX	M	ACCOUNT NAME	ACCOUNT
REPORT TOTALS:				1,161,395.31										

RECORDS PRINTED - 000393

ACS FINANCIAL SYSTEM  
07/08/2021 14:52:55

Vendor Payment History Report

CITY OF WILLMAR  
GL060S-V08.15 RECAPPAGE  
GL540R

FUND RECAP:

FUND	DESCRIPTION	DISBURSEMENTS
101	GENERAL FUND	441,052.53
208	CONVENTION & VISITORS BUREAU	6,346.38
220	LOCAL OPTION SALES TAX	400,000.00
230	WILLMAR MUNICIPAL AIRPORT	3,938.67
235	WILLMAR MAIN STREET	15.00
236	BIKE SHARE PROGRAM	78.14
300	D.S. - 2020 BOND	17,193.75
311	D.S. - 2011 BOND	20,000.00
312	D.S. - 2012 BOND	20,000.00
313	D.S. - 2013 BOND	20,000.00
314	D.S. - 2014 BOND	4,622.10
315	D.S. - 2015 BOND	9,896.27
316	D.S. - 2016 BOND	12,687.50
319	D.S. - 2019 BOND	69,910.00
397	D.S. - 2017 BOND	13,130.00
400	S.A.B.F. - 2020	37,846.19
651	WASTE TREATMENT	80,614.76
899	DONATION FUND (AGENCY)	4,064.02
TOTAL ALL FUNDS		1,161,395.31

BANK RECAP:

BANK	NAME	DISBURSEMENTS
HERT	HERITAGE BANK	1,161,395.31
TOTAL ALL BANKS		1,161,395.31

**Application for Appointment to  
City Board/Committee/Commission**

Please indicate the Board/Committee(s)/Commission(s) to which you are interested in being appointed. (If more than one, please number in order of choice.)

- \_\_\_\_\_ Airport Commission (meets monthly)
- \_\_\_\_\_ Cable Advisory Board (meets as needed)
- \_\_\_\_\_ Charter Commission (meets as needed)
- \_\_\_\_\_ Park and Recreation Board
- \_\_\_\_\_ City/County Economic Development Operations Board (meets monthly)
- \_\_\_\_\_ City of Willmar HRA
- \_\_\_\_\_ Human Rights Commission (meets as needed)
- X \_\_\_\_\_ Municipal Utilities Commission (meets bi-monthly)
- \_\_\_\_\_ Pioneerland Library System Board (meets monthly)
- \_\_\_\_\_ Planning Commission (meets bi-monthly)
- \_\_\_\_\_ Police Civil Service Commission (meets first Monday in February each year and on as-needed basis thereafter)
- \_\_\_\_\_ Rice Memorial Hospital (meets bi-monthly)
- \_\_\_\_\_ Willmar Convention and Visitors Bureau
- \_\_\_\_\_ Zoning Appeals Board (meets monthly)
- \_\_\_\_\_ Ad hoc Task Forces (will be posted and will meet on an as-needed basis)

**Applicant Information**

Name: Shawn Mueske Date of Application: 1/4/2021

Address: 2026 5<sup>th</sup> St SW Phone No. (320) 444-6673  
(Certain Boards and Commissions may require that you are a resident of the City of Willmar)

Email: Shawn.mueske@outlook.com

What prompted you to make application for a citizen committee? Personal request by John Harren, General Manager, and Justin Mattern, MUC President

Briefly tell us why you want to serve on this Board/Committee/Commission:

Public service is central to my life's activities. Although my term has expired on the Willmar City Council, I wish to stay involved in public service to Willmar.

List any special background or experience you have which would be helpful to this Board/Committee/Commission:

I am able to hit the ground running on the MUC after serving as the City Council liaison for the past five years. It take 2-3 years to get up to speed on the complexities of the MUC.

List your educational background: Doctorate in Higher Education Administration, Master's in Biology, Bachelor's in Biology

List any social, fraternal, patriotic, governmental, or service organizations, which you have or currently are serving on:

Willmar City Council 2015-2020, Willmar Charter Commission 2009-2015, Willmar School Board 2004-2008, Mid-Minnesota Development Commission 2005-current

If you are employed, please provide the name and address of your employer and your position:

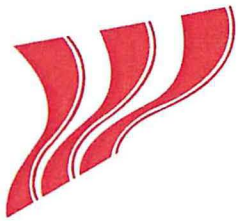
Ridgewater College 2101 15<sup>th</sup> Ave NW, Willmar  
Biology Instructor

Please return completed application to:

Mayor's Office  
333 SW 6<sup>th</sup> Street  
Willmar, MN 56201

Or fax completed forms to:

(320) 235-4917



**Council Action Request**

<b>Council Meeting Date:</b>	July 19, 2021	<b>Agenda Item Number:</b>	5.G.
<b>Agenda Section:</b>	Consent	<b>Originating Department:</b>	Finance
<b>Resolution</b>	Yes	<b>Prepared by:</b>	Steve Okins, Finance Director
<b>Ordinance</b>	No	<b>Reviewed By:</b>	John Harren, City Administrator
<b>No. of Attachments</b>		<b>Presented By:</b>	Steve Okins, Finance Director
<b>Item:</b>	Acknowledge Donations for the Second Quarter of 2021		

**RECOMMENDED ACTION:**

Motion By: \_\_\_\_\_ Second By: \_\_\_\_\_, adopt a resolution approving the donations for April 1 through June 30, 2021.

**OVERVIEW:**

The City regularly receives donations and pursuant to former Council action on March 7, 2016, a donation protocol which allows staff to promptly send a thank you letter and formally approve the donations was passed. It is at this time the Council shall receive the resolution accepting the following donations:

- \$ 4,119.27 – 100 Yard Club to Recreation Department for Flag Football Equipment
- \$ 300.00 – Blomkest Fire Relief Association for Willmar Fire Explorers Program
- \$ 250.00 – Fraternal Order of Eagles for “Summer Movies in the Park”
- \$ 500.00 – Northern Factory Sales Inc. for “Summer Movies in the Park”
- \$ 250.00 – 5 Star Walt’s Inc. for “Summer Movies in the Park”
- \$ 600.00 – Chris Drevlow to Fire Department to Purchase Thermal Camera
- \$20,790.00 – Glacial Ridge Curling to Design Refrigeration System for new Curling Facility
- \$ 8,200.00 – Elaine M. Adams Fund of WACF for Rau Park Fishing Pier and Picnic Tables
- \$ 50.00 – Allergy & Asthma Specialty Clinic for “Summer Movies in the Park”
- \$ 2,500.00 – CenterPoint Energy for Policy Dept. Community Safety Grant Program
- \$ 150.00 – Lisa Liebl to Police Department for K-9 Program

**PRIMARY ISSUES/ALTERNATIVES TO CONSIDER:**

Delay Council action if further information is needed.

**BUDGETARY/FISCAL ISSUES:**

None

**ATTACHMENTS:**

Resolution

**RESOLUTION NO.**

**ACKNOWLEDGEMENT OF DONATIONS**

Motion By: \_\_\_\_\_

Second By: \_\_\_\_\_

WHEREAS, the City of Willmar has received donations which have been acknowledged by the City Administrator expressing the community's appreciation for the time period of April 1, 2021 through June 30, 2021.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Willmar, Minnesota that the City formally accept the donations as listed below:

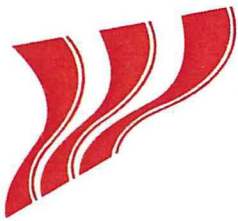
- \$ 4,119.27 – 100 Yard Club to Recreation Department for Flag Football Equipment
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- \$ 2,500.00 – CenterPoint Energy for Policy Dept. Community Safety Grant Program
- \$ 150.00 – Lisa Liebl to Police Department for K-9 Program

Dated this 19th day of July, 2021

\_\_\_\_\_  
MAYOR

Attest:

\_\_\_\_\_  
CITY CLERK



City Council Action Request

<b>Council Meeting Date:</b>	07/19/2021	<b>Agenda Item Number:</b>	5.H.
<b>Agenda Section:</b>		<b>Originating Department:</b>	Finance
<b>Resolution</b>	No	<b>Prepared by:</b>	Finance Director
<b>Ordinance</b>	No	<b>Reviewed By:</b>	N/A
<b>No. of Attachments</b>	5	<b>Presented By:</b>	Consent Agenda
<b>Item:</b>	Miscellaneous Finance Reports		

**RECOMMENDED ACTION:** For Information Only

**COMMITTEE/BOARD/COMMISSION RECOMMENDATION:** None

**OVERVIEW:**

- 1) **Local Option Sales Tax Revenues Received** - Total revenues received from the State of Minnesota from inception of the Program through July 12, 2021, is \$3,664,538.62 (see attached). Also attached is the chart reflecting monthly receipts through April, 2021, as well as the to-date monthly average of \$184,291.51.
  - A. \$199,850.45 is a 24% increase over the \$161,521.49 amount of the same time last year.
  - B. An average 68% of the Kandiyohi County .5% Transit Tax, during this time frame, is collected in the City of Willmar also.
- 2) **A. 06/30/2021 Report on Capital Improvements, General Fund, Waste Treatment Fund** - See attached report on the status of Capital Expenditures through June 30, 2021, as well as Operating Revenues and Expenditures in the General Fund and the Waste Treatment Plant Fund.
  - B. Council Questions on Capital Purchases not budgeted –
    1. Boiler replacement approved at January 20, 2021, Public Works Committee. Due to value recorded in Capital, not operating budget.
    2. Pressure Washer approved by City Administrator per Purchasing Policy on January 20, 2021.
    3. Trailer for Skid Loader covered by amount budgeted under Vehicles, shown separately due to coding classification.
- 3) **06/30/21 Quarterly Reports on Investments and Interest** – See attached reports.
- 4) **May, 2021 Willmar Municipal Utilities Financial Report** – See attached report. Over all Divisions, including Electric and Water, retained earnings are up approximately \$580,000 from the prior year.

**PRIMARY ISSUES/ALTERNATIVES TO CONSIDER:**

**BUDGETARY/FISCAL ISSUES:**

**ATTACHMENTS:**

- List of LOST Taxes Received through 07/12/21
- Chart of LOST Taxes Received for completed months through April, 2021
- 06/30/2021 Report - Capital Expenditures and General Fund & WTP Revenues/Expenditures
- 06/30/2021 Reports on Investments and Interest
- May, 2021, Willmar Municipal Utilities Financial Report

**Local Option Sales/Use Taxes and Excise Taxes  
Allocation By Month and Year From Inception To Date  
Actuals Received As Of 07/12/2021**

	<u>Month</u>	<u>Sales Tax</u>	<u>Ave To Date</u>
<b>2019</b>	<b>Oct</b>	163,786.55	163,786.55
	<b>Nov</b>	179,479.60	171,633.08
	<b>Dec</b>	196,014.28	179,760.14
<b>2020</b>	<b>Jan</b>	152,605.42	172,971.46
	<b>Feb</b>	153,622.88	169,101.75
	<b>Mar</b>	163,546.71	168,175.91
	<b>Apr</b>	161,521.49	167,225.28
	<b>May</b>	188,759.98	169,917.11
	<b>Jun</b>	164,111.85	169,272.08
	<b>Jul</b>	240,899.62	176,434.84
	<b>Aug</b>	187,216.07	177,414.95
	<b>Sep</b>	196,222.50	178,982.25
	<b>Oct</b>	183,092.40	179,298.41
	<b>Nov</b>	188,870.57	179,982.14
	<b>Dec</b>	214,265.84	182,267.72
<b>2021</b>	<b>Jan</b>	179,075.85	182,068.23
	<b>Feb</b>	164,872.15	181,056.69
	<b>Mar</b>	223,724.41	183,427.12
	<b>Apr</b>	199,850.45	184,291.51
	<b>May</b>	163,000.00	
<b>Total Rcvd</b>		<b>\$ 3,664,538.62</b>	<b>\$3,337,067.20</b>

Actual total above includes \$7,340 in excise taxes received directly for Oct/Nov/Dec 2019  
Includes \$245.94 in residual revenues occurring after the  
previous Willmar Tax ended and before the new one started.





# City of Willmar

Financial Report  
As of June 30, 2021

# Capital Improvement Expenditures As Of June 30, 2021

<u>GENERAL FUND - VEHICLE REPLACEMENT</u>	<u>BUDGET</u>	<u>EXPENDED</u>	<u>BALANCE</u>
<b>COMMUNITY DEVELOPMENT</b>			
SUV	\$ 30,000	\$ 29,206.36	\$ 793.64
<b>POLICE DEPARTMENT</b>			
Squad Car Replacement (4)	220,000	-	220,000.00
<b>FIRE DEPARTMENT</b>			
Pickup	55,000	47,540.44	7,459.56
<b>PUBLIC WORKS</b>			
Dump Truck	220,000	-	220,000.00
Loader	220,000	-	220,000.00
Skid Loader	95,000	63,149.99	31,850.01
MTI Trackless	120,000	116,470.06	3,529.94
<b>CIVIC CENTER</b>			
Mower	18,000	-	18,000.00
Toro Skid Sprayer	55,000	-	55,000.00
	<u>\$ 1,033,000</u>	<u>\$ 256,366.85</u>	<u>\$ 776,633.15</u>
<b><u>WASTE TREATMENT - VEHICLE REPLACEMENT</u></b>			
<b>WASTE TREATMENT</b>			
Mower	\$ 30,000	\$ 22,714.68	\$ 7,285.32
1 Ton L.S. Truck	110,000	-	110,000.00
Flusher Truck	255,000	-	255,000.00
RTV Utility Cart	12,000	-	12,000.00
	<u>\$ 407,000</u>	<u>\$ 22,714.68</u>	<u>\$ 384,285.32</u>
<b>TOTAL CURRENT VEHICLE REPLACEMENT</b>	<b>\$ 1,440,000</b>	<b>\$ 279,081.53</b>	<b>\$ 1,160,918.47</b>
<b><u>THE FOLLOWING SHOWS VEHICLE CAPITAL PURCHASES MADE FROM USING PRIOR YEAR'S CIP</u></b>			
<b>PUBLIC WORKS</b>			
International Truck	\$ 220,000	\$ 199,576.48	\$ 20,423.52
<b>WASTE TREATMENT</b>			
Dodge Ram Truck	78,000	-	78,000.00
<b>TOTAL PRIOR YEAR'S VEHICLE REPLACEMENT</b>	<b>\$ 298,000</b>	<b>\$ 199,576.48</b>	<b>\$ 98,423.52</b>

# Capital Improvement Expenditures As Of June 30, 2021

<u>GENERAL CAPITAL</u>	<u>BUDGET</u>	<u>EXPENDED</u>	<u>BALANCE</u>
<b>INFORMATION TECHNOLOGY</b>			
PD Video Server	\$ 20,000	\$ -	\$ 20,000.00
<b>POLICE DEPARTMENT</b>			
Radar Stalker Trailer	20,000	-	20,000.00
<b>PUBLIC WORKS</b>			
Rebuild Rau Park Fishing Pier	15,000	-	15,000.00
Trailer for Skid Loader	-	12,835.00	(12,835.00)
<b>AIRPORT</b>			
100 X 100 Public Hangar & Apron Exp.	137,370	-	137,370.00
<b>WRAC 8</b>			
Tightrope Cablecast VOD Server	8,500	7,690.00	810.00
<b>PARK &amp; RECREATION</b>			
Playground Equipment	160,000	-	160,000.00
Trishaw Bike	12,000	11,773.18	226.82
<b>AQUATIC CENTER</b>			
Extra Patio Space - Cement Work	25,000	-	25,000.00
<b>TOTAL CURRENT GENERAL CAPITAL IMPROVEMENTS</b>	<b>\$ 397,870</b>	<b>\$ 32,298.18</b>	<b>\$ 365,571.82</b>
 <b><u>WASTE WATER FUNDED CAPITAL IMPROVEMENTS</u></b>			
<b>WASTE TREATMENT</b>			
Replaced Boilers	\$ -	\$ 36,576.00	\$ (36,576.00)
Eagle Lake L.S. 3 - New Pumps	17,500	16,876.03	623.97
Hwy 12 Lift Station Elimination Constr.	700,000	-	700,000.00
<b>TOTAL CURRENT WASTE TREATMENT IMPROVEMENTS</b>	<b>\$ 717,500</b>	<b>\$ 53,452.03</b>	<b>\$ 664,047.97</b>

# Capital Improvement Expenditures As Of June 30, 2021

THE FOLLOWING SHOWS GENERAL FUND CAPITAL PURCHASES MADE FROM USING PRIOR YEAR'S CIP

CAPITAL ALLOCATIONS	<u>BUDGET</u>	<u>EXPENDED</u>	<u>BALANCE</u>
<b>CITY HALL</b>			
Short Term Improvements	\$ 90,000	\$ -	\$ 90,000.00
District Heat Shutdown Remodel	35,000	33,343.18	1,656.82
<b>FIRE DEPARTMENT</b>			
Garage Floor Refinish	38,000	-	38,000.00
<b>PUBLIC WORKS</b>			
Heaters for Shop	50,000	22,435.00	27,565.00
<b>AIRPORT</b>			
Runway & Taxilane Rehab/Const.	1,008,255	982,788.87	25,466.13
<b>AUDITORIUM</b>			
ADA Requirements-Elevator/Restroom (\$250,000 Required by Grant)	500,000	61,831.50	438,168.50
Ext. Door Replacement/ADA Door Req.	15,000	-	15,000.00
Auditorium Improvements	485,000	-	485,000.00
<b>PARK &amp; RECREATION</b>			
Robbins Island	1,102,347	1,075,956.67	26,390.33
Swansson Field - Orange/Elise	315,000	-	315,000.00
Park Equipment	150,000	145,000.00	5,000.00
<b>CIVIC CENTER</b>			
BLA Sound System	20,000	-	20,000.00
<b>AQUATIC CENTER</b>			
Tuck Pointing	30,000	20,361.00	9,639.00
<b>TOTAL PRIOR YEAR'S GENERAL IMPROVEMENTS</b>	<b>\$ 3,838,602</b>	<b>\$ 2,341,716.22</b>	<b>\$ 1,496,885.78</b>
<b>WASTE TREATMENT</b>			
Pressure Washer	\$ -	\$ 7,726.28	\$ (7,726.28)
Hwy 12 Basin Sump Pump Inspections	20,000	-	20,000.00
Eagle Lake System Improvements	200,000	81,454.15	118,545.85
<b>TOTAL PRIOR YEAR'S WASTE TREATMENT IMPROV.</b>	<b>\$ 220,000</b>	<b>\$ 89,180.43</b>	<b>\$ 130,819.57</b>

# General Fund Revenue As Of June 30, 2021

<u>Revenues</u>	<u>2020 Actual Year-To-Date</u>	<u>2021 Annual Budget</u>	<u>2021 Actual Year-To-Date</u>	<u>% of 2021 Budget</u>
General Property Taxes	\$ 6,017,870.50	\$ 6,430,290.00	\$ 3,405,972.24	52.97%
Licenses and Permits	406,188.97	505,710.00	169,206.76	33.46%
Intergovernmental	5,841,628.18 *	5,893,793.00	169,862.37	2.88%
Service Charges	613,398.74	752,510.00	373,178.84	49.59%
Fines and Forfeits	101,140.49	156,000.00	62,192.12	39.87%
Special Assessments	1,838.86	1,100.00	1,288.98 *	117.18%
Miscellaneous Revenue	981,482.29	1,150,450.00	345,888.51	30.07%
Other Financing Sources	2,457,342.00	2,764,079.00	1,072,834.56	38.81%
<b>Total Revenues</b>	<b>\$ 16,420,890.03</b>	<b>\$ 17,653,932.00</b>	<b>\$ 5,600,424.38</b>	<b>31.72%</b>

# General Fund Expenditures -General Government- As Of June 30, 2021

<u>Expenditures</u>	<u>2020 Actual Year-To-Date</u>		<u>2021 Annual Budget</u>		<u>2021 Actual Year-To-Date</u>	<u>% of 2021 Budget</u>
City Administrator	\$ 341,148.08	*	\$ 539,834.00		\$ 186,382.88	34.53%
Mayor and Council	146,295.75		162,700.00		97,601.04	59.99%
Planning/Development Services	633,161.59	*	780,740.00		320,276.10	41.02%
City Clerk	220,217.02		228,339.00		108,498.58	47.52%
Assessing	115,701.00		122,522.00		121,603.00	99.25%
Finance Department	482,410.25		619,470.00		240,515.01	38.83%
Legal	316,677.49	*	250,000.00		165,300.76	66.12%
City Hall	137,023.39		171,410.00		77,874.93	45.43%
Information Technology	592,568.79		609,742.00		341,735.92	56.05%
Office Services	29,133.66		31,600.00		7,755.19	24.54%
Human Resources	150,667.97		178,609.00		67,232.05	37.64%
Elections	134,945.65		28,465.00		9,944.16	34.93%
Non-Departmental/Gen.Gov't.	424,064.39		1,190,988.00		416,612.82	34.98%
Sub-Total General Gov't.	3,724,015.03		4,914,419.00		2,161,332.44	43.98%

# General Fund Expenditures (Con't)

## –Public Safety and Streets/Highways–

### As Of June 30, 2021

<u>Expenditures</u>	<u>2020 Actual Year-To-Date</u>		<u>2021 Annual Budget</u>	<u>2021 Actual Year-To-Date</u>	<u>% of 2021 Budget</u>
Police Department	5,116,088.71	*	5,196,316.00	2,503,353.66	48.18%
Fire Protection	784,931.20		881,465.00	408,902.51	46.39%
Non-Departmental/Pub.Safety	9,201.25		19,500.00	8,826.89	45.27%
Sub-Total Public Safety	5,910,221.16		6,097,281.00	2,921,083.06	47.91%
Transit System	20,500.00		17,500.00	-	0.00%
Engineering	723,749.90	*	716,217.00	344,732.34	48.13%
Storm Water	51,284.41		75,750.00	7,125.99	9.41%
Public Works	2,857,546.84		3,017,468.00	1,484,631.36	49.20%
Non-Departmental/Pub.Works	-		1,000.00	-	0.00%
Sub-Total Streets/Highways	3,653,081.15		3,827,935.00	1,836,489.69	47.98%



# General Fund Expenditures (Con't)

## -Culture/Recreation and Transfers-

### As Of June 30, 2021

<u>Expenditures</u>	<u>2020 Actual Year-To-Date</u>	<u>2021 Annual Budget</u>	<u>2021 Actual Year-To-Date</u>	<u>% of 2021 Budget</u>
WRAC	111,730.84	130,704.00	61,674.28	47.19%
Library	494,201.13	549,332.00	167,224.00	30.44%
Auditorium	41,352.81	123,001.00	20,374.23	16.56%
Non-Departmental/Culture-Recr.	42,607.00	93,643.00	88,642.60	94.66%
Parks & Recreation	529,543.01	556,648.00	237,859.63	42.73%
Civic Center	557,196.81	657,862.00	279,212.79	42.44%
Community Center	169,488.19	189,726.00	85,984.05	45.32%
Aquatic Center	112,597.26	249,499.00	59,812.12	23.97%
Sub-Total Culture/Recreation	2,058,717.05	2,550,415.00	1,000,783.70	39.24%
Transfers	2,492,032.00	1,290,914.00	-	0.00%
<b>Total Expenditures</b>	<b>\$ 17,838,066.39</b>	<b>\$ 18,680,964.00</b>	<b>\$ 7,919,688.89</b>	<b>42.39%</b>

\* Indicates Over Budget

# Waste Treatment Plant Revenues and Expenditures As Of June 30, 2021

	<u>2020 Actual Year-To-Date</u>		<u>2021 Annual Budget</u>		<u>2021 Actual Year-To-Date</u>	<u>% of 2021 Budget</u>
<b><u>Revenues</u></b>						
Intergovernmental	\$ 99,405.23	*	\$ 75,000.00		\$ 26,053.14	34.74%
Service Charges	10,060,753.98		10,031,416.00		3,413,261.10	34.03%
Miscellaneous Revenue	199,644.79		108,000.00		20,954.59	19.40%
<b>Total Revenues</b>	<b>\$ 10,359,804.00</b>		<b>\$ 10,214,416.00</b>		<b>\$ 3,460,268.83</b>	<b>33.88%</b>
<b><u>Expenditures</u></b>						
Waste Treatment - Treatment	\$ 5,094,741.81		\$ 11,069,346.00		\$ 2,069,116.43	18.69%
Waste Treatment - Collections	250,076.48		591,427.00		138,278.77	23.38%
Waste Treatment - Biosolids	177,827.77	*	370,325.00		60,175.10	16.25%
Waste Treatment - Eagle Lake	43,086.50	*	62,650.00		28,428.15	45.38%
<b>Total Expenditures</b>	<b>\$ 5,565,732.56</b>		<b>\$ 12,093,748.00</b>		<b>\$ 2,295,998.45</b>	<b>18.99%</b>

\* Indicates Over Budget

# Investment and Cash Balances As Of June 30, 2021

	As Of 12/31/2020		As Of 06/30/2021	
	Percentage of Booked Market Value	Booked Market Value	Percentage of Booked Market Value	Booked Market Value
4M	28.7020%	\$ 15,014,706.40	28.5542%	\$ 15,016,166.96
Bremer Bank	17.5171%	\$ 9,163,601.08	7.9183%	\$ 4,164,085.23
Bremer Wealth Mgmt	12.4121%	\$ 6,493,077.55	12.3521%	\$ 6,495,764.01
Multi-Bank Securities	0.9513%	\$ 497,668.50	0.9415%	\$ 495,105.80
UBS Financial Services	5.7377%	\$ 3,001,542.96	5.7085%	\$ 3,001,992.83
Wells Fargo Advisors	34.6797%	\$ 18,141,804.35	44.5254%	\$ 23,415,162.43
<b>Total Investments</b>	<b>100.0000%</b>	<b>\$ 52,312,400.84</b>	<b>100.0000%</b>	<b>\$ 52,588,277.26</b>
Heritage Bank	Cash	\$ 5,794,800.00	Cash	\$ 4,055,255.34
Bremer Wealth Mgmt	Cash	\$ 1,046,795.81	Cash	\$ 43,410.26
<b>Total Investments &amp; Cash</b>		<b>\$ 59,153,996.65</b>		<b>\$ 56,686,942.86</b>

**Questions?**



**FINANCE**

City Office Building  
333 SW 6th Street  
Box 755  
Willmar, Minnesota 56201

320-235-4984  
Fax 320-235-4917  
www.willmarmn.gov

**INVESTMENT ACTIVITY REPORT FOR QUARTER ENDED JUNE 30, 2021**

BALANCE AT PRIOR QUARTER END MARCH 31, 2021 \$ 50,757,006.57

**SUMMARY OF APRIL THROUGH JUNE, 2021, TRANSACTIONS:**

(04/01/21) Called: Bremer Wealth Management, TB-68609BYE1, 04/01/21, 2.132%	(150,000.00)
(04/16/21) Matured: Wells Fargo Advisors, CD-316777XG1, 04/16/21, 1.150%	(245,000.00)
(04/16/21) Market Value Adjustment: Wells Fargo Advisors, CD-316777XG1	(117.60)
(04/16/21) Matured: Wells Fargo Advisors, CD-919853GB1, 04/16/21, 1.160%	(245,000.00)
(04/16/21) Market Value Adjustment: Wells Fargo Advisors, CD-919853GB1	(117.60)
(04/16/21) Matured: Wells Fargo Advisors, CD-9406737MH1, 04/16/21, 1.150%	(245,000.00)
(04/16/21) Market Value Adjustment: Wells Fargo Advisors, CD-9406737MH1	(117.60)
(04/16/21) Matured: Wells Fargo Advisors, CD-149159QC2, 04/16/21, 1.100%	(245,000.00)
(04/16/21) Market Value Adjustment: Wells Fargo Advisors, CD-149159QC2	(112.70)
(04/20/21) Matured: Wells Fargo Advisors, CD-89788HAU7, 04/20/21, 1.150%	(245,000.00)
(04/20/21) Market Value Adjustment: Wells Fargo Advisors, CD-89788HAU7	(149.45)
(04/20/21) Matured: Wells Fargo Advisors, CD-99000QPK4, 04/20/21, 1.150%	(200,000.00)
(04/20/21) Market Value Adjustment: Wells Fargo Advisors, CD-99000QPK4	(62.00)
(04/21/21) Matured: Wells Fargo Advisors, CD-72345SKM2, 04/21/21, 1.150%	(245,000.00)
(04/21/21) Market Value Adjustment: Wells Fargo Advisors, CD-72345SKM2	(156.80)
(04/21/21) Matured: Wells Fargo Advisors, CD-856285TD3, 04/21/21, 1.200%	(245,000.00)
(04/21/21) Market Value Adjustment: Wells Fargo Advisors, CD-856285TD3	(164.15)
(04/21/21) Transferred Wells Fargo Advisors Matured CD's to Money Market	1,915,000.00
(04/22/21) Purchased: Bremer Wealth Mgmt, FHLB-3130AMAQ5, 07/29/2026	150,000.00
(04/28/21) Purchased: Wells Fargo Advisors, FHLB-3130ALYA6, 04/28/2026, Step-Up 0.550-2.000%	1,000,000.00
(04/29/21) Purchased: Wells Fargo Advisors, FHLB-3130ALX66, 04/29/2026, Step-Up 0.600-3.000%	1,000,000.00
(04/29/21) Purchased: Wells Fargo Advisors, FHLB-3130ALZ80, 04/29/2026, Step-Up 0.600-3.000%	1,000,000.00
(04/29/21) Transferred from Wells Fargo Money Market to Purchase CD's	(1,915,000.00)
(04/30/21) Interest Accrued to 4M	99.07
(04/30/21) Interest Accrued to 4MP	74.10
(04/30/21) Interest Accrued to Bremer Bank Money Market	68.44
(05/19/21) Called: Wells Fargo Advisors, FHLMC-3134GVXA1, 08/19/2022, 0.310%	(750,000.00)
(05/19/21) Market Value Adjustment: Wells Fargo Advisors, FHLMC-3134GVXA1	(120.00)
(05/19/21) Purchased: Wells Fargo Advisors, CD-856285VST, 05/19/2026, 1.000%	245,000.00
(05/26/21) Called: Wells Fargo Advisors, FHLMC-3134GVYZ5, 08/26/2022, 0.300%	(1,500,000.00)
(05/26/21) Market Value Adjustment: Wells Fargo Advisors, FHLMC-3134GVYZ5	(225.00)
(05/26/21) Transferred to Wells Fargo Advisors Money Market	1,500,000.00
(05/27/21) Purchased: Wells Fargo Advisors, FHLB-3130AMKN1, 05/27/2026, Step-Up 0.500 - 2.25%	505,000.00
(05/31/21) Interest Accrued to 4M	102.29
(05/31/21) Interest Accrued to 4MP	76.57
(05/31/21) Interest Accrued to Bremer Bank Money Market	70.73
(06/01/21) Partial Call: Wells Fargo Advisors, FHLB-3130AK2Q8, 09/01/2023, 0.320%	(363,636.36)
(06/01/21) Transferred to Wells Fargo Advisors Money Market	360,000.00
(06/14/21) Purchased: Bremer Wealth Mgmt, FFCB-31333EMJ45, 03/14/2033, 2.150%	35,000.00
* (06/15/21) Purchased: Wells Fargo Advisors, FHLB-3130AMLA8, 06/15/2026, 0.500-3.000%	1,860,000.00
(06/15/21) Transferred from Wells Fargo Advisors Money Market	(1,860,000.00)
* (06/16/21) Reversed Purchase: Bremer Wealth Mgmt FFCB-31333EMJ45, 03/14/2033, 2.150%	(35,000.00)
(06/30/21) Purchased: Wells Fargo Advisors, FHLB-3130AMW57, 06/30/2026, Step-Up 0.650-2.000%	750,000.00
(06/30/21) Called: Wells Fargo Advisors, FHLMC-3134GV2M9, 06/30/2022, 0.300%	(4,000,000.00)
(06/30/21) Market Value Adjustment: Wells Fargo Advisors, FHLMC-3134GV2M9	(1,400.00)
(06/30/21) Purchased: Wells Fargo Advisors, FHLB-3130AMZD7, 06/30/2026, Step-Up 0.500-2.500%	2,000,000.00
(06/30/21) Transferred to Wells Fargo Advisors Money Market	2,000,000.00
(06/30/21) Bremer Bank Money Market Interest Accrued	68.44
(06/30/21) 4M Money Market Interest Accrued	99.03
(06/30/21) 4MP Money Market Interest Accrued	74.14
(06/30/21) Quarter-End Market Value Adjustment	1,917.14

JUNE 30, 2021 BALANCE

\$ 52,588,277.26

\* Term of Investment Exceeded Limit per Investment Policy

**CASH/INVESTMENT PORTFOLIO AS OF JUNE 30, 2021**

	<u>BANK</u>	<u>SECURITY TYPE</u>	<u>ACQUIRED DATE</u>	<u>MATURITY DATE</u>	<u>INTEREST RATE</u>	<u>PAR VALUE</u>	<u>MARKET VALUE</u>
1	Bremer Bank	MM	09/28/2018	N/A	0.020%	\$ 4,164,085.23	\$ 4,164,085.23
2	4M	MM	01/31/2020	N/A	0.010%	12,006,068.74	12,006,068.74
3	4M	MM	01/31/2020	N/A	0.030%	3,010,098.22	3,010,098.22
4	UBS	MM	05/05/2020	N/A	0.010%	3,001,542.96	3,001,992.83
5	Wells Fargo Adv	MM	06/30/2021	N/A		2,000,000.00	1,999,360.00
6	Bremer Wealth	TB	12/04/2019	07/01/2021	2.638%	495,000.00	* 495,000.00
7	Bremer Wealth	TB	11/06/2019	08/01/2021	1.505%	175,000.00	* 175,192.50
8	Bremer Wealth	TB	11/06/2019	08/15/2021	2.000%	200,000.00	* 200,452.00
9	Bremer Wealth	FHLB	10/13/2020	10/12/2021	3.000%	500,000.00	504,137.70
10	Bremer Wealth	FFCB	10/28/2019	12/28/2021	1.600%	450,000.00	* 453,377.21
11	Bremer Wealth	TB	11/01/2019	03/01/2022	2.768%	400,000.00	* 406,764.00
12	Multi-Bank Sec	CD	03/27/2020	03/31/2022	1.200%	245,000.00	247,124.15
13	Wells Fargo Adv	CD	05/29/2020	05/27/2022	0.300%	245,000.00	245,487.55
14	Bremer Wealth	TB	11/13/2019	07/01/2022	4.000%	105,000.00	* 108,974.25
15	Bremer Wealth	TB	11/08/2019	10/01/2022	3.000%	500,000.00	* 515,995.00
16	Bremer Wealth	FFCB	10/13/2020	10/13/2022	0.190%	500,000.00	500,001.15
17	Wells Fargo Adv	FHLMC	07/20/2020	10/20/2022	0.320%	1,000,000.00	1,000,000.00
18	Bremer Wealth	TB	11/01/2019	12/01/2022	2.100%	100,000.00	* 102,681.00
19	Bremer Wealth	TB	04/01/2020	12/01/2022	3.000%	550,000.00	562,644.50
20	Multi-Bank Sec	CD	03/19/2020	03/13/2023	0.900%	245,000.00	* 247,981.65
21	Bremer Wealth	TB	03/15/2021	05/01/2023	0.450%	405,000.00	404,562.60
22	Bremer Wealth	FNMA	08/25/2020	08/25/2023	0.320%	500,000.00	500,322.20
23	Wells Fargo Adv	FHLB	09/01/2020	09/01/2023	0.320%	1,636,363.64	1,632,927.28
24	Bremer Wealth	FFCB	10/13/2020	10/05/2023	0.270%	250,000.00	249,795.54
25	Wells Fargo Adv	FHMA	10/27/2020	10/27/2023	0.300%	1,000,000.00	999,310.00
26	Wells Fargo Adv	FHLMC	11/24/2020	11/24/2023	0.320%	1,000,000.00	999,090.00
27	Wells Fargo Adv	FFCB	11/30/2020	11/30/2023	0.310%	1,500,000.00	1,497,900.00
28	Wells Fargo Adv	CD	12/18/2020	12/18/2023	0.350%	245,000.00	245,036.75
29	Bremer Wealth	TB	04/16/2020	04/01/2024	5.000%	200,000.00	225,504.00
30	Bremer Wealth	FFCB	09/25/2020	09/24/2024	0.360%	200,000.00	198,413.00
31	Wells Fargo Adv	CD	11/25/2020	11/25/2024	0.300%	245,000.00	244,336.05
32	Bremer Wealth	FHLMC	03/02/2021	08/12/2025	0.600%	250,000.00	249,045.86
33	Wells Fargo Adv	FHLB	01/14/2021	10/14/2025	0.200-3.500%	1,000,000.00	991,500.00
34	Wells Fargo Adv	CD	11/13/2020	11/13/2025	0.400-1.000%	245,000.00	244,037.15
35	Wells Fargo Adv	FHLB	01/29/2021	01/29/2026	0.300-1.000%	2,000,000.00	1,977,680.00
36	Wells Fargo Adv	FHLB	02/09/2021	02/09/2026	0.300-0.750%	2,000,000.00	1,987,020.00
37	Wells Fargo Adv	CD	02/12/2021	02/12/2026	0.500%	245,000.00	242,567.15
38	Wells Fargo Adv	FHLB	03/16/2021	03/16/2026	0.500-1.000%	755,000.00	751,594.95
40	Wells Fargo Adv	FHLB	04/28/2021	04/28/2026	0.550-2.000%	1,000,000.00	1,000,040.00
41	Wells Fargo Adv	FHLB	04/29/2021	04/29/2026	0.600-3.000%	1,000,000.00	999,600.00
42	Wells Fargo Adv	FHLB	04/29/2021	04/29/2026	0.600-3.000%	1,000,000.00	999,520.00
43	Wells Fargo Adv	CD	05/19/2021	05/19/2026	1.000%	245,000.00	247,021.25
44	Wells Fargo Adv	FHLB	05/27/2021	05/27/2026	0.500-2.250%	505,000.00	504,394.00
45	Wells Fargo Adv	FHLB	06/15/2021	06/15/2026	0.500-3.000%	1,860,000.00	1,859,497.80
47	Wells Fargo Adv	FHLB	06/30/2021	06/30/2026	0.650-2.000%	750,000.00	748,822.50
48	Wells Fargo Adv	FHLB	06/30/2021	06/30/2026	0.500-2.500%	2,000,000.00	1,998,420.00
39	Bremer Wealth	TB	02/09/2021	07/01/2026	3.250%	450,000.00	493,893.00
46	Bremer Wealth	FHLB	04/22/2021	07/29/2026	1.000%	150,000.00	149,008.50
<b>TOTAL INVESTMENT</b>						<b>\$ 52,528,158.79</b>	<b>\$ 52,588,277.26</b>
49	Heritage Bank	Jumbo Deposit Account		None	0.030%	30,165.14	30,165.14
50	Heritage Bank	Commercial Ckg		None	0.040%	7,231,122.80	3,946,941.42
51	Heritage Bank	Employee FSA Ckg		None	0.000%	12,474.57	12,474.57
52	Heritage Bank	Police Forfeiture Ckg		None	0.040%	38,925.76	38,925.76
53	Heritage Bank	Police Explorer Ckg		None	0.000%	13,734.32	13,734.32
54	Heritage Bank	Fire Dpt Explorer Ckg		None	0.000%	13,014.13	13,014.13
55	Bremer Wealth	Money Market		None	0.180%	43,410.26	43,410.26
<b>TOTAL PORTFOLIO FOR JUNE 30, 2021</b>						<b>\$ 59,911,005.77</b>	<b>\$ 56,686,942.86</b>

USTN: US Treasury Note

\* TB: Taxable Bond



**FINANCE**

City Office Building  
 333 SW 6th Street  
 Box 755  
 Willmar, Minnesota 56201

320-235-4984  
 Fax 320-235-4917  
[www.willmarmn.gov](http://www.willmarmn.gov)

**2021 Interest/Dividends Received By Institution**

<u>Institution</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>2021 Year-To-Date</u>	<u>2020 Year-To-Date</u>
4M	\$ 304.31	\$ 173.17	\$ 178.86	\$ 1,287.39	\$ 12,131.68
Bremer Bank	\$ 70.72	\$ 68.44	\$ 70.73	\$ 415.71	\$ 34,897.25
Bremer Wealth Management	\$ 22,415.46	\$ 237.81	\$ 12,900.72	\$ 65,024.03	\$ 75,762.49
Heritage Bank	\$ 152.14	\$ 50.31	\$ 88.09	\$ 864.94	\$ 2,833.24
Multi-Bank Securities	\$ -	\$ -	\$ -	\$ 2,551.36	\$ 83,883.32
UBS	\$ -	\$ -	\$ 17.36	\$ 17.36	\$ 81,703.37
Wells Fargo	\$ -	\$ -	\$ -	\$ -	\$ 17,500.00
Wells Fargo Advisors	\$ 19,060.47	\$ 6,190.47	\$ 8,567.32	\$ 46,155.95	\$ 154,240.73
<b>Totals</b>	<b>\$ 42,003.10</b>	<b>\$ 6,720.20</b>	<b>\$ 21,823.08</b>	<b>\$ 116,316.74</b>	<b>\$ 462,952.08</b>

