

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

Agenda Item Number: 3

Meeting Date: September 11, 2014

Attachments: Yes No

CITY COUNCIL ACTION

Date: September 15, 2014

- Approved Denied
- Amended Tabled
- Other

Originating Department: Planning and Development Services

Agenda Item: Tax increment financing / tax abatement application, fee schedule, and process flow chart

Recommended Action: Approve the application and fee schedule

Background/Summary:

In response to recent discussion regarding the application and review processes for tax increment financing and tax abatement, staff has prepared a revised application and fee schedule. A process flow chart has also been developed to guide the Council through the process.

Alternatives: N/A

Financial Considerations: The revised fee schedule will offset some of the costs incurred by the City

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

Signature:

Comments:

Date Submitted: _____

TAX INCREMENT FINANCING / TAX ABATEMENT APPLICATION FORM

1. Applicant: _____

Company Name: _____

Address: _____

Contact Person: _____

Telephone Number: _____

2. Corporation _____ Partnership _____ Sole Proprietor _____

Cooperative _____ Other _____

3. Type of Business: _____

Primary Product(s) / Service(s): _____

4. Legal Description of Site: _____

Municipal Development District No. (TIF only): _____

5. Project Description: _____

Type of District (TIF only): Economic Development _____ Housing _____

Redevelopment _____ Other _____

Size of Proposed Structure or Expansion: _____ sq. ft.

Estimated project cost: Land \$ _____

Building \$ _____

Equipment \$ _____

Other \$ _____

Total: \$ _____

6. Estimated real estate tax increase \$ _____/yr.
7. Employment: Current _____ 5-year projection _____
Payroll: Current _____ 5-year projection _____
8. Project Financing Sources: _____

9. Project Costs Eligible for TIF (TIF only): _____

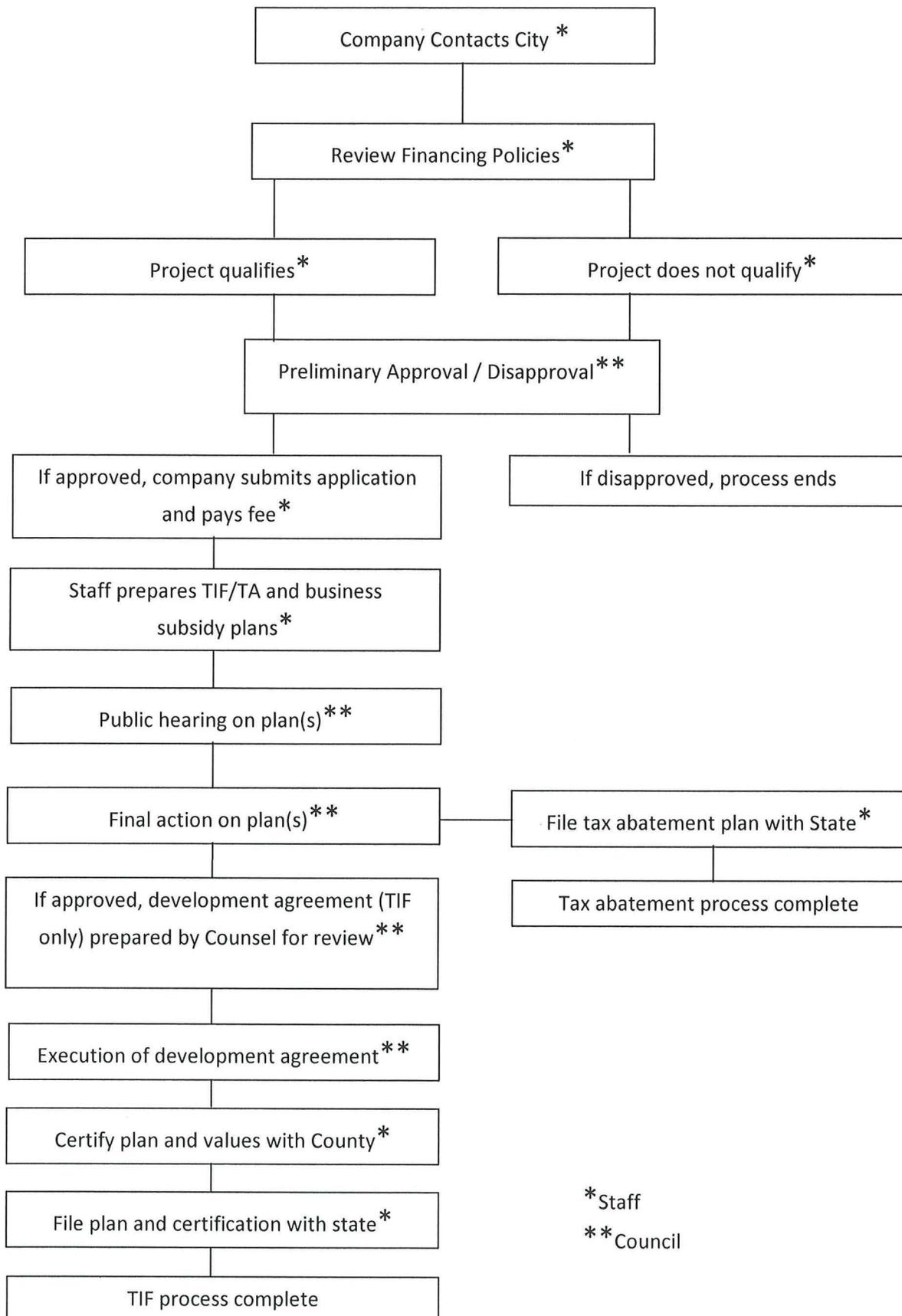
10. Explain and quantify the need for financial assistance ("but for" test): _____

11. Financial Institution(s) (Applicant's Affiliation):
Name _____ Address _____
Contact Person _____ Telephone _____
Name _____ Address _____
Contact Person _____ Telephone _____
12. Fiscal Consultant / Accountant:
Name _____ Address _____
Contact Person _____ Telephone _____
13. Legal Counsel:
Name _____ Address _____
Contact Person _____ Telephone _____
14. Application Fee Paid (Non-Refundable): \$ _____
15. Applicant Signature: _____

Title
For: _____
Applicant

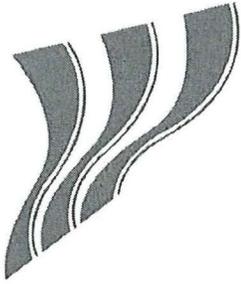
Recommended application fees for tax increment financing or tax abatement.

