

CITY OF WILLMAR

COMMUNITY DEVELOPMENT COMMITTEE MEETING

4:45 PM, THURSDAY, APRIL 16, 2015

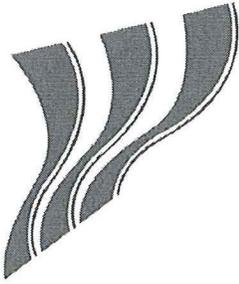
CONFERENCE ROOM #1

CITY OFFICE BUILDING

Chair: Rick Fagerlie
Vice Chair: Andrew Plowman
Members: Tim Johnson
Audrey Nelsen

AGENDA

1. Meeting Called to Order
2. Public Comment
3. Mobile Home Park Code Violations
4. Willmar Wye Project Update
5. Adjourn



**CITY OF WILLMAR, MINNESOTA
REQUEST FOR COMMITTEE
ACTION**

Agenda Item Number: _____

Meeting Date: April 16, 2015

Attachments: Yes No

CITY COUNCIL ACTION

Date: April 20, 2015

- | | |
|-----------------------------------|---------------------------------|
| <input type="checkbox"/> Approved | <input type="checkbox"/> Denied |
| <input type="checkbox"/> Amended | <input type="checkbox"/> Tabled |
| <input type="checkbox"/> Other | |

Originating Department: Planning and Development Services

Agenda Item: Mobile Home Park Code Violations

Recommended Action: Provide Policy Direction

Background/Summary:

A number of violations have occurred in the west park over the past several months. Many of the violations involve illegally or improperly constructed additions to mobile homes. Past enforcement has created issues with compliance and the court system. Staff seeks direction from a policy standpoint, as a strict enforcement of the codes will be challenging and will be met with resistance.

Alternatives: N/A

Financial Considerations: Staff time and legal costs

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

Signature:

Comments:



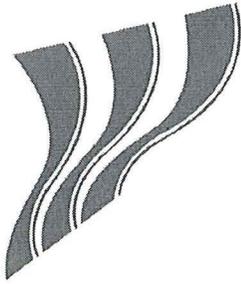
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**CITY OF WILLMAR, MINNESOTA
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Originating Department: Planning and Development Services

Agenda Item: Willmar Wye Project Update

Recommended Action: Receive for Information

Background/Summary:

Staff will provide an update on the rail project and review the recent trip to Washington DC to lobby for the TIGER grant.

Alternatives: N/A

Financial Considerations: N/A

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

Signature:

Comments:

MEMO

TO: Charlene Stevens, City Administrator

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

DATE: April 3, 2015

RE: DC TRIP SUMMARY

The recent meeting to Washington D.C for the purpose of discussing the 2015 TIGER Grant was a successful trip. Local people participating in the trip were myself, Mel Odens – Kandiyohi County Public Works Director, and Steve Renquist – EDC Director. We flew to D.C. late Tuesday evening.

We began our meetings Wednesday morning with a meeting at the BNSF office in downtown D.C. Two BNSF staff members were present, one from their D.C. Office and our local contact French Thompson III who is from their Fort Worth Office. Mr. Thompson is the company representative for public and private partnerships. We put together a strategy for the meetings that were to follow. We were fortunate enough to be invited to a lunch meeting sponsored by a group called One Rail. This is a railroad advocacy group that meets monthly in Washington D.C. They have representatives from a broad range of people within the industry. They were interested in hearing about the Willmar Wye project and its impact on economic development. That meeting went very well and gave the project additional exposure.

Wednesday afternoon we were able to meet with Representative Collin Peterson's staff and a staff member from Senator Amy Klobuchar's office. We delivered the talking points that had been prepared, and received a good reception from both offices. Representatives of MnDOT were back in Minnesota meeting with Senator Franken's staff to make sure that we had the entire congressional delegation covered. Although the meetings went well with the congressional staff, we think some follow-up by elected officials would be a good idea later in the grant process. I would suggest that Mayor Calvin and Governor Dayton make personal contacts with the offices.