**Investment Activity 01/01/21 through 06/30/21**

Date	Company	Investment ID	Amount Called	Amount Matured	Amount Purchased	Current Interest Rate	Redeemed Market Value Incr/(Decr)	Quarterly Market Value Incr/(Decr)	Redeemed Capital Gain/ (Loss)
01/14/21	Wells Fargo Advisors	FHLB-3130AKLN4	\$ -	\$ -	\$ 1,000,000.00	0.200-3.500%	\$ -	\$ -	\$ -
01/19/21	Wells Fargo Advisors	CD-67523TAD5	\$ -	\$ 245,000.00	\$ -	1.050%	\$ (127.40)	\$ -	\$ -
01/27/21	Bremer Bank	Money Market	\$ -	\$ 5,000,000.00	\$ -	0.020%	\$ -	\$ -	\$ -
01/29/21	Wells Fargo Advisors	FHLB-3130AKTT3	\$ -	\$ -	\$ 2,000,000.00	0.300%	\$ -	\$ -	\$ -
01/31/21	4M	Money Market Int	\$ -	\$ -	\$ 204.38	0.020%	\$ -	\$ -	\$ -
01/31/21	4MP	Money Market Int	\$ -	\$ -	\$ 127.41	0.050%	\$ -	\$ -	\$ -
01/31/21	Bremer Bank	Money Mrkt Int	\$ -	\$ -	\$ 141.94	2.000%	\$ -	\$ -	\$ -
02/01/21	Bremer Wealth Mgmt	TB-819190TG4	\$ -	\$ 400,000.00	\$ -	5.000%	\$ (1,360.00)	\$ -	\$ -
02/03/21	Wells Fargo Advisors	FHLMC-3134GWGL4	\$ 2,245,000.00	\$ -	\$ -	3.250%	\$ 2,267.45	\$ -	\$ -
02/09/21	Wells Fargo Advisors	FHLB-3130AKWD4	\$ -	\$ -	\$ 2,000,000.00	0.300%	\$ -	\$ -	\$ -
02/09/21	Bremer Wealth Mgmt	TB-837445AL9	\$ -	\$ -	\$ 450,000.00	3.250%	\$ -	\$ -	\$ -
02/09/21	Bremer Wealth Mgmt	TB-837445AL9 - Prem.	\$ -	\$ -	\$ 55,143.00	N/A	\$ -	\$ -	\$ -
02/11/21	Bremer Wealth Mgmt	FFCB-3133EK3V6	\$ 50,000.00	\$ -	\$ -	1.600%	\$ (590.00)	\$ -	\$ -
02/11/21	Bremer Wealth Mgmt	FHLMC-3134GWJZ0	\$ 650,000.00	\$ -	\$ -	0.220%	\$ 32.50	\$ -	\$ -
02/12/21	Wells Fargo Advisors	CD-46147UUJ7	\$ -	\$ -	\$ 245,000.00	0.500%	\$ -	\$ -	\$ -
02/28/21	4M	Money Market Int	\$ -	\$ -	\$ 184.18	0.020%	\$ -	\$ -	\$ -
02/28/21	4MP	Money Market Int	\$ -	\$ -	\$ 115.08	0.050%	\$ -	\$ -	\$ -
02/28/21	Bremer Bank	Money Market Int	\$ -	\$ -	\$ 63.88	0.020%	\$ -	\$ -	\$ -
03/02/21	Bremer Wealth Mgmt	TB-952718Q313	\$ -	\$ -	\$ 405,000.00	0.450%	\$ -	\$ -	\$ -
03/02/21	Bremer Wealth Mgmt	FHLMC-3134GWND4	\$ -	\$ -	\$ 248,750.00	0.600%	\$ -	\$ -	\$ -
03/16/21	Wells Fargo Advisors	FHLB-3130ALGY4	\$ -	\$ -	\$ 755,000.00	0.500%	\$ -	\$ -	\$ -
03/31/21	Bremer Bank	Money Mrkt Int	\$ -	\$ -	\$ 70.72	0.020%	\$ -	\$ -	\$ -
03/31/21	4M	Money Mrkt Int	\$ -	\$ -	\$ 184.25	0.020%	\$ -	\$ -	\$ -
03/31/21	4MP	Money Mrkt Int	\$ -	\$ -	\$ 120.06	0.050%	\$ -	\$ -	\$ -
03/31/20	Quarterly Market Value Adjustment		\$ -	\$ -	\$ -	N/A	\$ -	\$ (125,721.72)	\$ -
04/01/21	Bremer Wealth Mgmt	TB-68609BYE1	\$ -	\$ 150,000.00	\$ -	2.132%	\$ -	\$ -	\$ -
04/16/21	Wells Fargo Advisors	CD-316777XG1	\$ -	\$ 245,000.00	\$ -	1.150%	\$ (117.60)	\$ -	\$ -
04/16/21	Wells Fargo Advisors	CD-919853GB1	\$ -	\$ 245,000.00	\$ -	1.150%	\$ (117.60)	\$ -	\$ -
04/16/21	Wells Fargo Advisors	CD-940637MH1	\$ -	\$ 245,000.00	\$ -	1.150%	\$ (117.60)	\$ -	\$ -
04/16/21	Wells Fargo Advisors	CD-149159QC2	\$ -	\$ 245,000.00	\$ -	1.100%	\$ (112.70)	\$ -	\$ -
04/20/21	Wells Fargo Advisors	CD-89788HAU7	\$ -	\$ 245,000.00	\$ -	1.150%	\$ (149.45)	\$ -	\$ -
04/20/21	Wells Fargo Advisors	CD-99000QPK4	\$ -	\$ 200,000.00	\$ -	1.150%	\$ (62.00)	\$ -	\$ -
04/21/21	Wells Fargo Advisors	CD-72345SKM2	\$ -	\$ 245,000.00	\$ -	1.150%	\$ (156.80)	\$ -	\$ -
04/21/21	Wells Fargo Advisors	CD-856285TD3	\$ -	\$ 245,000.00	\$ -	1.200%	\$ (164.15)	\$ -	\$ -
04/22/21	Bremer Wealth Mgmt	FHLB-3130AMQA5	\$ -	\$ -	\$ 150,000.00	1.000%	\$ -	\$ -	\$ -
04/28/21	Wells Fargo Advisors	FHLB-3130ALYA6	\$ -	\$ -	\$ 1,000,000.00	0.550%	\$ -	\$ -	\$ -
04/29/21	Wells Fargo Advisors	FHLB-3130ALX66	\$ -	\$ -	\$ 1,000,000.00	0.600%	\$ -	\$ -	\$ -
04/29/21	Wells Fargo Advisors	FHLB-3130ALZ80	\$ -	\$ -	\$ 1,000,000.00	0.600%	\$ -	\$ -	\$ -
04/30/21	4M	Money Market	\$ -	\$ -	\$ 99.07	0.010%	\$ -	\$ -	\$ -
04/30/21	4MP	Money Market	\$ -	\$ -	\$ 74.10	0.030%	\$ -	\$ -	\$ -
04/30/21	Bremer Bank	Money Market	\$ -	\$ -	\$ 68.44	0.020%	\$ -	\$ -	\$ -
05/19/21	Wells Fargo Advisors	FHLMC-3134GVXA1	\$ 750,000.00	\$ -	\$ -	0.310%	\$ (120.00)	\$ -	\$ -
05/19/21	Wells Fargo Advisors	CD-856285VS&	\$ -	\$ -	\$ 245,000.00	1.000%	\$ -	\$ -	\$ -
05/26/21	Wells Fargo Advisors	FHLMC-3134GVYZ5	\$ 1,500,000.00	\$ -	\$ -	0.300%	\$ (225.00)	\$ -	\$ -
05/26/21	Wells Fargo Advisors	Money Market	\$ -	\$ -	\$ 1,500,000.00		\$ -	\$ -	\$ -
05/27/21	Wells Fargo Advisors	FHLB-3130AMKN1	\$ -	\$ -	\$ 505,000.00	0.500%	\$ -	\$ -	\$ -
05/31/21	4M	Money Market	\$ -	\$ -	\$ 102.29	0.010%	\$ -	\$ -	\$ -
05/31/21	4MP	Money Market	\$ -	\$ -	\$ 76.57	0.030%	\$ -	\$ -	\$ -
05/31/21	Bremer Bank	Money Market	\$ -	\$ -	\$ 70.73	0.020%	\$ -	\$ -	\$ -



06/01/21	Wells Fargo Advisors	FHLB-3130AK2Q8 Part	\$ 363,636.36	\$ -	\$ -	0.320%	\$ -	\$ -	\$ -
06/01/21	Wells Fargo Advisors	CD-38149MTB9	\$ -	\$ -	\$ 360,000.00		\$ -	\$ -	\$ -
06/14/21	Bremer Wealth Mgmt	FFCB-31333EMJ45	\$ -	\$ -	\$ 35,000.00	2.150%	\$ -	\$ -	\$ -
06/15/21	Wells Fargo Advisors	FHLB-3130AMLA8	\$ -	\$ -	\$ 1,860,000.00	0.500%	\$ -	\$ -	\$ -
06/15/21	Wells Fargo Advisors	Money Market	\$ 1,860,000.00	\$ -	\$ -		\$ -	\$ -	\$ -
06/16/21	Bremer Wealth Mgmt	FFCB-31333EMJ45	\$ 35,000.00	\$ -	\$ -	2.150%	\$ -	\$ -	\$ -
06/30/21	Wells Fargo Advisors	FHLB-3130AMW57	\$ -	\$ -	\$ 750,000.00	0.650%	\$ -	\$ -	\$ -
06/30/21	Wells Fargo Advisors	FHLMC-3134GV2M9	\$ 4,000,000.00	\$ -	\$ -	0.300%	\$ (1,400.00)	\$ -	\$ -
06/30/21	Wells Fargo Advisors	FHLB-3130AMZD7	\$ -	\$ -	\$ 2,000,000.00	0.500%	\$ -	\$ -	\$ -
06/30/21	Wells Fargo Advisors	Money Market	\$ -	\$ -	\$ 2,000,000.00		\$ -	\$ -	\$ -
06/30/21	Bremer Bank	Money Market	\$ -	\$ -	\$ 68.44	0.020%	\$ -	\$ -	\$ -
06/30/21	4M	Money Market	\$ -	\$ -	\$ 99.03	0.010%	\$ -	\$ -	\$ -
06/30/21	4MP	Money Market	\$ -	\$ -	\$ 74.14	0.030%	\$ -	\$ -	\$ -
06/30/21	Quarterly Market Value Adj	FFCB-3133ELMQ4	\$ -	\$ -	\$ -		\$ -	\$ 1,917.14	\$ -
07/01/21	Bremer Wealth Mgmt	TB-341271AC8	\$ -	\$ -	\$ -	2.638%	\$ -	\$ -	\$ -
			\$ 11,453,636.36	\$ 7,710,000.00	\$ 19,565,837.71		\$ (2,520.35)	\$ (123,804.58)	\$ -

	Amount Called	Amount Matured	Amount Purchased	Current Interest Rate	Redeemed Market Value Incr/(Decr)	Quarterly Market Value Incr/(Decr)	Redeemed Capital Gain/ (Loss)
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**Grand Total**

Total Purchases	\$ 19,565,837.71
Total Maturities	\$ (7,710,000.00)
Total Calls	\$ (11,453,636.36)
Net Incr/(Decr)	\$ 402,201.35
Less Net Mkt Valu/Gain Adj	\$ (126,324.93)
Overall Net Incr/(Decr)	\$ 275,876.42

06/30/21 Investment Balance	\$ 52,588,277.26
12/31/20 Investment Balance	\$ 52,312,400.84
	\$ 275,876.42
Invstmnts purchased less than par ^	\$ -
	\$ 275,876.42

**WILLMAR MUNICIPAL UTILITIES  
ELECTRIC DIVISION  
MAY 2021**

	Month Amount	Month Budget*	YTD Amount	YTD Budget*	Prior YTD Amount
<b>Operating revenues</b>					
Residential	\$583,550	\$653,007.58	\$3,041,725	\$3,265,037.92	\$2,996,296
Commercial/industrial	\$1,777,122	\$1,576,528	\$7,668,972	\$7,882,637.50	\$7,386,913
Energy acquisition/fuel adj	\$0	\$0	\$0	\$0	\$0
City Franchise Fee	\$219,467	\$217,336	\$1,099,101	\$1,086,681	\$954,479
Transmission	\$177,316	\$162,500	\$1,022,265	\$812,500	\$818,538
Miscellaneous	\$38,827	\$52,423	\$265,750	\$262,113	\$315,255
<b>Total operating revenues</b>	<b>\$2,796,283</b>	<b>\$2,661,794</b>	<b>\$13,097,812</b>	<b>\$13,308,969</b>	<b>\$12,471,482</b>
<b>Operating expenses</b>					
Production operation	\$52,786	\$8,083	\$82,934	\$40,417	\$328,813
Production maintenance	\$1,848	\$20,851	\$50,219	\$104,253	\$147,852
Purchased power	\$1,124,412	\$1,221,662	\$5,061,252	\$6,108,308	\$4,639,315
Transmission operation	\$322,252	\$350,944	\$1,467,863	\$1,754,721	\$1,245,250
Transmission maintenance	\$2,836	\$13,784	\$38,859	\$68,919	\$88,131
Distribution operation	\$56,518	\$69,624	\$309,408	\$348,122	\$316,686
Distribution maintenance	\$66,273	\$68,256	\$245,771	\$341,278	\$324,707
Customer service	\$14,949	\$20,685	\$69,715	\$103,423	\$13,862
Energy Services	\$5,736	\$15,019	\$28,774	\$75,095	\$50,127
General & administrative	\$195,581	\$313,750	\$984,041	\$1,568,750	\$1,100,688
Depreciation	\$171,101	\$176,307	\$857,302	\$881,534	\$872,778
<b>Total operating expenses</b>	<b>\$2,014,291</b>	<b>\$2,278,964</b>	<b>\$9,196,138</b>	<b>\$11,394,819</b>	<b>\$9,128,210</b>
<b>Operating income</b>					
Other income	\$21,059	\$50,897	\$145,306	\$254,485	\$276,691
Other expense	\$152	\$125	\$513	\$625	\$721
<b>Net earnings</b>	<b>-\$20,907</b>	<b>-\$50,772</b>	<b>-\$144,792</b>	<b>-\$253,860</b>	<b>-\$275,970</b>
Cash Payment to City	\$179,383	\$178,070	\$896,917	\$890,351	\$896,917
<b>Retained earnings</b>	<b>\$623,516</b>	<b>\$255,532</b>	<b>\$3,149,551</b>	<b>\$1,277,659</b>	<b>\$2,722,325</b>

\* The Monthly & YTD Budget Amounts are Annual Budget divided by 12. Seasonal energy rates will cause actual to be different than budget during the early part of the year, but will catch up over the higher summer months.

Notes: Residential and Commercial/Industrial revenues are up approximately \$327,000 from prior year. Expenses are up approximately \$68,000 from prior year. Overall retained earnings are up approximately \$427,000 from prior year.

**WILLMAR MUNICIPAL UTILITIES  
WATER DIVISION  
MAY 2021**

	Month Amount	Month Budget*	YTD Amount	YTD Budget*	Prior YTD Amount
<b>Operating revenues</b>					
Residential	\$160,538	\$167,937	\$718,452	\$839,686	\$635,939
Commercial/industrial	\$156,068	\$162,168	\$724,295	\$810,841	\$577,616
Miscellaneous	\$51	\$7,750	\$13,863	\$38,750	\$7,157
<b>Total operating revenues</b>	<b>\$316,657</b>	<b>\$337,855</b>	<b>\$1,456,611</b>	<b>\$1,689,277</b>	<b>\$1,220,711</b>
<b>Operating expenses</b>					
Production operation	\$27,516	\$28,446	\$153,608	\$142,229	\$121,676
Production maintenance	\$14,997	\$12,577	\$30,703	\$62,883	\$44,474
Purchased power	\$0	\$13,651	\$0	\$68,257	\$75,716
Distribution operation	\$23,031	\$22,173	\$103,919	\$110,866	\$89,881
Distribution maintenance	\$7,395	\$24,988	\$97,620	\$124,940	\$37,177
Customer service	\$7,364	\$6,522	\$34,212	\$32,612	\$26,564
Energy Services	\$0	\$0	\$0	\$0	\$0
General & administrative	\$34,948	\$20,556	\$168,406	\$102,778	\$119,713
Depreciation	\$32,537	\$31,228	\$162,409	\$156,142	\$155,927
<b>Total operating expenses</b>	<b>\$147,787</b>	<b>\$160,141</b>	<b>\$750,878</b>	<b>\$800,705</b>	<b>\$671,127</b>
<b>Operating income</b>					
Other income	\$2,319	\$4,951	\$20,333	\$24,755	\$23,674
Other expense	\$0	\$0	\$0	\$0	\$0
<b>Net earnings</b>	<b>-\$2,319</b>	<b>-\$4,951</b>	<b>-\$20,333</b>	<b>-\$24,755</b>	<b>-\$23,674</b>
Cash Payment to City	\$0	\$0	\$0	\$0	\$0
<b>Retained earnings</b>	<b>\$171,189</b>	<b>\$182,665</b>	<b>\$726,067</b>	<b>\$913,326</b>	<b>\$573,258</b>

\* The Monthly & YTD Budget Amounts are Annual Budget divided by 12. Seasonal energy rates will cause actual to be different than budget during the early part of the year, but will catch up over the higher summer months.

Notes: After factoring in a 20% rate increase for 2021, Residential and Commercial/Industrial revenues are down approximately \$13,500 from where we would expect them to be. Expenses are up approximately \$80,000 from prior year. Overall retained earnings are up approximately \$153,000 from prior year.

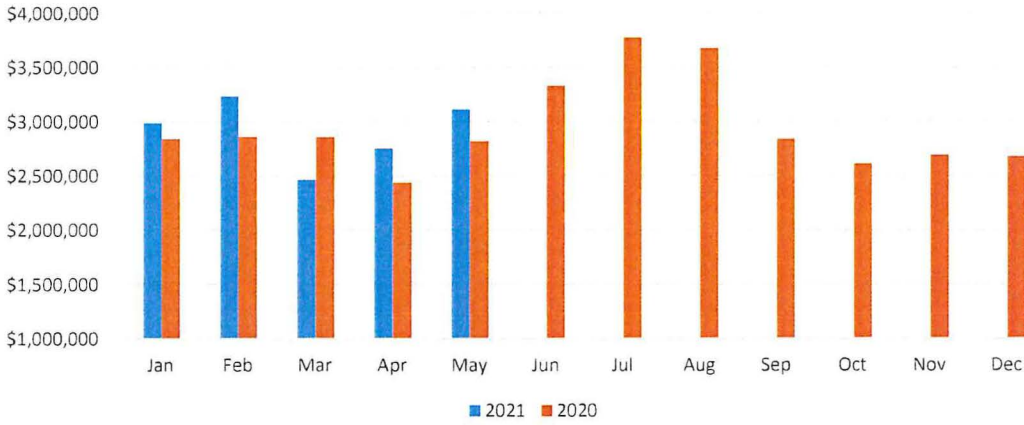
**WILLMAR MUNICIPAL UTILITIES**  
**ALL DIVISIONS**  
**MAY 2021**

	Month Amount	Month Budget*	YTD Amount	YTD Budget*	Prior YTD Amount
<b>Operating revenues</b>					
Residential	\$744,089	\$820,945	\$3,760,177	\$4,104,724	\$3,632,235
Commercial/industrial	\$1,933,190	\$1,738,696	\$8,393,267	\$8,693,478	\$7,964,529
Energy acquisition/fuel adj	\$0	\$0	\$0	\$0	\$0
City Franchise Fee	\$219,467	\$217,336	\$1,099,101	\$1,086,681	\$954,479
Transmission	\$177,316	\$162,500	\$1,022,265	\$812,500	\$818,538
Miscellaneous	\$38,878	\$60,173	\$279,613	\$300,863	\$322,412
<b>Total operating revenues</b>	<b>\$3,112,940</b>	<b>\$2,999,649</b>	<b>\$14,554,423</b>	<b>\$14,998,246</b>	<b>\$13,692,193</b>
<b>Operating expenses</b>					
Production operation	\$80,302	\$36,529	\$236,542	\$182,645	\$450,489
Production maintenance	\$16,845	\$33,427	\$80,922	\$167,136	\$192,326
Purchased power	\$1,124,412	\$1,235,313	\$5,061,252	\$6,176,565	\$4,715,030
Transmission operation	\$322,252	\$350,944	\$1,467,863	\$1,754,721	\$1,245,250
Transmission maintenance	\$2,836	\$13,784	\$38,859	\$68,919	\$88,131
Distribution operation	\$79,548	\$91,798	\$413,327	\$458,988	\$406,568
Distribution maintenance	\$73,668	\$93,244	\$343,391	\$466,218	\$361,884
Customer service	\$22,313	\$27,207	\$103,927	\$136,035	\$40,427
Energy Services	\$5,736	\$15,019	\$28,774	\$75,095	\$50,127
General & administrative	\$230,529	\$334,306	\$1,152,447	\$1,671,528	\$1,220,401
Depreciation	\$203,638	\$207,535	\$1,019,711	\$1,037,675	\$1,028,705
<b>Total operating expenses</b>	<b>\$2,162,078</b>	<b>\$2,439,105</b>	<b>\$9,947,015</b>	<b>\$12,195,525</b>	<b>\$9,799,337</b>
<b>Operating income</b>					
Other income	\$23,378	\$55,848	\$165,639	\$279,239	\$300,365
Other expense	\$152	\$125	\$513	\$625	\$721
<b>Net earnings</b>	<b>-\$23,226</b>	<b>-\$55,723</b>	<b>-\$165,126</b>	<b>-\$278,614</b>	<b>-\$299,644</b>
Cash Payment to City	\$179,383	\$178,070	\$896,917	\$890,351	\$896,917
<b>Retained earnings</b>	<b>\$794,705</b>	<b>\$438,197</b>	<b>\$3,875,617</b>	<b>\$2,190,985</b>	<b>\$3,295,582</b>

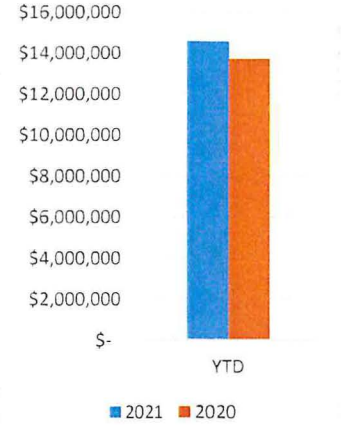
\* The Monthly & YTD Budget Amounts are Annual Budget divided by 12. Seasonal energy rates will cause actual to be different than budget during the early part of the year, but will catch up over the higher summer months.

Notes: Overall, retained earnings are up approximately \$580,000 from prior year.

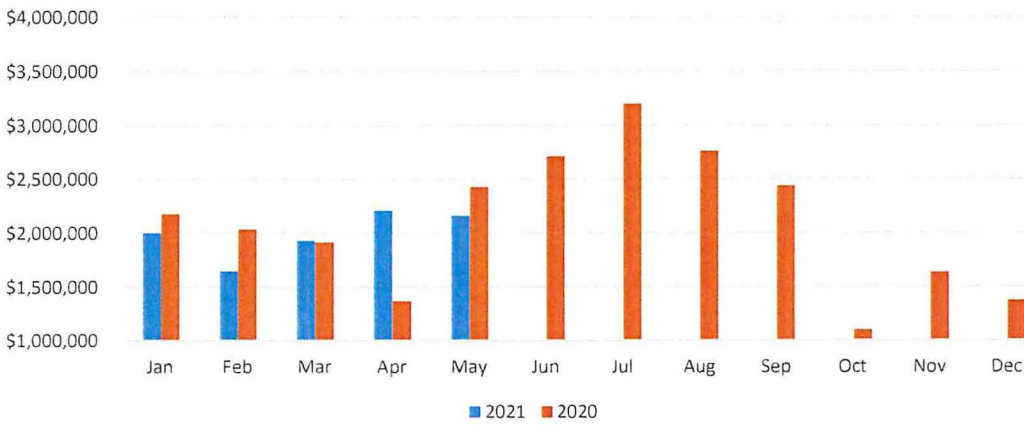
### Revenues



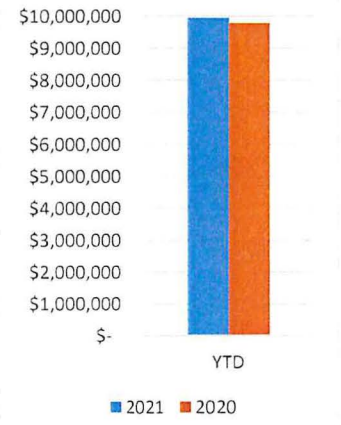
### Revenues



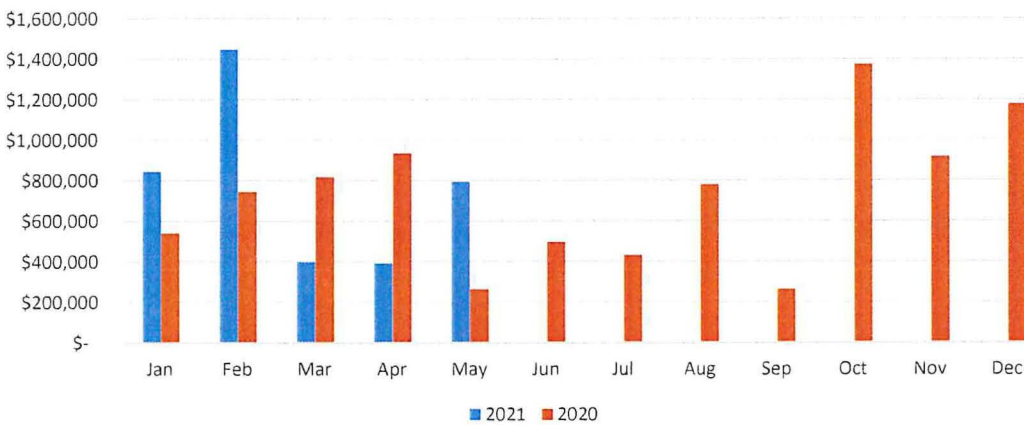
### Expenses



### Expenses



### Retained Earnings



### Retained Earnings



**From:** [Steve Okins](#)  
**To:** [Carol Cunningham](#)  
**Subject:** FW: WMU Financial Reports - May 2021  
**Date:** Tuesday, July 13, 2021 9:09:53 AM  
**Attachments:** [May 2021 Financials Reports \(full set\).pdf](#)

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Would it be possible to add to the CAR for reports for the Council agenda?

**From:** Beth Mattheisen <[bmattheisen@wmu.willmar.mn.us](mailto:bmattheisen@wmu.willmar.mn.us)>  
**Sent:** Tuesday, July 13, 2021 9:05 AM  
**To:** Steve Okins <[sokins@willmarmn.gov](mailto:sokins@willmarmn.gov)>  
**Cc:** Andrea Prekker <[aprekker@wmu.willmar.mn.us](mailto:aprekker@wmu.willmar.mn.us)>  
**Subject:** WMU Financial Reports - May 2021

**Hi Steve,**

**For your information, attached is WMU financial data reflecting the operating revenues, expenses, and income for May 2021. If you have any questions regarding the data, you can contact Finance & Office Services Supervisor Andrea Prekker at [aprekker@wmu.willmar.mn.us](mailto:aprekker@wmu.willmar.mn.us) or by phone at 235-4422. Note: Per your request, Andrea has attached a brief summary at the bottom of each report.**

**Have a great day!**

***Beth Mattheisen***  
Executive Secretary

WILLMAR MUNICIPAL UTILITIES  
700 SW Litchfield Avenue  
PO Box 937  
Willmar, MN 56201  
(320)235-4422 (phone)  
(320)235-3980 (fax)  
[bmattheisen@wmu.willmar.mn.us](mailto:bmattheisen@wmu.willmar.mn.us)

Issued Dates: 6/1/2021 to 6/30/2021

Report Name: Monthly External Permits Report

Permit Type(s): Building, Mechanical, Plumbing

## City of Willmar Monthly External Permits Report

Printed: 7/1/2021

Page: 1

Permit #	Issued Date	Owner and Site Address	Permit Sub-Type and Work Type	Description	Valuation	Total Permit Fee
WI030132	6/22/2021	Frisvold/Michael C & Laura 1047 Hill Road SW	95-600-0530 Block 3 Orchard Hill, Nursery Add	Reroofing Residential Add/Alter	Residential Reroof	\$4,500.00 \$32.25
WI030347	6/23/2021	Uncut Stone, Llc 515 19th Ave SW	95-340-0010 Block 1 Hilltop Park	Commercial/Ind Alt/Remodel	Commercial Plumbing - Add Bathrooms and Drinking Fountains	\$0.00 \$91.00
WI030350	6/15/2021	Quenemoen/Clint A 921 5th St SE	95-250-1780 Block 8 Glarum`s Addition To Willmar	Single Family Replace	Gas Furnace Replacement	\$3,000.00 \$31.00
WI030351	6/15/2021	Parsons/Aileene M 412 14th St SW	95-015-0330 Block 3 Fourth Railroad Addition	Single Family Replace	Gas Furnace Replacement	\$3,000.00 \$31.00
WI030468	6/15/2021	Haug/Jason B & Marie J 809 13th St SW	95-200-0010 Lot 1, Block 1 Erickson`s Subd. Of Block 4	Single Family Replace	Water Heater Replacement	\$750.00 \$26.00
WI030469	6/15/2021	Hoover/Danny D & Cara A 1101 Lakeland Dr SE	95-913-0046	Single Family Replace	Water Heater Replacement	\$750.00 \$26.00
WI030470	6/18/2021	County Of Kandiyohi 2201 23rd St NE	95-901-0500	Reroofing Commercial Add/Alter	Commercial Reroof	\$1,567,725.00 \$8,944.90
WI030474	6/2/2021	Goeser/Gregory J & Jalaine L 1201 Grace Ave SW	95-570-0410 Block 3 Nursery Addition	Reroofing Residential Add/Alter	Residential Reroof	\$4,000.00 \$32.00
WI030478	6/2/2021	Eckhoff/Jerome L & Mardi 925 5th St SW	95-280-0280 Lot 8, Block 2 Hanson`s Addition To Willmar	Reroofing Residential Add/Alter	Residential Reroof	\$21,662.00 \$40.83
WI030479	6/3/2021	Mages/Gary L & Sharon 358 Hillcrest Drive SW	95-922-7740	Reroofing Residential Add/Alter	Residential Reroof	\$3,800.00 \$31.90
WI030480	6/2/2021	Lee/Jeremy J & Courtney H 1201 13th Ave SW	95-690-0620 Lot 12, Block 4 Ramblewood Addition	Single Family Replace	Gas Furnace & A/C Replacement	\$0.00 \$56.00
WI030481	6/2/2021	Rivas/Joel 1021 14th St SW	95-650-0140 Lot 14, Block 1 Pederson Subd.	Reroofing Residential Add/Alter	Residential Reroof	\$3,000.00 \$31.50

## City of Willmar Monthly External Permits Report

Permit #	Issued Date	Owner and Site Address		Permit Sub-Type and Work Type	Description	Valuation	Total Permit Fee
WI030482	6/2/2021	Raddatz/Ronald M & Janet A 604 25th St SE	95-668-1280 Block 7 Pheasant Run	Deck Residential Add/Alter	Residential Deck	\$7,378.00	\$230.15
WI030483	6/3/2021	Thortsen/Janet I 2305 10th St SW	95-688-0250 Lot 5, Block 2 Prairie View North	Alteration Residential Add/Alter	Framing and Installing a New Window	\$1,000.00	\$58.34
WI030484	6/7/2021	Mcw Real Estate, Llc 405 Benson Ave SE	95-630-0110 Block 1 Paulson & Sunde's Subd Of Lot D Eastern Ad	New Commercial New	Parking and Storage Building - Benson Laundry	\$191,328.00	\$95.66
WI030485	6/7/2021	Meyer/Cecil G & Susan R 615 Becker Ave SW	95-003-6400 Block 52 Willmar, Town Of (Original)	Commercial/Ind Replace	Gas Furnace and A/C	\$5,017.00	\$2.51
WI030486	6/7/2021	Pelkey/Robert A & Teresa A 509 12th St NW	95-820-1340 Block 7 Thorpe & Lien's Addition	Reroofing Residential Add/Alter	Residential Reroof/ Replace 2 Windows Same Size	\$12,153.00	\$36.08
WI030487	6/7/2021	Millan/Elina 1212 Gorton Ave NW	95-009-0710 Block 129 Second Addition To Willmar	Reroofing Residential Add/Alter	Residential Reroof	\$2,800.00	\$31.40
WI030488	6/7/2021	Lauer/Brett M & Marissa J 701 Irene Ave	95-660-0350 Lot 15, Block 2 Perkins 1st Addition	Reroofing Residential Add/Alter	Residential Reroof	\$2,800.00	\$31.40
WI030489	6/7/2021	Leason/Jody M 602 6th St SW	95-006-2130 Lot 1, Block 72 First Addition To The Town Of Willmar	Deck Residential Add/Alter	Residential Deck/Front Landing	\$1,500.00	\$1.00
WI030494	6/8/2021	Coverdell/Harold E 736 3rd St SE	95-180-0220 Block 2 Erickson's Addition	Reroofing Residential Add/Alter	Residential Reroof	\$14,000.00	\$7.00
WI030495	6/8/2021	Haugen/Eric N & Michele 2307 Richland Dr SW	95-696-0280 Lot 8, Block 3 Richland Acres	Siding Residential Add/Alter	Residential Reside	\$10,000.00	\$55.00



## City of Willmar Monthly External Permits Report

Permit #	Issued Date	Owner and Site Address	Permit Sub-Type and Work Type	Description	Valuation	Total Permit Fee
WI030496	6/8/2021	O'Brien/Michael V & Stacey J 1805 Country Club Dr NE	95-465-0095 Block 2 First Addition To Lakewood On Willmar Lake	Alteration Residential Add/Alter	Install Stabilizers to Correct sagging Floor	\$7,500.00 \$230.21
WI030497	6/9/2021	CARGAB Realestate Group LLC 403 Litchfield Ave SE	95-630-0760 Lot 16, Block 4 Paulson & Sunde's Subd Of Lot D Eastern Ad	Alteration Residential Add/Alter	Interior Remodel/Duplex	\$50,000.00 \$25.00
WI030498	6/9/2021	CARGAB Realestate Group LLC 403 Litchfield Ave SE	95-630-0760 Lot 16, Block 4 Paulson & Sunde's Subd Of Lot D Eastern Ad	Two Family Residence Alt/Remodel	Interior Remodel/Duplex	\$0.00 \$1.00
WI030499	6/9/2021	Johnson/Scott & Kerry A 104 32nd Ave NE	95-148-1530 Lot 3, Block 5 Eagles Landing	Reroofing Residential Add/Alter	Residential Reroof	\$12,500.00 \$36.25
WI030500	6/11/2021	City Of Willmar 2707 Arena Drive NE	95-901-0200	New Commercial New	Willmar Rec & Fields Improvements & Concession / Restrooms	\$4,500,000.00 \$1,450.00
WI030501	6/11/2021	Trevino/Oscar R & Angelica 1300 10th St SE	95-670-0350 Lot 15, Block 2 Pleasant View Addition	Addition Residential Add/Alter	Screen Porch/House Reroof	\$7,506.00 \$260.21
WI030502	6/11/2021	City Of Willmar 2707 Arena Drive NE	95-901-0200	Commercial/Ind New	Willmar Rec & Fields Improvements & Concessions / Restrooms	\$0.00 \$1.00
WI030503	6/11/2021	City Of Willmar 2707 Arena Drive NE	95-901-0200	Commercial/Ind New	Willmar Rec & Fields Improvements & Concessions / Restrooms	\$9,836.00 \$4.92
WI030504	6/17/2021	City Of Willmar 945 Business 71 N	95-911-0920	New Commercial New	Construct 3 New Shelters & Remodel 1 Shelter	\$1,067,445.00 \$526.98
WI030505	6/15/2021	Martins/Charles & Christine 2308 3rd Ave SE	95-668-0030 Lot 3, Block 1 Pheasant Run	Deck Residential Add/Alter	Residential Deck	\$11,000.00 \$293.84
WI030506	6/16/2021	Chezik/Jon 2790 Fairway Dr NE	95-212-0290 Block 2 Fairway Park Estates	Reroofing Residential Add/Alter	Residential Reroof	\$8,000.00 \$34.00

# City of Willmar

## Monthly External Permits Report

Permit #	Issued Date	Owner and Site Address	Permit Sub-Type and Work Type	Description	Valuation	Total Permit Fee
WI030507	6/24/2021	Alvarez/Dulce 213 Minnesota Ave SW	95-006-1620 Block 68 First Addition To The Town Of Willmar	Single Family Replace Gas Furnace Replacement/Water Heater	\$6,699.00	\$56.00
WI030508	6/16/2021	Lozano/Rikki L & Jesus 1117 Elizabeth Ave SE	95-580-0090 Block 1 Nyquist's First Addition	Reroofing Residential Add/Alter Residential Reroof	\$2,000.00	\$31.00
WI030509	6/17/2021	Olson/Derek J 1000 6th St SW	95-090-1410 Lot 1 Booth's Addition To Willmar	Reroofing Residential Add/Alter Residential Reroof	\$4,500.00	\$32.25
WI030510	6/16/2021	Keivo Properties Llc 412 24th Ave SW	95-680-0790 Lot 9, Block 4 Portland Acres	Siding Residential Add/Alter Residential Reside	\$3,500.00	\$51.75
WI030512	6/16/2021	Ims/Anthony R 303 Terrace Dr SW	95-330-0260 Block 2 Hillside Terrace	Reroofing Residential Add/Alter Residential Reroof	\$3,500.00	\$31.75
WI030513	6/18/2021	Scheltens Rev Trusts/R H & D J 304 28th St SE	95-882-0400 Lot 24, Block 3 Woodberry Addition	Porch Residential Add/Alter Screen Porch with Roof	\$6,000.00	\$188.21
WI030516	6/18/2021	Kuperus/Wendy 2400 Kenwood Dr SW	95-057-0210  Biltmore Estates, Condo #5, A Condominium	Deck Residential Add/Alter Residential Deck	\$5,500.00	\$187.96
WI030517	6/18/2021	Serbus/Michael J & Donna 1302 7th St SW	95-780-0860 Block 4 Sunnyside	Reroofing Residential Add/Alter Residential Reroof	\$9,500.00	\$34.75
WI030518	6/17/2021	Franzen/Brad 1130 Par Lane SE	95-836-0190 Lot 6 Village On The Green (Condo #10)	Single Family Replace Gas Furnace & A/C Replacement	\$4,925.00	\$56.00
WI030519	6/18/2021	First Reformed Church 1237 15th St SW	95-720-0140 Block 2 Spaulding's Addition	Commercial/Ind New Dishwasher Exhaust Hood	\$2,000.00	\$76.00
WI030520	6/23/2021	Krogstad/Dwayne A 1011 4th St SE	95-120-0040 Lot 4, Block 1 Calvary Terrace	Deck Residential Add/Alter Residential Deck	\$3,000.00	\$124.84

## City of Willmar Monthly External Permits Report

Permit #	Issued Date	Owner and Site Address	Permit Sub-Type and Work Type	Description	Valuation	Total Permit Fee
WI030521	6/24/2021	West Central Steel, Inc 110 19th St NW	95-383-0010 Lot 1, Block 1 Industrial Addition	Alteration Commercial Add/Alter	Remodel Existing Basement Space	\$77,553.00 \$1,275.87
WI030522	6/24/2021	West Central Steel 2725 Gorton Ave NW	95-916-2910	Alteration Commercial Add/Alter	Interior Remodel	\$151,084.00 \$3,168.50
WI030523	6/24/2021	Moreno Melgar/Luis R 1333 11th St SW	95-690-1360 Lot 6, Block 7 Ramblewood Addition	Single Family Replace	A/C Replacement	\$4,200.00 \$26.00
WI030524	6/24/2021	Thompson/Claudia Mame 705 4th St SE	95-250-0130 Lot 13, Block 1 Glarum's Addition To Willmar	Single Family Replace	A/C Replacement	\$4,000.00 \$26.00
WI030525	6/24/2021	Wentzel/Dave 1000 17th St SW	95-350-0030 Lot 3 Hoaglund's Subdivision	Single Family Replace	A/C Replacement	\$5,300.00 \$26.00
WI030526	6/24/2021	Gander/Edmund J 714 24th St SE	95-666-0055 Block 1 Pheasant Meadows	Single Family Replace	Gas Furnace & A/C Replacement	\$9,700.00 \$56.00
WI030527	6/24/2021	Evans/Paul A & Amy 1505 11th St SE	95-671-0040 Lot 4, Block 1 Pleasant View Second Addition	Single Family Replace	A/C Replacement	\$4,400.00 \$26.00
WI030528	6/24/2021	Johns/Seth F & Kathern 1309 Ella Ave NW	95-009-0360 Block 127 Second Addition To Willmar	Single Family Replace	Gas Furnace & A/C Replacement	\$8,400.00 \$56.00
WI030529	6/24/2021	Williams/Beth A 1305 11th St SE	95-670-0820 Lot 2, Block 4 Pleasant View Addition	Single Family Replace	Gas Furnace Replacement	\$4,950.00 \$31.00
WI030530	6/24/2021	Lakeland Broadcasting Co 1340 7th St NW	95-910-0160	Commercial/Ind Replace	A/C	\$3,500.00 \$76.75
WI030531	6/24/2021	Poe Iii/Bobby G/& Ann 1201 Carolina Ave SW	95-200-0320 Lot 12, Block 2 Erickson's Subd. Of Block 4	Single Family Replace	A/C Replacement	\$11,300.00 \$26.00

# City of Willmar

## Monthly External Permits Report

Permit #	Issued Date	Owner and Site Address		Permit Sub-Type and Work Type	Description	Valuation	Total Permit Fee
WI030532	6/24/2021	Oros/Paul M/& Carie L Hignight 720 7th St SW	95-006-3360 Lot 6, Block 80 First Addition To The Town Of Willmar	Single Family Replace	Gas Furnace & A/C Replacement	\$6,600.00	\$56.00
WI030533	6/24/2021	Quam/Kristin A 1216 Willmar Ave SW	95-570-0510 Block 3 Nursery Addition	Single Family Replace	A/C Replacement	\$3,900.00	\$26.00
WI030534	6/24/2021	Johnson/Gregory B & Karen S 1200 Becker Ave SE	95-500-0040  Marlow`s Addition	Single Family Replace	Boiler	\$6,700.00	\$31.00
WI030535	6/24/2021	Slette/Michael E & Julie D 3033 Eagle Ridge Dr E	95-148-0310 Block 1 Eagles Landing	Single Family Replace	A/C Replacement	\$4,600.00	\$26.00
WI030536	6/24/2021	Ramirez/Albert 515 8th St SW	95-006-0490 Lot 10, Block 60 First Addition To The Town Of Willmar	Single Family Replace	Gas Furnace & A/C Replacement	\$6,800.00	\$56.00
WI030537	6/24/2021	Gauquie Living Trust/Ruth A 3513 Eagle Ridge Dr E	95-148-0090 Lot 9, Block 1 Eagles Landing	Single Family Replace	Gas Furnace & A/C Replacement	\$10,600.00	\$56.00
WI030538	6/24/2021	Carlson Liv Trust/Jeannette M 3001 Eagle Ridge Dr E	95-148-0750 Lot 6, Block 1 Eagles Landing	Single Family Replace	Gas Furnace & A/C Replacement	\$14,000.00	\$56.00
WI030539	6/21/2021	Gander/Charles W & Constance 710 24th St SE	95-666-0045 Block 1 Pheasant Meadows	Single Family Replace	A/C Replacement	\$4,300.00	\$26.00
WI030540	6/24/2021	Larson/Dana 724 Olaf Ave NW	95-300-0020 Lot 2 Harris Subd. Of Seminary	Single Family Replace	A/C Replacement	\$3,700.00	\$26.00
WI030541	6/22/2021	Point Lake Commercial Prop,Llc 2319 1st St S	95-841-0010 Lot 1, Block 1 Water View Business Park(The)	Fire Sprinkler/Fire Alarm Commercial Add/Alter	Update Alarm panel	\$1,400.00	\$76.49
WI030542	6/23/2021	5 Star Properties Of Willmar, 1200 1st St S	95-280-2610 Block 15 Hanson`s Addition To Willmar	Siding Commercial Add/Alter	Commercial Reside/ Stucco West Wall CarWash	\$30,000.00	\$409.75

# City of Willmar

## Monthly External Permits Report

Permit #	Issued Date	Owner and Site Address	Permit Sub-Type and Work Type	Description	Valuation	Total Permit Fee
WI030543	6/22/2021	Butcher/Clair & Lisa 1000 15th Ave SW	95-800-0250 Lot 5, Block 2 Terwisscha`s Addition	Reroofing Residential Add/Alter	Residential Reroof	\$5,000.00 \$32.50
WI030544	6/22/2021	Setterberg/Stephen 806 5th St SW	95-090-0420  Booth`s Addition To Willmar	Reroofing Residential Add/Alter	Residential Reroof	\$5,000.00 \$32.50
WI030546	6/29/2021	Roberts Properties Of Willmar, 417 Benson Ave SE	95-630-0080 Block 1 Paulson & Sunde`s Subd Of Lot D Eastern Ad	Reroofing Commercial Add/Alter	Commercial Reroof	\$28,000.00 \$14.00
WI030547	6/28/2021	Evenson/Loren D 215 Manila St NE	95-730-0750 Lot 5, Block 6 Sperry`s Addition	Siding Residential Add/Alter	Residential Reside	\$5,500.00 \$52.75
WI030548	6/28/2021	Hagen/Johnathan N & Cheyenne 1217 Campbell Ave NW	95-009-0940 Lot 5, Block 131 Second Addition To Willmar	Single Family Replace	Gas Furnace & A/C Replacement	\$9,357.00 \$56.00
WI030549	6/28/2021	Fuerstenberg/Alan/&L Weatherby 1323 Kandiyohi Ave SW	95-570-0750 Block 5 Nursery Addition	Single Family Replace	A/C Replacement	\$4,292.00 \$26.00
WI030550	6/29/2021	Willmar Apartments Llc 1011 30th St NW	95-845-0030 Lot 3, Block 1 Unique Opportunities	Fire Sprinkler/Fire Alarm Apartment	Fire Alarm System - Unique 72 Unit Apartment Building	\$18,173.00 \$462.43
WI030551	6/29/2021	County Of Kandiyohi 2201 23rd St NE	95-901-0500	Fire Sprinkler/Fire Alarm Commercial Add/Alter	Fire Alarm Control Panel Upgrade - Project 621289801	\$38,029.00 \$804.00
WI030552	6/29/2021	County Of Kandiyohi 2201 23rd St NE	95-901-0500	Fire Sprinkler/Fire Alarm Commercial Add/Alter	Fire Alarm Control Panel Upgrade - Project 621290601	\$25,004.00 \$604.44
WI030553	6/30/2021	Bruse Trust/Kendall E &Diane L 1601 7 1/2 St SW	95-664-0550 Block 4 Perkins 4th Addition	Reroofing Residential Add/Alter	Residential Reroof	\$4,000.00 \$32.00
WI030554	6/29/2021	Prairie/Victoria R 418 Julii St SE	95-220-1550 Block 11 Ferring`s Addition	Reroofing Residential Add/Alter	Residential Reroof	\$3,300.00 \$1.65
WI030555	6/30/2021	Evangelical Free Church 1305 19th Ave SW	95-922-7610	Commercial/Ind New	Install Church Kitchen Hood	\$3,000.00 \$76.50

Issued Dates: 6/1/2021 to 6/30/2021  
 Report Name: Monthly External Permits Report  
 Permit Type(s): Building, Mechanical, Plumbing

## City of Willmar Monthly External Permits Report

Printed: 7/1/2021  
 Page: 8

Permit #	Issued Date	Owner and Site Address	Permit Sub-Type and Work Type	Description	Valuation	Total Permit Fee	
WI030556	6/30/2021	Okay Home Solutions Llc 3051 1st Ave NW	95-616-0240 Block 1 Park View Estates	Demolition Move/Raze	Demo Structure Fire	\$0.00 \$75.00	
WI030559	6/30/2021	Central Minnesota Fabricating 2725 Gorton Ave NW	95-916-2910	Commercial/Ind Replace	Gas Furnace/ AC	\$12,000.00 \$126.00	
WI030560	6/30/2021	Heck/Troy Don & Hahne J 1400 Ella Ave NW	95-820-1460 Block 7 Thorpe & Lien`s Addition	Reroofing Residential Add/Alter	Residential Reroof	\$5,000.00 \$32.50	
<b>Count: 81</b>					<b>Totals:</b>	<b>\$8,127,716.00</b>	<b>\$21,724.47</b>
<b>Year-to-Date Summary (1/1/2021 through 6/30/2021)</b>					<b>YTD Totals:</b>	<b>\$16,991,241.00</b>	<b>\$110,387.76</b>
<b>Count: 329</b>							



# City of Willmar

## Council Action Request

<b>Meeting Date:</b>	07/19/2021	<b>Agenda Item Number:</b>	8.
<b>Agenda Section:</b>		<b>Originating Department:</b>	Planning & Development Services
<b>Resolution</b>	Yes	<b>Prepared By:</b>	David Ramstad, Director of Planning and Development
<b>Ordinance</b>	No	<b>Reviewed By:</b>	John Harren, City Administrator
<b>No. of Attachments</b>	10	<b>Presented By:</b>	David Ramstad, Director of Planning and Development
<b>Item:</b>	Establishment of TIF District and Approval of TIF Plan and TIF Development Agreement for Suite Liv'n Ridgewater Site		

### RECOMMENDED ACTION:

Motion By: \_\_\_\_\_ Second By: \_\_\_\_\_, to adopt the Resolution establishing Tax Increment Financing District No. \_\_\_ (Suite Liv'n Ridgewater Site) within Municipal Development District No. II, and approving the Tax Increment Financing Plan relating thereto.

Motion By: \_\_\_\_\_ Second By: \_\_\_\_\_, to adopt the Resolution approving the Tax Increment Development Agreement with AEHN LLC and authorizing the Mayor and City Administrator to execute the same on the City's behalf.

### OVERVIEW:

For Council consideration is a proposed 15 year Tax Increment Financing (TIF) district for an AEHN LLC (Suite Liv'n) multifamily housing project to be located at 1209 24th Street NW in Willmar (across from Ridgewater College). The preliminary TIF plan is based on an anticipated commencement of construction in 2021. TIF will be used to offset the costs of site preparation, utilities, stormwater controls, paving and lighting, and the City's administrative costs as allowed by statute. Total project costs are about \$9.3M and the project will use existing infrastructure. In alignment with Willmar's Finance Department, staff are using TIF Administration Fees to engage Baker-Tilly in the TIF creation. Staff have been working with AEHN LLC to create a mutually agreeable Management Maintenance Plan to address City concerns related to maintenance and snow removal (attached). If TIF is ultimately granted to support this project, the maintenance plan is incorporated into the TIF Development Agreement as one of the conditions the developer must comply with on a continuing basis for all properties it owns in the City of Willmar in order to qualify to receive biannual TIF reimbursements. In addition, the TIF Development Agreement has been updated by the City Attorney to strengthen conditions that the County Assessor's property valuation may not be challenged over the next ten years.

Written notices of the intent to create a Housing TIF District have been sent to the Kandiyohi County Commission and School District. The Planning Commission approved the TIF on July 7, 2021. TIF Creation Schedule is attached.

**ALTERNATIVES TO CONSIDER:**

Option A: Adopt TIF Resolutions

Option B: Decline the TIF

Option C: Table for additional information

**BUDGETARY/FISCAL ISSUES:**

None – Staff Time and TIF Administration Fees paid with increment

**ATTACHMENTS:**

- Resolution – Establishing TIF District and Approving TIF Plan
- Resolution – Approving TIF Development Agreement
- Notice of Public Hearing
- Baker-Tilly PowerPoint Presentation
- Baker-Tilly Memo
- TIF Timeline
- TIF Plan
- TIF Development Agreement
- Form G - TIF Application with Project Proposal Exhibits
- Suite Liv'n Management Maintenance Plan



**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILLMAR, MINNESOTA,  
APPROVING THE ESTABLISHMENT OF TAX INCREMENT FINANCING DISTRICT NO. \_\_\_\_  
(SUITE LIV'N RIDGEWATER SITE) WITHIN MUNICIPAL DEVELOPMENT DISTRICT NO.  
II; AND ADOPTION OF THE TAX INCREMENT FINANCING PLAN RELATING THERETO.**

Motion By: \_\_\_\_\_ Second By: \_\_\_\_\_

WHEREAS, the Willmar City Council ("Council") has heretofore established Municipal Development District No. II (the "Development District") and adopted a Development Program therefor pursuant to and in conformity with applicable law, including Minnesota Statutes, Sections 469.124 to 469.133 and Sections 469.174 to 469.1794, all inclusive, as amended, (the "Act").

WHEREAS, the City has investigated the facts and caused to be prepared a tax increment financing plan for Tax Increment Financing District No. [redacted] -- Suite Liv'n Ridgewater Site (the "Tax Increment Financing District"), which plan is appended hereto as Appendix A (the "Tax Increment Financing Plan").

WHEREAS, the City has performed all actions required by law to be performed prior to the creation of the Tax Increment Financing District within the Development District, the adoption of the Tax Increment Financing Plan relating thereto, including, but not limited to, notification of Kandiyohi County and Independent School District No. 347, having taxing jurisdiction over the property in the TIF District, a review of and written comment on the Tax Increment Financing Plan by the City of Willmar Planning Commission, and the holding of a public hearing upon published notice as required by law.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Willmar as follows:

1. Creation of Tax Increment Financing District No. \_\_\_\_ (Suite Liv'n Ridgewater Site) within Municipal Development District No. II. The City hereby approves the establishment of the Tax Increment Financing District within the Development District, the boundaries of which are fixed and determined as described in the Tax Increment Financing Plan.

2. Tax Increment Financing Plan. The Tax Increment Financing Plan appended hereto is adopted as the tax increment financing plan for the Tax Increment Financing District, and the Council makes the following findings:

a. The Tax Increment Financing District is a Housing District as defined in Minnesota Statutes, Section 469.174, Subdivision 11 and satisfies the criteria set forth therein for these reasons:

- i. The planned improvements consist of the following:
  - A 72-unit housing complex across four new buildings in which at least 40% (29) of the rental units will be occupied by persons with incomes no greater than 60% of the area median income;
  - At least 80% of the proposed development will be used for residential purposes.
  - The City will require in the development agreement that the income limitations for the rental units in the apartment project will apply for the duration of the TIF District.

b. The proposed development, in the opinion of the Council, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and therefore the use of tax increment financing is deemed necessary. This finding is based on an analysis of the project pro forma and other materials submitted to the City by the developer. These documents have indicated that the reduction in annual revenues due to the lower rents associated with providing affordable housing units will result in returns that are not sufficient to support development and an operating cashflow insufficient to meet expected financing requirements, thereby making this housing development infeasible without public assistance. Therefore, the developer has indicated in communications with the City and submitted financial data that the development as proposed would not move forward without tax increment assistance.

c. The Tax Increment Financing Plan conforms to the general plan for development of the City as a whole in that the TIF Plan is consistent with the objectives of the Development Program for the Development District and will generally complement and serve to implement policies adopted in the City's comprehensive plan.

d. The Tax Increment Financing Plan will afford maximum opportunity, consistent with the sound needs of the City of Willmar as a whole, for the development of the Tax Increment Financing District by private enterprise because through the implementation of the TIF Plan, the City will provide an impetus for an affordable apartment complex, which complements the overall housing needs of the City and helps support other private types of development by providing a range of housing opportunities for residents and workers within the City.

3. Public Purpose. The Council finds that the adoption of the Tax Increment Financing Plan conforms in all respects to the requirements of the Act and will provide the impetus for the development of previously undeveloped property in the City and help fulfill a need in the community for a range of housing opportunities for residents and workers in the City, specifically including high quality affordable housing units, and thereby serves a public purpose.

4. Certification. The Auditor of Kandiyohi County is requested to certify the original net tax capacity of the Tax Increment Financing District as described in the Tax Increment Financing Plan, and to certify in each year thereafter the amount by which the original net tax capacity has increased or decreased in accordance with the Act; and the

Planning and Development Services Director is authorized and directed to forthwith transmit this request to the County Auditor in such form and content as the Auditor may specify, together with a list of all properties within the Tax Increment District for which building permits have been issued during the 18 months immediately preceding the adoption of this Resolution.

5. Filing. The Planning and Development Services Director is further authorized to file a copy of the Tax Increment Financing Plan with the Commissioner of Revenue and the Office of the State Auditor pursuant to Minnesota Statutes, Section 469.175, Subd. 4a.

Dated this 19th day of July, 2021

---

Mayor

Attest:

---

City Clerk

**APPENDIX A**  
**TAX INCREMENT FINANCING PLAN**

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILLMAR, MINNESOTA,  
APPROVING THE TAX INCREMENT FINANCING AGREEMENT WITH AEHN LLC**

Motion By: \_\_\_\_\_ Second By: \_\_\_\_\_

BE IT RESOLVED by the City Council of the City of Willmar, a Municipal Corporation of the State of Minnesota, that the Tax Increment Financing Agreement with AEHN LLC appended hereto, is accepted as to form and hereby approved, and be it further resolved that the Mayor of the City of Willmar is hereby authorized to execute said agreement on behalf of the City.

Dated this 19th day of July, 2021

\_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
City Clerk

RESOLUTION NO. 2021-156

RESOLUTION CALLING PUBLIC HEARING ON THE PROPOSED ESTABLISHMENT OF HOUSING  
TAX INCREMENT FINANCING DISTRICT - SUITE LIVING RIDGEWATER SITE - WITHIN  
MUNICIPAL DEVELOPMENT DISTRICT NO. II AND THE PROPOSED ADOPTION OF A TAX  
INCREMENT FINANCING PLAN RELATING THERETO

Motion By: Fagerlie Second By: Nelsen

BE IT RESOLVED by the City Council (the "Council") of the City of Willmar, Minnesota (the "City"), as follows:

1. Public Hearing. This Council shall meet on July 19, 2021, at approximately 6:00 p.m., to hold a public hearing on the following matters: (a) the proposed establishment of Housing Tax Increment Financing District No. Suite Liv'n Ridgewater Site (within Municipal Development District No. II, and (b) the proposed adoption of a Tax Increment Financing Plan relating thereto, all pursuant to and in accordance with Minnesota Statutes, Sections 469.124 through 469.133, both inclusive, as amended, and Minnesota Statutes, Sections 469.174 through 469.1794, both inclusive, as amended (collectively, the "Act").

2. Notice of Hearing: Filing of Tax Increment Financing Plan. The City Administrator is hereby authorized to cause a notice of the hearing, substantially in the form attached hereto as Exhibit A, to be published as required by the Act and to place a copy of the proposed Tax Increment Financing Plan on file in the Administrator's Office at the City Offices and to make such copies available for inspection by the public.

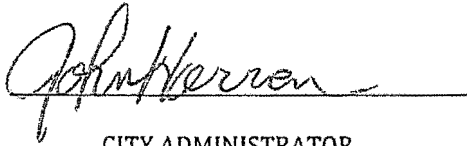
3. Consultation with Other Taxing Jurisdictions. The Administrator is hereby directed to mail a notice of the public hearing and a copy of the proposed Tax Increment Financing Plan to Kandiyohi County and Independent School District No. 347, informing those taxing jurisdictions of the estimated fiscal and economic impact of the establishment of the proposed tax increment financing district.

Whereupon said resolution was declared duly passed and adopted this 6th day of July, 2021.



MAYOR

ATTEST:

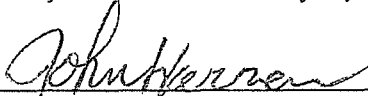


CITY ADMINISTRATOR

STATE OF MINNESOTA  
COUNTY OF KANDIYOHI  
CITY OF WILLMAR

I, the undersigned, being the duly qualified City Administrator of the City of Willmar, Minnesota, DO  
HEREBY CERTIFY that the attached resolution is a true and correct copy of an extract of minutes of a meeting  
of the City Council of the City of Willmar, Minnesota duly called and held, as such minutes relate to the calling  
of a public hearing on the City's proposed establishment of a tax increment financing district.

WITNESS my hand as such City Administrator of the City of Willmar this 6th day of July, 2021.

  
\_\_\_\_\_  
City Administrator

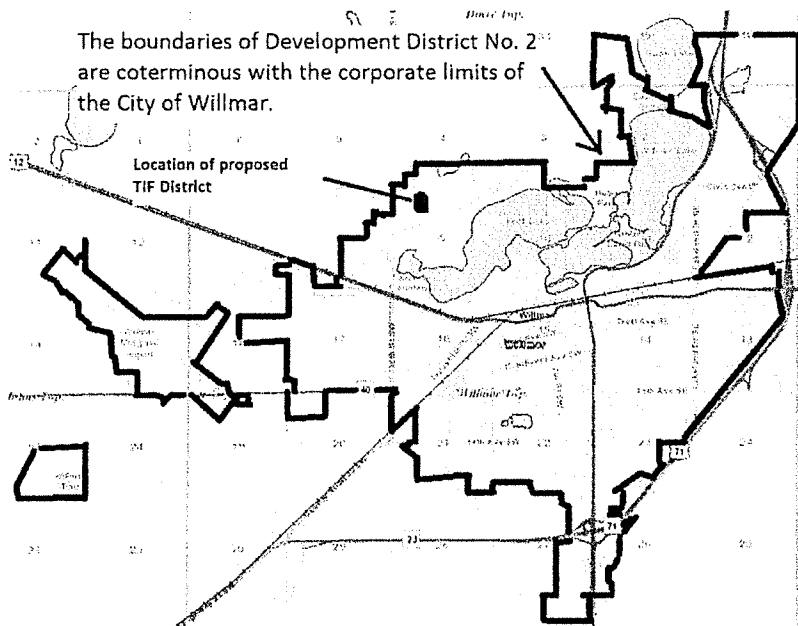
CITY OF WILLMAR  
COUNTY OF KANDIYOHI  
STATE OF MINNESOTA

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the City Council (the "Council") of the City of Willmar, Kandiyohi County, Minnesota, will hold a public hearing on Monday, July 19, 2021, at 6:00 p.m., at the Kandiyohi County Health and Human Services Building, 2200 23<sup>rd</sup> Street Northeast, Willmar, Minnesota, relating to the proposed establishment of Housing Tax Increment Financing District Suite Liv'n Ridgewater Site within Municipal Development District No. II, and the proposed adoption of a Tax Increment Financing Plan therefor, all pursuant to and in accordance with Minnesota Statutes, Sections 469.124 through 469.133 and Sections 469.174 through 469.1794, inclusive, as amended. A copy of the proposed Tax Increment Financing Plan is on file and available for public inspection at the office of the City Administrator at City Hall.

The property proposed to be included in Housing Tax Increment Financing District Suite Liv'n Ridgewater Site is described in the Tax Increment Financing Plan on file in the office of the City Administrator. Subject to certain limitations, tax increment from the Tax Increment Financing District may be spent on eligible uses within the boundaries of Municipal Development District No. II.

A map of Municipal Development District No. II, as enlarged, and Housing Tax Increment Financing District Suite Liv'n Ridgewater Site is set forth below:



All interested persons may appear at the hearing and present their views orally or in writing prior to the hearing.

Dated: July 6, 2021

BY ORDER OF THE CITY COUNCIL

/s/ John Harren, Interim City Administrator



Client:

**WILLMAR CITY LEGALS**

Account # 36792 Ad # 2896035

Phone: (320) 214-5170

Fax: (320) 235-4917

Address: 333 SOUTHWEST 6TH STREET

PO BOX 755

WILLMAR, MN 56201

Sales Rep.:

0135 Forum Legal AdTaker

Phone: (701) 241-5504

Fax: (701) 241-5540

Email: [legals@forumcomm.com](mailto:legals@forumcomm.com)

Class.: 9960 MN LEGALS

Requested By:

Start Date: 07/10/2021

End Date: 07/10/2021

Nb. of Inserts: 1

Dimensions: 1 col. x 7.50 Inches

Publications: West Central Tribune-Willmar

Total Price: \$128.40

Paid Amount: \$0.00

Balance: \$128.40

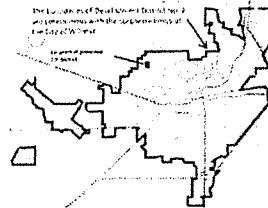
Page 1 of 1

**CITY OF WILLMAR  
COUNTY OF KANDIYOHI  
STATE OF MINNESOTA  
NOTICE OF PUBLIC  
HEARING**

NOTICE IS HEREBY GIVEN that the City Council (the "Council") of the City of Willmar, Kandiyohi County, Minnesota, will hold a public hearing on Monday, July 19, 2021, at 6:00 p.m., at the Kandiyohi County Health and Human Services Building, 2200 23rd Street Northeast, Willmar, Minnesota, relating to the proposed establishment of Housing Tax Increment Financing District Suite Liv'n Ridgewater Site within Municipal Development District No. II, and the proposed adoption of a Tax Increment Financing Plan therefor, all pursuant to and in accordance with Minnesota Statutes, Sections 469.124 through 469.133 and Sections 469.174 through 469.1794, inclusive, as amended. A copy of the proposed Tax Increment Financing Plan is on file and available for public inspection at the office of the City Administrator at City Hall.

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A map of Municipal Development District No. II, as enlarged, and Housing Tax Increment Financing District Suite Liv'n Ridgewater Site is set forth below:



All interested persons may appear at the hearing and present their views orally or in writing prior to the hearing.  
Dated: July 6, 2021

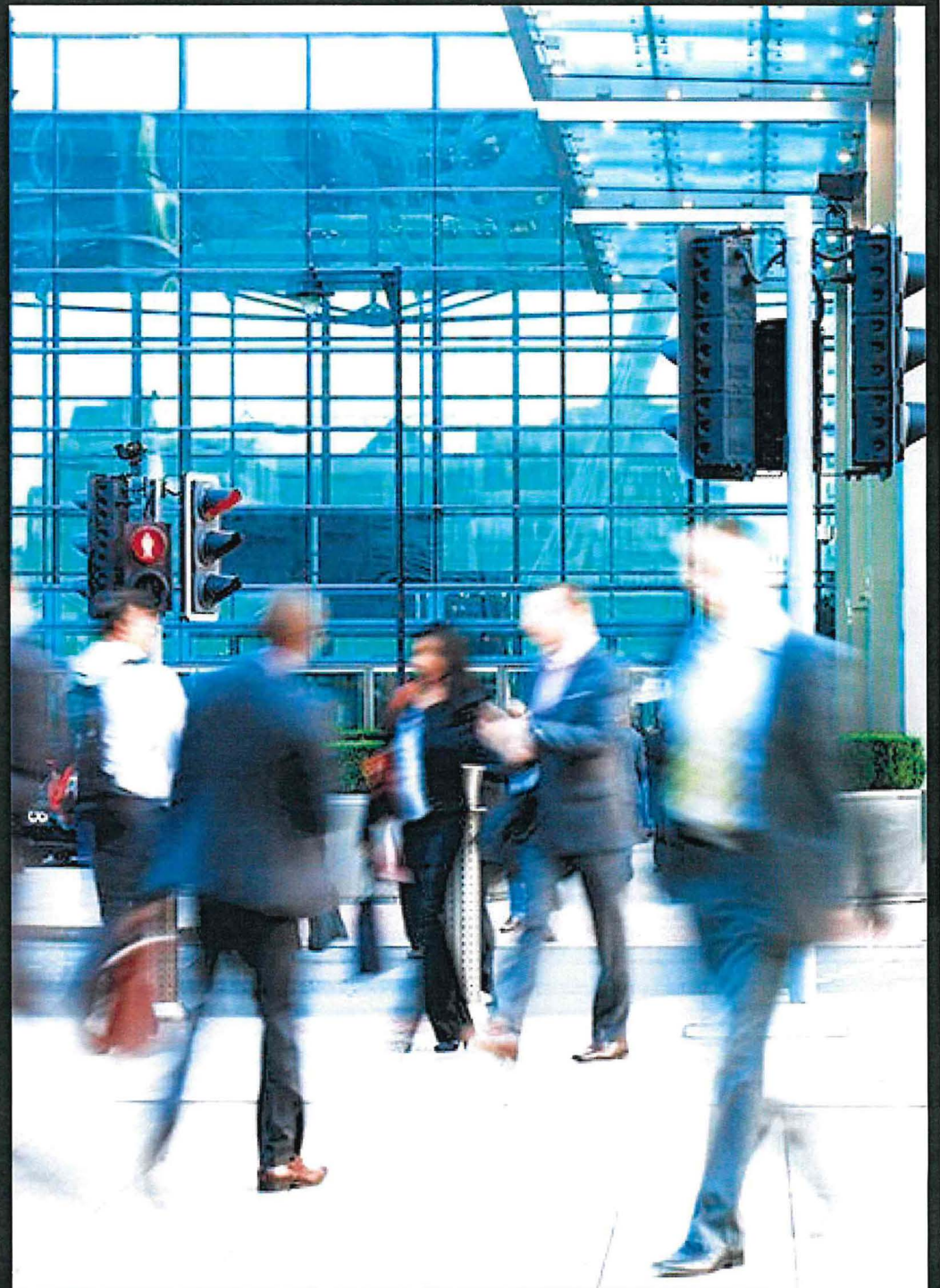
BY ORDER OF THE  
CITY COUNCIL  
*/s/ John Harren,*  
Interim City Administrator  
(July 10, 2021) 2896035

City of Willmar  
City Council  
June 21, 2021

Proposed TIF  
Housing District



now joined with  
Springsted and Umbaugh





## Proposed Project

- Developer is proposing the development of 72-total apartment units
- Two – 12-units 3-story buildings adjacent to existing apartment buildings
- Two – 24-unit 3-story buildings on adjacent parcels to the north
- Total anticipated development cost is approximately \$9.27M
- Anticipated post-development taxable market value assumption of \$100,000 per unit



## Housing District Qualification

State Statute Dictates Qualification Standards for a Housing District:

- Either:
  - 20% of units set-aside for persons with incomes equal to or less than 50% of the Area Median Income
  - 40% of the units set aside for persons with incomes equal to or less than 60% of the Area Median Income
- Developer is intending to meet the 40% set aside

## Projected Tax Increment Report

City of Willmar, Minnesota  
 Tax Increment Housing District  
 Suite Living Ridgewater Site  
 TIF Projections - 72-Units - \$100,000/Unit EMV

Annual Period Ending (1)	Total Market Value (2)	Total Net Tax Capacity (3)	Less: Original Net Tax Capacity (4)	Retained Captured Net Tax Capacity (5)	Times: Tax Capacity Rate (6)	Annual Gross Tax Increment (7)	Less: State Aud. Deduction 0.360% (8)	Subtotal Net Tax Increment (9)	Less: City Retainage 10.00% (10)	Annual Net Revenue (11)
12/31/21	3,061,600	38,270	38,270	0	123.839%	0	0	0	0	0
12/31/22	3,061,600	38,270	38,270	0	123.839%	0	0	0	0	0
12/31/23	3,061,600	38,270	38,270	0	123.839%	0	0	0	0	0
12/31/24	10,217,800	127,723	38,270	89,453	123.839%	110,777	399	110,378	11,038	99,340
12/31/25	10,217,800	127,723	38,270	89,453	123.839%	110,777	399	110,378	11,038	99,340
12/31/26	10,217,800	127,723	38,270	89,453	123.839%	110,777	399	110,378	11,038	99,340
12/31/27	10,217,800	127,723	38,270	89,453	123.839%	110,777	399	110,378	11,038	99,340
12/31/28	10,217,800	127,723	38,270	89,453	123.839%	110,777	399	110,378	11,038	99,340
12/31/29	10,217,800	127,723	38,270	89,453	123.839%	110,777	399	110,378	11,038	99,340
12/31/30	10,217,800	127,723	38,270	89,453	123.839%	110,777	399	110,378	11,038	99,340
12/31/31	10,217,800	127,723	38,270	89,453	123.839%	110,777	399	110,378	11,038	99,340
12/31/32	10,217,800	127,723	38,270	89,453	123.839%	110,777	399	110,378	11,038	99,340
12/31/33	10,217,800	127,723	38,270	89,453	123.839%	110,777	399	110,378	11,038	99,340
12/31/34	10,217,800	127,723	38,270	89,453	123.839%	110,777	399	110,378	11,038	99,340
12/31/35	10,217,800	127,723	38,270	89,453	123.839%	110,777	399	110,378	11,038	99,340
12/31/36	10,217,800	127,723	38,270	89,453	123.839%	110,777	399	110,378	11,038	99,340
12/31/37	10,217,800	127,723	38,270	89,453	123.839%	110,777	399	110,378	11,038	99,340
12/31/38	10,217,800	127,723	38,270	89,453	123.839%	110,777	399	110,378	11,038	99,340
						\$1,661,655	\$5,985	\$1,655,670	\$165,570	\$1,490,100

## But-For Finding

- Utilized project information to prepare a 15-year operating pro forma to calculate an Internal Rate of Return (IRR) analysis
- Evaluated project assumptions for costs and operating revenues and determined them to be reasonable
- Calculated an unleveraged IRR for project without TIF of **4.80%**
- Calculated an unleveraged IRR for project with TIF of **5.87%**
- PWC Real Estate Investor Survey identifies a target of 6.83%
- Return without TIF is significantly below benchmark indicating project would be unlikely to proceed but-for the requested TIF



MUNICIPAL ADVISORS

Baker Tilly Municipal Advisors, LLC  
380 Jackson St., Ste 300  
St. Paul, MN 55101  
United States of America

T: +1 (651) 223 3000  
F: +1 (651) 223 3046  
bakertilly.com

## MEMORANDUM

TO: Mr. David Ramstad, City of Willmar

FROM: Tom Denaway, Baker Tilly

DATE: June 11, 2021

SUBJECT: Proposed Housing TIF District – Suite Liv'n Ridgewater Site

### Project

The Developer (AEHN LLC) is proposing the development of a multi-family apartment project within and adjacent to their current apartment buildings near the Ridgewater College. The Developer is proposing the development of approximately 72 new apartment units, containing a mix of one- and two-bedroom units. The proposal includes two new 3-story 12-unit buildings built on vacant land adjacent to the existing apartment buildings, and two new 24-unit 3-story buildings on the adjacent parcels immediately to the north. The Developer is proposing to initiate construction in 2021 with completion projected for 2022. The Developer has provided a total development cost of approximately \$9.27M.

The Developer provided a total project cost estimate of \$9,270,422 for the construction of the four new apartment buildings. In addition to the vertical improvement costs within the budget, are expenses associated with the acquisition of the development property, the completion of site work, public improvements, and related soft costs. In reviewing the Developer's submitted project budget, we made an adjustment to the acquisition of the parcel that contains the existing apartment buildings.

The undeveloped parcel to the north, on which the two 24-unit buildings will be constructed, had an acquisition cost of \$400,000 which was confirmed by a review of County assessing records. For the portion of the development occurring on the previously developed parcel to the south, the Developer provide an estimated acquisition cost of \$200,000 for this portion of the existing parcel. Since this parcel was part of a larger acquisition of an existing development, we utilized the per square foot acquisition price of the northern parcel, and adjusted the acquisition cost for the developable portion of the southern parcel to match the per square foot acquisition of the northern parcel. This adjustment lowered the acquisition cost from an estimate of \$200,000 for the southern parcel, to an adjusted amount for purposes of our analysis of \$108,886.

Additionally, we reduced the carrying property tax expense the Developer identified for the southern parcel to the amount equal to the northern parcel. The identified property tax carrying cost for the southern parcel reflected the full property tax amount, which included the existing buildings and was not appropriate for evaluating the cost of carrying the vacant portion of the southern parcel. Our revised project total project cost budget, for the purposes of our review was \$9,136,464 which represented a reduction of \$133,958 from the amount submitted by the Developer.

The Developer provided a cost estimate for the development of the vertical building structures of \$7,108,238 for the four new buildings. This line-item represents the largest of the cost categories of the Developer's budget, and equates to a per square foot construction cost of \$131.64. For comparison of this we evaluated the Marshall and Swift Swiftestimator, which identified an average cost for vertical improvements for a building of this size of \$138.28 for construction occurring within the City of Willmar. Based on this we found the Developer's cost assumption to be reasonable for vertical improvements.

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### **Housing TIF District Eligibility**

The Developer is requesting that a Housing TIF District be created to provide assistance with the development of the site. In order for a project to be eligible to be created within a Housing TIF District the Developer is required to maintain for the duration of the District that a certain percentage of the units be set aside for persons meeting certain income thresholds. Minnesota TIF State Statute defines the set-aside of units based on of the following two measures, either;

- 20% of the units set aside for persons whose income is equal to or less than 50% of the area median income or;
- 40% of the units set aside for persons whose income is equal to or less than 60% of the area median income.

In the case of this project the Developer is proposing to meet the 40% of units set aside threshold.

### **Housing TIF District TIF Plan**

For purposes of preparing the TIF Plan, we have projected the District will remain in existence for a period of 15-years from the receipt of first increment, which is in compliance with the City's TIF Policy. This duration is shorter than the maximum statutory duration of a Housing TIF District which is 26-years in total. The revenue projections within the TIF Plan are based on an assumed post development market value of \$100,000 per apartment. The TIF Plan contemplates that 90% of the projected Tax Increment Revenue will be available to reimburse the Developer for TIF eligible expenditures on a pay-as-you-go basis. Additionally, the plan contemplates that the statutory maximum of 10% of the generated TIF revenue will be retained by the City for administrative expenses incurred with administration of the District.

### **Need for TIF Assistance Analysis**

In order to make the finding that the project would not be likely to proceed "but-for" the requested financial assistance we reviewed project cost and operating assumptions provided by the Developer. Using this information, we prepared an Internal Rate of Return (IRR) analysis which allowed us to estimate the potential return on investment to the Developer both with and without the requested TIF assistance. For purposes of this analysis we calculated the return over a 15-year operation period, in order to capture the full term of the proposed TIF assistance, and used this information to project the anticipated unleveraged IRR of the project both with and without assistance.

The statutorily required but-for finding can be made through an evaluation of the financial feasibility of the project with and without the requested TIF assistance. Financial feasibility of the proposed project is calculated using an unleveraged IRR analysis and comparing the potential return realized by the Developer against industry return benchmarks. If the projected return analysis for the project indicates the return is below standard market benchmarks for feasible it provides an objective basis for making the determination that the proposed project would be unlikely to occur but-for the requested TIF assistance.

When calculating the IRR for the project without assistance we projected the development would return an unleveraged return of approximately **4.80%**. In comparison when estimating the potential return with assistance we calculated a return of approximately **5.87%** with assistance. In comparison, a third-party benchmark we utilize for determining the reasonableness of a return the PriceWaterhouseCooper Real Estate Investor Survey identified an average return target of 6.73% as a national average for Developers seeking to invest in multi-family housing projects. As a result, we found the Developer's return without the proposed TIF assistance of **4.80%** to be significantly below this threshold, indicating the project would be unlikely to proceed but for the requested TIF assistance.

Additionally, we performed a sensitivity analysis to determine the rate at which assumptions in regards to the magnitude at which project costs and revenues would need to change for the project to be feasible without assistance; for purposes of identifying a feasible threshold we solved for the PWC average return of 6.73%. In the case of project costs, the Developer would need to realize a cost savings of approximately 19% to achieve a rate of return of 6.83% without assistance. In the case of project revenues, the Developer would need to realize an increase in net revenue of approximately 23% for the project to achieve a return of 6.79% which is in excess of the PWC benchmark of 6.73%. If assumptions for both project costs and revenues were to change, it would take a combined change of a 10% decrease in project costs and a 10% increase in net revenue, for the project to be feasible without assistance and have a return of 6.73%. Given our review of the project assumptions related to



project costs and anticipated rent and expense levels, the level of change necessary for the project to be feasible without assistance is unlikely to be realized, and therefore we conclude that the project would be unlikely to proceed but-for the requested assistance.

**Next Steps**

There is a statutory process that is required to be followed for the creation of a TIF District. The next step within this process includes the noticing, and holding, of a public hearing, providing the City with opportunity to take public comment on the proposed project.

If the City Council is inclined to continue to proceed with the statutory process, the next step would be adoption of the included resolution calling for a public hearing to be held at the next City Council meeting on Tuesday, July 6. If the resolution is adopted, the notice of public hearing included within the resolution, will be published in the Saturday, June 26<sup>th</sup> publication of the West Central Tribune Newspaper in compliance with the statutory publication requirement.

Thank you for the opportunity to assist the City of Willmar. Please contact me at 651-223-3075 or [tom.denaway@bakertilly.com](mailto:tom.denaway@bakertilly.com) with any questions or to discuss.