Thursday was probably the most productive meeting of the whole trip. We were able to meet with representatives of U.S. DOT, specifically the policy people that are in

charge of the grant review process. We had a long meeting with these individuals and got insight as to how we should fine-tune our application. They encouraged resubmittal and said that internally they were impressed with the project and would push for its funding. That meeting included a representative of the Federal Railway Administration who expressed prior knowledge of our local situation and TIGER application.

We flew back late Thursday evening. All in all, I think the trip was successful. It is always difficult to determine exactly what the message is that you receive from the elected officials and their staff persons. Dealing with the agency representatives, those people that are closest to the process, really gives us hope that we will be successful with our funding application.

I would be happy to meet with you to discuss this at your convenience.

Willmar Rail Connector & Industrial Access Project

Project Overview

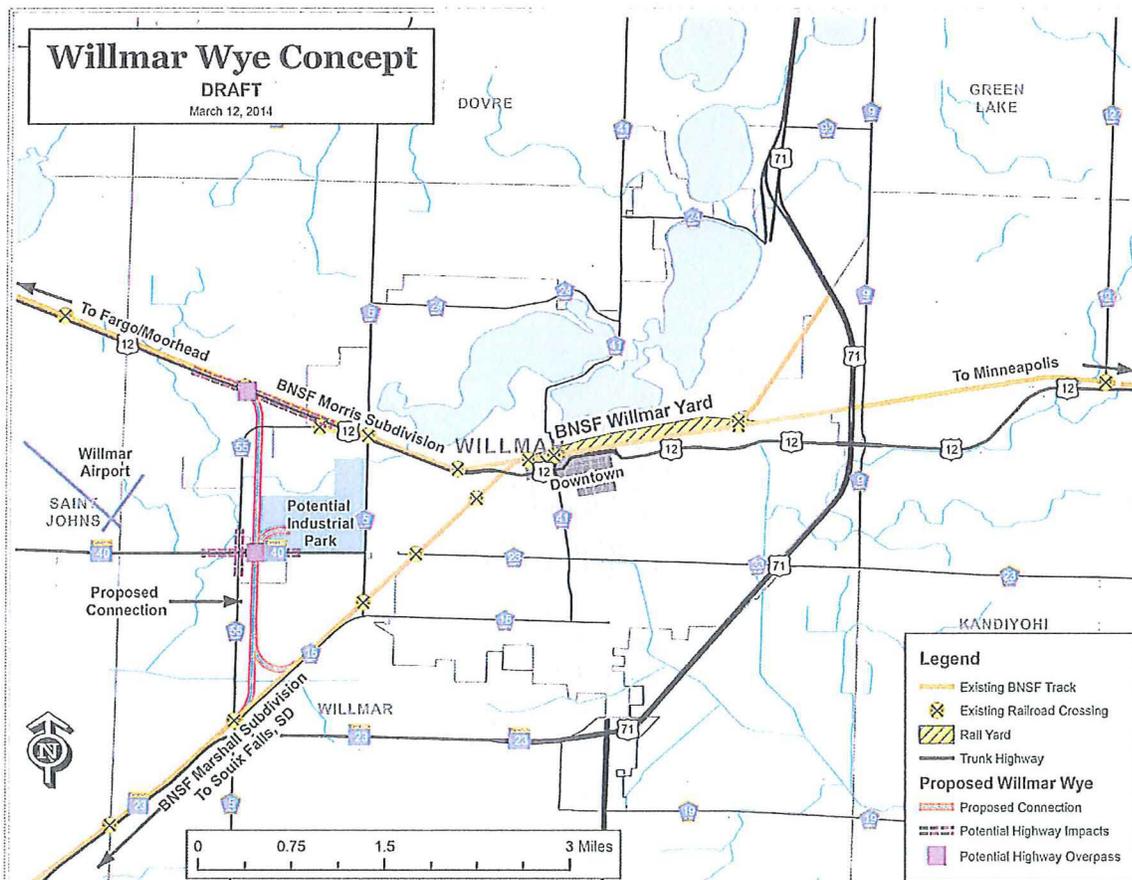
The Willmar Wye project is a proposal to construct a new rail alignment and industrial park access on the west side of the city of Willmar. The proposed project would also include the construction of two new highway bridges on Highway 12 and Highway 40, over the proposed new rail line, along with other associated local road modifications.