**City of Willmar, Minnesota**  
**Tax Increment Financing Plan for Housing District – Suite Liv'n Ridgewater Site**  
**July 19, 2021 – Public Hearing Dates**

**PROPOSED SCHEDULE OF EVENTS**

<b>Date</b>	<b>Event</b>	<b>Responsible Party</b>
Tuesday July 6, 2021	Overview of TIF Plan with City Council & Adoption of Resolution Calling for Public Hearing	City, Baker Tilly, Flaherty & Hood
Wednesday July 7, 2021	Planning Commission reviews TIF and adopts resolution	City, Baker Tilly, Flaherty & Hood
Saturday July 10, 2021 <b>Deadline: July 7</b>	Publication of notice of public hearing in West Central Tribune Newspaper <b>(10-30 days prior to public hearing.)</b>	City, Baker Tilly
Monday July 19, 2021	City Council holds public hearing and adopts resolution approving TIF Plan, TIF District, and Authorizing Execution of Proposed Development Agreement	City, Baker Tilly, Flaherty & Hood
After July 19, 2021	Certification to County and State of TIF Plan.	Baker Tilly

**City of Willmar, Minnesota**

**Tax Increment Financing Plan**

**for**

**Tax Increment Financing (Housing) District  
Suite Liv'n Ridgewater Site**

**within Municipal Development District No. II**

**Dated: July 12, 2021**

**Public Hearing Scheduled: July 19, 2021**



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## Section A Definitions

The terms defined in this section have the meanings given herein, unless the context in which they are used indicates a different meaning:

"City" means the City of Willmar, Minnesota; also referred to as a "Municipality".

"City Council" means the City Council of the City; also referred to as the "Governing Body".

"County" means Kandiyohi County, Minnesota.

"Development District" means Municipal Development District No. II in the City, which is described in the corresponding Development Program.

"Development Program" means the Development Program of the Development District.

"School District" means Independent School District No. 347, Minnesota.

"State" means the State of Minnesota.

"TIF Act" means Minnesota Statutes sections 469.174 through 469.1794, both inclusive.

"TIF District" means Tax Increment Financing (Housing) District Suite Liv'n Ridgewater Site.

"TIF Plan" means the tax increment financing plan for the TIF District (this document).

## Section B Statutory Authorization

Within the City, there exists areas where public involvement is necessary to cause development or redevelopment to occur. To this end, the City has certain statutory powers pursuant to M.S. Sections 469.175 to 469.1794 inclusive, as amended (the "Tax Increment Financing Act" or "TIF Act"), to assist in financing public costs related to this project. Other relevant information is contained in the Development Program for Municipal Development District No. II.

## Section C Statement of Objectives

The City seeks to achieve the following objectives through the implementation of the Development Program for Municipal Development District No. II (M.D.D.II):

- a. To encourage planning and development of a desirable and unique character within M.D.D. II through quality land use alternatives and design quality in new buildings, in a manner consistent with the Comprehensive Plan of the City and with a minimum adverse impact on the environment.
- b. To acquire certain property within M.D.D. II which is not now in productive use or in its highest and best use, as the need arises, and to prepare the property for private development.
- c. To sell improved property to private developers to encourage redevelopment and increase the tax base of those taxing jurisdictions within which the District is located, thereby enabling such entities to better pay for governmental services and programs provided by them.

- d. To provide for financing and construction of public improvements and facilities within M.D.D. II in order to effectively service new development in and about the Development District.
- e. To provide promotional sales effort which will encourage private investments within the Development District.
- f. To support the redevelopment of substandard and underutilized properties in the Development District.

## **Section D Designation of Tax Increment Financing District as a Housing District**

Pursuant to the TIF Act, the City seeks to create the TIF District and adopt a TIF Plan for the TIF District.

The TIF District is a Housing District. Housing Districts are a type of tax increment financing district that consist of a project intended for occupancy, in part, by persons or families of low and moderate income. Low and moderate income is defined in federal, state and municipal legislation. A project does not qualify if more than 20% of the square footage of buildings that receive assistance from tax increments consist of commercial, retail or other nonresidential use.

In addition, housing districts are subject to various income limitations and requirements for residential property. For owner-occupied residential property, 95% of the housing units must be initially purchased and occupied by individuals whose family income is less than or equal to the income requirements for qualified mortgage bond projects under section 143(f) of the Internal Revenue Code. For residential rental property, the property must satisfy the income requirements for a qualified residential rental project as defined in section 142(d) of the Internal Revenue Code.

The TIF District meets the above qualifications for these reasons:

1. The planned improvements consist of the following:
  - a. Approximately 72 total units, for which the following will apply:
    - o 72-unit housing apartment complex where at least 40% (29) of the rental units will be occupied by persons with incomes no greater than 60% of the area median income
2. At least 80% of the proposed development will be used for residential purposes.
3. The City will require in the development agreement that the income limitations for the rental units in the apartment project will apply for the duration of the TIF District.

Tax increments derived from a housing district must be used solely to finance the cost of housing projects as defined in sections 469.174, subdivision 11 and 469.176 of the TIF Act. The cost of public improvements directly related to housing projects and the allocated administrative expenses of the City may be included in the cost of a housing project. The City anticipates using tax increment revenues to finance a portion of the extraordinary costs associated with providing the affordable housing units.

## **Section E Duration of the TIF District**

Housing districts may remain in existence 25 years from the date of receipt of the first tax increment. Modifications of this Plan (see Section AA) shall not extend these limitations.

Pursuant to Minnesota Statutes section 469.175, subdivision 1(b), the City specifies 2024 as the first year in which it elects to receive tax increment from the TIF District, which is no later than four years following the year of approval of the TIF District. Thus, the City may collect increment from the district through December 31, 2049 as the maximum duration allowed. The City anticipates that the TIF District will be in

place for a shorter duration of only 15-years (through 2038) but reserves the right for the District to be in place for the maximum statutory duration. All tax increments from taxes payable in the year the TIF District is decertified shall be paid to the City.

### Section F Property to be Included in the TIF District

The TIF District is an approximately 7.14-acre area of land located within the Development District. The total area of the TIF District also includes adjacent streets and right-of-way located within the Development District. A map showing the location of the TIF District is shown in Exhibit I. The boundaries and area encompassed by the TIF District are described below:

Parcel Number	Legal Description
95-909-0120	THE S 370' OF W1/2 OF NE1/4 OF NW1/4 EXC E 220'
95-909-0112	THE W ½ OF NE1/4 OF NW1/4 OF SEC9 EXC N 622' & EXC S 370' & EXC W'LY 355'
95-909-0113	THE W'LY 355' OF THE FOL DESC PROPERTY: W1/2 OF NE1/4 OF NW1/4 OF SEC 0 EXC N 622' & EXC 370' & EXC E 220'

The area encompassed by the TIF District shall also include all street or utility rights-of-way located upon or adjacent to the property described above, as illustrated in the boundary map included in Exhibit II.

### Section G Property to be Acquired in the TIF District

The City may acquire and sell any or all of the property located within the TIF District; however, the City does not anticipate acquiring any such property at this time.

### Section H Specific Development Expected to Occur Within the TIF District

The proposed project will include the development of approximately 72 new apartment units, split between four new buildings on the approximately 7.14-acre development site. The development is anticipated to include the construction of two new 3-story 12-unit buildings and two new 24-unit 3-story buildings, resulting in a total of 72 new one- and two-bedroom apartment units. Parking for the development will be on surface lots.

In order to comply with the requirements of a Housing TIF District, at least 40% of the units will be occupied by persons with incomes no greater than 60% of the area median income. The City anticipates using tax increment to finance eligible costs associated with development of the project site including land acquisition, site improvements, public improvements, and costs associated directly with the development of affordable housing improvements, as well as related administrative expenses.

Construction of the new development on the project site is projected to start in 2021 and is expected to be fully constructed by December 31, 2022 and be 100% assessed and on the tax rolls as of January 2, 2023 for taxes payable 2024.

**Section I Findings and Need for Tax Increment Financing**

In establishing the TIF District, the City makes the following findings:

- (1) The TIF District qualifies as a housing district.

See Section D of this TIF Plan for the reasons and facts supporting this finding.

- (2) The proposed development, in the opinion of the City, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future.

The proposed development is expected to consist of approximately 72 total apartment units. The City's finding that the proposed development would be unlikely to occur solely through private investment within the reasonably foreseeable future is based on an analysis of the project pro forma and other materials submitted to the City by the developer. These documents have indicated that the reduction in annual revenues due to the lower rents associated with providing affordable housing units will result in returns that are not sufficient to support development and an operating cashflow insufficient to meet expected financing requirements, thereby making this housing development infeasible without public assistance. Therefore, the developer has indicated in communications with the City and submitted financial data that the development as proposed would not move forward without tax increment assistance.

- (3) The TIF Plan conforms to the general plan for development or redevelopment of the City as a whole.

The reasons and facts supporting this finding are that the City Council of the City has found the TIF Plan consistent with the general plan for development of the City as a whole and will generally complement and serve to implement policies adopted in the City's comprehensive plan.

- (4) The TIF Plan will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development of the Development District by private enterprise.

Through the implementation of the TIF Plan, the City will provide an impetus for an affordable apartment complex, which complements the overall housing needs of the City and helps support other private types of development by providing a range of housing opportunities for residents and workers within the City.

**Section J Estimated Public Costs**

The estimated public costs of the TIF District are listed below. Such costs are eligible for reimbursement from tax increments of the TIF District.

TIF eligible costs related to acquisition, site improvements/preparation costs, utilities, public improvements, and other TIF eligible expenditures	\$1,490,100
Administrative expenses	\$165,570
Estimated Tax Increment Project Costs	\$1,655,670

The City anticipates using tax increment to the extent available to finance land acquisition, site improvement/preparation costs, utilities, public improvements, and related administrative expenses, as well as other TIF-eligible expenditures as deemed necessary and related to development of the project site.



The City reserves the right to administratively adjust the amount of any of the items listed above or to incorporate additional eligible items, so long as the total estimated public cost (\$1,655,670) is not increased. The City also reserves the right to fund any of the identified costs with any other legally available revenues, such as grants and/or loans, but anticipates that such costs will be primarily financed with tax increments.

**Section K Estimated Sources of Revenue**

Tax Increment revenue (Net of OSA Deduction)	\$1,655,670
Interest on invested funds	0
Land Sale Proceeds	0
Other	0
Total	\$1,655,670

The City anticipates providing financial assistance on a pay-as-you-go basis for TIF-eligible expenses related to the proposed development. As tax increments are collected from the TIF District in future years, a portion of these taxes will be used by the City to reimburse the developer/owner for public costs incurred (see Section J).

The City reserves the right to finance any or all public costs of the TIF District using pay-as-you-go assistance, internal funding, general obligation or revenue debt, or any other financing mechanism authorized by law. The City also reserves the right to use other sources of revenue legally available for the Development District to pay for such costs including, but not limited to, special assessments, utility revenues, federal or state funds, and investment income.

The City reserves the right to pool tax increment from the TIF District to assist in financing other affordable housing projects within the City.

**Section L Estimated Amount of Bonded Indebtedness**

The maximum principal amount of bonds (as defined in the TIF Act) secured in whole or part with tax increment from the TIF District is \$1,655,670. The City currently plans to finance the public improvements and affordable housing costs in the form of a pay-as-you go revenue note as reimbursement to the developer for certain TIF-eligible expenses. The City reserve the right to issue bonds in any form, including without limitation any interfund loan with interest not to exceed the maximum permitted under Section 469.178, subd. 7 of the TIF Act.

**Section M Original Net Tax Capacity**

The County Auditor shall certify the original net tax capacity of the TIF District. This value will be equal to the total net tax capacity of all property in the TIF District as certified by the State Commissioner of Revenue. For districts certified between January 1 and June 30, inclusive, this value is based on the previous assessment year. For districts certified between July 1 and December 31, inclusive, this value is based on the current assessment year.

The Estimated Market Value of all property within the TIF District as of January 2, 2021, for taxes payable in 2022, is estimated to be \$3,061,600. Upon establishment of the TIF District, and subsequent classification of property to residential rental property with a classification rate of 1.25%, it is estimate that the original net tax capacity of the District will be approximately \$38,270.

Each year the County Auditor shall certify the amount that the original net tax capacity has increased or decreased as a result of:

- (1) changes in the tax-exempt status of property;
- (2) reductions or enlargements of the geographic area of the TIF District;
- (3) changes due to stipulation agreements or abatements; or
- (4) changes in property classification rates.

**Section N Original Tax Capacity Rate**

The County Auditor shall also certify the original tax capacity rate of the TIF District. This rate shall be the sum of all local tax rates that apply to property in the TIF District. This rate shall be for the same taxes payable year as the original net tax capacity.

In future years, the amount of tax increment generated by the TIF District will be calculated using the lesser of (a) the sum of the current local tax rates at that time or (b) the original tax capacity rate of the TIF District.

The final sum of all local tax rates that apply to property in the TIF District, for taxes levied in 2021 and payable in 2022, is not available at the time of drafting of this TIF Plan. The County Auditor shall certify the amount for taxes payable 2022 as the original tax capacity rate of the TIF District once available. For purposes of estimating the tax increment generated by the TIF District we have utilized the final tax rates for taxes levied in 2020 and payable in 2021 resulting in an estimated certified tax rate for the district for taxes levied in 2020 and payable in 2022 of 123.839% as shown below.

<u>Taxing Jurisdiction</u>	<u>Final 2020/2021 Local Tax Rate</u>
City of Willmar	40.841%
Kandiyohi County	58.425%
ISD #345	22.402%
Other	<u>2.171%</u>
<b>Total</b>	<b>123.839%</b>

**Section O Projected Retained Captured Net Tax Capacity and Projected Tax Increment**

Each year the County Auditor shall determine the current net tax capacity of all property in the TIF District. To the extent that this total exceeds the original net tax capacity, the difference shall be known as the captured net tax capacity of the TIF District.

The County Auditor shall certify to the City the amount of captured net tax capacity each year. The City may choose to retain any or all of this amount. It is the City's intention to retain 100% of the captured net tax capacity of the TIF District. Such amount shall be known as the retained captured net tax capacity of the TIF District.

Exhibit III gives a listing of the various information and assumptions used in preparing a number of the exhibits contained in this TIF Plan, including Exhibit IV which shows the projected tax increment generated over the anticipated life of the TIF District.

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## Section P Use of Tax Increment

Each year the County Treasurer shall deduct 0.36% of the annual tax increment generated by the TIF District and pay such amount to the State's General Fund. Such amounts will be appropriated to the State Auditor for the cost of financial reporting and auditing of tax increment financing information throughout the state. Exhibit III shows the projected deduction for this purpose over the anticipated life of the TIF District.

The City has determined that it will use 100% of the remaining tax increment generated by the TIF District for any of the following purposes:

- (1) pay for the estimated public costs of the TIF District (see Section J) and County administrative costs associated with the TIF District (see Section S);
- (2) pay principal and interest on one or more pay-as-you-go notes, tax increment bonds or other bonds issued to finance the estimated public costs of the TIF District;
- (3) accumulate a reserve securing the payment of tax increment bonds or other bonds issued to finance the estimated public costs of the TIF District;
- (4) pay all or a portion of the county road costs as may be required by the County Board under Minnesota Statutes section 469.175, subdivision 1a;
- (5) pool tax increment for other affordable housing projects; or
- (6) return excess tax increments to the County Auditor for redistribution to the City, County and School District.

Tax increments from property located in one county must be expended for the direct and primary benefit of a project located within that county, unless the county board involved waives this requirement. Tax increments shall not be used to circumvent levy limitations applicable to the City.

Tax increment derived from the TIF District must be used solely to finance the cost of housing projects (including administrative expenses and public improvement costs) as defined in section 469.174, subdivision 11 of the TIF Act and subject to the requirements set forth in section 469.1761 of the TIF Act.

Tax increment shall not be used to finance the acquisition, construction, renovation, operation, or maintenance of a building to be used primarily and regularly for conducting the business of a municipality, county, school district, or any other local unit of government or the State or federal government. Further, tax increments may not be used to finance: a commons area used as a public park; facilities used for social or recreational purposes (whether public or private); or publicly-owned facilities used for conference purposes; provided that tax increment may be used for a privately-owned conference facility, and for parking structures whether public or privately owned and whether or not they are ancillary to one of the otherwise prohibited uses described above.

If there exists any type of agreement or arrangement providing for the developer, or other beneficiary of assistance, to repay all or a portion of the assistance that was paid or financed with tax increments, such payments shall be subject to all of the restrictions imposed on the use of tax increments. Assistance includes sale of property at less than the cost of acquisition or fair market value, grants, ground or other leases at less than fair market rent, interest rate subsidies, utility service connections, roads, or other similar assistance that would otherwise be paid for by the developer or beneficiary.

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## **Section Q Excess Tax Increment**

Beginning with the sixth year after certification of the TIF District, any year in which the tax increments from the TIF District exceed the amount necessary to pay the estimated public costs authorized by the TIF Plan, the City shall use the excess tax increments to:

- (1) prepay any outstanding tax increment bonds;
- (2) discharge the pledge of tax increments thereof;
- (3) pay amounts into an escrow account dedicated to the payment of the tax increment bonds;
- (4) pool tax increment for other affordable housing projects; or
- (5) return excess tax increments to the County Auditor for redistribution to the City, County and School District. The County Auditor must report to the Commissioner of Education the amount of any excess tax increment redistributed to the School District within 30 days of such redistribution.

## **Section R Tax Increment Pooling and the Five-Year Rule**

As permitted under Minnesota Statutes section 469.1763, subdivision 2(b) and subdivision 3(a)(5), any expenditures of increment from the TIF District to pay the cost of a "housing project" as defined in Minnesota statutes section 469.174, subdivision 11 will be treated as an expenditure within the district for the purposes of the "pooling rules" and the "five-year rule". The City may expend tax increments outside the TIF District (including allowable administrative expenses), and such expenditures are expressly authorized in this TIF Plan.

## **Section S Limitation on Administrative Expenses**

Administrative expenses are defined as all costs of the City other than:

- (1) amounts paid for the purchase of land;
- (2) amounts paid for materials and services, including architectural and engineering services directly connected with the proposed development within the TIF District;
- (3) relocation benefits paid to, or services provided for, persons or businesses residing or located within the TIF District; or
- (4) amounts used to pay interest on, fund a reserve for, or sell at a discount, tax increment bonds.

Administrative expenses include amounts paid for services provided by bond counsel, fiscal consultants, planning or economic development consultants, and actual costs incurred by the County in administering the TIF District. Tax increments may be used to pay administrative expenses of the TIF District up to the lesser of (a) 10% of the total tax increment expenditures authorized by the TIF Plan or (b) 10% of the total tax increments received by the District.

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## **Section T Limitation on Property Not Subject to Improvements - Four Year Rule**

If after four years from certification of the TIF District no demolition, rehabilitation, renovation, or qualified improvement of an adjacent street has commenced on a parcel located within the TIF District, then that parcel shall be excluded from the TIF District and the original net tax capacity shall be adjusted accordingly. Qualified improvements of a street are limited to construction or opening of a new street, relocation of a street, or substantial reconstruction or rebuilding of an existing street. The City must submit to the County Auditor, by February 1 of the fifth year, evidence that the required activity has taken place for each parcel in the TIF District.

If a parcel is excluded from the TIF District and the City or owner of the parcel subsequently commences any of the above activities, the City shall certify to the County Auditor that such activity has commenced, and the parcel shall once again be included in the TIF District. The County Auditor shall certify the net tax capacity of the parcel, as most recently certified by the Commissioner of Revenue, and add such amount to the original net tax capacity of the TIF District.

## **Section U Estimated Impact on Other Taxing Jurisdictions**

Exhibit V shows the estimated impact on other taxing jurisdictions if the maximum projected retained captured net tax capacity of the TIF District was hypothetically available to the other taxing jurisdictions. The City believes that there will be no adverse impact on other taxing jurisdictions during the life of the TIF District since the proposed development would not have occurred without the establishment of the TIF District and the provision of public assistance. A positive impact on other taxing jurisdictions will occur when the TIF District is decertified, and the development therein becomes part of the general tax base.

The fiscal and economic implications of the proposed TIF District, as pursuant to Minnesota Statutes section 469.175, subdivision 2, are listed below.

1. The total amount of tax increment that will be generated over the life of the TIF District is estimated to be \$1,661,655.
2. To the extent the project in the TIF District generates any public cost impacts on City-provided services such as police and fire protection, public infrastructure, and the impact of any general obligation tax increment bonds attributable to the district upon the ability to issue other debt for general fund purposes, such costs will be levied upon the taxable net tax capacity of the City, excluding that portion captured by the TIF District. The City does not plan to issue bonds but reserves the right to the use of internal financing and pay-as-you-go reimbursement financing, as necessary, to finance a portion of the project costs attributable to the TIF District.
3. The amount of tax increments over the life of the TIF District that would be attributable to school district levies, assuming the school district's share of the total local tax rate for all taxing jurisdictions remained the same, is estimated to be \$300,587
4. The amount of tax increments over the life of the TIF District that would be attributable to County levies, assuming the County's share of the total local tax rate for all taxing jurisdictions remained the same is estimated to be \$783,939.
5. No additional information has been requested by the County or school district that would enable it to determine additional costs that will accrue to it due to the development proposed for the TIF District.

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## **Section V Prior Planned Improvements**

The City shall accompany its request for certification to the County Auditor (or notice of district enlargement), with a listing of all properties within the TIF District for which building permits have been issued during the 18 months immediately preceding approval of the TIF Plan. The County Auditor shall increase the original net tax capacity of the TIF District by the net tax capacity of each improvement for which a building permit was issued.

There have been no building permits issued in the last 18 months in conjunction with any of the properties within the TIF District.

## **Section W Development Agreements**

If within a project containing a housing district, more than 10% of the acreage of the property to be acquired by the City is purchased with tax increment bonds proceeds (to which tax increment from the property is pledged), then prior to such acquisition, the City must enter into an agreement for the development of the property. Such agreement must provide recourse for the City should the development not be completed.

The City anticipates entering into an agreement for development with the proposed developer but does not anticipate acquiring any property located within the TIF District.

## **Section X Assessment Agreements**

The City may, upon entering into a development agreement, also enter into an assessment agreement with any person, which establishes a minimum market value of the land and improvements for each year during the life of the TIF District.

The assessment agreement shall be presented to the County or City Assessor who shall review the plans and specifications for the improvements to be constructed, review the market value previously assigned to the land and, so long as the minimum market value contained in the assessment agreement appears to be an accurate estimate, shall certify the assessment agreement as reasonable. The assessment agreement shall be filed for record in the office of the County Recorder of each county where the property is located. Any modification or premature termination of this agreement must first be approved by the City, County and School District.

The City may enter into an assessment agreement.

## **Section Y Modifications of the Tax Increment Financing Plan**

Any reduction or enlargement in the geographic area of the Project Area or the TIF District; increase in the amount of bonded indebtedness to be incurred; increase in the amount of capitalized interest; increase in that portion of the captured net tax capacity to be retained by the City; increase in the total estimated capital and administrative costs; or designation of additional property to be acquired by the City shall be approved only after satisfying all the necessary requirements for approval of the original TIF Plan. This paragraph does not apply if:

- (1) the only modification is elimination of parcels from the TIF District; and
- (2) the current net tax capacity of the parcels eliminated equals or exceeds the net tax capacity of those parcels in the TIF District's original net tax capacity, or the City agrees

that the TIF District's original net tax capacity will be reduced by no more than the current net tax capacity of the parcels eliminated.

The City must notify the County Auditor of any modification that reduces or enlarges the geographic area of the TIF District. The geographic area of the TIF District may be reduced but not enlarged after five years following the date of certification.

## **Section Z Administration of the Tax Increment Financing Plan**

Upon adoption of the TIF Plan, the City shall submit a copy of such plan to the Minnesota Department of Revenue and the Office of the State Auditor. The City shall also request that the County Auditor certify the original net tax capacity and net tax capacity rate of the TIF District. To assist the County Auditor in this process, the City shall submit copies of the TIF Plan, the resolution establishing the TIF District and adopting the TIF Plan, and a listing of any prior planned improvements. The City shall also send the County Assessor any assessment agreement establishing the minimum market value of land and improvements in the TIF District and shall request that the County Assessor review and certify this assessment agreement as reasonable.

The County shall distribute to the City the amount of tax increment as it becomes available. The amount of tax increment in any year represents the applicable property taxes generated by the retained captured net tax capacity of the TIF District. The amount of tax increment may change due to development anticipated by the TIF Plan, other development, inflation of property values, or changes in property classification rates or formulas. In administering and implementing the TIF Plan, the following actions should occur on an annual basis:

- (1) prior to July 1, the City shall notify the County Assessor of any new development that has occurred in the TIF District during the past year to ensure that the new value will be recorded in a timely manner.
- (2) if the County Auditor receives the request for certification of a new TIF District, or for modification of an existing TIF District, before July 1, the request shall be recognized in determining local tax rates for the current and subsequent levy years. Requests received on or after July 1 shall be used to determine local tax rates in subsequent years.
- (3) each year the County Auditor shall certify the amount of the original net tax capacity of the TIF District. The amount certified shall reflect any changes that occur as a result of the following:
  - (a) the value of property that changes from tax-exempt to taxable shall be added to the original net tax capacity of the TIF District. The reverse shall also apply;
  - (b) the original net tax capacity may be modified by any approved enlargement or reduction of the TIF District;
  - (c) if the TIF District is classified as an economic development district, then the original net tax capacity shall be increased by the amount of the annual adjustment factor; and
  - (d) if laws governing the classification of real property cause changes to the percentage of estimated market value to be applied for property tax purposes, then the resulting increase or decrease in net tax capacity shall be applied proportionately to the original net tax capacity and the retained captured net tax capacity of the TIF District.

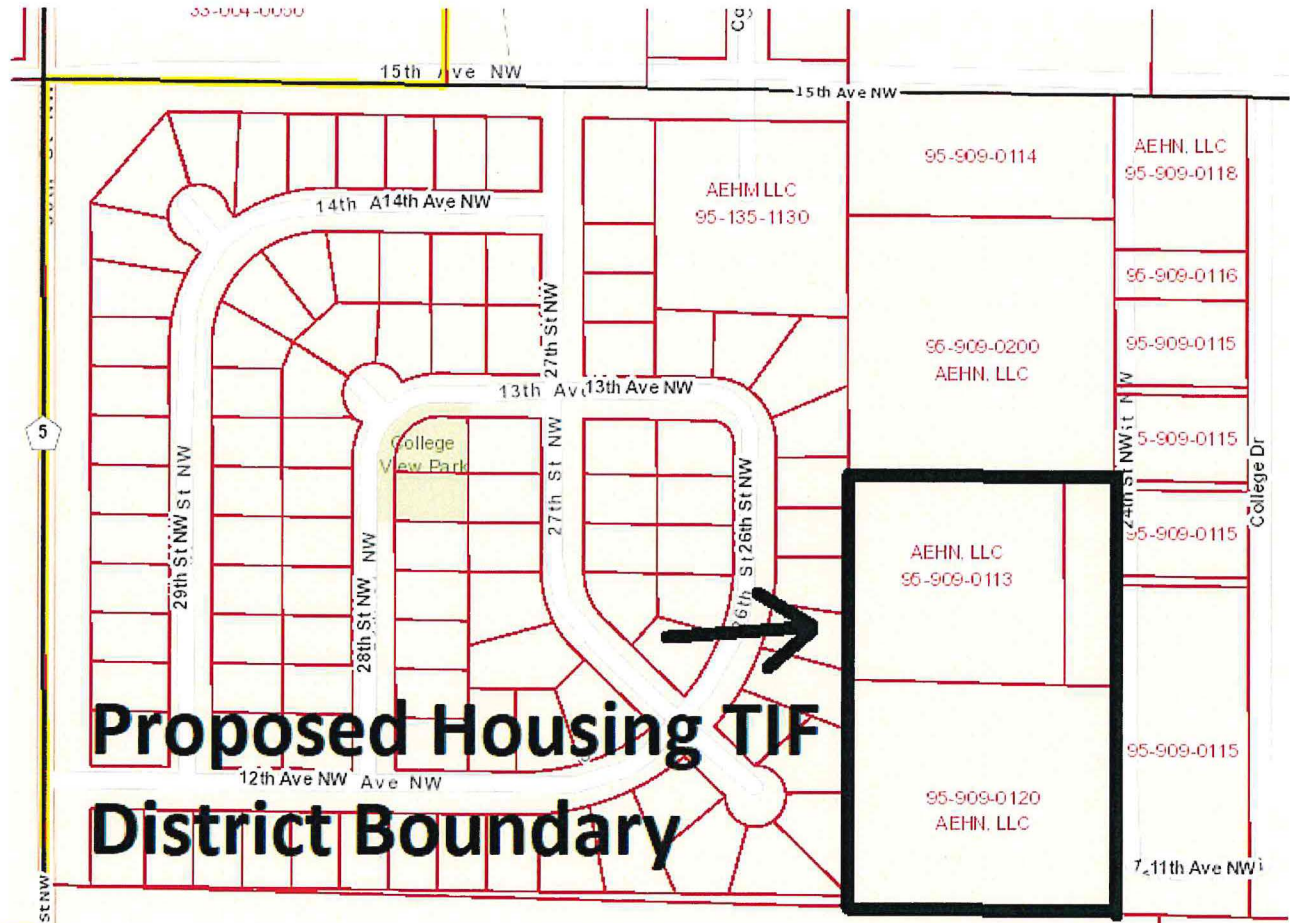
The County Auditor shall notify the City of all changes made to the original net tax capacity of the TIF District.

**Section AA Filing TIF Plan, Financial Reporting and Disclosure Requirements**

The City will comply with all reporting requirements for the TIF District under Minnesota Statutes section 469.175, subdivisions 5 and 6.

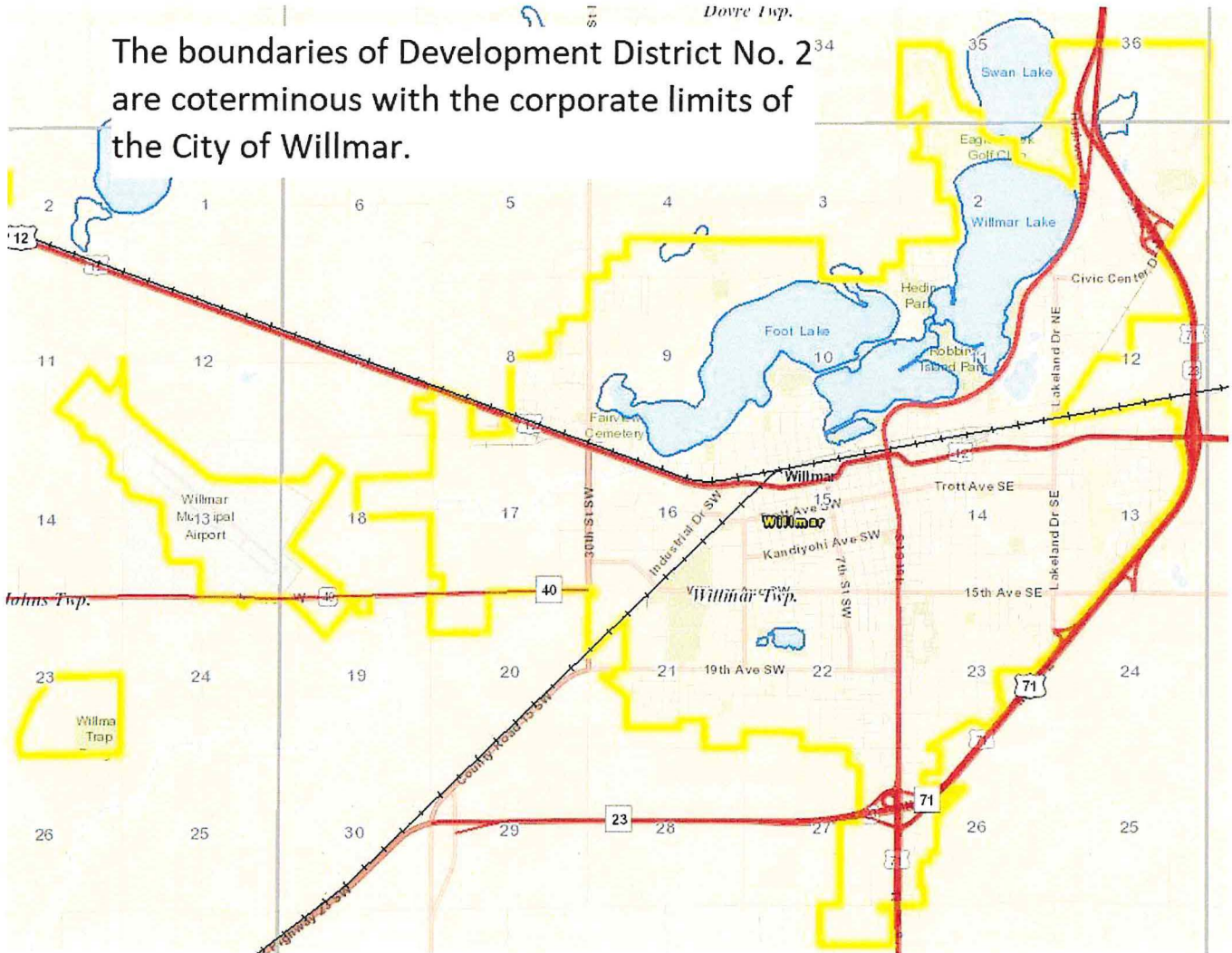


MAP OF PROPOSED TAX INCREMENT FINANCING (HOUSING) DISTRICT  
Suite Liv'n Ridgewater Site Housing Development Project



MAP OF DEVELOPMENT DISTRICT NO. 2

The boundaries of Development District No. 2<sup>34</sup> are coterminous with the corporate limits of the City of Willmar.



**Assumptions Report**

**City of Willmar, Minnesota  
Tax Increment Housing District  
Suite Liv'n Ridgewater Site  
TIF Projections - 72-Units - \$100,000/Unit EMV**

Type of Tax Increment Financing District	Housing			
Maximum Duration of TIF District	25 years from 1st increment			
Projected Certification Request Date	✓	07/06/21		
Decertification Date	✓	12/31/38	(15 Years of Increment)	
		<u>2021/2022</u>		
Base Estimated Market Value	✓	\$3,061,600		
Original Net Tax Capacity		\$38,270		
		Assessment/Collection Year		
		<u>2021/2022</u>	<u>2022/2023</u>	<u>2023/2024</u>
		<u>2024/2025</u>		
Base Estimated Market Value		\$3,061,600	\$3,061,600	\$3,061,600
Estimated Increase in Value - New Construction	✓	0	0	7,156,200
				7,156,200
Total Estimated Market Value	✓	3,061,600	3,061,600	10,217,800
				10,217,800
Total Net Tax Capacity		\$38,270	\$38,270	\$127,723
				\$127,723
City of Willmar			40.841%	
Kandiyohi County			58.425%	
ISD #345			22.402%	
Other	✓		2.171%	
Local Tax Capacity Rate			123.839%	2020/2021
Fiscal Disparities Contribution From TIF District			0.0000%	
Administrative Retainage Percent (maximum = 10%)			10.00%	
Pooling Percent			0.00%	
<b>Bonds</b>			<b>Note (Pay-As-You-Go)</b>	
Bonds Dated	NA		Note Dated	02/01/23
Bond Rate	NA		Note Rate	5.00%
Bond Amount	NA		Note Amount	\$991,800
Present Value Date & Rate	✓	07/06/21	5.00% PV Amount	\$1,043,776

**Notes**

Projections assume no future changes to classification rates and current tax rates remain constant.  
 Projections based on a projected per unit market value of \$100,000.  
 Projections assume 100% of units classified at standard 1.25% Rental Class Rate  
 Projections assume no market value inflation assumption.  
 Projections assume 100% construction in 2022.  
 Post Development MV includes existing building development on parcel 95-909-0120

**Projected Tax Increment Report**

**City of Willmar, Minnesota  
 Tax Increment Housing District  
 Suite Liv'n Ridgewater Site  
 TIF Projections - 72-Units - \$100,000/Unit EMV**

Annual Period Ending (1)	Total Market Value (2)	Total Net Tax Capacity (3)	Less: Original Net Tax Capacity (4)	Retained Captured Net Tax Capacity (5)	Times: Tax Capacity Rate (6)	Annual Gross Tax Increment (7)	Less: State Aud. Deduction 0.360% (8)	Subtotal Net Tax Increment (9)	Less: City Retainage 10.00% (10)	Annual Net Revenue (11)
12/31/21	3,061,600	38,270	38,270	0	123.839%	0	0	0	0	0
12/31/22	3,061,600	38,270	38,270	0	123.839%	0	0	0	0	0
12/31/23	3,061,600	38,270	38,270	0	123.839%	0	0	0	0	0
12/31/24	10,217,800	127,723	38,270	89,453	123.839%	110,777	399	110,378	11,038	99,340
12/31/25	10,217,800	127,723	38,270	89,453	123.839%	110,777	399	110,378	11,038	99,340
12/31/26	10,217,800	127,723	38,270	89,453	123.839%	110,777	399	110,378	11,038	99,340
12/31/27	10,217,800	127,723	38,270	89,453	123.839%	110,777	399	110,378	11,038	99,340
12/31/28	10,217,800	127,723	38,270	89,453	123.839%	110,777	399	110,378	11,038	99,340
12/31/29	10,217,800	127,723	38,270	89,453	123.839%	110,777	399	110,378	11,038	99,340
12/31/30	10,217,800	127,723	38,270	89,453	123.839%	110,777	399	110,378	11,038	99,340
12/31/31	10,217,800	127,723	38,270	89,453	123.839%	110,777	399	110,378	11,038	99,340
12/31/32	10,217,800	127,723	38,270	89,453	123.839%	110,777	399	110,378	11,038	99,340
12/31/33	10,217,800	127,723	38,270	89,453	123.839%	110,777	399	110,378	11,038	99,340
12/31/34	10,217,800	127,723	38,270	89,453	123.839%	110,777	399	110,378	11,038	99,340
12/31/35	10,217,800	127,723	38,270	89,453	123.839%	110,777	399	110,378	11,038	99,340
12/31/36	10,217,800	127,723	38,270	89,453	123.839%	110,777	399	110,378	11,038	99,340
12/31/37	10,217,800	127,723	38,270	89,453	123.839%	110,777	399	110,378	11,038	99,340
12/31/38	10,217,800	127,723	38,270	89,453	123.839%	110,777	399	110,378	11,038	99,340
						\$1,661,655	\$5,985	\$1,655,670	\$165,570	\$1,490,100

**Estimated Impact on Other Taxing Jurisdictions Report**

**City of Willmar, Minnesota  
Tax Increment Housing District  
Suite Liv'n Ridgewater Site  
TIF Projections - 72-Units - \$100,000/Unit EMV**

Taxing Jurisdiction	Without Project or TIF District		With Project and TIF District					
	Final 2020/2021 Taxable Net Tax Capacity (1)	2020/2021 Local Tax Rate	2020/2021 Taxable Net Tax Capacity (1)	Projected Retained Captured Net Tax Capacity +	New Taxable Net Tax Capacity =	Hypothetical Adjusted Local Tax Rate (*)	Hypothetical Decrease In Local Tax Rate (*)	Hypothetical Tax Generated by Retained Captured N.T.C. (*)
City of Willmar	15,019,787	40.841%	15,019,787	\$89,453	15,109,240	40.599%	0.242%	36,317
Kandiyohi County	58,843,104	58.425%	58,843,104	89,453	58,932,557	58.336%	0.089%	52,183
ISD #345	25,702,984	22.402%	25,702,984	89,453	25,792,437	22.324%	0.078%	19,970
Other	-	2.171%	-	-	-	2.171%	-	-
<b>Totals</b>		<b>123.839%</b>				<b>123.431%</b>	<b>0.408%</b>	

**\* Statement 1:** If the projected Retained Captured Net Tax Capacity of the TIF District was hypothetically available to each of the taxing jurisdictions above, the result would be a lower local tax rate (see Hypothetical Adjusted Tax Rate above) which would produce the same amount of taxes for each taxing jurisdiction. In such a case, the total local tax rate would decrease by 0.408% (see Hypothetical Decrease in Local Tax Rate above). The hypothetical tax that the Retained Captured Net Tax Capacity of the TIF District would generate is also shown above.

**Statement 2:** Since the projected Retained Captured Net Tax Capacity of the TIF District is not available to the taxing jurisdictions, then there is no impact on taxes levied or local tax rates.

- (1) Taxable net tax capacity = total net tax capacity - captured TIF - fiscal disparity contribution, if applicable.
- (2) The impact on these taxing jurisdictions is negligible since they represent only 1.75% of the total tax rate.

**EXECUTION VERSION**

**TAX INCREMENT DEVELOPMENT AGREEMENT**

**BY AND BETWEEN**

**CITY OF WILLMAR, MINNESOTA**

**AND**

**AEHN LLC**

This document drafted by:  
FLAHERTY & HOOD, P.A.  
525 Park Street, Suite 470  
St. Paul, MN 55103  
(651) 225-8840

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- Exhibit B: Depiction of Development Property and Project Area
- Exhibit C: Certificate of Completion
- Exhibit D: Form Limited Revenue Tax Increment Note
- Exhibit E: Property Management Plan

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**TAX INCREMENT DEVELOPMENT AGREEMENT**

THIS AGREEMENT, made as of the \_\_\_\_ day of \_\_\_\_\_, 2021, by and between the City of Willmar, Minnesota (the "City"), a municipal corporation organized and existing under the laws of the State of Minnesota and AEHN LLC, a Minnesota limited liability company (the "Developer").

WITNESSETH:

WHEREAS, pursuant to Minnesota Statutes, Section 469.124 through 469.134, the City has formed Municipal Development District No. II (the "Development District") and has adopted a development program therefor (the "Development Program"); and

WHEREAS, pursuant to the provisions of Minnesota Statutes, Section 469.174 through 469.1794, as amended, (hereinafter the "Tax Increment Act"), the City has created, within the Development District, the Tax Increment Financing (Housing) District Suite Liv'n Ridgewater Site (the "Tax Increment District"), and has adopted a tax increment financing plan, dated June 4, 2021, by its Resolution No. 21-\_\_\_, dated July 6, 2021 (the "Tax Increment Financing Plan"), which provides for the use of tax increment financing in connection with certain development within the Development District; and

WHEREAS, to achieve the objectives of the Development Program and particularly to make the land in the Development District available for development by private enterprise in conformance with the Development Program, the City has determined to assist the Developer with the financing of certain costs of a Project (as hereinafter defined) to be constructed within the Tax Increment District as more particularly set forth in this Agreement; and

WHEREAS, the City believes that the development and construction of the Project, and fulfillment of this Agreement are vital and are in the best interests of the City, the health, safety, morals, and welfare of residents of the City, and in accordance with the public purpose and provisions of the applicable state and local laws and requirements under which the Project has been undertaken and is being assisted; and

WHEREAS, the requirements of the Business Subsidy Law, Minnesota Statutes, Section 116J.993 through 116J.995, do not apply to this Agreement because assistance is being provided solely for housing.

NOW, THEREFORE, in consideration of the premises and the mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other as follows:

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### ARTICLE 1. DEFINITIONS

Section 1.1 Definitions. All capitalized terms used and not otherwise defined herein shall have the following meanings unless a different meaning clearly appears from the context:

Affiliate means a corporation, limited liability company, partnership, joint venture, association, business trust or other legal entity organized under the laws of the United States of America or a state thereof which is directly controlled by or under common control with Developer or any other Affiliate. For purposes of this definition, control means the power to direct management and policies through the ownership of at least a majority of its voting securities, or the right to designate or elect at least a majority of the members of its governing body by contract or otherwise;

Agreement means this Tax Increment Development Agreement, as the same may be from time to time modified, amended or supplemented;

Available Tax Increment has the meaning provided in the TIF Note, which is attached hereto as Exhibit D.

Business Day means any day except a Saturday, Sunday, or a legal holiday, or a day on which banking institutions in the City are authorized by law or executive order to close;

Certificate of Completion means the certification provided to the Developer pursuant to Section 4.4 of this Agreement, on the form attached as Exhibit C;

City means the City of Willmar, Minnesota;

County means Kandiyohi County, Minnesota;

Developer means AEHN LLC, a Minnesota limited liability company, its successors and assigns;

Development District means Municipal Development District No. II, described in the corresponding Development Program;

Development Program means the Development Program approved in connection with the Development District;

Development Property means three parcels consisting of approximately 7.14 acres of real property, as legally described on Exhibit A;

Event of Default means any of the events described in Section 8.1 hereof;

## EXECUTION VERSION

Holder means the holder or beneficiary of a Mortgage.

Legal and Administrative Expenses means the costs, fees or expenses incurred by the City in connection with the transaction described in this Agreement, including but not limited to the costs of the financial advisor and attorneys, as well as for the administration of the Tax Increment Financing Plan and the preparation of this Agreement;

Maturity Date means the date that the TIF Note has been paid in full, prepaid, or terminated in accordance with its terms;

Mortgage means any mortgage made by the Developer which is secured, in whole or in part, with the Development Property.

Project means construction of two new 3-story 12-unit buildings and two new 24-unit 3-story buildings, resulting in a total of 72 new one- and two-bedroom apartment units, as well as construction of a new access, parking improvements, lighting, utility extensions/relocations, soil correction, and stormwater controls thereon;

Reimbursable Expenses means the documented costs to the Developer of acquisition of the Development Property, site preparation costs, costs of constructing housing, or any other costs eligible to be reimbursed with Tax Increment;

State means the State of Minnesota;

Tax Increment means tax increment, as defined in the Tax Increment Act, derived from the Development Property located within the Tax Increment District;

Tax Increment Act means Minnesota Statutes, Sections 469.174 through 469.1794, as amended;

Tax Increment District means the Tax Increment Financing (Housing) District Suite Liv'n Ridgewater Site, which was qualified as a housing district under the Tax Increment Act;

Tax Increment Financing Plan means the tax increment financing plan approved for the Tax Increment District by the City Council by its Resolution No. 21-\_\_\_, dated July 6, 2021;

TIF Note means the Limited Revenue Tax Increment Note, substantially in the form attached hereto as Exhibit D, to be executed by the City and delivered to the Developer in accordance with this Agreement;

Unavoidable Delays means delays, beyond the reasonable control of the party seeking to be excused as a result thereof, which are the direct result of war, terrorism, labor strikes, pandemic, local, state and federal regulations and orders, unusually severe or prolonged bad

**EXECUTION VERSION**

weather, acts of God, fire or other casualty to the Project, litigation commenced by third parties which, by injunction or other similar judicial action or by the exercise of reasonable discretion, directly results in delays, or acts of any federal, state, or local governmental unit (other than the City) which directly result in delays; provided that within 15 days after a party impaired by the delay has knowledge of the delay it shall give the other party notice of the delay and the estimated length of the delay and shall give the other party notice of the actual length of the delay within 15 days after the cause of the delay has ceased to exist. The parties shall pursue with reasonable diligence the avoidance and removal of such delay. Unavoidable delay shall not extend performance of any obligation unless the notices required in this definition are given as herein required.

*[The remainder of this page is intentionally left blank]*

ARTICLE 2. REPRESENTATIONS AND WARRANTIES

Section 2.1 Representations and Warranties of the City. The City makes the following representations and warranties:

- (a) The City is a municipal corporation and has the power to enter into this Agreement and carry out its obligations hereunder.
- (b) The Tax Increment District is a "housing district" within the meaning of Minnesota Statutes, Section 469.174, Subdivision 11, and was created, adopted, and approved in accordance with the terms of the Tax Increment Act.
- (c) The development contemplated by this Agreement is in conformance with the development objectives set forth in the Development Program. Land use permits shall be governed by City land use ordinances, with specific land use permits or approvals considered separate from this Agreement.
- (d) To finance certain costs within the Tax Increment District, the City proposes, subject to the further provisions of this Agreement, to apply Tax Increments to reimburse the Developer for the Reimbursable Costs in connection with the Project as provided in this Agreement. The City neither pledges nor provides any other financial assistance to the Developer for the construction of the Project or other costs.
- (e) The requirements of the Business Subsidy Law, Minnesota Statutes, Section 116J.993 through 116J.995, do not apply to this Agreement because assistance is being provided solely for housing.
- (f) The City makes no representation or warranty, either expressed or implied, as to the Development Property or its condition or the soil conditions thereon, or that the Development Property shall be suitable for the Developer's purposes or needs.

Section 2.2 Representations and Warranties of the Developer. The Developer makes the following representations and warranties:

- (a) The Developer is a Minnesota limited liability company, is in good standing in the State and has power to enter into this Agreement and to perform its obligations hereunder and is not in violation of the laws of the State.
- (b) The Developer shall cause the Project to be constructed in accordance with the terms of this Agreement, the Development Program, and all local, state, and federal laws and regulations (including, but not limited to, environmental, zoning, energy conservation, building code and public health laws and regulations).
- (c) The construction of the Project would not be undertaken by the Developer, and in the opinion of the Developer would not be economically feasible within the reasonably

## EXECUTION VERSION

foreseeable future, without the assistance and benefit to the Developer provided for in this Agreement.

(d) The Developer will use its best efforts to obtain, or cause to be obtained in a timely manner, all required permits, licenses, and approvals, and will meet, in a timely manner, all requirements of all applicable local, state, and federal laws and regulations, which must be obtained or met before the Project may be lawfully constructed.

(e) Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement is prevented, limited by or conflicts with or results in a breach of, the terms, conditions or provision of any contractual restriction, evidence of indebtedness, agreement or instrument of whatever nature to which the Developer is now a party or by which it is bound, or constitutes a default under any of the foregoing.

(f) The Developer will cooperate with the City with respect to any litigation commenced with respect to the Project.

(g) For so long as Developer continues to own the Development Property after completion of construction of the Project, the Developer shall manage or cause the Project to be managed so as to comply with all federal, state and local laws, ordinances and regulations, including but not limited to the City's solid waste, right-of-way, and public nuisance ordinances, consistent with the requirements of Section 3.9 below, and Developer shall further cooperate fully with the City in resolution of any traffic, parking, trash removal, or public safety, or nuisance problems, which may arise in connection with the construction, operation or maintenance of the Project.

(h) The Developer has received no notice or communication from any local, state, or federal official that the activities of the Developer or the City on the Development Property may be or will be in violation of any environmental law or regulation. The Developer is aware of no facts the existence of which would cause it to be in violation of or give any person a valid claim under any local, state, or federal environmental law, regulation, or review procedure.

(i) Whenever any Event of Default occurs and if the City shall employ attorneys or incur other expenses for the collection of payments due or to become due or for the enforcement of performance or observance of any obligation or agreement on the part of the Developer under this Agreement, and the City prevails in such action, the Developer agrees that it shall, within twenty (20) business days of written demand by the City, pay to the City the reasonable fees of such attorneys and such other expenses so incurred by the City.

(j) The proposed development by the Developer hereunder would not occur but for the tax increment financing assistance being provided by the City hereunder.

(k) The Developer shall promptly advise City in writing of all litigation or claims affecting any part of the Project and all written complaints and charges made by any

**EXECUTION VERSION**

governmental authority materially affecting the Project or materially affecting Developer or its business which may delay or require changes in construction of the Project.

(l) For a period of ten years from the date of this Agreement, the Developer will not seek a reduction in the market value of the Development Property as determined by the Kandiyohi County Assessor.

(m) The financing commitments which the Developer has obtained to finance the construction of the Project, together with the equity funds available to the Developer, together with financing to be provided by the City pursuant to this Agreement, will be sufficient to enable the Developer to successfully complete the Project.

(n) The Developer has made its own projections of tax increment and revenues to be generated from the Project and of the Developer's return on investment, and the Developer has not relied on any assumptions, calculations, determinations, or conclusions made by the City, its governing body members, officers or agents, including the independent contractors, consultants, legal counsel, or employees thereof, with respect to the foregoing or in determining to proceed with the Project.

(o) The construction of the Project shall commence on or before July 1, 2022 and, barring Unavoidable Delays, the Project will be substantially completed by October 1, 2023.

*[The remainder of this page is intentionally left blank]*



ARTICLE 3. UNDERTAKINGS BY DEVELOPER AND CITY

Section 3.1 Project and Legal and Administrative Expenses.

(a) Reimbursement of City Costs. The Developer shall pay the City for legal and administrative expenses upon execution of this Agreement. Should the City incur additional reasonable legal and administrative expenses thereafter in connection with an amendment of this Agreement, the City may request payment thereof and the Developer agrees to pay all reasonable legal and administrative expenses incurred by the City within 30 days of the City's written invoice.

(b) The Developer shall construct the Project in accordance with this Agreement.

(c) The Developer shall pay all costs of the Development Property and the Project.

(d) The Developer owns the Development Property and the City has no obligation to acquire the Development Property or any portion thereof on the Developer's behalf. The Developer acknowledges that the City makes no representations or warranties as to the condition of the Development Property or the fitness of the Development Property for construction of the Project or any other purpose for which the Developer may make use of such Development Property, and that the assistance provided to Developer under this Agreement neither implies any responsibility by the City for any contamination of the Development Property or poor soil conditions nor imposes any obligation on the City to participate in any cleanup of the Development Property or correction of any soil problems.

(e) The Developer will operate and maintain the Project in accordance with the terms of this Agreement and all applicable local, state and federal laws and regulations (including but not limited to, environmental, zoning, building and public health laws and regulations) subject to its respective rights to contest the same pursuant to applicable laws.

(f) At all times through the termination of this Agreement, the Developer will operate, maintain, preserve and keep the respective Project, Development Property and such portions thereof in good repair and condition.

Section 3.2 Reimbursement of Costs; Tax Increment. The City will pledge up to 90 percent of the Tax Increments received and retained by the City to reimburse the Developer for up to \$1,490,100.00 (the "Reimbursement Amount") of documented Reimbursable Expenses actually incurred and paid by the Developer for the Project. The City's obligation to reimburse the Developer for the Reimbursable Expenses up to the Reimbursement Amount for the construction of the Project on the Development Property shall come solely from Tax Increment received and retained by the City and shall be subject to satisfaction of the following conditions precedent:

(a) The Developer shall be in material compliance with all the terms, conditions, and provisions of this Agreement;

**EXECUTION VERSION**

(b) The Developer shall have substantially completed construction of the Project, as evidenced by the City's issuance of a Certificate of Completion in the form attached hereto as Exhibit C.

(c) The Developer shall have submitted to the City copies of invoices or other evidence acceptable to the City documenting the Developer's Reimbursable Expenses incurred on the Project.

Section 3.3 TIF Revenue Note. Notwithstanding any provision of this Agreement, the Developer agrees to and shall be responsible to pay all of its respective costs and expenses of the Project and the Development Property. However, the City is willing to provide the assistance as provided in this Agreement to reimburse the Developer for a portion of the Project costs incurred by the Developer. In order to reimburse the Developer for a portion of the cost of the Project incurred by the Developer not to exceed the Reimbursement Amount, the City shall pay the Reimbursement Amount through the issuance of the TIF Note in the maximum principal amount of \$1,490,100.00. The TIF Note shall be substantially in the form attached to this Agreement as Exhibit D, subject to the following conditions:

(a) The TIF Note shall be dated, issued, and delivered promptly after the Developer's demonstration in writing to the reasonable satisfaction of the City that the Developer has incurred and paid costs for the Project and shall have submitted paid invoices for the Project in an amount not less than the Reimbursement Amount.

(b) The principal amount of the TIF Note shall be payable solely from the Tax Increments.

(c) On each Note Payment Date and subject to the provisions of the TIF Note, the City shall pay, against the principal outstanding on the TIF Note, the Tax Increments received by the City during the preceding six months.

(d) Payments will be made semi-annually on February 1 and August 1 of each year commencing August 1, 2024 and continuing through February 1, 2039 (30 payments) or until all Reimbursable Expenses have been paid.

(e) The TIF Note shall be a special and limited obligation of the City and not a general obligation of the City, and only Tax Increments shall be used to pay the principal on the TIF Note.

(f) The City's obligation to make payments on the TIF Note on any Note Payment Date or any date thereafter shall be conditioned upon the requirements that there shall not at that time be an Event of Default by Developer that has occurred and is continuing under this Agreement and this Agreement shall not have been terminated.

(g) The City's obligation to make payments on the TIF Note on any Note Payment Date or any date thereafter shall be conditioned upon the requirement that the Developer shall be in compliance with Section 3.9 of this Agreement.

## EXECUTION VERSION

(h) In the event of any conflict between the terms of the TIF Note and the terms of this Section, the terms of the TIF Note shall govern. The issuance of the TIF Note pursuant and subject to the terms of this Agreement, and the taking by the City of such additional actions as legal counsel for the TIF Note may require in connection therewith, are hereby authorized and approved by the City.

(i) Notwithstanding anything to the contrary in this Agreement, if the conditions for delivery of the TIF Note are not met by the date of required substantial completion of the Project set forth in Section 2.2(o), the City may terminate this Agreement by 30 days' prior written notice to the Developer, provided that if Developer thereafter substantially completes the Project within such 30 day period, this Agreement will not terminate but will continue notwithstanding the delay. After a termination pursuant to this Section, neither party shall have any obligations or liability to the other hereunder, except that any indemnification obligations of the Developer shall continue.

(j) The Developer understands and acknowledges that the City makes no representations or warranties regarding the amount of Available Tax Increment, or that revenues pledged to the TIF Note will be sufficient to pay the principal amount of the TIF Note. The Developer expressly acknowledges that amounts of Available Tax Increment will be determined, in part, by the estimated market value of the Project, and that if the market value assigned by the County is less than the Developer anticipated at the time this Agreement was negotiated, Available Tax Increment may be insufficient to pay the entire principal amount of the TIF Note. Developer further acknowledges that estimates of Tax Increment prepared by the City or its financial advisors in connection with the TIF District or this Agreement are for the benefit of the City and are not intended as representations on which the Developer may rely. If the cost of the Project exceeds the principal amount of the TIF Note, such excess is the sole responsibility of the Developer.

Section 3.4 Administrative Costs. The Parties agree and understand that the City will reimburse itself for its Legal and Administrative Expenses, from and to the extent of the 10 percent portion of Tax Increments that are not pledged to the TIF Note.

Section 3.5 Records. The City and its representatives shall have the right at all reasonable times after reasonable notice to inspect, examine and copy all books and records of the Developer relating to the Project and this Agreement.

Section 3.6 Continued Operation. The Developer shall continue to own and operate the Development Property and devote it to multi-family residential uses for the duration of this Agreement.

Section 3.7 Affordability Requirements. The Developer shall comply with all income requirements imposed by Minn. Stat. § 469.1761 for the duration of this Agreement.

## EXECUTION VERSION

Section 3.8 Restriction on Nonresidential Use. The Developer shall devote no more than 20 percent of the square footage of the building constructed as part of the Project to commercial, retail, or other nonresidential uses.

Section 3.9 Management Plan. The Developer, with respect to its management of the Project on the Development Property, as well as any other multi-family residential structure owned by the Developer or any Affiliates within the City, shall comply with all applicable regulations in City Code, including but not limited to the City's Rental Housing Code (City Code Ch. 6.5, Article II), Property Maintenance Code (City Code Ch. 6.5, Article IV), Nuisance Code (City Code Ch. 9), and Solid Waste Ordinance (City Code Ch. 12), and shall further implement and adhere to the Management Plan attached hereto as Exhibit E and incorporated herein by reference.

*[The remainder of this page is intentionally left blank]*

ARTICLE 4. CONSTRUCTION OF PROJECT

Section 4.1 Construction of Project Improvements. The Developer agrees that it will construct the Project on the Development Property in accordance with the Construction Plans and at all times prior to the Maturity Date will operate and maintain, preserve, and cause such facility to be maintained, preserved and kept with the appurtenances and every part and parcel thereof, in good repair and condition and in compliance with all City and State codes, laws, and regulations. The City shall not have any obligation to operate or maintain the Project.

Section 4.2 Construction Plans. The Developer shall submit the Construction Plans for the Project to the City, and the City shall review and approve the same if it finds that the Construction Plans adequately provide for the construction of the Project and are in conformity with the Development Plan, this Agreement, and all applicable State and local laws and regulations. The Developer may not commence work on either the Project until such time as the City has approved the Construction Plans therefore. Approval by the City Representative does not relieve the Developer of the obligation to comply with the terms of this Agreement or of the Development Plan, applicable federal, state, and local laws, ordinances, rules, and regulations, or to construct the Project in accordance therewith.

Section 4.3 Commencement and Completion of Construction. The Developer owns the Development Property and shall construct the Project. Subject to Unavoidable Delays, construction of the Project on the Development Property shall commence by July 1, 2022 and be substantially completed by October 1, 2023. Construction is considered to be commenced upon the beginning of physical improvements beyond grading. All work with respect to the Project to be constructed or provided by the Developer on the Development Property shall be in substantial compliance and conformity with the construction plans as submitted by the Developer and approved by the City.

Section 4.4 Certificate of Completion. Promptly after substantial completion of the Project in accordance with those provisions of this Agreement, the City will furnish the Developer with a Certificate of Completion in substantially the form attached as Exhibit C. Such certificate by the City shall be a conclusive determination of satisfaction and termination of the agreements and covenants in this Agreement to construct the Project and the date for completion thereof. Such certification and such determination shall not constitute evidence of compliance with or satisfaction of any obligation of the Developer to any holder or any insurer of a mortgage securing money loaned to finance the Project, or any part thereof.

Section 4.5 Certificate of Occupancy. The construction of the Project will be considered substantially complete once the Developer has received a certificate of occupancy from the City for the structure to be constructed as part of the Project.

ARTICLE 5. INSURANCE

Section 5.1 Required Insurance During Construction. The Developer will provide and maintain at all times during the process of constructing the Project an All Risk Broad Form Basis Insurance Policy and from time to time during that period at the request of the City, furnish the City with proof of payment of premiums on policies covering the following:

(a) Builder's risk insurance, written on the so-called "Builder's Risk - Completed Value Basis," in an amount equal to 100 percent of the insurable value of the Project at the date of completion, and with coverage available in nonreporting form on the so-called "all risk" form of policy.

(b) Commercial general liability insurance (including operations, contingent liability, operations of subcontractors, completed operations, and contractual liability insurance) together with limits against bodily injury and property damage of not less than \$2,000,000 for each occurrence (to accomplish the above-required limits, an umbrella excess liability policy may be used). The City shall be listed as an additional insured on the policy; and

(c) Workers' compensation insurance, with statutory coverage.

Section 5.2 Post-Construction Required Insurance. Upon completion of construction of the Project and prior to the Maturity Date, the Developer shall maintain, or cause to be maintained, at its cost and expense, and from time to time at the request of the City shall furnish proof of the payment of premiums on, insurance as follows:

(a) Insurance against loss and damage to the Project under a policy or policies covering such risks as are ordinarily insured in accordance with prudent, reasonable business practices by similar businesses.

(b) Commercial general public liability insurance, including personal injury liability (with employee exclusion deleted), against liability for injuries to persons and/or property, in the minimum amount for each occurrence and for each year of \$2,000,000, and shall be endorsed to show the City as additional insured.

(c) Such other insurance, including workers' compensation insurance covering all employees of the Developer, in such amount as is customarily carried by like organizations engaged in like activities of comparable size and liability exposure; provided that the Developer may be self-insured with respect to all or any part of its liability.

Section 5.3 Evidence of Required Insurance. All insurance required in this Article 5 of this Agreement shall be taken out and maintained in responsible insurance companies selected by the Developer which are authorized under the laws of the State to assume the risks covered thereby. Upon request, the Developer will deposit annually with the City certificates evidencing all such insurance and stating that such insurance is in force and effect. Unless otherwise provided in this Article 5 of this Agreement, each policy shall contain a provision that the insurer shall not cancel nor modify it in such a way as to reduce the coverage provided below the

amounts required herein without giving written notice to the Developer and the City at least 30 days before the cancellation or modification becomes effective. In lieu of separate policies, the Developer may maintain a single policy, blanket or umbrella policies, or a combination thereof, having the coverage required herein, in which event the Developer shall deposit with the City a certificate or certificates of the respective insurers as to the amount of coverage in force upon the Project.

Section 5.4 Damage; Duty to Notify and Repair. The Developer agrees to notify the City immediately in the case of damage exceeding \$100,000 in amount to, or destruction of, the Project or any portion thereof resulting from fire or other casualty. In such event occurring prior to the Maturity Date the Developer will upon receipt of insurance proceeds forthwith repair, reconstruct and restore the Project to substantially the same or an improved condition or value as it existed prior to the event causing such damage and, to the extent necessary to accomplish such repair, reconstruction and restoration, the Developer will apply the net proceeds of any insurance relating to such damage received by the Developer to the payment or reimbursement of the costs thereof. The Developer shall complete the repair, reconstruction and restoration of the Project, whether or not the net proceeds of insurance received by the Developer for such purposes are sufficient to pay for the same. Any net proceeds remaining after completion of such repairs, construction and restoration shall be the property of the Developer.

Section 5.5 Failure to Repair; Termination of TIF Note. Notwithstanding anything to the contrary contained in this Agreement, in the event of damage to the Project in excess of \$100,000 and the Developer fails to complete any repair, reconstruction or restoration of the Project within one year from the date of damage or receipt of insurance proceeds whichever is later, and subject to Unavoidable Delay, the City may, at its option, terminate the TIF Note upon delivery to the Developer of not less than 30 days' prior written notice of the City's intention to terminate this Agreement. If the City terminates the TIF Note, such termination shall constitute the City's sole remedy under this Agreement as a result of the Developer's failure to repair, reconstruct or restore the Project. Thereafter, the City shall have no further obligations to make any payments under the TIF Note.

Section 5.6 Termination of Insurance. The Developer and the City agree that all of the insurance provisions set forth in this Article 5 shall terminate upon the termination of this Agreement.

*[The remainder of this page is intentionally left blank]*

ARTICLE 6. TAX INCREMENT; TAXES

Section 6.1 Right to Collect Delinquent Taxes. The Developer acknowledges that the City is providing substantial aid and assistance in furtherance of developing the Project through issuance of the TIF Note. The Developer understands that the Tax Increments pledged to the TIF Note are derived from real estate taxes on the Development Property, which taxes must be promptly and timely paid. To that end, the Developer agrees for itself, its successors and assigns, in addition to the obligation pursuant to statute to pay real estate taxes, that it is also obligated by reason of this Agreement, prior to the Maturity Date, to pay before delinquency all real estate taxes assessed against the Development Property and the Project thereon. The Developer acknowledges that this obligation creates a contractual right on behalf of the City to sue the Developer or its successors and assigns to collect delinquent real estate taxes and any penalty or interest thereon and to pay over the same as a tax payment to the county auditor. In any such suit, the City shall also be entitled to recover its reasonable costs, expenses and attorney fees.

Section 6.2 Reduction of Taxes. The Developer agrees that prior to the Maturity Date, it will not cause a reduction in the real property taxes paid in respect of the Development Property through: (a) willful destruction of the Development Property or any part thereof; (b) willful refusal to reconstruct damaged or destroyed property, except to the extent otherwise provided in Section 5.4; (c) apply for an abatement or deferral of real property tax under any law or otherwise cause the Development Property to become exempt from real property taxes; or (d) subject to Article 7, convey or transfer or allow conveyance or transfer of the Development Property to any entity that is exempt from payment of real property taxes under State law.

*[The remainder of this page is intentionally left blank]*



ARTICLE 7. PROHIBITIONS AGAINST ASSIGNMENT AND TRANSFER;  
INDEMNIFICATION

Section 7.1 Prohibition Against Developer's Transfer of Property and Assignment of Agreement. The Developer represents and agrees that prior to issuance of the Certificate of Completion for the Project:

(a) Except only by way of security for, and only for, the purpose of obtaining financing necessary to enable the Developer or any successor in interest to the Development Property, or any part thereof, to perform its obligations with respect to constructing the Project under this Agreement, and any other purpose authorized by this Agreement, the Developer has not made or created and will not make or create or suffer to be made or created any total or partial sale, assignment, conveyance, or lease, or any trust or power, or transfer in any other mode or form of or with respect to the Agreement or the Development Property or any part thereof or any interest therein, or any contract or agreement to do any of the same, without the prior written approval of the City unless the Developer remains liable and bound by this Agreement in which event the City's approval is not required. Any such transfer shall be subject to the provisions of this Agreement.

(b) In the event the Developer, upon transfer or assignment of the Development Property or any portion thereof, seeks to be released from its obligations under this Agreement as to the portion of the Development Property that is transferred or assigned, the City shall be entitled to require, except as otherwise provided in the Agreement, as conditions to any such release that:

(1) Any proposed transferee shall have the qualifications and financial responsibility, in the reasonable judgment of the City, necessary and adequate to fulfill the obligations undertaken in this Agreement by the Developer as to the portion of the Development Property to be transferred.

(2) Any proposed transferee, by instrument in writing satisfactory to the City and in form recordable among the land records, shall, for itself and its successors and assigns, and expressly for the benefit of the City, have expressly assumed all of the obligations of the Developer under this Agreement as to the portion of the Development Property to be transferred and agreed to be subject to all the conditions and restrictions to which the Developer is subject as to such portion; provided, however, that the fact that any transferee of, or any other successor in interest whatsoever to, the Development Property, or any part thereof, shall not, for whatever reason, have assumed such obligations or so agreed, and shall not (unless and only to the extent otherwise specifically provided in this Agreement or agreed to in writing by the City deprive the City of any rights or remedies or controls with respect to the Development Property or any part thereof or the construction of the Project; it being the intent of the Parties as expressed in this Agreement that (to the fullest extent permitted at law and in equity and excepting only in the manner and to the extent specifically provided otherwise in this Agreement) no transfer of, or change with respect to, ownership in the Development Property or any part thereof, or any interest therein, however consummated or occurring, and whether voluntary or involuntary, shall operate, legally or practically, to deprive or limit the City of or with respect to any rights or

remedies on controls provided in or resulting from this Agreement with respect to the Project had there been no such transfer or change. In the absence of specific written agreement by the City to the contrary, no such transfer or approval by the City thereof shall be deemed to relieve the Developer, or any other party bound in any way by this Agreement or otherwise with respect to the construction of the Project, from any of its obligations with respect thereto.

(3) Any and all instruments and other legal documents involved in effecting the transfer of any interest in this Agreement or the Development Property governed by this Article 7, shall be in a form reasonably satisfactory to the City. In the event the foregoing conditions are satisfied then the Developer shall be released from its obligation under this Agreement, as to the portion of the Development Property that is transferred, assigned, or otherwise conveyed. After issuance of the Certificate of Completion for the Project, the Developer may transfer or assign any portion of the Development Property or the Developer's interest in this Agreement without the prior written consent of the City, provided that the transferee or assignee is bound by all the Developer's obligations hereunder. The Developer shall submit to the City written evidence of any such transfer or assignment, including the transferee or assignee's express assumption of the Developer's obligations under this Agreement. If the Developer fails to provide such evidence of transfer and assumption, the Developer shall remain bound by all its obligations under this Agreement.

Section 7.2 Release and Indemnification Covenants.

(a) Except for any intentional misconduct or negligence of any of the Indemnified Parties (defined below), the Developer releases from and covenants and agrees that the City and the Indemnified Parties shall not be liable for and agrees to indemnify the Indemnified Parties against any loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect in the Project.

(b) Except for any willful misrepresentation or any willful or wanton misconduct or negligence of the Indemnified Parties as hereinafter defined, the Developer agrees to indemnify the City and the governing body members, officers, agents, servants and employees thereof acting in their capacity as such and not in their individual capacity (collectively, the "Indemnified Parties"), now or forever, and further agrees to hold the Indemnified Parties harmless from any claim, demand, suit, action or other proceeding whatsoever by any person or entity whatsoever arising or purportedly arising from Developer's obligations pursuant to this Agreement, or the construction, installation, ownership, maintenance and operation of the Project.

(c) Except for any willful misrepresentation or any willful or wanton misconduct or negligence of the Indemnified Parties, and except for any breach by any of the Indemnified Parties of their obligations under this Agreement or applicable laws, the Indemnified Parties shall not be liable for any damage or injury to the persons or property of the Developer or its officers, agents, servants, or employees or any other person who may be about the Development Property or the Project.

**EXECUTION VERSION**

(d) All covenants, stipulations, promises, agreements, and obligations of the City contained herein shall be deemed to be the covenants, stipulations, promises, agreements, and obligations of the City and not of any governing body member, officer, agent, servant, or employee of the City in the individual capacity thereof.

Section 7.3 Subordination. To facilitate the Developer obtaining financing for the Development of the Project, the City shall subordinate its rights under this Agreement to the Holder of any Mortgage, in accordance with such reasonable terms and conditions as required by the Holder of a Mortgage.

Notwithstanding anything to the contrary in this Agreement, without the prior written approval of the City, (i) transfers of direct and indirect ownership interests in the Developer shall be permitted, (ii) the Developer may obtain construction and/or permanent financing for the Development Property (including, without limitation, in favor of a Holder of a Mortgage), and the Developer's rights under this Agreement and/or the TIF Note may be assigned or collaterally assigned to a Holder of a Mortgage, (iii) a Holder of a Mortgage or an entity it controls, is controlled by, or under common control with, may exercise any rights it may have to acquire the Development Property, and (iv) the Developer may enter into leases, easements, and other agreements affecting the Development Property in the ordinary course of business.

*[The remainder of this page is intentionally left blank]*

ARTICLE 8. EVENTS OF DEFAULT

Section 8.1 Events of Default Defined. The following shall be “Events of Default” under this Agreement and the term “Event of Default” shall mean, whenever it is used in this Agreement any one or more of the following events (unless the context otherwise provides):

- (a) Failure by the Developer to materially observe or perform any covenant, condition, obligation, or agreement on its part to be observed or performed under this Agreement, subject to Unavoidable Delays.
- (b) Failure by the Developer to cause the construction of the Project to be completed pursuant to the terms, conditions, and limitations of this Agreement.
- (c) Failure by the Developer to timely pay any ad valorem property taxes assessed with respect to the Development Property, or any part thereof.
- (d) If the Developer shall (1) file any petition in bankruptcy or for any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under the United States Bankruptcy Act or under any similar federal or State law; or (2) make an assignment for benefit of its creditors; or (3) admit in writing its inability to pay its debts generally as they become due; or be adjudicated as bankrupt or insolvent.
- (e) Notwithstanding anything to the contrary set forth in this Agreement the members of the Developer and lenders providing financing for the Project shall have the right, but not the obligation, to cure an Event of Default during any relevant cure period in the event the Developer fails to cure such default.

Section 8.2 Remedies on Default. Whenever any Event of Default referred to in Section 8.1 of this Agreement occurs, the City, as specified below, may exercise its rights under this Section 8.2 after providing 60 days’ written notice to the defaulting party of the Event of Default, but only if the Event of Default has not been cured within said thirty days or, if the Event of Default is by its nature incurable within 60 days, the defaulting party does not provide assurances reasonably satisfactory to the non-defaulting party that the Event of Default will be cured and will be cured as soon as reasonably possible:

- (a) Suspend its performance under the Agreement and the TIF Note until it receives assurances that the defaulting party will cure the Event of Default and continue its performance under the Agreement.
- (b) In the case of an Event of Default by Developer, the City may cancel and rescind or terminate the TIF Note and the Agreement.
- (c) Take whatever action, including legal, equitable or administrative action, which may appear necessary or desirable to collect any payments due under this Agreement, or to enforce performance and observance of any obligation, agreement, or covenant under this Agreement.

## EXECUTION VERSION

Section 8.3 No Remedy Exclusive. No remedy herein conferred upon or reserved to the City or Developer is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. To entitle the City to exercise any remedy reserved to it, it shall not be necessary to give notice, other than such notice as may be required in this Article 8.

Section 8.4 No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

*[The remainder of this page is intentionally left blank]*

ARTICLE 9. GENERAL PROVISIONS

Section 9.1 Binding Effect. This Agreement binds and benefits the Parties and their successors and assigns.

Section 9.2 Voluntary and Knowing Action. The Parties, by executing this Agreement, state that they have carefully read this Agreement and understand fully the contents thereof; that in executing this Agreement they voluntarily accept all terms described in this Agreement without duress, coercion, undue influence, or otherwise, and that they intend to be legally bound thereby.

Section 9.3 Authorized Signatories. The Parties each represent and warrant to the other that (1) the persons signing this Agreement are authorized signatories for the entities represented, and (2) no further approvals, actions or ratifications are needed for the full enforceability of this Agreement against it unless expressly stated herein; each party indemnifies and holds the other harmless against any breach of the foregoing representation and warranty.

Section 9.4 City Representatives Not Individually Liable. No member, official, or employee of the City shall be personally liable to the Developer, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the Developer or successor or on any obligations under the terms of the Agreement.

Section 9.5 Equal Employment Opportunity. The Developer, for itself and its successors and assigns, agrees that during the construction of the Project provided for in the Agreement it will comply with all applicable federal, state and local equal employment and non-discrimination laws and regulations.

Section 9.6 Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision. Any invalid or unenforceable provision shall be deemed severed from this Agreement to the extent of its invalidity or unenforceability, and this Agreement shall be construed and enforced as if the Agreement did not contain that particular provision to the extent of its invalidity or unenforceability.

Section 9.7 Governing Law. This Agreement shall be deemed to have been made and accepted in Kandiyohi County, Minnesota, and the laws of the State of Minnesota shall govern any interpretations or constructions of the Agreement without regard to its choice of law or conflict of laws principles.

Section 9.8 Records—Availability and Retention. Pursuant to Minn. Stat. § 16C.05, subd. 5, the Developer agrees that the City, State Auditor, or any of their duly authorized representatives at any time during normal business hours and as often as they may reasonably deem necessary, shall have access to and the right to examine, audit, excerpt, and transcribe any books, documents, papers, records, etc., which are pertinent to the accounting practices and procedures of the Developer and involve transactions relating to this Agreement. The Developer

## EXECUTION VERSION

agrees to maintain these records for a period of six years from the date of termination of this Agreement.

Section 9.9 Data Practices. The Parties acknowledge that this Agreement is subject to the requirements of Minnesota's Government Data Practices Act, Minnesota Statutes, Section 13.01 *et seq.*

Section 9.10 Recording. The City will record this Agreement and any amendments thereto with the office of the county recorder for Kandiyohi County. The Developer shall pay all costs for recording.

Section 9.11 Notice of Status and Conformance. The City agrees from time to time, upon not less than thirty days' prior written notice by Developer, to execute, acknowledge and deliver, without charge, to Developer a statement in writing certifying, to the extent true, that this Agreement is unmodified, the outstanding principal amount of the TIF Note, that the City has not received or given any notice of default, that to the knowledge of the City no event of default exists hereunder (or if any such event of default does exist, specifying the same and stating that the same has been cured, if such be the case), and that the City to its knowledge, has no claims against the Developer hereunder. It is the intention of this Section to provide a mechanism for obtaining estoppel certificates which may be requested by Developer's mortgagee or any transferee (or prospective transferee) of the TIF Note.

Section 9.12 Amendment. This Agreement may be amended only by a written agreement signed by all parties hereto.

Section 9.13 Restrictions on Use. The Developer agrees for itself, its successors and assigns and every successor in interest to the Development Property, or any part thereof, that the Developer and such successors and assigns shall devote the Development Property to, and in accordance with, the multi-family residential uses specified in this Agreement.

Section 9.14 Conflicts of Interest. No member of the governing body or other official of the City shall have any financial interest, direct or indirect, in this Agreement, the Development Property or the Project, or any contract, agreement or other transaction contemplated to occur or be undertaken thereunder or with respect thereto, nor shall any such member of the governing body or other official participate in any decision relating to the Agreement which affects his or her personal interests or the interests of any corporation, partnership or association in which he or she is directly or indirectly interested. No member, official or employee of the City shall be personally liable to the City in the event of any default or breach by the Developer or heir or on any obligations under the terms of this Agreement.

Section 9.15 Titles of Articles and Sections. Any titles of the several parts, articles, and sections of the Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 9.16 Notices and Demands. Except as otherwise expressly provided in this Agreement, a notice, demand, or other communication under this Agreement by any party to any

**EXECUTION VERSION**

other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally, and

- (a) in the case of the Developer is addressed to or delivered personally to:

AEHN LLC  
619 Highway 71 NE  
Willmar, MN 56201

- (b) in the case of the City is addressed to or delivered personally to:

City Administrator  
City of Willmar  
333 6<sup>th</sup> Street Southwest  
Willmar, MN 56201

or at such other address with respect to any such party as that party may, from time to time, designate in writing and forward to the other, as provided in this Section.

Section 9.17 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 9.18 Expiration. This Agreement shall terminate and expire on the Maturity Date unless earlier terminated or rescinded in accordance with its terms.

Section 9.19 Provisions Surviving Rescission or Expiration. Sections 7.2 and 7.3 shall survive any rescission, termination, or expiration of this Agreement with respect to or arising out of any event, occurrence or circumstance existing prior to the date thereof.

*[The remainder of this page is intentionally left blank]*



**EXECUTION VERSION**

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed effective as of the day and year first set forth above.

**AEHN LLC**, a Minnesota limited liability company

By: \_\_\_\_\_  
Gabe Olson, Its Managing Member

Date: \_\_\_\_\_

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by Gabe Olson, as the Managing Member of AEHN LLC, a Minnesota limited liability company, on behalf of the limited liability company.

\_\_\_\_\_  
Notary Public

**EXECUTION VERSION**

**CITY OF WILLMAR, MINNESOTA**

By: \_\_\_\_\_  
Marvin Calvin, Its Mayor

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Leslie Valiant, Its City Administrator

Date: \_\_\_\_\_

STATE OF MINNESOTA            )  
  ) ss.  
COUNTY OF KANDIYOHI        )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by Marvin Calvin, as Mayor, and Leslie Valiant, as City Administrator, for the City of Willmar, Minnesota.