The existing local rail configuration impedes local traffic and train service. Currently, trains entering Willmar from the northwest or southwest destined for locations on the other subdivision must first travel into the yard over several at-grade intersections and stop in the yard to reverse direction by reallocating power. The engines are moved from the front of the train to the back of the trains then travel back out of the yard to connect with the other subdivision. This movement creates excess emissions, blocks crossings in Willmar and consumes yard and mainline capacity that would otherwise be used for switching local business and handling through trains. This movement results in trains blocking intersections in Willmar's Central Business District for up to 30 minutes at a time.

Location

The project would create a direct connection for BNSF rail movements between two existing main track subdivisions, the Morris subdivision that parallels Highway 12 west of Willmar and the Marshall subdivision that parallels Kandiyohi County Road 55/County Road 15 and Highway 23 to the southwest.

These subdivisions serve local, regional and national rail customers in the Northwest, Midwest, and southern United States.



Benefits

A public private partnership including the city of Willmar, Kandiyohi County, Kandiyohi/Willmar Economic Development Commission, MnDOT and BNSF Railway is proposing a rail connection between two existing rail lines in the city of Willmar designed to:

- Reduce the number of train trips that cause traffic delays at rail crossings in Willmar
- Improve local and regional rail system operational efficiency, fluidity, optionality and connectivity
- Alleviate increasing congestion and accommodate additional projected growth on the local and regional rail network
- Facilitate rail-served development in the Willmar Industrial Park and enable local economic development

The project would create a direct connection for BNSF rail movements between two existing main track subdivisions.

The project would remove approximately 7 – 10 trains per day from the yard and city, thereby eliminate 14- 20 trips per day into, or out of, Willmar and from the at-grand crossing where travelers experience delays.

Associated quality of life improvements would also result such as decreased noise, vibration, trip delays, improved air quality, emergency response and traveler accessibility and mobility.

Regional Demands

Rail shipments of oil have grown sharply in regions--such as North Dakota's Bakken energy fields--that lack sufficient pipelines as alternatives. Investments in the network are needed to allow network capacity to "catch up" with the new demand. Production is reported to be approaching 1 million barrels a day with roughly 72 percent of that fuel transported by rail. These trains are bound for refineries in the Gulf and locally within the Midwest region, while coal cars are bound for export terminals located both in the Great Lakes and on the West Coast.

Grain trains are also frequently delayed reducing farmer's ability to manage market fluctuations and tempering profit margins. By easing this chokepoint in Willmar, the project would add much needed capacity in this portion of the rail network.

The Minnesota Comprehensive Statewide Freight and Passenger Rail Plan (MnDOT, 2012) identified the Marshall Subdivision as a corridor that will need investment due to volume and capacity issues.

Project Partners - Contributions/Commitments*

BNSF Railway	\$16 million
MnDOT	\$15 million
Kandiyohi County	\$459,000
City of Willmar	\$336,000
Kandiyohi/Willmar EDC	\$35,000
TIGER Grant Request	\$18 million*

**Contributions reflect TIGER fund request in 2014; project was not selected for TIGER funding in 2014. Negotiations underway between project partners for possible TIGER funding request in 2015.*

Estimated Project Costs

Roadway work	\$28.4 million
<u>Railroad work</u>	<u>\$21.5 million</u>
TOTAL	\$49.9 million