\_\_\_\_\_  
Notary Public

**EXHIBIT A**

**LEGAL DESCRIPTION OF DEVELOPMENT PROPERTY**

Parcel Number 95-909-0120:

The South 370 feet of the West Half of Northeast Quarter of Northwest Quarter of Section 9, Township 119, Range 35, except the East 220 feet thereof, Kandiyohi County, Minnesota

Parcel Number 95-909-0112 and -01113:

The West Half of Northeast Quarter of Northwest Quarter of Section 9, Township 119, Range 35, except the North 622 feet and except the South 370 feet and except the East 220 feet thereof, Kandiyohi County, Minnesota

**EXHIBIT B**

**DEPICTION OF DEVELOPMENT PROPERTY**



**EXHIBIT C**

**CERTIFICATE OF COMPLETION**

The undersigned hereby certifies that AEHN LLC (“Developer”) has fully complied with its obligations under Article 3 of that document entitled “Tax Increment Development Agreement,” dated \_\_\_\_\_, 2021, (the “Development Agreement”) by and between the City of Willmar, Minnesota and the Developer, with respect to construction of the Project in accordance with the Construction Plans, and that Developer is released and forever discharged from its obligations to construct the Project under Article 3, but all other covenants under the Development Agreement remain in full force and effect.

**CITY OF WILLMAR**

Dated: \_\_\_\_\_, 20\_\_\_\_\_.

By: \_\_\_\_\_  
Mayor

Dated: \_\_\_\_\_, 20\_\_\_\_\_.

By: \_\_\_\_\_  
City Administrator

STATE OF MINNESOTA            )  
  ) ss.  
COUNTY OF KANDIYOHI        )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_, as Mayor, and \_\_\_\_\_, as City Administrator, for the City of Willmar, Minnesota.

\_\_\_\_\_  
Notary Public

**EXHIBIT D**

**FORM OF LIMITED REVENUE TAX INCREMENT NOTE**

**UNITED STATE OF AMERICA  
STATE OF MINNESOTA  
COUNTY OF KANDIYOHI  
CITY OF WILLMAR**

**TAX INCREMENT REVENUE NOTE OF 2021  
(AEHN LLC – SUITE LIV’N RIDGEWATER PROJECT)**

**PRINCIPAL AMOUNT: \$1,490,100.00**

**INTEREST RATE: 0.00%**

**DATE OF ORIGINAL ISSUE: \_\_\_\_\_, 20\_\_\_\_\_**

The City of Willmar, Minnesota (the “City”) hereby acknowledges itself to be indebted and, for value received, hereby promises to pay the amounts hereinafter described (the “Payment Amounts”) to AEHN LLC, a Minnesota limited liability company (the “Developer”), or its registered assigns (the “Registered Owner”), but only in the manner, at the times, from the sources of revenue, and to the extent hereinafter provided.

The principal amount of this Note shall equal from time to time the principal amount stated above without interest, as reduced to the extent that such principal installments shall have been paid in whole or in part pursuant to the terms hereof; provided that the sum of the principal amount listed above shall in no event exceed \$1,490,100.00 as provided in that certain Tax Increment Development Agreement, dated as of \_\_\_\_\_, 20\_\_, as the same may be amended from time to time (the “Development Agreement”), by and between the City and the Developer.

The annual amount due under this Note shall be payable, and semi-annually thereafter on February 1 and August 1 of each year, commencing on August 1, 2024, and thereafter to and including February 1, 2039 (30 semi-annual payments,) or, if the first should not be a regular business day, the next succeeding regular business day (the “Payment Dates”). No interest shall accrue on the unreimbursed portion of Reimbursable Expenses. At least thirty days in advance of each Payment Date, the Developer shall submit an invoice to the City indicating the amount of the increment payment due on the Payment Date, which shall equal the sum of the Available Tax Increments (defined below) received by the City during the six-month period preceding such Payment Date. Thereafter, on each Payment Date the City shall pay the Available Tax Increments to the then current Registered Owner set forth in the Certification of Registration attached to this Note, at the address set forth in the Certification of Registration for such Registered Owner.

The Payment Amounts due hereon shall be payable solely from 90 percent of the Tax Increment attributable to the Development Property and the Project thereto within the TIF District (the "Available Tax Increment"), that is paid to the City by Kandiyohi County in the six-month period preceding the Payment Date, and which the City is entitled to retain pursuant to the provisions of the TIF Act, all as such terms are defined in the Development Agreement. The City shall have no obligation to pay principal of this Note on each Payment Date from any source other than Available Tax Increment and the failure of the City to pay the entire amount of principal on this Note on any Payment Date shall not constitute a default hereunder as long as the City pays principal hereon to the extent of Available Tax Increment. The City shall have no obligation to pay unpaid balance of principal that may remain after the final Payment on February 1, 2039 except from Available Tax Increment attributable to property taxes paid in 2038 or any prior years.

This Note shall terminate and be of no further force and effect following: (i) the last Payment Date defined above, (ii) on any date upon which the City shall have terminated the Development Agreement under Section 8.2 (b) thereof, (iii) on the date the TIF District is terminated, or (iv) on the date that all principal payable hereunder shall have been paid in full (in an aggregate principal amount not to exceed \$1,490,100.00), whichever occurs earliest.

The City makes no representation or covenant, express or implied, that the Tax Increments will be sufficient to pay, in whole or in part, the amounts which are or may become due and payable hereunder. The City's payment obligations hereunder shall be further conditioned on the facts that no Event of Default under the Development Agreement shall have occurred and be continuing at the time payment is otherwise due hereunder, and that the Developer be in compliance with Section 3.9 thereof, but such unpaid amounts shall become immediately due and payable if said Event of Default or noncompliance with Section 3.9 shall be cured; and, further, if pursuant to the occurrence of an Event of Default under the Development Agreement the City cancels and rescinds the Development Agreement, the City shall have no further debt or obligation under this Note whatsoever. Reference is hereby made to all of the provisions of the Development Agreement, including without limitation Sections 3.2 and 3.3 thereof, for a fuller statement of the rights and obligations of the City to pay the principal of this Note, and said provisions are hereby incorporated into this Note as though set out in full herein.

This Note is a special, limited revenue obligation and not a general obligation of the City and is payable by the City only from the sources and subject to the qualifications stated or referenced herein. This Note is not a general obligation of the City and neither the full faith and credit nor the taxing powers of the City are pledged to the payment of the principal of this Note and no property or other asset of the City, save and except the above-referenced Tax Increments, is or shall be a source of payment of the City's obligations hereunder.

The principal sum of this Note is prepayable in whole or in part at any time by the City without premium or penalty. No partial prepayment shall affect the amount or timing of any other regular payment otherwise required to be made under this Note.

This Note is issued by the City in aid of financing a project pursuant to and in full conformity with the Constitution and laws of the State of Minnesota, including the Tax Increment Financing Act.

This Note may be assigned only upon an assignment of the Development Agreement as permitted therein, or with the consent of the City, which consent shall not be unreasonably withheld. In order to assign the Note, the assignee shall surrender the same to the City either in exchange for a new fully registered note or for transfer of this Note on the Certification of Registration for the Note maintained by the City and attached to this Note. Each permitted assignee shall take this Note subject to the foregoing conditions and subject to all provisions stated or referenced herein.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions, and things required by the Constitution and laws of the State of Minnesota to be done, to have happened, and to be performed precedent to and in the issuance of this Note have been done, have happened, and have been performed in regular and due form, time, and manner as required by law; and that this Note, together with all other indebtedness of the City outstanding on the date hereof and on the date of its actual issuance and delivery, does not cause the indebtedness of the City to exceed any constitutional or statutory limitation thereon.

IN WITNESS WHEREOF, the City Council of the City of Willmar has caused this Note to be executed with the manual signatures of its Mayor and City Administrator, all as of the Date of Original Issue specified above.

**CITY OF WILLMAR**

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Mayor

---

City Administrator

This document drafted by:  
FLAHERTY & HOOD, P.A.  
525 Park Street, Suite 470  
St. Paul, MN 55103  
(651) 225-8840



**CERTIFICATION OF REGISTRATION**

It is hereby certified that the foregoing Note was registered, on the date of original issue, in the name of AEHN LLC, a Minnesota limited liability company, and that, at the request of the Registered Owner of this Note, the undersigned has this day registered the Note in the name of such Registered Owner, as indicated in the registration blank below, on the books kept by the undersigned for such purposes.

<b>NAME AND ADDRESS OF REGISTERED OWNER</b>	<b>DATE OF REGISTRATION</b>	<b>SIGNATURE OF CITY CITY CLERK</b>
AEHN LLC 619 Highway 71 NE Willmar, MN 56201		

## **EXHIBIT E**

### **PROPERTY MANAGEMENT PLAN**

#### **Suite Liv'n Proposed Management Protocols, City of Willmar**

##### **Article I. Responsiveness to Outstanding Issues**

Suite Liv'n will immediately solicit information from Willmar staff concerning any outstanding property management problems. Those issues will be addressed expeditiously and as a matter of priority. Since an expeditious response necessarily varies by the type of issue, we understand that to mean that it will be addressed on a time frame that reflects a sense of urgency without being unreasonable, and that the time frame will be determined through discussion and mutual agreement between Willmar staff and Suite Liv'n management.

##### **Article II. Strategies Relative to Recurrent Issues**

Given the documentation received by Suite Liv'n, it appears that the City may consider reports of trash or debris at some properties as a recurrent issue. We can commit to establishing an internal protocol of addressing a garbage complaint within 24 hours.

Additionally, we want to know whether there are other issues that City staff considers to be recurrent. If there are other issues that are recurrent in the view of City staff, we can commit to developing an ongoing protocol for our response to those matters that is satisfactory to the City of Willmar.

##### **Article III. Building Communication Proactively**

Given the significant presence of our properties in Willmar, we propose to meet annually with City staff to talk about how things are going with Suite Liv'n managed properties. Suite Liv'n would attend this meeting with both a principal (generally Gabe Olson) and/or its director of property management. We see these meetings as a proactive opportunity to build a collaborative relationship and stay on the same page with respect to expectations.

##### **Article IV. Snow Removal**

To address this issue a meeting was held with Suite Liv'n (Gabe Olson), Sean Christensen, and Gary Manzer. It was very productive and insight from both parties was well received. A solution of greater communication and future planning closer to winter was established. With Suite Liv'n being willing to wait for the city streets to be plowed before clearing the parking lots. And the city being willing to try to prioritize the streets in their route to accommodate. Both parties were happy with the result.

**FORM G – APPLICATION FOR TAX INCREMENT FINANCING (TIF)**  
**City of Willmar**

- Tax Increment Financing (TIF) is a tool used to encourage development, create or retain jobs, redevelop blighted areas, remediate polluted sites, and construct affordable housing
- Intended for development that would not normally occur but for assistance
- Annual property tax increases are frozen at the current tax level
- Tax increases after the TIF is created are “captured” to pay off internal or external project financing, such as:
  - (a) External borrowing (Bonds) by the TIF Authority,
  - (b) External borrowing by the Developer – aka a “Pay-As-You-Go” note, or
  - (c) Internal borrowing by the TIF Authority – such as an Interfund Loan (City borrows from another City fund)
- Tax Increment districts have a limited duration which varies based on the type of district
  - TIF Authorities can specify a shorter duration in the TIF Plan OR decertify by resolution once all obligations have been paid
- Once a TIF District has been decertified, the full ad valorem taxes then go to all taxing authorities

**A. APPLICANT INFORMATION**

Name of Corporation/Partnership AEHN LLC

Address 619 Highway 71 NE, Willmar, MN 56201

Primary Contact Thomas Leighton, Tangible Consulting Services

Address 2652 38th Ave S, Minneapolis, MN 55406

Phone 612-298-6559 Fax \_\_\_\_\_ Email tom@tangibleconsulting.com

On a separate sheet, please provide the following:

- Brief description of the corporation/partnership’s business, including history, principal product or service, etc. Attach as **Exhibit A**.
- Brief description of the proposed project. Attach as **Exhibit B**.
- List names of officers and shareholders/partners with more than five percent (5%) interest in the corporation/partnership. **Attach as Exhibit C**
- A *but-for* analysis. **Attach as Exhibit D**.

Attorney Name Amy DuMond Kottke, Hinshaw & Culbertson LLP

Address 333 South 7th Street, Suite 2000, Minneapolis, MN 55402

Phone 612-334-2640 Fax \_\_\_\_\_ Email akottke@hinshawlaw.com

Accountant Name Patrick Murry, Murry & Associates, LLC

Address 7575 Golden Valley Road, Suite 119, Golden Valley, MN 55427

Phone \_\_\_\_\_ Fax \_\_\_\_\_ Email pmurry@murryllc.com

Contractor Name Larson Building

Address 200 1st St. S., Buffalo, MN 55313

Phone 763-634-5600 Fax \_\_\_\_\_ Email mike.anderson@larsonbuilding.com

Engineer Name n/a

Address \_\_\_\_\_

Phone \_\_\_\_\_ Fax \_\_\_\_\_ Email \_\_\_\_\_

Architect Name Mahler & Associates Architecture

Address 325 N. 33rd Ave., Suite 107, St. Cloud, MN 56303

Phone 320-257-2724 Fax 320-257-2725 Email gmahler@mahlerarchitecture.com

## B. PROJECT INFORMATION

The project will be:

<input type="checkbox"/> Industrial Greenfield:	<input type="checkbox"/> New Construction	<input type="checkbox"/> Expansion
<input type="checkbox"/> Commercial Redevelopment:	<input type="checkbox"/> New Construction	<input type="checkbox"/> Rehabilitation
<input type="checkbox"/> Industrial Redevelopment:	<input type="checkbox"/> New Construction	<input type="checkbox"/> Rehabilitation
<input type="checkbox"/> Housing Redevelopment:	<input checked="" type="checkbox"/> New Construction	<input type="checkbox"/> Rehabilitation
<input type="checkbox"/> Mixed Use Redevelopment:	<input type="checkbox"/> New Construction	<input type="checkbox"/> Rehabilitation
<input type="checkbox"/> Other _____		

Please explain the basic components of the project proposed, i.e., amount of new commercial square footage, numbers of housing units (rental or owner occupied), etc.

The project consists of 4 new 3-story apartment buildings offering a total of 72 dwelling units.

The dwelling units will be a mix of one bedroom units and two bedroom units. They are being constructed in an area with existing apartment buildings managed by the same owner, so they will be integrated into the same apartment community.

The project will be:  Owner Occupied  Leased Space  Rented to apartment tenants  
(If leased space, please attach a list of names and addresses of future lessees and indicate the status of commitments or lease agreements. **Attach as Exhibit E.**)

Project Address 1209 24th Street NW, and the unassigned address of the parcels on 24th Street NW to the north

Legal Description 1. THE S 370' OF W1/2 OF NE1/4 OF NW1/4 EXC E 220'

2. THE W1/2 OF NE1/4 OF NW1/4 OF SEC 9 EXC N 622' & EXC S 370' & EXC E 220' & EXC W'LY 355'.

3. THE W'LY 355' OF THE FOL DESC PROPERTY: W1/2 OF NE1/4 OF NW1/4 OF SEC 9 EXC N 622' & EXC S 370' & EXC E 220'.

(The numbers above refer to the parcels illustrated on the map in Appendix E)

Site Plan Attached:  Yes  No (See Exhibit E)

Amount of Tax Increment Requested for:	Building Demolition \$ _____
Housing TIF requested, which includes housing construction costs as eligible costs.	Housing Construction \$ <u>\$2,000,000 (\$100,000 x 20 yrs)</u>
This project wouldn't capitalize the TIF revenues through a TIF note to pay for construction costs. Instead it would receive the increment over time as it becomes available.	Public Improvements \$ _____
	Site Improvements \$ _____
	Land Acquisition \$ _____
	(Land Acquisition shall not exceed 50% of total subsidy request)
	Total Subsidy Requested \$ <u>\$2,000,000 (\$100,000 x 20 years)</u>

Current Assessed Value on Project Site:	<u>\$3,017,800</u>	<u>\$8,400</u>	<u>\$35,400</u>
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Current Real Estate Taxes on Project Site:	City	\$ <u>15,406.45</u>	\$ <u>42.88</u>	\$ <u>180.93</u>
	County	\$ <u>22,039.32</u>	\$ <u>62.00</u>	\$ <u>258.50</u>
	School District	\$ <u>12,517.26</u>	\$ <u>35.84</u>	\$ <u>146.95</u>

Estimated <b>Additional</b> Assessed Value upon Completion:	Phase I	\$ <u>7,000,000*</u>
	Phase II	\$ <u>100,000*</u>
Estimated Real Estate Taxes upon Completion:	Phase I	\$ _____
	Phase II	\$ _____

\*For the assessor to calculate. Estimates are based on other recent projects.

Construction Start Date: Summer, 2021

Construction Completion Date: Summer, 2022

If Phased Project:	_____ Year	_____ % Construction Completed
	_____ Year	_____ % Construction Completed

## C. PUBLIC PURPOSE

It is the policy of the City of Willmar that the use of Tax Increment Financing should result in a benefit to the public.

Please indicate how this project will serve a public purpose:

- Job Creation: Number of existing jobs                                 n/a                                  
 Number of jobs created by project                                 90\*                                  
 Average hourly wage of jobs created                                 \$32.13\*                                  
*\*per NAHB study - includes direct and indirect employment*
- Increase in Tax Base
- Enhancement or diversification of the city's economic base.
- New industrial development which will result in additional private investment in the area.
- The project contributes to the fulfillment of the City's development or redevelopment objectives.
- Removal of blight or the rehabilitation of a high profile or priority downtown site.
- Other: Improves immediate neighborhood. Creates housing for the workforce needed to support Willmar's businesses.

## D. SOURCES & USES

See Sources and Uses on Page 1 of Project Proforma.

<b>SOURCES</b>	NAME	AMOUNT
Bank Loan	_____	\$ _____
Other Private Funds	_____	\$ _____
Equity	_____	\$ _____
Fed Grant/Loan	_____	\$ _____
State Grant/Loan	_____	\$ _____
Other Loans	_____	\$ _____
ID Bonds	_____	\$ _____
Tax Increment	_____	\$ <u>                                0                                </u> *
<b>TOTAL</b>		\$ _____

**\*Note: Tax Increment is not an upfront funding source as it will be provided only on a pay-as-you-go basis. Developer needs to identify funding sources to cover ALL costs up front, absent Tax Increment.**

<b>USES</b>	AMOUNT
Land Acquisition	\$ _____
Site Development	\$ _____
Construction	\$ _____
Machinery & Equipment	\$ _____
Architectural & Engineering Fees	\$ _____
Legal Fees	\$ _____
TIF District Creation Escrow Deposit	\$ <u>                                10,000                                </u> **
Interest During Construction	\$ _____
Debt Service Reserve	\$ _____
Contingencies	\$ _____
<b>TOTAL</b>	\$ _____

**\*\*Note: Escrow deposit will be reimbursed to the developer from future tax increment.**



## **Exhibit A – Company Description**

AEHN LLC, the TIF Financing applicant, is the property owner of the three properties involved in the development project. AEHN LLC is a limited liability corporation co-owned by Gabe Olson and Jeff Huston. Gabe Olson and Jeff Huston are also co-owners of Suite Liv'n, the property management company that is responsible for the management of housing developments owned by AEHN LLC. The proposed apartment developments will be owned by AEHN LLC, and managed by Suite Liv'n. The benefit of the two companies having the same ownership is that there is clear responsibility for operations and management of the housing.

Suite Liv'n and its related ownership entities have owned and operated residential rental properties in Willmar since 2010. They range in scale from single family dwellings to 204-unit apartment complexes. The inventory of Suite Liv'n properties in Willmar currently encompasses a total of over 1000 dwelling units. Suite Liv'n also manages properties in Marshall, New London, Pennock, Litchfield, Hutchinson, and Spicer.

## Exhibit B – Project Description

The proposed apartments are intended to meet the needs of Willmar’s growing workforce. Employment in Willmar grew 32% from 2010 to 2018, with much of that growth occurring in the manufacturing, and healthcare/social services sectors. Over 12,000 people commute into Willmar to work, compared with only 5,000 Willmar residents that travel to jobs outside of Willmar.

Housing growth has not kept up, and a broad range of housing is needed. The proposed apartments would provide brand new living units at a rent level that is affordable for many households.

The project consists of two new 12-unit buildings on Parcel 1 (1209 24<sup>th</sup> Street NW, PIN: 95-909-0120), and two new 24-unit buildings on Parcels 2 & 3 (PIN: 95-909-0113 & 95-909-0112), immediately north of Parcel 1 on 24<sup>th</sup> Street.

The two buildings on Parcel 1 will both be 12 unit, 3-story buildings, consistent with the scale of the existing six buildings on that property. The two buildings on Parcels 2 & 3 will be 24 unit, 3-story buildings. Parking is provided in surface parking lots. Building facades offer variety in colors and patterns to break up the mass of the buildings and improve their visual interest.

### Community Impact

Beyond the fact of providing much needed new housing at an attractive price point, three aspects of the project provide additional benefits to the community.

1. **It will provide affordable housing.** As part of establishing a housing tax increment financing district, 40% of the dwelling units in the development would be made affordable to households making 60% of the area median income.
2. **It creates an apartment community.** By developing the key vacant lot between a set of apartment properties that are already in our ownership, we see an opportunity to develop a set of features that would be made available to all of our tenant households, to the north and south and northwest, and draw them together socially. We’re still in the design process, but those features may include a pavilion and a high quality play structure. New sidewalks would connect the properties together.
3. **It offers additional management commitments.** Given the inventory of housing that is managed by Suite Liv’n, this application includes commitments that would establish more regular communication with City staff and strengthen our responsiveness when issues arise. See Exhibit F.



## **Exhibit C – Company Ownership**

The following individuals are partners in and co-owners of AEHN LLC with more than five percent (5%) interest in the partnership. They are also co-owners of the management company, Suite Liv'n.

- Gabe Olson
- Jeff Huston





## **Exhibit D – But-For Analysis**

In rural cities such as Willmar, new multifamily housing is rarely built without some form of public financial support. Construction costs are similar to metro area construction costs, but achievable rents are significantly lower.

The Summary page from the project proforma (on the following page) demonstrates in the first column that the proposed apartment project is not viable in the absence of tax increment financing. The value generated is 23.8% lower than the cost of development. The second column shows a project that falls short of the financial performance that would be expected by a typical developer. But because there is a positive (albeit low) 1.6% return on equity, and because we see ourselves as long-term investors in the community, the short term return on investment is acceptable to us if the requested tax increment financing is approved.

Without the assistance of TIF, this project is not viable.

Note that the details behind the project's estimated financial performance can be found in the complete project proforma in Exhibit G.

## No Tax Increment Scenario

### USE OF FUNDS

Development Costs / Project Costs	\$9,270,422
<b>Total Use of Funds</b>	<b>\$9,270,422</b>

### SOURCE OF FUNDS

Owner Cash Equity	\$3,863,585
Deferred Developer Fee	\$463,521
Bank Financing	\$4,943,316
<b>Total Source of Funds</b>	<b>\$9,270,422</b>
<i>Owner Cash Equity as % of Total</i>	<i>44%</i>

### STABILIZED OPERATING CASH FLOW (Year 3)

Effective Gross Income	\$730,539
Operating Expense	(\$306,827)
<b>Total Net Operating Income (NOI)</b>	<b>\$423,713</b>
Debt Service	(\$408,053)
<b>Cash Flow after Debt Service</b>	<b>\$15,659</b>

### RETURN ON INVESTMENT

Simple Value, based on initial stabilized NOI (6% cap rate)	\$7,061,880
Return on Cost - NOI/Development Cost	4.6%
Return on Cost - Net Value	-23.8%
Return on Equity - Cash on Cash Return	0.4%

## Tax Increment Scenario

### USE OF FUNDS

Development Costs / Project Costs	\$9,270,422
<b>Total Use of Funds</b>	<b>\$9,270,422</b>

### SOURCE OF FUNDS

Owner Cash Equity	\$3,244,648
Deferred Developer Fee	\$463,521
Bank Financing	\$5,562,253
<b>Total Source of Funds</b>	<b>\$9,270,422</b>
<i>Owner Cash Equity as % of Total</i>	<i>37%</i>

### STABILIZED OPERATING CASH FLOW (Year 3)

Effective Gross Income	\$825,539
Operating Expense	(\$306,827)
<b>Total Net Operating Income (NOI)</b>	<b>\$518,713</b>
Debt Service	(\$459,144)
<b>Cash Flow after Debt Service</b>	<b>\$59,568</b>

### RETURN ON INVESTMENT

Simple Value, based on initial stabilized NOI (6% cap rate)	\$8,645,214
Return on Cost - NOI/Development Cost	5.6%
Return on Cost - Net Value	-6.7%
Return on Equity - Cash on Cash Return	1.6%



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## **Exhibit E – Parcel Map, Site Plans, Building Elevations**

### Kandiyohi County GIS

Address-Parcel-Plat-Section

Parcel 1  
Parcel 2  
Parcel 3

13th Ave NW  
12th Ave NW  
27th St NW  
28th St NW  
24th St NW  
11th Ave NW

AEHN, LLC  
STATE OF MINN HIGH ERD

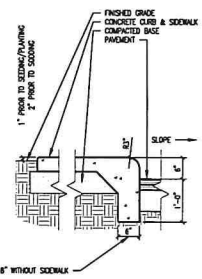
0 50 100ft

POWERED BY esri

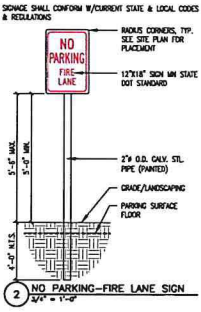
3" TALL, 3" WIDE, 4" STROKE - INTERNATIONAL STANDARD HANDICAP PARKING SYMBOL, PROVIDE 1 PER H.C. PARKING SPACE. PAINT SYMBOL (2) GAYS LIGHT BLUE.



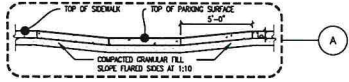
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3/4" = 1'-0"



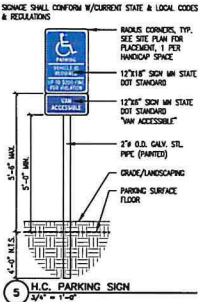
3 SIDEWALK DETAIL  
3/4" = 1'-0"



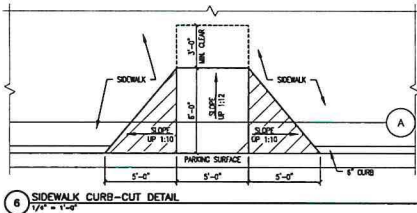
2 NO PARKING - FIRE LANE SIGN  
3/4" = 1'-0"



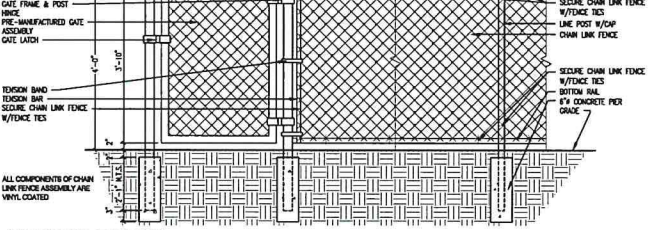
6 SIDEWALK CURB-CUT DETAIL  
1/4" = 1'-0"



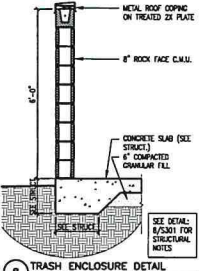
5 H.C. PARKING SIGN  
3/4" = 1'-0"



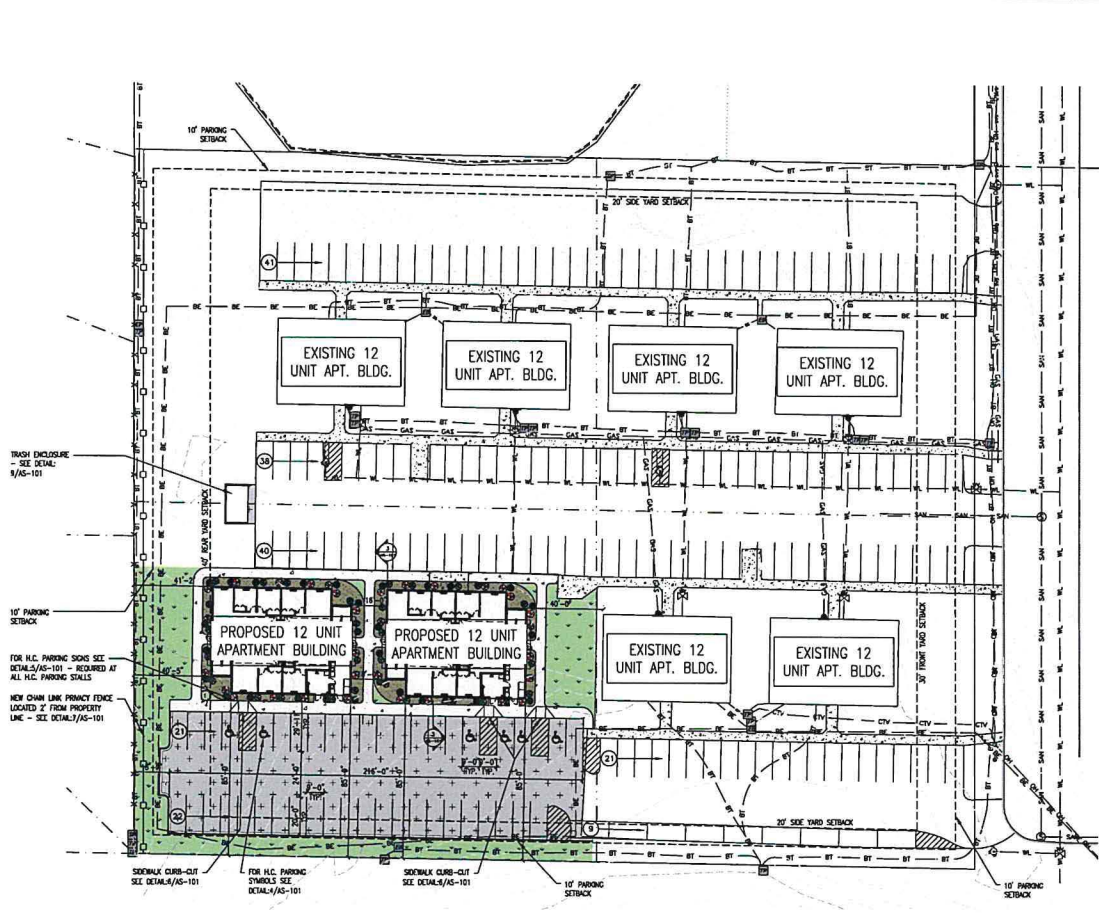
7 CHAIN LINK FENCE DETAIL  
3/4" = 1'-0"



9 TRASH ENCLOSURE PLAN  
1/2" = 1'-0"



8 TRASH ENCLOSURE DETAIL  
1/2" = 1'-0"



LANDSCAPE LEGEND	
	LANDSCAPE AREA W/WOOD MULCH GROUND COVER & AUTOMATIC IRRIGATION SYSTEM
	CONCRETE PAD/CURB/SIDEWALK/PATIO
	ASPHALT PAVING/DRIVEWAY
SHRUB PLANTINGS	
	ANTHONY WATERER SPIREA - 18" HT., CONT. - MIN. 5 CANES AT HT. SPEC.
	NORMAN SPIREA - 18" HT., CONT. - MIN. 5 CANES AT HT. SPEC.
	COPELY SPIREA - 18" HT., CONT. - MIN. 5 CANES AT HT. SPEC.
NOTE: FOR PLANTING DETAIL - SEE 142/AC-101	

SITE & LANDSCAPE PLAN	
PARKING	REQUIRED PARKING FOR EXISTING BUILDINGS = 112
	REQUIRED PARKING FOR PROPOSED BUILDINGS = 48
	TOTAL PARKING REQUIRED = 160
	PARKING PROVIDED = 162
LANDSCAPED OPEN SPACE	
SITE SF	36,158 SF
LANDSCAPED SF	10,347 SF
PERCENT OF SITE LANDSCAPED	28.7%

**MAHLER & ASSOCIATES**  
ARCHITECTURE  
Doreen U.O. Mahler, AIA  
Principal  
324 N. 33RD AVE. SUITE 107  
St. Cloud, MN 56301  
TEL: (320) 321-2724  
FAX: (320) 321-2725

No.	Revision/Issue	Date

Project Name and Address:  
**WILLMAR APARTMENTS II**  
1201 24TH ST NW  
WILLMAR, MN 56201  
C/O LARSON BUILDING, INC.  
(763) 854-5800

Project No.	1912
Date	03/25/2021
Scale	AS INDICATED

AS-101



*Find Your Home Here*

1201 24TH ST. N.W., WILLMAR, MN 56201

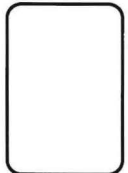


**MAHLER & ASSOCIATES**  
 ARCHITECTURE

225 N. 23RD AVE. SUITE 117  
 ST. CLOUD, MN 56301

TEL: (320) 357-2724  
 FAX: (320) 357-2725

Graves H.D. Mahler, AIA  
 Principal



No.	Revisions/Phase	Date

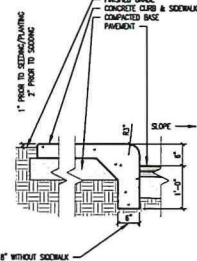
**WILLMAR APARTMENTS II**  
 1201 24TH ST. NW  
 WILLMAR, MN 56201  
 C/O LARSON BUILDING, INC.  
 (763) 634-5800

Project: 1912  
 Date: 03/17/2021  
 Scale: AS INDICATED  
 COLORED ELEVATION  
 A-200

30" TALL 36" WIDE 4" STROKE - INTERNATIONAL STANDARD  
HANDICAP PARKING SPACE, PROVIDE 1 FOOT H.C. PARKING  
SPACE PAINT SYMBOL (2) LIGHT BLUE.

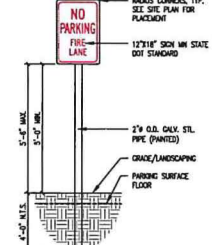


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3/4" = 1'-0"



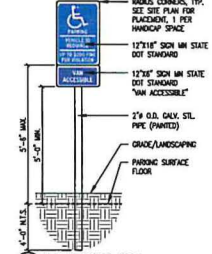
3 SIDEWALK DETAIL  
3/4" = 1'-0"

SIGNAGE SHALL CONFORM W/CURRENT STATE & LOCAL CODES & REGULATIONS

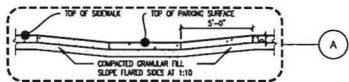


2 NO PARKING-FIRE LANE SIGN  
3/4" = 1'-0"

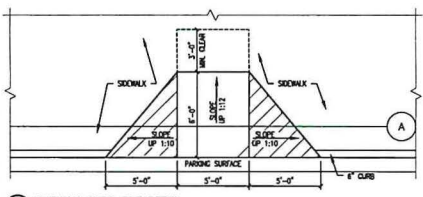
SIGNAGE SHALL CONFORM W/CURRENT STATE & LOCAL CODES & REGULATIONS



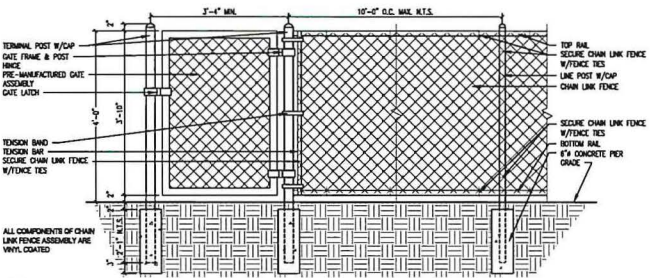
5 H.C. PARKING SIGN  
3/4" = 1'-0"



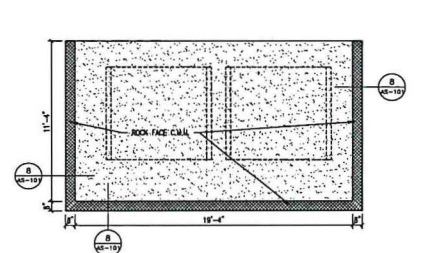
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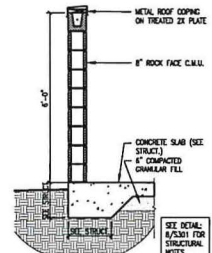
6 SIDEWALK CURB-CUT DETAIL  
1/4" = 1'-0"



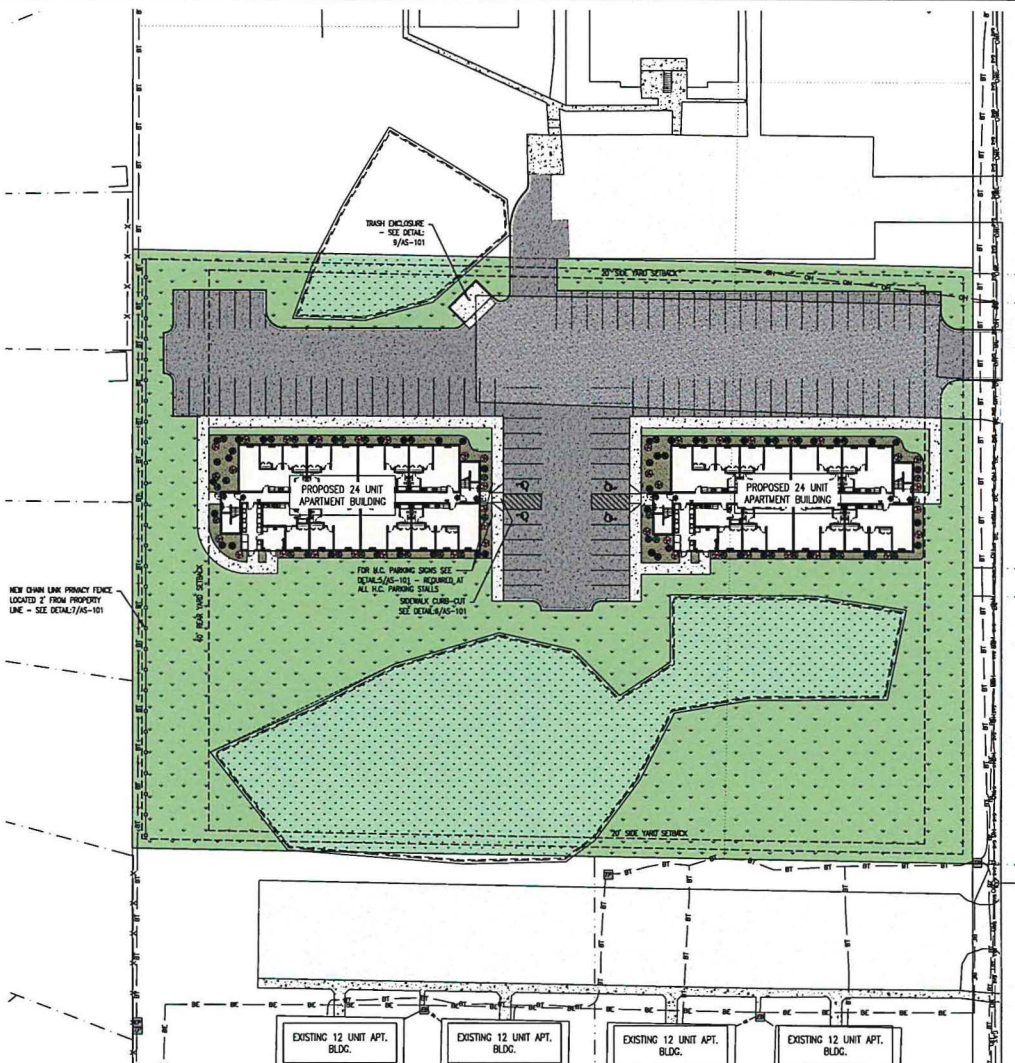
7 CHAIN LINK FENCE DETAIL  
3/4" = 1'-0"



9 TRASH ENCLOSURE PLAN  
1/2" = 1'-0"



8 TRASH ENCLOSURE DETAIL  
1/2" = 1'-0"



REQUIRED PARKING FOR PROPOSED BUILDING	= 36
TOTAL PARKING REQUIRED	= 36
PARKING PROVIDED	= 36

LANDSCAPE LEGEND	
[Symbol]	LANDSCAPE AREA W/WOOD MULCH GROUND COVER & AUTOMATIC IRRIGATION SYSTEM
[Symbol]	CONCRETE PAV./CURB/SIDEWALK/PAVING
[Symbol]	ASPHALT PAVING/DRIVE

LANDSCAPED OPEN SPACE	138,033 SF
LANDSCAPED BY	PAVING 27
PERCENT OF SITE LANDSCAPED	63.0%

SHRUB PLANTINGS	
ANTHONY WATSON SPIREA	- 18" HT. CONT. - MIN. 5 CANES AT HT. SPEC.
NORWAY SPIREA	- 18" HT. CONT. - MIN. 5 CANES AT HT. SPEC.
COLEFLAME SPIREA	- 18" HT. CONT. - MIN. 5 CANES AT HT. SPEC.
NOTE: FOR PLANTING DETAIL - SEE 1A2/PAV-101	

1 SITE & LANDSCAPE PLAN  
1" = 30'

**MAHLER & ASSOCIATES**  
ARCHITECTURE

325 N. 33RD AVE. SUITE 107  
BL. CHAM, MN 55420

Principal  
TEL: (202) 267-2724  
FAX: (202) 267-2725

No.	Revisory/Issue	Date

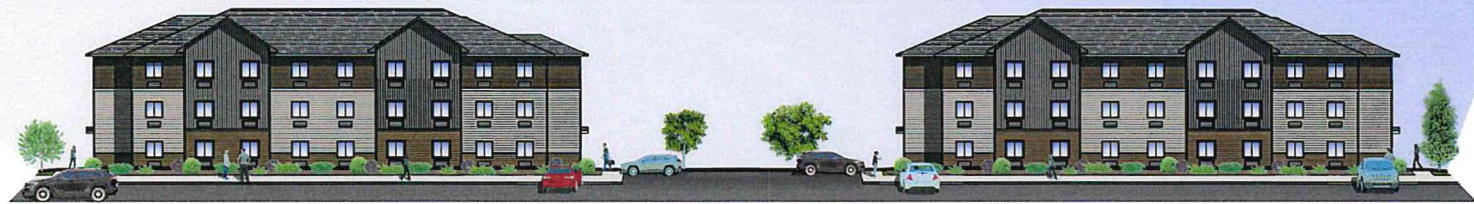
**WILLMAR APARTMENTS III**  
1209 24TH ST. NW  
WILLMAR, MN 56201  
C/O LARSON BUILDING, INC.  
(763) 834-8800

DATE	10/15
DATE	02/25/2021
AS INDICATED	

AS-101



*Find Your Home Here*







## Exhibit F – Management Plan

To Whom It May Concern:

AEHA LLC through AEHR LLC (property owners) and Suite Liv'n (management company)—property ownership and management companies that have principals in common—have been made aware of Willmar staff concerns about our responsiveness to issues raised by the City. On learning this, we've requested and been provided with historic documentation related to 1) reports of garbage or rubbish on our property at 212 High Avenue NE, and 2) issues related to snow plowing, as well as concerns that have arisen related to snow plowing and the prompt resolution of tenant complaints.