Project Contacts

Peter Dahlberg, OFCVO, 651-366-3693, peter.dahlberg@state.mn.us

Susann Karnowski, District 8, 320-214-6370, susann.karnowski@state.mn.us

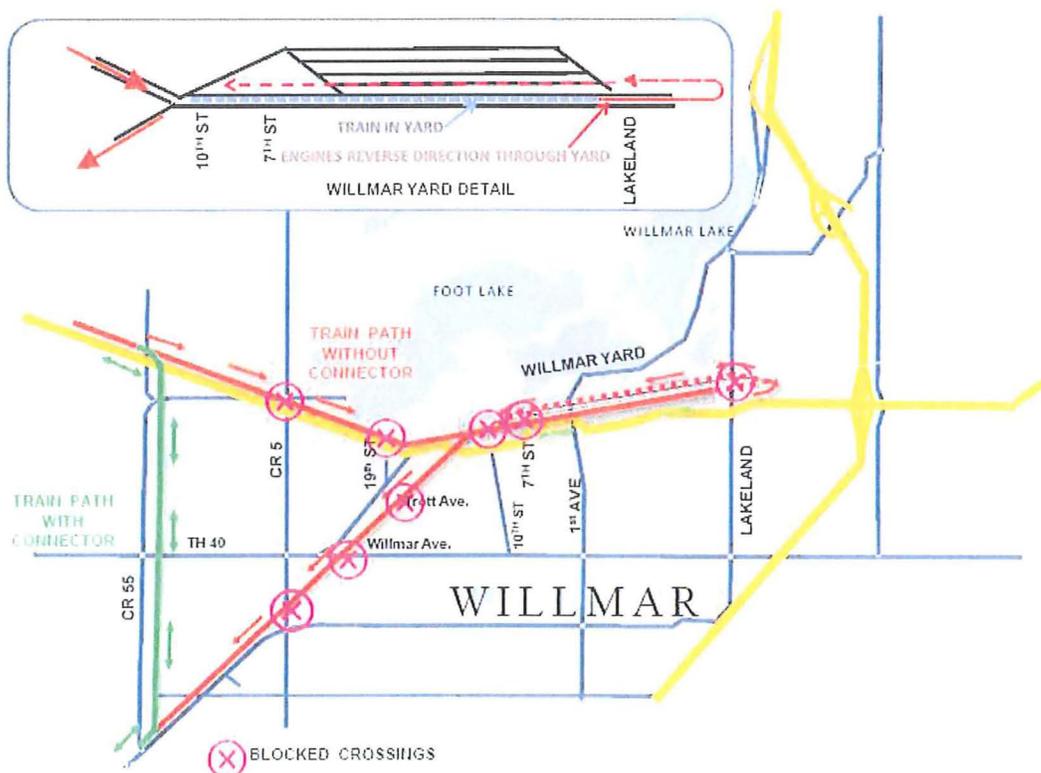
<http://www.dot.state.mn.us/d8/projects/willmarwye/>

Talking Points: Willmar Rail Connector and Industrial Access Project

Located in Willmar, Minnesota, a burgeoning commercial center serving the agricultural communities of southwestern Minnesota, the **Willmar Rail Connector and Industrial Access Project** (hereafter “the Project”) benefits this middle class rural economy, the surrounding towns that rely on Willmar, and the efficiency of the broader regional rail network. The following talking points describe the main features of the Project and how it benefits Willmar and the broader region.

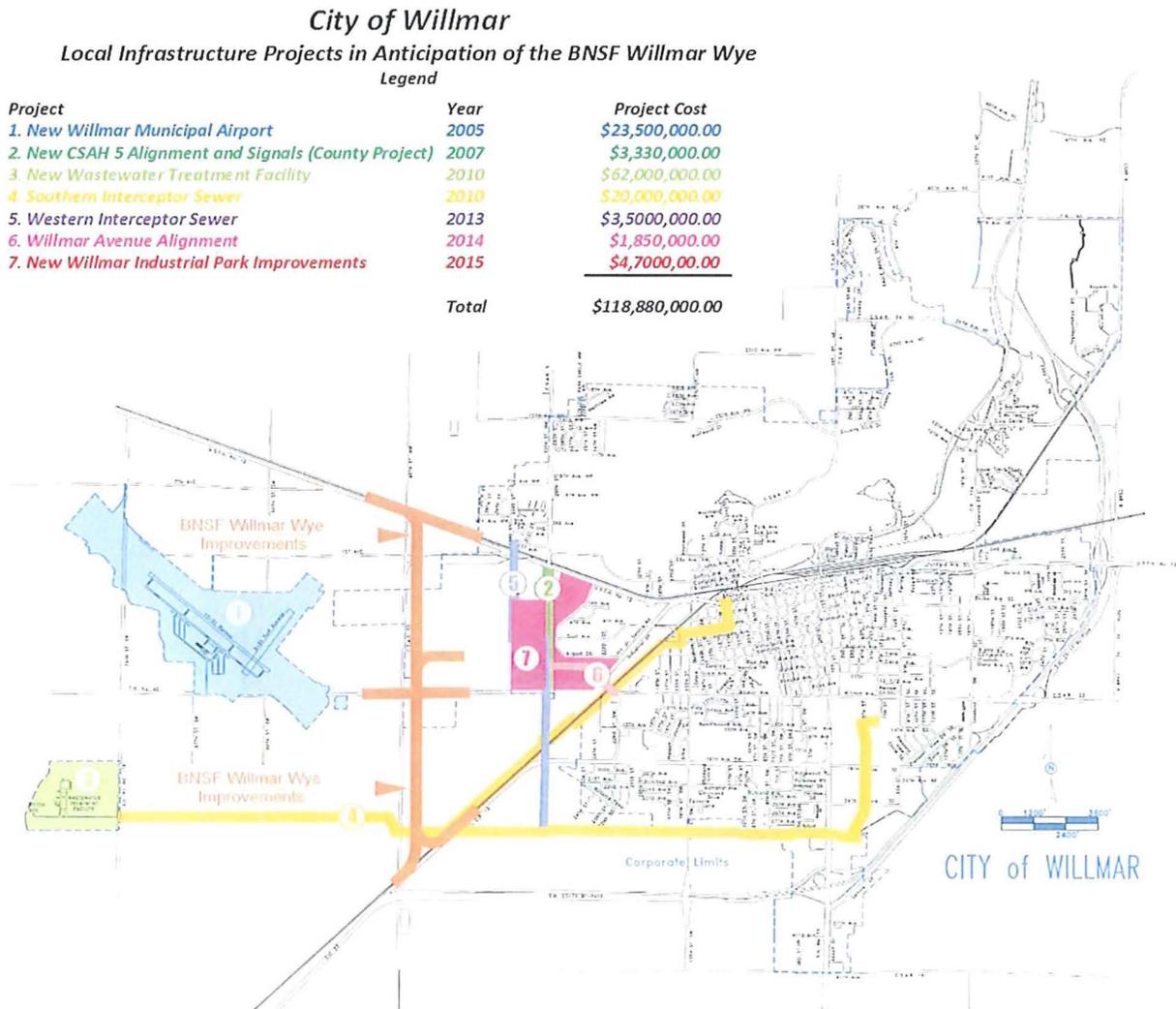
- **Past economic assessments of the Project have concluded that it would result in a Benefit Cost Ratio of 3.19 at a 7 percent discount rate.** This demonstrates that there are more than three times the benefits for every dollar invested of total Project costs.
- **The Project will connect the Marshall to the Morris Subdivisions of the BNSF rail network, allowing 7 to 10 trains daily to avoid pulling into the rail yard in downtown Willmar.** Exhibit 1 below illustrates these movements. The reduction of train traffic through downtown Willmar improves the local quality of life by reducing delays at crossings, improving safety, reducing noise and emissions, and improving the reliability of fire, police, and ambulance response. This investment also creates both rail capacity and operational flexibility, and will allow for BNSF to relieve one of the more congested areas on the northern part of its system.