Because our overarching intent and commitment is to be responsible community members in the City of Willmar, as well as to communities of residents, we want to address these concerns and others that may not have been documented. To that end, the following are proposed management protocols that will improve our responsiveness to issues that are raised to our attention, and strengthen communication and relationships with City staff.

Best,

---

Gabe Olson, Principal, Suite Liv'n

### Suite Liv'n Proposed Management Plan, City of Willmar

#### **Responsiveness to Outstanding Issues**

Suite Liv'n will immediately solicit information from Willmar staff concerning any outstanding property management problems. Those issues will be addressed expeditiously and as a matter of priority. Since an expeditious response necessarily varies by the type of issue, we understand that to mean that it will be addressed on a time frame that reflects a sense of urgency without being unreasonable, and that the time frame will be determined through discussion and mutual agreement between Willmar staff and Suite Liv'n management.

We've been notified that an issue related to bright exterior lighting from the new building at 2601-2609 15<sup>th</sup> Ave NW is ongoing. As of this week, our electricians have ordered replacement lights, and they will be installed as soon as they're received.

#### **Strategies Relative to Recurrent Issues**

Given the documentation received by Suite Liv'n, it appears that the City considers reports of trash or debris at some properties as a recurrent issue. We can commit to establishing an internal protocol of



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addressing a garbage complaint within 24 hours. Resolution of tenant complaints, the documentation of pest extermination, and snow removal practices, are other areas where we've been advised there are periodic difficulty. For these and other issues that are recurrent in the view of City staff, we can commit to developing ongoing protocols for our response to those matters that is satisfactory to the City of Willmar. If desired, we are willing to negotiate the specifics of those protocols prior to final approval of a tax increment financing district.

**Proactive Communication**

Given the significant presence of our properties in Willmar, we propose to meet annually with City staff to talk about how things are going with Suite Liv'n managed properties. Suite Liv'n would attend this meeting with both a principal (generally Gabe Olson) and/or its director of property management. We see these meetings as a proactive opportunity to build a collaborative relationship and stay on the same page with respect to expectations.



## Exhibit G – Project Proforma

## No Tax Increment Scenario

### USE OF FUNDS

Development Costs / Project Costs	\$9,270,422
<b>Total Use of Funds</b>	<b>\$9,270,422</b>

### SOURCE OF FUNDS

Owner Cash Equity	\$3,863,585
Deferred Developer Fee	\$463,521
Bank Financing	\$4,943,316
<b>Total Source of Funds</b>	<b>\$9,270,422</b>
<i>Owner Cash Equity as % of Total</i>	<i>44%</i>

### STABILIZED OPERATING CASH FLOW (Year 3)

Effective Gross Income	\$730,539
Operating Expense	(\$306,827)
<b>Total Net Operating Income (NOI)</b>	<b>\$423,713</b>
Debt Service	(\$408,053)
<b>Cash Flow after Debt Service</b>	<b>\$15,659</b>

### RETURN ON INVESTMENT

Simple Value, based on initial stabilized NOI (6% cap rate)	\$7,061,880
Return on Cost - NOI/Development Cost	4.6%
Return on Cost - Net Value	-23.8%
Return on Equity - Cash on Cash Return	0.4%

## Tax Increment Scenario

### USE OF FUNDS

Development Costs / Project Costs	\$9,270,422
<b>Total Use of Funds</b>	<b>\$9,270,422</b>

### SOURCE OF FUNDS

Owner Cash Equity	\$3,244,648
Deferred Developer Fee	\$463,521
Bank Financing	\$5,562,253
<b>Total Source of Funds</b>	<b>\$9,270,422</b>
<i>Owner Cash Equity as % of Total</i>	<i>37%</i>

### STABILIZED OPERATING CASH FLOW (Year 3)

Effective Gross Income	\$825,539
Operating Expense	(\$306,827)
<b>Total Net Operating Income (NOI)</b>	<b>\$518,713</b>
Debt Service	(\$459,144)
<b>Cash Flow after Debt Service</b>	<b>\$59,568</b>

### RETURN ON INVESTMENT

Simple Value, based on initial stabilized NOI (6% cap rate)	\$8,645,214
Return on Cost - NOI/Development Cost	5.6%
Return on Cost - Net Value	-6.7%
Return on Equity - Cash on Cash Return	1.6%

		<b>Willmar Vacant Parcel 95-909-0112, 95-909-0113</b>	<b>Willmar PUD Parcel 95-909-0120</b>
<b>Development Costs</b>			

#### Acquisition, Title and Closing

#### Assumptions

Land Acquisition		\$400,000	\$200,000
Closing Costs	3%	\$12,000	\$6,000
Holding Cost	1 yr RE taxes	\$738	\$43,582
<b>Total Acquisition Cost</b>		<b>\$412,738</b>	<b>\$249,582</b>

#### Site Preparation

Grading	<i>Above standard</i>	\$75,000	\$25,000
Environmental + Soils		\$3,500	\$3,500
Site Survey		\$4,000	\$4,000
<b>Total Site Preparation Cost</b>		<b>\$82,500</b>	<b>\$32,500</b>

#### Site Construction Costs

Construction Cost - Divisions 1 - 16		\$3,622,216	\$1,811,108
Flooring		\$100,000	\$50,000
Appliances		\$80,000	\$40,000
Cameras		\$24,000	\$12,000
Parking Lot, Driveways		\$75,000	\$65,000
Landscaping - Trees, Shrubs, Grass		\$20,000	\$10,000
Building Supply Cost Increase		\$600,000	\$300,000
Builder's General Liability		\$13,928	\$6,964
Builder's OH&P		\$185,348	\$92,674
<b>Total Construction Cost</b>		<b>\$4,720,492</b>	<b>\$2,387,746</b>

#### Public Works Improvements

Street, Curb, Gutter & Utilities		\$65,000	\$65,000
<b>Total Public Works Improvements</b>		<b>\$65,000</b>	<b>\$65,000</b>

#### Hard Costs

Construction Cost Contingency	5%	\$243,400	\$124,262
<b>Total Hard Costs</b>		<b>\$5,111,392</b>	<b>\$2,609,508</b>

**Architectural/Engineering**

Architectural, Site Plan		\$40,000	\$25,800
<b>Total Architectural/Engineering Cost</b>		<b>\$40,000</b>	<b>\$25,800</b>

**Permitting**

Building Permit/SAC/WAC		\$50,800	\$30,000
<b>Total Permitting Cost</b>		<b>\$50,800</b>	<b>\$30,000</b>

**Consultants, Legal Services**

Development Consultant		\$5,000	\$5,000
Legal + Accounting		\$7,000	\$7,000
<b>Total Special Consultants</b>		<b>\$12,000</b>	<b>\$12,000</b>

**Financing Costs**

Construction Loan Financing Fee	6.50%	\$100,000	\$50,000
<b>Total Financing Costs</b>		<b>\$100,000</b>	<b>\$50,000</b>

**Carrying/Operating**

Utilities/Other Carrying Costs		\$21,000	\$21,000
Real Estate Taxes during Construction		\$738	\$168
<b>Total Carrying Costs</b>		<b>\$21,738</b>	<b>\$21,168</b>

**Marketing**

Residential Marketing Expenses for Lease Up		\$20,000	\$20,000
<b>Total Marketing</b>		<b>\$20,000</b>	<b>\$20,000</b>

**Soft Costs**

Soft Cost Contingency	5%	\$12,227	\$7,948
<b>Total Soft Costs</b>		<b>\$256,765</b>	<b>\$166,916</b>

**Developer Fee**

Developer Fee	5%	\$304,258	\$159,263
	(target)		

<b>TOTAL DEVELOPMENT COSTS</b>		<b>\$6,085,152</b>	<b>\$3,185,270</b>
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**Assumptions - Rents, Operating Costs, Tax Increment, Financing**

**Willmar  
PUD Parcel  
95-909-0120**

	Number	Pct	Size	Total Area	2021 Market Rent (unit)	2021 Market Rent (psf)	2021 Total Rent
1 BR 1BA, Small	2	8.3%	473	946	\$700	\$1.48	\$1,400
1 BR 1BA, Medium	12	50.0%	676	8,112	\$800	\$1.18	\$9,600
2 BR 1 Bath	10	41.7%	912	9,120	\$900	\$0.99	\$9,000
<b>Total</b>	<b>24</b>	<b>100.0%</b>	<b>757</b>	<b>18,178</b>	<b>\$833</b>	<b>\$1.10</b>	<b>\$20,000</b>
<b>Gross Potential Rent, Annual</b>							<b>\$240,000</b>

**Willmar  
Vacant Parcel  
95-909-0112, 95-909-0113**

	Number	Pct	Size	Total Area	2021 Market Rent (unit)	2021 Market Rent (psf)	2021 Total Monthly Rent
1 BR 1BA, Small	2	4.2%	473	946	\$700	\$1.48	\$1,400
1 BR 1BA, Medium	30	62.5%	676	20,280	\$800	\$1.18	\$24,000
2 BR 1 Bath	16	33.3%	912	14,592	\$900	\$0.99	\$14,400
<b>Total</b>	<b>48</b>	<b>100.0%</b>	<b>746</b>	<b>35,818</b>	<b>\$829</b>	<b>\$1.11</b>	<b>\$39,800</b>
<b>Gross Potential Rent, Annual</b>							<b>\$477,600</b>

**MN Statewide Average Utility Cost for Apartments with 5+ Units**

Maximum Gross Rents			Electric Heat	Electric Cooking	Other Electric	Total
	50% AMI	60% AMI				
1 BR	688	826	\$32.39	\$5.84	\$22.04	\$60.27
2 BR	826	991	\$44.66	\$8.45	\$30.66	\$83.77

Maximum Rents	50% AMI	60% AMI
1 BR	\$688.00	\$826.00
2 BR	\$826.00	\$991.00

**Willmar  
All Properties**

	Number	Pct	Floor Area	Total Floor Area	2021 Market Rent (unit)	2021 Market Rent (psf)	2021 Total Monthly Rent	Affordable Units
1 BR 1BA, Small	4	5.6%	473	1,892	\$700	\$1.48	\$2,800	4
1 BR 1BA, Medium	42	58.3%	676	28,392	\$800	\$1.18	\$33,600	0
2 BR 1 Bath	26	36.1%	912	23,712	\$900	\$0.99	\$23,400	25
<b>Total</b>	<b>72</b>	<b>100.0%</b>	<b>750</b>	<b>53,996</b>	<b>\$831</b>	<b>\$1.11</b>	<b>\$59,800</b>	<b>29</b>
<b>Gross Potential Rent, Annual</b>							<b>\$717,600</b>	

**Willmar  
All Properties**

	Number	Pct	Floor Area	Total Floor Area	2021 Market Rent (unit)	2021 Market Rent (psf)	2021 Total Monthly Rent
1 BR 1BA, Small	0	0.0%	473	0	\$700	\$1.48	\$0
1 BR 1BA, Small (60% AMI)	4	5.6%	473	1,892	\$700	\$1.48	\$2,800
1 BR 1BA, Medium	42	58.3%	676	28,392	\$800	\$1.18	\$33,600
1 BR 1BA, Medium (60% AMI)	0	0.0%	676	0	\$766	\$1.13	\$0
2 BR 1 Bath	1	1.4%	912	912	\$900	\$0.99	\$900
2 BR 1 Bath (60% AMI)	25	34.7%	912	22,800	\$900	\$0.99	\$22,500
<b>Total</b>	<b>72</b>	<b>100.0%</b>	<b>750</b>	<b>53,996</b>	<b>\$831</b>	<b>\$1.11</b>	<b>\$59,800</b>
<b>Gross Potential Rent, Annual</b>							<b>\$717,600</b>

Other Income		Other Income per unit	2021 Total Other Income
Other Income	3%	\$284	\$20,452
<b>Total Other Income</b>			<b>\$20,452</b>

**Utility Assumptions**

Electricity individually metered,  
water/sewer master metered

2021 Expenses	Per Unit Per		
	% EGI	Year	Total Per Year
Total Operating Expenses	42%	\$4,305	\$309,982
Capital Reserves		\$250	\$18,000

Tax Increment Financing	
Estimated Assessed Value of Improvements (Value Increment) on Completion	\$7,000,000
Estimated Gross Tax Increment, Annual	\$100,000
Estimated Net Tax Increment, Annual	\$95,000
Requested Duration of TI District (Years)	20

Construction Financing		Permanent Financing (No TIF)		Permanent Financing (with TIF)	
Total Project Cost	\$9,270,422	Total Project Cost	\$9,270,422	Total Project Cost	\$9,270,422
LTC	60%	LTC	60%	LTC	60%
LTV	70%	LTV	70%	LTV	70%
Term	1.00	Term/Amortization	20	Term/Amortization	20
Interest Rate	6.50%	Mortgage Rate	5.50%	Mortgage Rate	5.50%
Loan Amount (LTC)	\$ 5,562,253	Loan Amount (LTC)	\$5,562,253	Loan Amount (LTC)	\$5,562,253
Loan Amount (LTV)	\$ 4,943,316	Loan Amount (LTV)	\$4,943,316	Loan Amount (LTV)	\$6,051,649
Loan Amount (lowest of two)	\$ 4,943,316	Loan Amount (lowest of two)	\$ 4,943,316	Loan Amount (lowest of two)	\$ 5,562,253
Construction Loan Interest (est. based on draw schedule)	\$150,000	Payment, monthly	(\$34,004)	Payment, monthly	(\$38,262)
		Payment, annual	(\$408,053)	Payment, annual	(\$459,144)
Equity Required	\$4,327,106	Equity Required	\$4,327,106	Equity Required	\$3,708,169



**OPERATING CASH FLOW PROJECTIONS WITHOUT TAX INCREMENT FINANCING**

YEAR		Predevpment,	Construction,	Full Year	2024	2025	2026
		Construction	Lease up/ Stabilization				
		2021	2022	2023			
		1	2	3	4	5	6
<b>Gross Potential Income</b>							
	Rental Income	\$0	\$365,976	\$746,591	\$761,523	\$776,753	\$792,288
	Other Income	\$0	\$10,430	\$21,278	\$21,703	\$22,137	\$22,580
	Tax Increment	\$0	\$0	\$0	\$0	\$0	\$0
	<b>Total Gross Potential Income</b>	<b>\$0</b>	<b>\$376,406</b>	<b>\$767,869</b>	<b>\$783,226</b>	<b>\$798,891</b>	<b>\$814,869</b>
	Residential Vacancy	5.0% Vacancy rate	\$0	(\$18,299)	(\$37,330)	(\$38,838)	(\$39,614)
	<b>Effective Gross Income</b>		<b>\$0</b>	<b>\$358,108</b>	<b>\$730,539</b>	<b>\$745,150</b>	<b>\$775,254</b>
<b>Operating Expenses</b>							
	Operating Expenses	42.0%	\$0	(\$150,405)	(\$306,827)	(\$312,963)	(\$319,222)
	<b>Total Operating Expenses</b>		<b>\$0</b>	<b>(\$150,405)</b>	<b>(\$306,827)</b>	<b>(\$312,963)</b>	<b>(\$319,222)</b>
	<b>Net Operating Income</b>		<b>\$0</b>	<b>\$207,702</b>	<b>\$423,713</b>	<b>\$432,187</b>	<b>\$449,647</b>
<b>Debt Service</b>							
	Bank Financing	5.5%		(\$204,027)	(\$408,053)	(\$408,053)	(\$408,053)
	<b>Total Debt Service</b>		0	(\$204,027)	(\$408,053)	(\$408,053)	(\$408,053)
	<b>Cash Flow after Debt Service</b>		<b>\$0</b>	<b>\$3,676</b>	<b>\$15,659</b>	<b>\$24,134</b>	<b>\$32,777</b>
	<b>Cash Flow after Debt Service</b>		<b>\$0</b>	<b>\$3,676</b>	<b>\$15,659</b>	<b>\$24,134</b>	<b>\$32,777</b>
	<b>Cash Flow after Reserves</b>		<b>\$0</b>	<b>(\$5,504)</b>	<b>(\$3,068)</b>	<b>\$5,032</b>	<b>\$13,294</b>
	Replacement Reserves	\$250	\$0	(\$9,180)	(\$18,727)	(\$19,102)	(\$19,484)
	<b>Cash Flow After Reserves</b>		<b>\$0</b>	<b>(\$5,504)</b>	<b>(\$3,068)</b>	<b>\$5,032</b>	<b>\$13,294</b>

2027	2028	2029	2030	2031	2032	2033	2034	2035
7	8	9	10	11	12	13	14	15
\$808,134	\$824,297	\$840,783	\$857,598	\$874,750	\$892,245	\$910,090	\$928,292	\$946,858
\$23,032	\$23,492	\$23,962	\$24,442	\$24,930	\$25,429	\$25,938	\$26,456	\$26,985
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>\$831,166</b>	<b>\$847,789</b>	<b>\$864,745</b>	<b>\$882,040</b>	<b>\$899,681</b>	<b>\$917,674</b>	<b>\$936,028</b>	<b>\$954,748</b>	<b>\$973,843</b>
(\$40,407)	(\$41,215)	(\$42,039)	(\$42,880)	(\$43,738)	(\$44,612)	(\$45,505)	(\$46,415)	(\$47,343)
<b>\$790,759</b>	<b>\$806,574</b>	<b>\$822,706</b>	<b>\$839,160</b>	<b>\$855,943</b>	<b>\$873,062</b>	<b>\$890,523</b>	<b>\$908,334</b>	<b>\$926,501</b>
(\$332,119)	(\$338,761)	(\$345,536)	(\$352,447)	(\$359,496)	(\$366,686)	(\$374,020)	(\$381,500)	(\$389,130)
<b>(\$332,119)</b>	<b>(\$338,761)</b>	<b>(\$345,536)</b>	<b>(\$352,447)</b>	<b>(\$359,496)</b>	<b>(\$366,686)</b>	<b>(\$374,020)</b>	<b>(\$381,500)</b>	<b>(\$389,130)</b>
<b>\$458,640</b>	<b>\$467,813</b>	<b>\$477,169</b>	<b>\$486,713</b>	<b>\$496,447</b>	<b>\$506,376</b>	<b>\$516,504</b>	<b>\$526,834</b>	<b>\$537,370</b>
(\$408,053)	(\$408,053)	(\$408,053)	(\$408,053)	(\$408,053)	(\$408,053)	(\$408,053)	(\$408,053)	(\$408,053)
(\$408,053)	(\$408,053)	(\$408,053)	(\$408,053)	(\$408,053)	(\$408,053)	(\$408,053)	(\$408,053)	(\$408,053)
<b>\$50,587</b>	<b>\$59,760</b>	<b>\$69,116</b>	<b>\$78,660</b>	<b>\$88,394</b>	<b>\$98,323</b>	<b>\$108,450</b>	<b>\$118,780</b>	<b>\$129,317</b>
(\$20,271)	(\$20,676)	(\$21,090)	(\$21,512)	(\$21,942)	(\$22,381)	(\$22,828)	(\$23,285)	(\$23,751)
<b>\$30,316</b>	<b>\$39,084</b>	<b>\$48,026</b>	<b>\$57,148</b>	<b>\$66,452</b>	<b>\$75,942</b>	<b>\$85,622</b>	<b>\$95,495</b>	<b>\$105,566</b>

2036	2037	2038	2039	2040	2041	2042
16	17	18	19	20	21	22
\$965,795	\$985,111	\$1,004,813	\$1,024,910	\$1,045,408	\$1,066,316	\$1,087,642
\$27,525	\$28,076	\$28,637	\$29,210	\$29,794	\$30,390	\$30,998
\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>\$993,320</b>	<b>\$1,013,187</b>	<b>\$1,033,450</b>	<b>\$1,054,119</b>	<b>\$1,075,202</b>	<b>\$1,096,706</b>	<b>\$1,118,640</b>
(\$48,290)	(\$49,256)	(\$50,241)	(\$51,245)	(\$52,270)	(\$53,316)	(\$54,382)
<b>\$945,031</b>	<b>\$963,931</b>	<b>\$983,210</b>	<b>\$1,002,874</b>	<b>\$1,022,931</b>	<b>\$1,043,390</b>	<b>\$1,064,258</b>
(\$396,913)	(\$404,851)	(\$412,948)	(\$421,207)	(\$429,631)	(\$438,224)	(\$446,988)
<b>(\$396,913)</b>	<b>(\$404,851)</b>	<b>(\$412,948)</b>	<b>(\$421,207)</b>	<b>(\$429,631)</b>	<b>(\$438,224)</b>	<b>(\$446,988)</b>
<b>\$548,118</b>	<b>\$559,080</b>	<b>\$570,262</b>	<b>\$581,667</b>	<b>\$593,300</b>	<b>\$605,166</b>	<b>\$617,270</b>
(\$408,053)	(\$408,053)	(\$408,053)	(\$408,053)	(\$408,053)	(\$408,053)	(\$204,027)
(\$408,053)	(\$408,053)	(\$408,053)	(\$408,053)	(\$408,053)	(\$408,053)	(\$204,027)
<b>\$140,064</b>	<b>\$151,027</b>	<b>\$162,208</b>	<b>\$173,614</b>	<b>\$185,247</b>	<b>\$197,113</b>	<b>\$413,243</b>
(\$24,226)	(\$24,710)	(\$25,204)	(\$25,708)	(\$26,223)	(\$26,747)	(\$27,282)
<b>\$115,839</b>	<b>\$126,317</b>	<b>\$137,004</b>	<b>\$147,905</b>	<b>\$159,024</b>	<b>\$170,366</b>	<b>\$385,961</b>

**OPERATING CASH FLOW PROJECTIONS, WITH TAX INCREMENT FINANCING**

YEAR		Predevpment,	Construction,	Full Year	2024	2025	2026
		Construction	Lease up/ Stabilization				
		2021	2022	2023			
		1	2	3	4	5	6
<b>Gross Potential Income</b>							
Rental Income		\$0	\$365,976	\$746,591	\$761,523	\$776,753	\$792,288
Other Income		\$0	\$10,430	\$21,278	\$21,703	\$22,137	\$22,580
Tax Increment		\$0	\$0	\$95,000	\$95,000	\$95,000	\$95,000
<b>Total Gross Potential Income</b>		<b>\$0</b>	<b>\$376,406</b>	<b>\$862,869</b>	<b>\$878,226</b>	<b>\$893,891</b>	<b>\$909,869</b>
Residential Vacancy	5.0% Vacancy rate	\$0	(\$18,299)	(\$37,330)	(\$38,076)	(\$38,838)	(\$39,614)
<b>Effective Gross Income</b>		<b>\$0</b>	<b>\$358,108</b>	<b>\$825,539</b>	<b>\$840,150</b>	<b>\$855,053</b>	<b>\$870,254</b>
<b>Operating Expenses</b>							
Operating Expenses	42.0%	\$0	(\$150,405)	(\$306,827)	(\$312,963)	(\$319,222)	(\$325,607)
<b>Total Operating Expenses</b>		<b>\$0</b>	<b>(\$150,405)</b>	<b>(\$306,827)</b>	<b>(\$312,963)</b>	<b>(\$319,222)</b>	<b>(\$325,607)</b>
<b>Net Operating Income</b>		<b>\$0</b>	<b>\$207,702</b>	<b>\$518,713</b>	<b>\$527,187</b>	<b>\$535,831</b>	<b>\$544,647</b>
<b>Debt Service</b>							
Bank Financing	5.5%		(\$229,572)	(\$459,144)	(\$459,144)	(\$459,144)	(\$459,144)
<b>Total Debt Service</b>		<b>0</b>	<b>(\$229,572)</b>	<b>(\$459,144)</b>	<b>(\$459,144)</b>	<b>(\$459,144)</b>	<b>(\$459,144)</b>
<b>Cash Flow after Debt Service</b>		<b>\$0</b>	<b>(\$21,870)</b>	<b>\$59,568</b>	<b>\$68,043</b>	<b>\$76,686</b>	<b>\$85,503</b>
<b>Replacement Reserves</b>							
Replacement Reserves	\$250	\$0	(\$9,180)	(\$18,727)	(\$19,102)	(\$19,484)	(\$19,873)
<b>Cash Flow After Reserves</b>		<b>\$0</b>	<b>(\$31,050)</b>	<b>\$40,841</b>	<b>\$48,941</b>	<b>\$57,203</b>	<b>\$65,630</b>

2027	2028	2029	2030	2031	2032	2033	2034	2035
7	8	9	10	11	12	13	14	15
\$808,134	\$824,297	\$840,783	\$857,598	\$874,750	\$892,245	\$910,090	\$928,292	\$946,858
\$23,032	\$23,492	\$23,962	\$24,442	\$24,930	\$25,429	\$25,938	\$26,456	\$26,985
\$95,000	\$95,000	\$95,000	\$95,000	\$95,000	\$95,000	\$95,000	\$95,000	\$95,000
<b>\$926,166</b>	<b>\$942,789</b>	<b>\$959,745</b>	<b>\$977,040</b>	<b>\$994,681</b>	<b>\$1,012,674</b>	<b>\$1,031,028</b>	<b>\$1,049,748</b>	<b>\$1,068,843</b>
(\$40,407)	(\$41,215)	(\$42,039)	(\$42,880)	(\$43,738)	(\$44,612)	(\$45,505)	(\$46,415)	(\$47,343)
<b>\$885,759</b>	<b>\$901,574</b>	<b>\$917,706</b>	<b>\$934,160</b>	<b>\$950,943</b>	<b>\$968,062</b>	<b>\$985,523</b>	<b>\$1,003,334</b>	<b>\$1,021,501</b>
(\$332,119)	(\$338,761)	(\$345,536)	(\$352,447)	(\$359,496)	(\$366,686)	(\$374,020)	(\$381,500)	(\$389,130)
<b>(\$332,119)</b>	<b>(\$338,761)</b>	<b>(\$345,536)</b>	<b>(\$352,447)</b>	<b>(\$359,496)</b>	<b>(\$366,686)</b>	<b>(\$374,020)</b>	<b>(\$381,500)</b>	<b>(\$389,130)</b>
<b>\$553,640</b>	<b>\$562,813</b>	<b>\$572,169</b>	<b>\$581,713</b>	<b>\$591,447</b>	<b>\$601,376</b>	<b>\$611,504</b>	<b>\$621,834</b>	<b>\$632,370</b>
(\$459,144)	(\$459,144)	(\$459,144)	(\$459,144)	(\$459,144)	(\$459,144)	(\$459,144)	(\$459,144)	(\$459,144)
(\$459,144)	(\$459,144)	(\$459,144)	(\$459,144)	(\$459,144)	(\$459,144)	(\$459,144)	(\$459,144)	(\$459,144)
<b>\$94,496</b>	<b>\$103,669</b>	<b>\$113,025</b>	<b>\$122,568</b>	<b>\$132,303</b>	<b>\$142,232</b>	<b>\$152,359</b>	<b>\$162,689</b>	<b>\$173,226</b>
(\$20,271)	(\$20,676)	(\$21,090)	(\$21,512)	(\$21,942)	(\$22,381)	(\$22,828)	(\$23,285)	(\$23,751)
<b>\$74,225</b>	<b>\$82,992</b>	<b>\$91,935</b>	<b>\$101,057</b>	<b>\$110,361</b>	<b>\$119,851</b>	<b>\$129,531</b>	<b>\$139,404</b>	<b>\$149,475</b>



2036	2037	2038	2039	2040	2041	2042
16	17	18	19	20	21	22
\$965,795	\$985,111	\$1,004,813	\$1,024,910	\$1,045,408	\$1,066,316	\$1,087,642
\$27,525	\$28,076	\$28,637	\$29,210	\$29,794	\$30,390	\$30,998
\$95,000	\$95,000	\$95,000	\$95,000	\$95,000	\$95,000	\$95,000
<b>\$1,088,320</b>	<b>\$1,108,187</b>	<b>\$1,128,450</b>	<b>\$1,149,119</b>	<b>\$1,170,202</b>	<b>\$1,191,706</b>	<b>\$1,213,640</b>
(\$48,290)	(\$49,256)	(\$50,241)	(\$51,245)	(\$52,270)	(\$53,316)	(\$54,382)
<b>\$1,040,031</b>	<b>\$1,058,931</b>	<b>\$1,078,210</b>	<b>\$1,097,874</b>	<b>\$1,117,931</b>	<b>\$1,138,390</b>	<b>\$1,159,258</b>

(\$396,913)	(\$404,851)	(\$412,948)	(\$421,207)	(\$429,631)	(\$438,224)	(\$446,988)
<b>(\$396,913)</b>	<b>(\$404,851)</b>	<b>(\$412,948)</b>	<b>(\$421,207)</b>	<b>(\$429,631)</b>	<b>(\$438,224)</b>	<b>(\$446,988)</b>
<b>\$643,118</b>	<b>\$654,080</b>	<b>\$665,262</b>	<b>\$676,667</b>	<b>\$688,300</b>	<b>\$700,166</b>	<b>\$712,270</b>

(\$459,144)	(\$459,144)	(\$459,144)	(\$459,144)	(\$459,144)	(\$459,144)	(\$459,144)
(\$459,144)	(\$459,144)	(\$459,144)	(\$459,144)	(\$459,144)	(\$459,144)	(\$459,144)
<b>\$183,973</b>	<b>\$194,936</b>	<b>\$206,117</b>	<b>\$217,522</b>	<b>\$229,156</b>	<b>\$241,022</b>	<b>\$253,125</b>

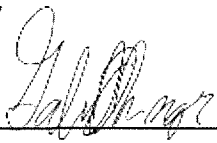
(\$24,226)	(\$24,710)	(\$25,204)	(\$25,708)	(\$26,223)	(\$26,747)	(\$27,282)
<b>\$159,748</b>	<b>\$170,226</b>	<b>\$180,913</b>	<b>\$191,814</b>	<b>\$202,933</b>	<b>\$214,275</b>	<b>\$225,843</b>

To Whom It May Concern:

AEHA LLC through AEHN LLC (property owners) and Suite Liv'n (management company)—property ownership and management companies that have principals in common—have been made aware of Willmar staff concerns about our responsiveness to issues raised by the City. On learning this, we've requested and been provided with historic documentation related to 1) reports of garbage or rubbish on our property at 212 High Avenue NE, and 2) issues related to snow plowing.

Because our overarching intent and commitment is to be responsible community members in the City of Willmar, as well as to communities of residents, we want to address these concerns and others that may not have been documented. To that end, the following are proposed management protocols that will improve our responsiveness to issues that are raised to our attention, and strengthen communication and relationships with City staff.

Best,



---

Gabe Olson, Principal, Suite Liv'n

## **Suite Liv'n Management Maintenance Plan, City of Willmar**

### **Responsiveness to Outstanding Issues**

Suite Liv'n will immediately solicit information from Willmar staff concerning any outstanding property management problems. Those issues will be addressed expeditiously and as a matter of priority. Since an expeditious response necessarily varies by the type of issue, we understand that to mean that it will be addressed on a time frame that reflects a sense of urgency without being unreasonable, and that the time frame will be determined through discussion and mutual agreement between Willmar staff and Suite Liv'n management.

### **Strategies Relative to Recurrent Issues**

Given the documentation received by Suite Liv'n, it appears that the City may consider reports of trash or debris at some properties as a recurrent issue. We commit to establishing an internal protocol of addressing a garbage complaint within 24 hours.

Additionally, we want to know whether there are other issues that City staff considers to be recurrent. If there are other issues that are recurrent in the view of City staff, we commit to developing an ongoing protocol for our response to those matters that is satisfactory to the City of Willmar.

### **Building Communication Proactively**

Given the significant presence of our properties in Willmar, we propose to meet annually with City staff to talk about how things are going with Suite Liv'n managed properties. Suite Liv'n would attend this meeting with both a principal (generally Gabe Olson) and/or its director of property management. We see these meetings as a proactive opportunity to build a collaborative relationship and stay on the same page with respect to expectations.

### **Snow Removal**

To address this issue, meetings and ongoing communication with City Public Works and Engineering department, and coordinate with the city to prioritize and accommodate the street plowing. With Suite Liv'n projects will wait for the city streets to be plowed before clearing the parking lots.



# City of Willmar

## Council Action Request

<b>Meeting Date:</b>	07/19/2021	<b>Agenda Item Number:</b>	9.
<b>Agenda Section:</b>		<b>Originating Department:</b>	Planning & Development Services
<b>Resolution</b>	No	<b>Prepared By:</b>	David Ramstad, Director of Planning and Development
<b>Ordinance</b>	No	<b>Reviewed By:</b>	John Harren, City Administrator
<b>No. of Attachments</b>	4	<b>Presented By:</b>	David Ramstad, Director of Planning and Development
<b>Item:</b>	Information Only - Preliminary Overview of TIF Plan for "Block-25 Lofts"		

### RECOMMENDED ACTION:

For information – Seek feedback and support for continuation of TIF creation process.

### OVERVIEW:

For Council consideration is preliminary information on a proposed 15 year Tax Increment Financing (TIF) district for a "Block-25 Lofts" multifamily housing project to be located at Block-25 in downtown Willmar (across from Kwik Trip). The preliminary TIF plan is based on an anticipated commencement of construction in Spring, 2022. TIF will be used to offset the costs of site acquisition, environmental remediation, utilities, stormwater controls, paving and lighting. Total project costs are about \$10M and the project will use existing infrastructure. Staff are using TIF Administration Fee to engage Baker-Tilly in the TIF creation, which aligns with Willmar's Finance Department use of of the same. The TIF Development Agreement will also include the standardized Property Maintenance Plan for compliance with City maintenance and snow removal requirements. If TIF is ultimately granted to support this project, the maintenance plan will be one of the conditions the developer must comply with on a continuing basis for all properties they own in the City of Willmar in order to receive each TIF reimbursement.

After this introduction of the TIF proposal to Council, staff would proceed to further develop the TIF District and TIF Plan. Written notices of the intent to create a Redevelopment TIF District will next be sent to the County Commission and School District, and Planning Commission review/approval is tentatively scheduled for August 18, 2021. The final steps in the process are for the TIF application and then for Council to conduct a public hearing tentatively scheduled for September 7, 2021. See "Draft TIF Creation Schedule" attached.

### PRIMARY ISSUES/ALTERNATIVES TO CONSIDER:

- Option A: Recommend continuation of TIF creation process
- Option B: Decline continuing TIF creation process
- Option C: Request more information

### BUDGETARY/FISCAL ISSUES:

None – Staff time and materials.

### ATTACHMENTS:

- Form G - TIF Application with Project Proposal Exhibits
- Draft TIF Creation Schedule
- Baker-Tilly Memo
- Baker-Tilly PowerPoint Presentation



**FORM G – APPLICATION FOR TAX INCREMENT FINANCING (TIF)**  
**City of Willmar**

- Tax Increment Financing (TIF) is a tool used to encourage development, create or retain jobs, redevelop blighted areas, remediate polluted sites, and construct affordable housing
- Intended for development that would not normally occur but for assistance
- Annual property tax increases are frozen at the current tax level
- Tax increases after the TIF is created are “captured” to pay off internal or external project financing, such as:
  - (a) External borrowing (Bonds) by the TIF Authority,
  - (b) External borrowing by the Developer – aka a “Pay-As-You-Go” note, or
  - (c) Internal borrowing by the TIF Authority – such as an Interfund Loan (City borrows from another City fund)
- Tax Increment districts have a limited duration which varies based on the type of district
  - TIF Authorities can specify a shorter duration in the TIF Plan OR decertify by resolution once all obligations have been paid
- Once a TIF District has been decertified, the full ad valorem taxes then go to all taxing authorities

**A. APPLICANT INFORMATION**

Name of Corporation/Partnership Lumber One Development Company LLC  
Address 101 2<sup>nd</sup> Street NW PO Box 7, Avon, MN 556310  
Primary Contact Ted Schmid  
Address 101 2<sup>nd</sup> Street NW PO Box 7, Avon, MN 56310  
Phone 320-356-7342 Fax 320-356-7631 Email tschmid@lumber-one.com

On a separate sheet, please provide the following:

- Brief description of the corporation/partnership’s business, including history, principal product or service, etc. Attach as **Exhibit A**.
- Brief description of the proposed project. Attach as **Exhibit B**.
- List names of officers and shareholders/partners with more than five percent (5%) interest in the corporation/partnership. Attach as **Exhibit C**
- A *but-for* analysis. Attach as **Exhibit D**.

Attorney Name Ryan Gerads Lathrop GPM  
Address 1010 West St. Germain, St. Cloud, MN 56301  
Phone 320-202-5315 Fax \_\_\_\_\_ Email ryan.gerads@lathropgpm.com

Accountant Name To be determined  
Address \_\_\_\_\_  
Phone \_\_\_\_\_ Fax \_\_\_\_\_ Email \_\_\_\_\_

Contractor Name Lumber One Avon Inc  
Address 101 2<sup>nd</sup> Street NW PO Box 7, Avon, MN 56310  
Phone 320-356-7342 Fax 320-356-7631 Email tschmid@lumber-one.com

Engineer Name To be determined  
Address \_\_\_\_\_  
Phone \_\_\_\_\_ Fax \_\_\_\_\_ Email \_\_\_\_\_

Architect Name Nicole Washburn JLG Architect, AIA LEED AP  
Address 710 S 2<sup>ND</sup> STREET, 8<sup>TH</sup> FLOOR  
Phone 612-436-4006 Fax \_\_\_\_\_ Email nwashburn@jlgarchitects.com

## B. PROJECT INFORMATION

The project will be:

Industrial Greenfield:       New Construction       Expansion  
 Commercial Redevelopment:       New Construction       Rehabilitation  
 Industrial Redevelopment:       New Construction       Rehabilitation  
 Housing Redevelopment:       New Construction       Rehabilitation  
 Mixed Use Redevelopment:       New Construction       Rehabilitation  
 Other Redevelopment District Per Renaissance Zone Policy

Please explain the basic components of the project proposed, i.e., amount of new commercial square footage, numbers of housing units (rental or owner occupied), etc. 57 apartment units with 43 underground parking stalls 74,000 square feet including garage areas. No commercial space in the proposal.

The project will be:  Owner Occupied  Leased Space  
*(If leased space, please attach a list of names and addresses of future lessees and indicate the status of commitments or lease agreements. **Attach as Exhibit E.**)*

Project Address 3<sup>rd</sup> street and Benson Avenue, Willmar  
 Legal Description See Exhibit E: Legal Description of Property

Site Plan Attached:  Yes       No

Amount of Tax Increment Requested for:

Building Demolition	\$25,000
Environmental Remediation	\$32,000
Public Improvements	\$70,000
Site Improvements	\$125,000
Land Acquisition	\$248,000

*(Land Acquisition shall not exceed 50% of total subsidy request)*

Total Subsidy Requested \$ 500,000

Current Assessed Value on Project Site:      \$ 206,200

Current Real Estate Taxes on Project Site:

City	\$ _____
County	\$ <u>2,108</u>
School District	\$ _____

Estimated Assessed Value upon Completion:      Phase I      \$ 9,100,000

Estimated Real Estate Taxes upon Completion:      Phase I      \$ \_\_\_\_\_

Construction Start Date:      October 1, 2021

Construction Completion Date:      November 1, 2022

If Phased Project:

_____ Year	_____ % Construction Completed
_____ Year	_____ % Construction Completed

## C. PUBLIC PURPOSE

It is the policy of the City of Willmar that the use of Tax Increment Financing should result in a benefit to the public.