Exhibit 1: Illustration of Train Movements through Willmar Required to Switch from the Morris to the Marshall Subdivisions



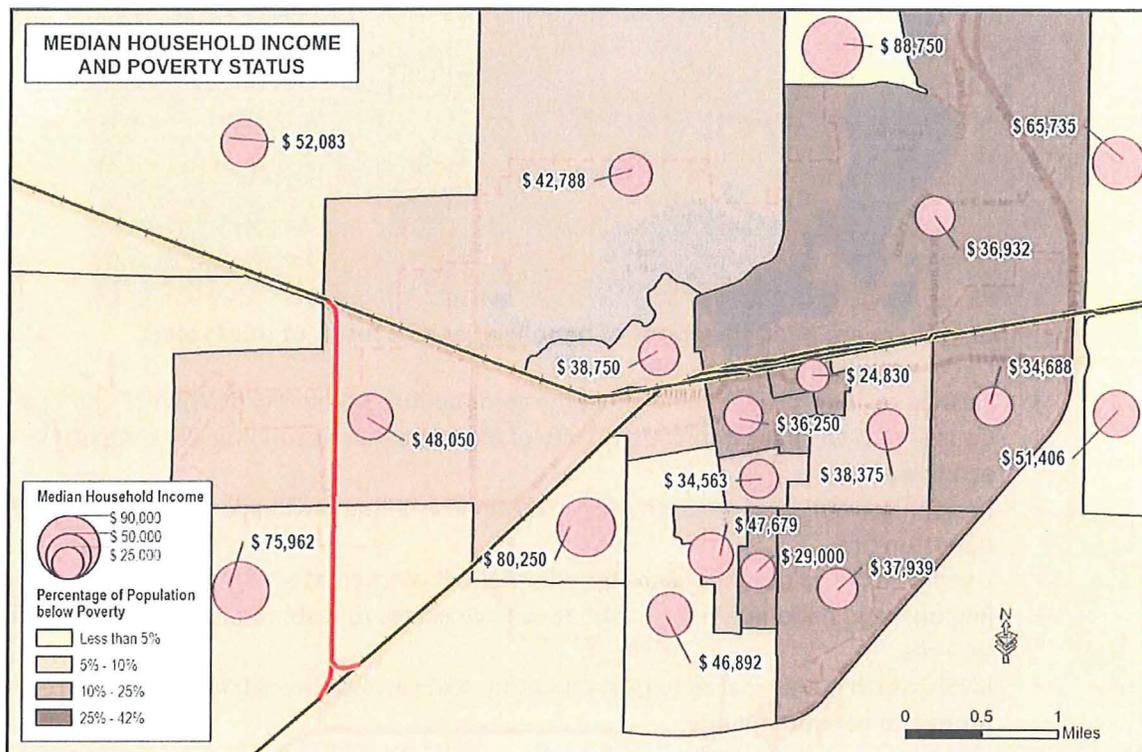
- The Project includes a rail spur that would provide access to the City’s developing industrial park. The park is one of the prime sites available for industrial development in this rural community and \$4.7 million is dedicated this year for additional improvements to support its expansion.
- The Project represents the final component of a much larger ten-year local initiative to proactively plan for the southern and western expansion of the Willmar community. The City and County have steadily made incremental investments totaling more than \$118 million over the past decade to proactively plan for Willmar’s growth. Illustrated in Exhibit 2 below, these investments have relocated the local airport to create room for both the City’s and the airport’s expansion, relocated and updated sewer and water systems to support growth on this side of the City, and invested in multiple traffic signal and road improvements.

Exhibit 2: Locally-Funded Investments to Plan for Willmar’s Southwestern Expansion



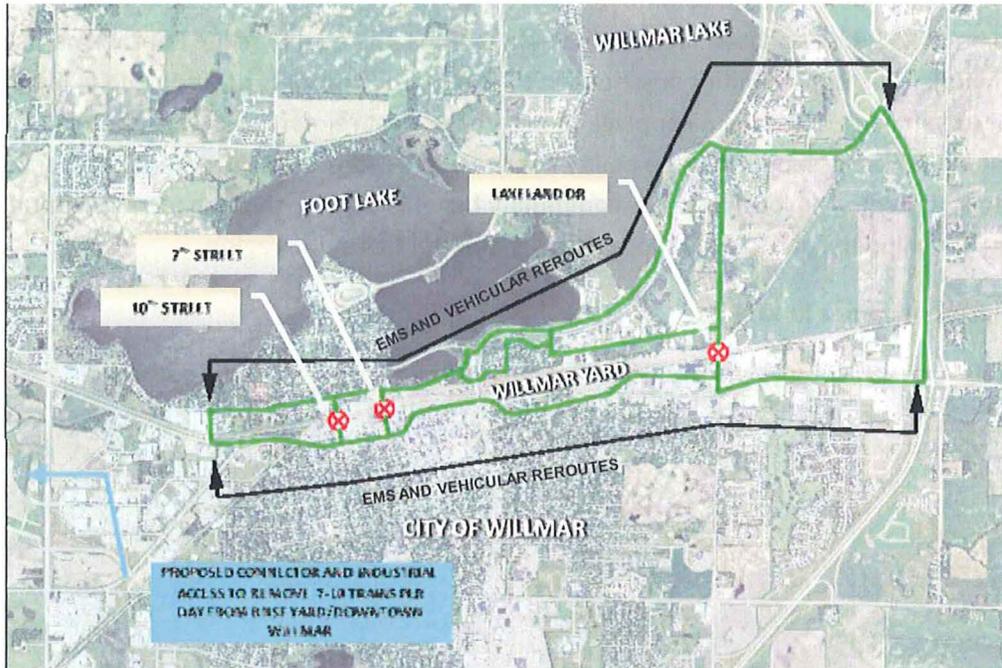
- The Project supports quality of life in this middle class community.** The City of Willmar is at the cusp of a lower-income and middle-income community; median incomes in Willmar are below the U.S. 2014 median income of \$51,939, as shown in Exhibit 3 below. Thus, the quality of life improvements squarely benefit the middle class opportunities described in the President’s Ladders of Opportunity initiative. More broadly, by making Willmar a nicer place to live, the Project reinforces local economic development initiatives by supporting the ability to attract and retain skilled workers to advance the City’s economic growth. The local business community benefits directly through increased multimodal opportunities for shippers, particularly those with agricultural ties in the region.

Exhibit 3: Median Incomes in Willmar



- The Project is being developed and funded through a robust public (local and state governments) and private partnership.** Four public entities—the State of Minnesota’s Department of Transportation (“State”), City of Willmar, Minnesota (“City”), Kandiyohi County, Minnesota (“County”), and the Kandiyohi County and the City of Willmar Economic Development Commission (“EDC”)—are working with the private corporation BNSF Railway Company (“BNSF”).
- The Project is ready to build.** Preliminary engineering and other critical path elements for the Willmar Rail Connection and Industrial Access Project have been completed.
- The Project decreases emergency response times, improving community safety.** The Project will foster improved responsiveness of fire, police, and ambulance personnel to emergencies by reducing the frequency of grade crossings blocked by trains. Blocked routes are shown in Exhibit 4.

Exhibit 4: Emergency Routes and the Alternative Reroute when Crossing is Blocked



- **In summary, there are multiple groups of beneficiaries as a result of this Project.**
 - Existing residents of the middle income communities of the City of Willmar and Kandiyohi County who will have improved quality of life and a more economically competitive local economy.
 - Residents in the southwestern region of Minnesota that now have greater economic opportunities.
 - Users of this and other rail lines for whom the Project creates capacity and “optionality.”
 - Regional and national shippers who now have access to faster and more reliable transportation services.
 - BNSF, which is anticipated to gain operating cost savings through faster and more reliable transit times and network fluidity.

- **Project Costs and Partners**

Estimated Project Costs

Roadway Work:	\$28.5M
Railroad Work:	\$21.5M
Total	\$50M
<i>TIGER Funds Requested:</i>	<i>\$15M</i>
<i>Local Match:</i>	<i>\$35M</i>

Project Partners

- BNSF Railway
- MNDOT
- Kandiyohi County
- City of Willmar
- Kandiyohi/Willmar EDC