Please indicate how this project will serve a public purpose:

- Job Creation: Number of existing jobs \_\_\_\_\_  
 Number of jobs created by project Block 25 Lofts will generate \$2,730,00 in wages during construction year, Generate \$60,000 in annual wages for site manager and maintenance  
 Average hourly wage of jobs created \$25.00 with incentives
- Increase in Tax Base
- Enhancement or diversification of the city's economic base.
- New industrial development which will result in additional private investment in the area.
- The project contributes to the fulfillment of the City's development or redevelopment objectives.
- Removal of blight or the rehabilitation of a high profile or priority downtown site.
- Other: The 57 tenants will patronize downtown businesses.

#### D. SOURCES & USES

<u>SOURCES</u>	<u>NAME</u>	<u>AMOUNT</u>
Bank Loan	<u>Minnwest</u>	<u>\$ 7,500,000</u>
Other Private Funds	_____	<u>\$ _____</u>
Equity	<u>Lumber One Development Co</u>	<u>\$ 2,100,000</u>
Fed Grant/Loan	_____	<u>\$ _____</u>
State Grant/Loan	_____	<u>\$ _____</u>
Other Loans	<u>Minnwest TIF Loan 80% LTV</u>	<u>\$ 400,000</u>
ID Bonds	_____	<u>\$ _____</u>
Tax Increment	_____	<u>\$ _____ 0 *</u>
<b>TOTAL</b>		<b><u>\$10,000,000</u></b>

**\*Note: Tax Increment is not an upfront funding source as it will be provided only on a pay-as-you-go basis. Developer needs to identify funding sources to cover ALL costs up front, absent Tax Increment.**

<u>USES</u>	<u>AMOUNT</u>
Land Acquisition	<u>\$ 248,000</u>
Site Development	<u>\$ 252,000</u>
Construction	<u>\$ 8,432,000</u>
Machinery & Equipment & FFE	<u>\$ 50,000</u>
Architectural & Engineering Fees	<u>\$ 390,000</u>
Legal Fees	<u>\$ 20,000</u>
TIF District Creation Escrow Deposit	<u>\$ 10,000 **</u>
Interest During Construction	<u>\$ 180,000</u>
Debt Service Reserve	<u>\$ 218,000</u>
Contingencies	<u>\$ 200,000</u>
<b>TOTAL</b>	<b><u>\$10,000,000</u></b>

**\*\*Note: If TIF is approved, escrow deposit will be reimbursed to the developer from future tax increment.**

## **APPLICATION FOR TAX INCREMENT FINANCING (TIF)**

### **Exhibit A: Business History Lumber One**

Lumber One started as a small lumber yard located in Avon, Minnesota, and has grown to one of the premier builders in Minnesota.

From its modest beginnings, Lumber One prospered under the leadership of Terry Schmid. After purchasing Avon Lumber Yard in 1962, he expanded the company by purchasing the Cold Spring Lumber Yard in 1967. In 1987, both companies changed their names to Lumber One.

Now under the leadership of Terry's daughter, Barb Brandes, and son, Ted Schmid, Lumber One is known for expertise in:

- Multi story apartment buildings
- Townhome construction
- Apartment and townhome remodeling
- Land development including demolition with lead and asbestos removal
- Extensive experience constructing Section 42 housing
- Extensive LEED Certification construction experience

Lumber One provides full-service building and contractor materials and services, including our lumber yard, interior design services, drafting, retail store with showroom and mortgage services.

### **Previous Multifamily Projects:**

- 2019- Park Place Apartments- 110 unit project (Red Wing MN)
- 2019- West Birch Rehab and Townhomes- 16 units (Princeton MN)
- 2019- Murphy Creek Townhomes- 88 unit major rehab project (Austin MN)
- 2018- Bottineau Ridge II Apartments- 60 unit apartment (Maple Grove MN)
- 2018- Timber Ridge Apartments- 50 unit apartments (Forest Lake MN)
- 2017- Falcon Heights Townhomes- 120 unit luxury rental (Rochester MN)
- 2016- Arbor Ridge Apartments- 73 units 4 story apartment (Maple Grove MN)
- 2016- Dala House Apartments- major rehab of senior apartments (Mora MN)
- 2015- Leighton's Landing Townhomes- 32 unit rehab (Big Lake MN)
- 2015- Northgate Apartments- 36 unit 3 story apartment (Owatonna MN)
- 2015- Whitter Place Townhomes- 32 unit rehab project (Austin MN)
- 2014- Coachman Ridge- 52 unit 4 story over precast (Elk River MN)
- 2014- Boulder Ridge Apartments- 60 unit apartment (Duluth MN)
- 2013- Sprucewood Townhomes of Baxter- 34 unit townhome project (Baxter MN)
- 2013- Bottineau Ridge Apartments- 50 unit apartment over precast (Maple Grove MN)
- 2013- Renaissance Heights Apartments- 288 unit apartment project (Williston ND)
- 2013- Spring Creek Townhomes- 28 unit project (Duluth MN)
- 2013- The Seasons of Ramsey- 50 unit townhome project (Ramsey MN)

# APPLICATION FOR TAX INCREMENT FINANCING (TIF)

## Exhibit B: PROJECT DESCRIPTION

WILLMAR BLOCK 25 LOFTS

4 STORY BUILDING CONSISTING OF A PRECAST 1<sup>ST</sup> FLOOR LEVEL, WOOD FRAMED CONSTRUCTION 2<sup>ND</sup>, 3<sup>RD</sup>, 4<sup>TH</sup> FLOORS.

57 APARTMENT UNITS

Unit Mix:

6 each studio apartments

42 each 1 bedroom apartments

6 each 2 bedroom 1 bath apartments

6 each 2 bedroom 2 bath apartments

43 UNDERGROUND PARKING STALLS

27 SURFACE PARKING STALLS

BUILDING SIZE 74,000 SQUARE FEET INCLUDING GARAGE, 18,500 SQUARE FEET PER FLOOR

46, 200 +/- SQUARE FOOT SITE

MARKET RATE APARTMENT PROJECT

TO BE BUILT ON ENTIRE BLOCK 25 AREA INCORPORATING BOTH PUBLIC AND PRIVATE LAND PURCHASES

LOCATED IN THE RENAISSANCE ZONE

PROJECT WILL SIGNIFICANTLY EXCEED RENAISSANCE ZONE DESIGN AND PARKING STANDARDS

WE ARE REQUESTING RENAISSANCE ZONE INCENTIVES INCLUDING

- PUBLIC LAND ACQUISITION FOR \$1.00 PER PARCEL
- 50% OFF ELECTRIC AND WATER SERVICE FEES
- ZERO BUILDING PERMIT OR AND PLAN REVIEW FEES
- ZERO MECHANICAL, PLUMBING, SAC OR WAC FEES
- TAX INCREMENT FINANCING OF \$500,000 (OFFSET COSTS INCLUDING PRIVATE LAND ACQUISITION, DEMOLITION, SITE CLEAN UP, AND CONTAMINATED SOILS CLEAN UP)

# APPLICATION FOR TAX INCREMENT FINANCING (TIF)

## Exhibit C: OFFICERS AND SHAREHOLDERS

Ted R Schmid  
Chief Manager  
Lumber One Development Company  
50% Ownership

Barbara J Brandes  
Secretary  
Lumber One Development Company  
50%

## **APPLICATION FOR TAX INCREMENT FINANCING (TIF)**

### **Exhibit D: But-For Analysis**

The Renaissance Zone development incentives are crucial for the development of the Block 25 Lofts. Block 25 has a blighted building, parking lot, electrical and water and sewer lines that need to be vacated. Due to the nature of the past and current uses, a Phase-I Environmental Assessment and a budget for environmental mitigation are necessary.

Block 25 is part of the poorest census tract in the City of Willmar. Any single property located in Block 25 is not large enough to support a successful multifamily project. Due to the blighted nature of the entire block, city staff encouraged our group to study the feasibility of developing the entire Block 25. City Staff and Planning Commission encouraged us to provide adequate parking onsite, upgrade the streetscape and provide green space. The improvements to the project will yield a net increase in value of the property. These added improvements benefit the entire community. These elements would not be financially possible to include in this project without Renaissance Zone development incentives and Tax Increment Financing.

TIF financing is needed for the following items:

- Purchase both privately owned properties on Block 25.
- Perform Phase-I Environmental Assessment.
- Perform soils corrections and address potential environmental mitigation.
- Site preparation, including the removal of a building, parking lots, curbs, parking lot lighting, broken sidewalks.
- Installing 27 surface parking spaces onsite. On site parking is not a requirement to qualify for Renaissance Zone incentives, but a necessary market driven, and Planning Commission requested amenity.
- Installation of new curbing and sidewalks.
- There are multiple water and sewer connecting into the properties. There will be significant costs to vacate unused lines.

## APPLICATION FOR TAX INCREMENT FINANCING (TIF)

### **Exhibit E: LEGAL DESCRIPTION OF PROPERTY**

#### **City Lots:**

N1/2 of Lots 7, 8, 9, 10 11 & 12, Block-25, Town of (Original) Willmar, according to the official plat on file in the Office of the County Recorder for Kandiyohi County, Minnesota (Tax ID: 95-003-2670)

S1/2 of Lots 7, 8, & 9, Block-25, Town of (Original) Willmar, according to the official plat on file in the Office of the County Recorder for Kandiyohi County, Minnesota (Tax ID: 95-003-2680)

S 50'. of Lots 10,11 & 12, Block-25, Town of (Original) Willmar, according to the official plat on file in the Office of the County Recorder for Kandiyohi County, Minnesota (Tax ID: 95-003-2690)

N 25' of S1/2 of Lots 10, 11 & 12, Block-25, Town of (Original) Willmar, according to the official plat on file in the Office of the County Recorder for Kandiyohi County, Minnesota (Tax ID: 95-003-2700)

#### **Middle of Block 25 Lots:**

220 Benson Ave SW

Willmar town of (Original) Block 25 Lots 3,4,5,6, according to the official plat on file in the Office of the County Recorder for Kandiyohi County, MN (Tax ID: 95-003-2640, 95-003-2640, 95-003-2650)

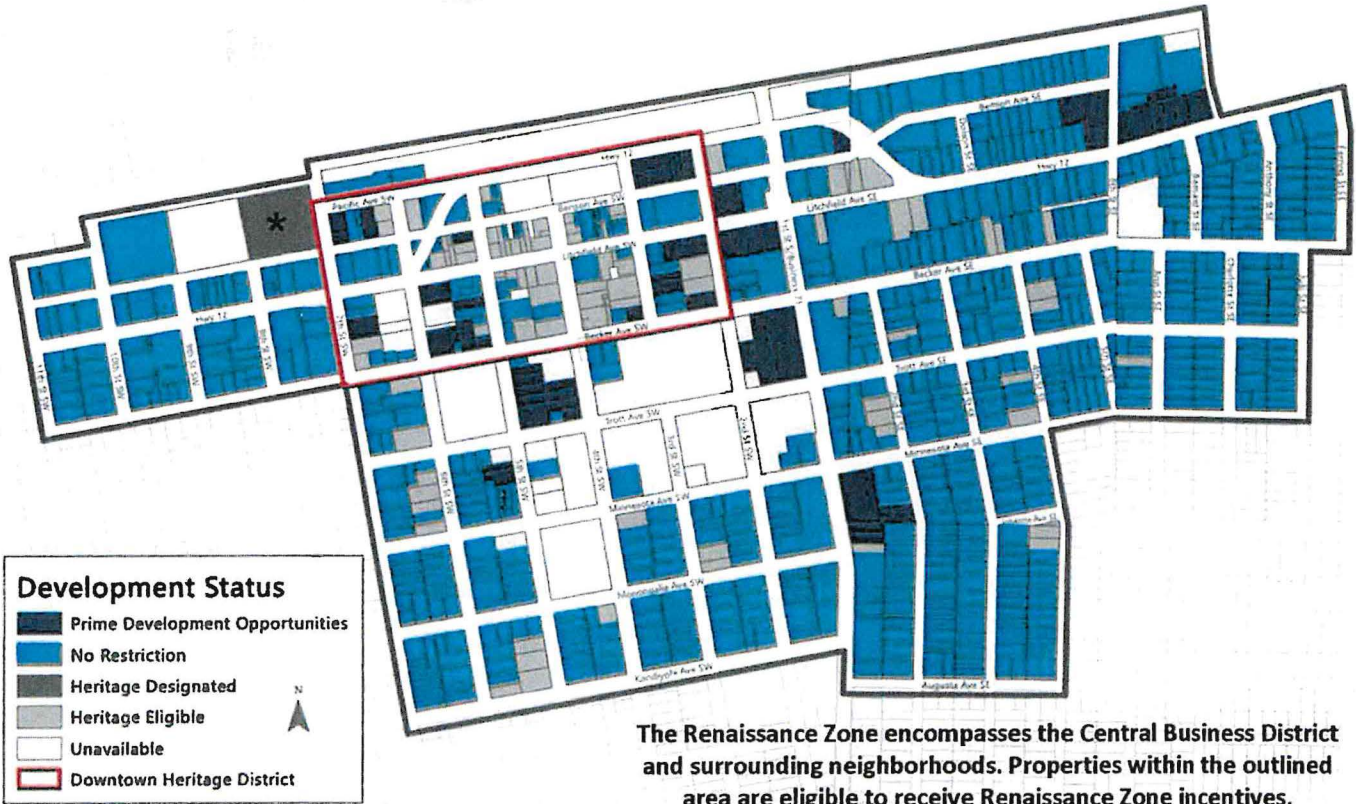
#### **Block 25 Eastern Lots:**

200 and 201 Benson Avenue SW, Pacific Avenue SW

Willmar town of (Original) Willmar, according to the official plat on file in the Office of the County Recorder for Kandiyohi County, Minnesota (Tax ID 95-003-2620, 95-003-2630)



An economic development initiative to spur creativity, construct new housing, enhance diversity, and improve the quality of urban life in the heart of Willmar.



The Renaissance Zone encompasses the Central Business District and surrounding neighborhoods. Properties within the outlined area are eligible to receive Renaissance Zone incentives. [https://willmarmn.gov/departments/planning\\_and\\_development/](https://willmarmn.gov/departments/planning_and_development/)

\*Tentative Heritage Designation until December 2022

**Every project is unique!**  
Likewise, this handout cannot cover every detail of the Renaissance Zone program. Please meet with city staff to discuss your project and explore the possibilities.

**David Ramstad, PhD**  
Director, Planning & Development, City of Willmar  
320-214-5184 | [dramstad@willmarmn.gov](mailto:dramstad@willmarmn.gov)

**Aaron Backman**  
Executive Order, Kandiyohi County & City of Willmar EDC  
320-235-7370 | [aaron@kandiyohi.com](mailto:aaron@kandiyohi.com)

### Monetary incentives that are available in the Renaissance Zone (RZ)

-   
**Free City-Owned Land**
-   
**50% Reduction in WMU New Service Fees**
-   
**TIF or Tax Abatement**
-   
**Free Water & Sewer Access Charges**
-   
**Free City Permits**
-   
**Forgivable Matching Loans for Façade Renovations**

# RENAISSANCE ZONE (RZ)

## Incentive Details



### Free Permits

Building Permits, Land-Use & Sign Permits (State fees apply)



### Free SAC & WAC

Significant savings – Sewer and Water Access Charges are typically on a per fixture basis



### Forgivable Loans for Façade Renovations\*

\$5,000 or \$10,000 matching forgivable loans, payment free, forgiven 20% each year over five-year term



### Free City-Owned Land\* & TIF or Tax Abatement\*

Minimum Preferred Project Thresholds

10,000 SF Minimum

3 Stories Minimum

4-Units Minimum (mixed-use)

10-Units Minimum (residential only)

If renovation, cost of at least 50% current assessed value

Minimum 5% or 1-unit Affordable Housing

*(whichever greater - 25% max; for households earning up to 80% AMI; rents set at FMR for Kandiyohi County as defined by HUD)*



### 50% Reduced Electric and Water Connection Fee

### Removed Development Barriers

Special Conditional Use Permits Available

Reduced parking requirements

*\*Subject to approvals by Planning Commission and City Council.*



CONTEXT IMAGES

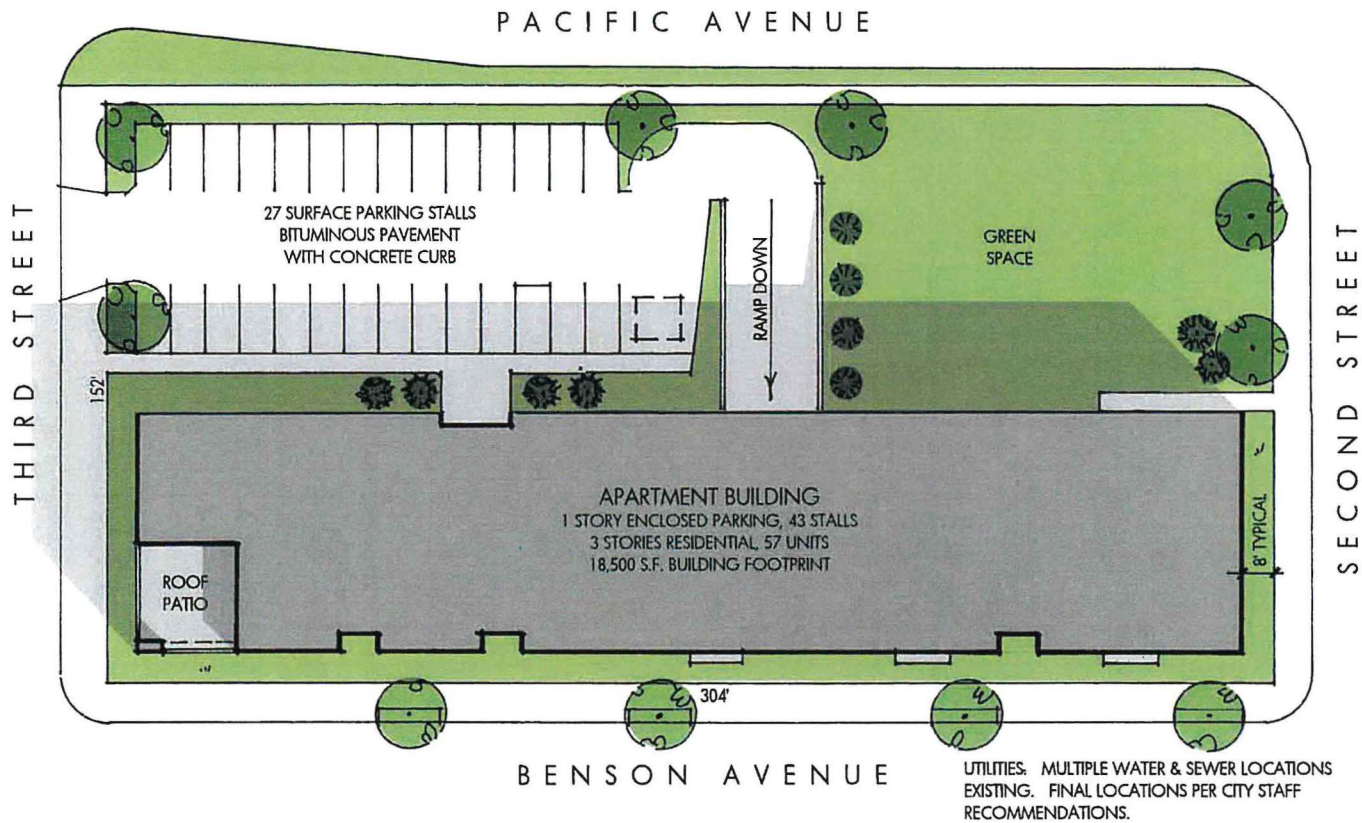


# BLOCK 25 LOFTS

## EXTERIOR CONCEPT

APRIL 30, 2021 | JLG 21169 | © 2021 JLG ARCHITECTS

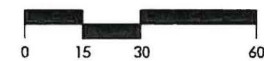




# BLOCK 25 LOFTS

## SITE CONCEPT

APRIL 30, 2021 | JLG 21168 | © 2021 JLG ARCHITECTS



**City of Willmar, Minnesota**  
**Tax Increment Financing Plan for Redevelopment District – Block 25**  
**September 7, 2021 – Public Hearing Dates**

**PROPOSED SCHEDULE OF EVENTS**

Date	Event	Responsible Party
Tuesday July 19, 2021	City Council Introduction of TIF Timeline	City, Baker Tilly, Flaherty & Hood
July 22, 2021	Written notice to County Commissioners – creation of Redevelopment District ( <b>At least 30 days before the publication of the notice for the public hearing</b> )	Baker Tilly
August 6, 2021	County and School District receive impact letters and draft TIF plan. ( <b>At least 30 days prior to public hearing</b> )	Baker Tilly
Monday August 16, 2021	Overview of TIF Plan with City Council & Adoption of Resolution Calling for Public Hearing	City, Baker Tilly, Flaherty & Hood
Wednesday August 18, 2021	Planning Commission reviews TIF and adopts resolution	City, Baker Tilly, Flaherty & Hood
Saturday August 21, 2021 <b>Deadline: August 18</b>	Publication of notice of public hearing in West Central Tribune Newspaper ( <b>10-30 days prior to public hearing.</b> )	City, Baker Tilly
Tuesday September 7, 2021	City Council holds public hearing and adopts resolution approving TIF Plan, TIF District, and Authorizing Execution of Proposed Development Agreement	City, Baker Tilly, Flaherty & Hood
After September 7, 2021	Certification to County and State of TIF Plan.	Baker Tilly



MUNICIPAL ADVISORS

Baker Tilly Municipal Advisors, LLC  
380 Jackson St., Ste 300  
St. Paul, MN 55101  
United States of America

T: +1 (651) 223 3000  
F: +1 (651) 223 3046  
bakertilly.com

## MEMORANDUM

TO: Mr. David Ramstad, City of Willmar

FROM: Tom Denaway, Baker Tilly

DATE: July 9, 2021

SUBJECT: Proposed Redevelopment TIF District – Block 25

### Proposed Project

The Developer (Lumber One Development Company LLC) is proposing the development of an approximately 57-unit market rate apartment project located within the City's Renaissance Zone. The building is proposed to be 4-stories and contain a mix of studio, one-bedroom, and two-bedroom units, along with underground and surface parking spaces. The project is proposed to encompass the entire Block 25 area including both public and private land purchases. Construction is preliminarily proposed to start fall of 2021 with an estimated completion in fall of 2022. The Developer has provided a preliminary estimate of the total development cost of \$10,000,000.

### Redevelopment TIF District Eligibility

The Developer is requesting that a Redevelopment TIF District be created to provide assistance with the redevelopment of the site. The creation of a Redevelopment TIF District is predicated on the existing condition of the project site, and the deteriorated nature of the buildings present on the redevelopment site. Redevelopment Districts are eligible to be created to remove barriers to investment associated with the redevelopment of blighted sites. Redevelopment TIF Districts do not require a specific type of new project to be developed on the site, and any future private use of the site is eligible (i.e., multi-family housing, commercial, office, etc.).

State Statute provides the following requirements for qualifying a site as a Redevelopment TIF District.

A redevelopment district is a type of tax increment financing district in which one or more of the following conditions exists and is reasonably distributed throughout the district:

- (1) parcels comprising at least 70% of the area of the district are occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures and more than 50% of the buildings, not including outbuildings, are structurally substandard requiring substantial renovation or clearance. A parcel is deemed "occupied" if at least 15% of the area of the parcel contains buildings, streets, utilities, paved or gravel parking lots, or other similar structures; or
- (2) the property consists of vacant, unused, underused, inappropriately used, or infrequently used railyards, rail storage facilities, or excessive or vacated railroad right-of-ways; or
- (3) tank facilities, or property whose immediately previous use was for tank facilities, if the tank facilities:
  - i. have or had a capacity of more than 1,000,000 gallons;
  - ii. are located adjacent to rail facilities; and
  - iii. have been removed or are unused, underused, inappropriately used, or infrequently used.

For districts consisting of two or more noncontiguous areas, each area must qualify under the provisions listed above. "Structurally substandard" is defined as buildings containing defects or deficiencies in structural elements, essential utilities and facilities, light and ventilation, fire protection (including egress), layout and condition of interior partitions, or similar factors. Generally, a building is not structurally substandard if it is in compliance with the building code

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applicable to a new building, or could be modified to satisfy the existing code at a cost of less than 15% of the cost of constructing a new structure of the same size and type.

A municipality may not find that a building is structurally substandard without an interior inspection, unless it can not gain access to the property and there exists evidence which supports the structurally substandard finding. Such evidence includes recent fire or police inspections, on-site property tax appraisals or housing inspections, exterior evidence of deterioration, or other similar reliable evidence. Written documentation of the findings and reasons why an interior inspection was not conducted must be made and retained. A parcel is deemed to be occupied by a structurally substandard building if all of the following conditions are met:

- (1) the parcel was occupied by a substandard building within three years of the filing of the request for certification of the parcel as part of the district;
- (2) the demolition or removal of the substandard building was performed or financed by the authority, or was performed by a developer under a development agreement with the authority,
- (3) the authority found by resolution before such demolition or removal occurred that the building was structurally substandard and that the authority intended to include the parcel in the TIF district, and
- (4) the authority notifies the county auditor that the original tax capacity of the parcel must be adjusted upon filing the request for certification of the tax capacity of the parcel as part of a district.

The qualifying information, facts and findings must be kept in written form for the life of the district and made available to the public upon request.

#### **Limitation on use of TIF Revenue**

At least 90 percent of the tax increment from a redevelopment district must be used to finance the cost of correcting conditions that allow designation of redevelopment districts. These costs include, but are not limited to, acquiring properties containing structurally substandard buildings or improvements or hazardous substances, pollution, or contaminants, acquiring adjacent parcels necessary to provide a site of sufficient size to permit development, demolition and rehabilitation of structures, clearing of land, removal of hazardous substances or remediation necessary to develop the land, and installation of utilities, roads, sidewalks, and parking facilities for the site. The allocated administrative expenses of the authority may be included in the qualifying costs.

#### **Redevelopment TIF District Duration**

Redevelopment District's have the eligibility to be in place for a period of 26-total years. However, for the purpose of this project the District is proposed to be created with a duration of 15-years in accordance with the City's TIF Policy.

#### **Next Steps**

There is a statutorily defined process that is required to be followed for the creation of a Redevelopment TIF District. This process includes the completion of an analysis of the eligibility of the site for creation as a Redevelopment TIF District, the drafting of a TIF plan describing the proposed redevelopment and the associated revenues, as well as the proposed uses of the TIF revenue. The TIF creation process includes a number of required steps and notices must be made, which are detailed in the TIF creation schedule that was included within the Council packet. Ultimately this process would conclude at a public hearing, following which the City Council would have the ability to take action on the creation of the proposed District. The proposed timeline preliminarily suggest the public hearing could be held at the City Council meeting schedule for September 7, 2021, with additional review and presentation of the project to the City Council at their August 16, 2021 City Council meeting.

At this time we are seeking comment from the City Council in regards to beginning the process of creating the TIF District, satisfying the statutory notification requirements, and beginning the qualification analysis for the site as a Redevelopment TIF District.

Thank you for the opportunity to assist the City of Willmar. Please contact me at 651-223-3075 or [tom.denaway@bakertilly.com](mailto:tom.denaway@bakertilly.com) with any questions or to discuss.

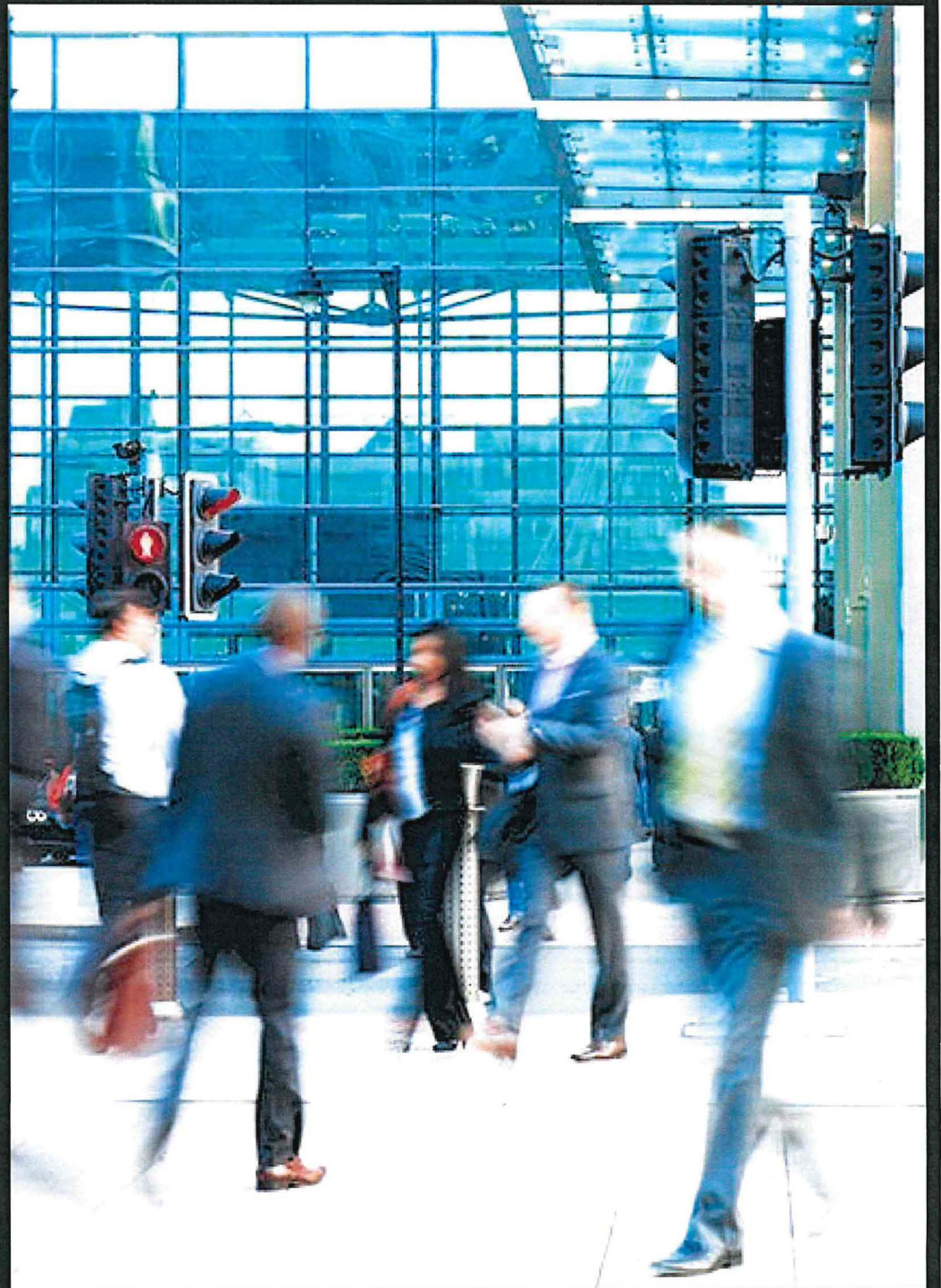
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City of Willmar  
City Council

Proposed Block 25  
TIF Redevelopment District



now joined with  
Springsted and Umbaugh







## What is TIF?

- A method of capturing tax base growth resulting from new development
- Captures new local taxes (increment) to pay for public improvements related to development
- Fixed term for capture, then new development added to tax base

## Types of TIF Districts

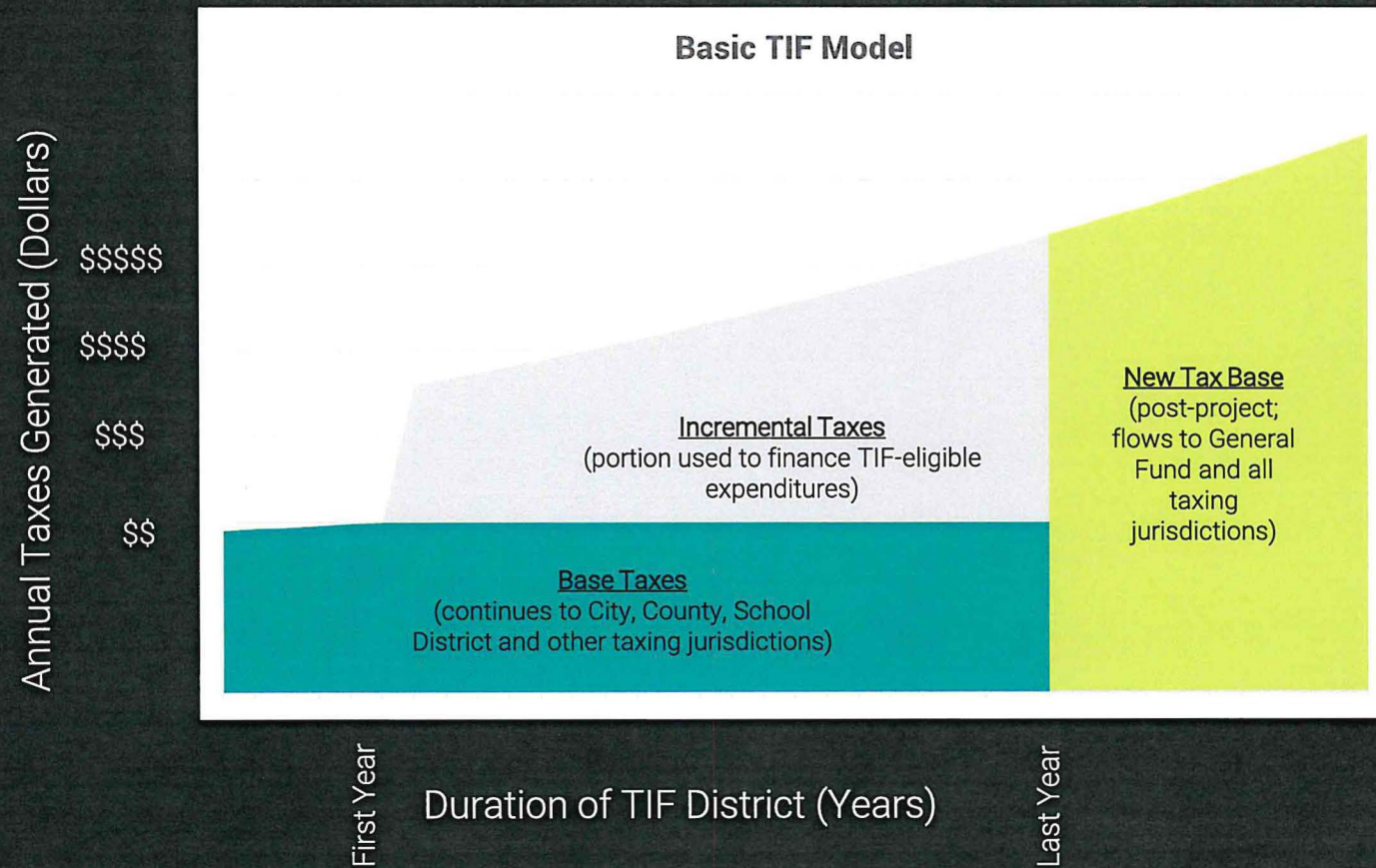
Types of Districts	Criteria	Term
Redevelopment	Heavy blight and concentrated development—70%	25 years
Renewal and renovation	Lighter blight and concentration	15 years
Housing	Low and moderate income housing	25 years
Soils condition	Contaminated soils	20 years
Economic development	Manufacturing	8 years



## How is a TIF District Created?

- Development District
- TIF District
  - TIF Plan
    - Budget
    - Geographic boundaries
    - Purpose
  - Public Hearing
  - Certification

# Fundamentals Tax Increment Financing





## Financing Project Costs in Willmar

- Pay as you go
  - Developer pays for public improvements
  - Reimbursed by tax increment
  - Reimbursement limited to amount of TIF collected



### City Council Action Request

<b>Council Meeting Date:</b>	07/19/2021	<b>Agenda Item Number:</b>	10.
<b>Agenda Section:</b>		<b>Originating Department:</b>	Willmar Police Department
<b>Resolution</b>	No	<b>Prepared by:</b>	Chief Jim Felt
<b>Ordinance</b>	Yes	<b>Reviewed By:</b>	Willmar City Civil Attorney City Administrator Harren
<b>No. of Attachments</b>	1	<b>Presented By:</b>	Chief Jim Felt
<b>Item:</b>	Introduce Ordinance amending City Code Section 3-93 (Prohibited activities in premises of on-sale liquor licensees) and Set Public Hearing for August 2, 2021		

**RECOMMENDED ACTION:**

Motion By: \_\_\_\_\_ Second By: \_\_\_\_\_, to introduce an ordinance amending Willmar City Code Section 3-93 to allow on-sale liquor sales at boxing, mixed martial arts and other specific contests regulated by the MN State Boxing Commission in conjunction with specified law enforcement and security requirements set forth in the proposed ordinance change, and set a public hearing thereon for August 2, 2021.

**OVERVIEW:** At the Willmar City Council meeting of 06/28/2021, a local event organizer spoke to the council about possible modification of section #3-93 that prohibited on-sale alcohol sales at specific sporting events. Staff was instructed to work with the Willmar City Civil Attorney for alternatives to allow on-sale alcohol for these events while ensuring the safety of spectators, staff and participants. The attached proposed ordinance change shows a method for allowing those events utilizing law enforcement contracted through the city along with security staff. Provisions were outlined for security staff regarding licensed security staff having a broader ratio of security to spectator versus unlicensed security staff having more stringent requirements.

**PRIMARY ISSUES/ALTERNATIVES TO CONSIDER:**

- Approve or modify the proposed ordinance change
- Opt to stay with current ordinance prohibiting on-sale liquor at those specific events
- Return for modifications

**BUDGETARY/FISCAL ISSUES:** None. If WPD officers contracted, would be paid at city council approved reimbursement rate.

**ATTACHMENTS:**

Proposed ordinance submitted by Willmar City Civil Attorney

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

AN ORDINANCE AMENDING WILLMAR MUNICIPAL CODE, CHAPTER 3, ALCOHOLIC BEVERAGES, ARTICLE III, SALE OF INTOXICATING LIQUOR FOR ON-PREMISES CONSUMPTION, DIVISION 1, GENERALLY, SECTION 3-93, PROHIBITED ACTIVITIES IN PREMISES OF ON-SALE LIQUOR LICENSEES

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

Section 1. AMENDMENT OF MUNICIPAL CODE, CHAPTER 3, ALCOHOLIC BEVERAGES, ARTICLE III, SALE OF INTOXICATING LIQUOR FOR ON-PREMISES CONSUMPTION, DIVISION 1, GENERALLY, SECTION 3-93, PROHIBITED ACTIVITIES IN PREMISES OF ON-SALE LIQUOR LICENSEES. Chapter 3, Article III, Division 1, Section 3-93 of the Willmar Municipal Code is hereby amended as follows (deleted material is crossed out; new material is underlined; sections and subsections not being amended are omitted):

\* \* \* \*

**Sec. 3-93. – Prohibited activities in premises of on-sale liquor licensees.**

No on-sale liquor licensee shall permit boxing, wrestling, ultimate fight contests, tough person contests, mixed martial arts contests or any other contest regulated by the Minnesota State Boxing Commission to be conducted on the licensed premises unless the licensee complies with the following requirements:

a) the licensee shall enter into a contract with the Willmar Police Department for the assignment of at least two on-duty officers to the licensed premises during the event at the rate set annually by the city council and on file in the office of the city clerk; and

b) in addition to the Willmar Police Department officers assigned to the event pursuant to paragraph a), the licensee shall provide on the licensed premises during the event: at least one licensed private security guard for every 300 attendees, or at least one licensee personnel member for every 75 attendees. The licensee shall submit evidence to the Willmar Police Department at least five business days prior to the date of the event that all licensed private security guards working the event for the licensee are actively licensed under Minnesota state law.

For purposes of this section, on-sale liquor licensee shall include holders of on-sale intoxicating liquor licenses; on-sale wine licenses; and on-sale non-intoxicating liquor licenses.

\* \* \* \*

Section 2. EFFECTIVE DATE. This ordinance shall take effect after its adoption and second publication.

VOTE:     \_\_\_ ASK   \_\_\_ ASMUS   \_\_\_ BUTTERFIELD   \_\_\_ DAVIS  
          \_\_\_ FAGERLIE   \_\_\_ NELSEN   \_\_\_ O'BRIEN   \_\_\_ PLOWMAN

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

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

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

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

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

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