<u>Estimated total of City assistance</u>	<u>Application fee (non-referrals)</u>
Up to \$500,000	\$1500
\$500,000 - \$1,000,000	\$2500
Over \$1,000,000	\$3500



*Staff

**Council



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

Agenda Item Number: 4

Meeting Date: September 11, 2014

Attachments: Yes No

CITY COUNCIL ACTION

Date: September 15, 2014

- | | |
|-----------------------------------|---------------------------------|
| <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: Purchase of Wetland Credits for Industrial Park Development

Recommended Action: Approve the purchase of .70 acre of credits in the amount of \$25,200, plus transaction fee of \$1,638

Background/Summary:

As part of the development of the next phase of the industrial park, there is .35 acres of wetlands to be mitigated at a ratio of 2:1. It has been determined that it is cheaper to purchase wetland credits than it would be to re-create the wetlands. Transaction details are included in the attachment.

Alternatives: Re-create wetlands on or off-site

Financial Considerations: The total cost of \$26,836 is part of the project costs payable from Local Option Sales Tax

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

Signature:

Comments:



Application for Withdrawal of Wetland Credits from the Minnesota Wetland Bank

If the layout of this form looks incorrect, click on *View, Edit Document*, then save to your computer.

1. Credit User

To be completed by the person or entity proposing to use the wetland credits.

Name: City of Willmar: Bruce Peterson

Organization (if applicable):

Street Address: 333 SW 6th St., PO Box 755

City, State, Zip: Willmar, MN 56201

Phone: 320-235-4913 **E-Mail Address*:**

This space is for BWSR use only.

Debit Date:

2. Wetland Impact Information

To be completed for the project with wetland impacts that this withdrawal is intended to replace.

Project Name: Willmar Industrial Park

Wetland Impact Size (acres): 0.3500

County of Impact: Kandiyohi

Replacement Ratio: 2:1

Impact Major Watershed #: 25

Total Replacement Required (acres): 0.70

Impact Bank Service Area: 9

U.S. Army Corps Permit # (if applicable):

****Sec. 17 Twp. 119 Rge. 35**

LGU File # (if applicable):

****Projects with multiple impact locations should use the most central location in relation to the project as a whole.**

Comments:

By signature below, the proposed user of credits attests that he/she owns or has purchased the credits identified in this application and has received approval from the applicable regulatory authority(ies).

Credit User Signature: _____ **Date:** _____

3. Regulatory Approval/Authorization

By signature below, the identified agency and authorized representative hereby certify that they have: a) verified that the subject wetland credits are deposited in the account of the owner/seller, b) approved a wetland replacement plan or similar agreement under their jurisdiction, and c) approve the proposed use of the wetland bank credits described herein.

WCA LGU/Agency:

E-mail address*:

LGU Representative:

Signature: _____

Date: _____

(for NRCS, USACE, etc. if applicable)

Agency Name/Location:

E-mail address*:

Representative:

Signature: _____

Date: _____

*Confirmation will be e-mailed to user, seller, and regulatory representative when the transaction is complete. If you would like others notified, enter e-mail addresses here.



Application for Withdrawal of Wetland Credits from the Minnesota Wetland Bank

4. Withdrawal Information To be completed by seller of credits (account holder).

Bank Service Area: 9 Account Number: 1289 County: Lyon

Credit Subgroup Letter	Plant Community Type	Cost per Credit (acre)	Number of Credits to be Withdrawn (acre) (acre=ft ² /43560)	Cost of Purchased Credits (cost per credit x number of credits)
A	Type 4	\$36000.00	0.7000	\$25200.00
				\$0.00
				\$0.00
				\$0.00
	TOTAL		0.7000	\$25200.00

If TOTAL does not calculate, right click, Update Field

Table: www.bwsr.state.mn.us/wetlands/2014_Fee_Schedule.pdf	Enter County Fee from Table (county of seller's bank)	6.5% of sale price
Transaction Fee (choose either amount)	Above TOTAL x County Fee \$ 0.00	\$1,638.00

Attach check payable to Minnesota Board of Water and Soil Resources.

By signature below I seller and holder of the aforementioned account in the State of Minnesota Wetland Mitigation Bank certify that:

- 1) The credits described in this application have been sold to the credit user or will be used for my own project;
- 2) I have received payment in full from the buyer (if applicable);
- 3) The credits described in this application have not been sold or used in any way to mitigate wetland losses other than for the project and location identified in the wetland impact information block on the previous page;
- 4) The credits described in this application should be withdrawn from my account; and
- 5) I will not have a negative balance of credits after the subject credits are debited from my account

Seller Name (print): Lyon County

Seller Signature: _____

Date: _____

Seller e-mail*:

1. The account holder of the credits is responsible for submittal of this form, containing signatures, to the BWSR Wetland Bank Administrator so the affected account can be properly debited.
2. No impacts to any wetland or other water resource may commence until the credits have been debited and a copy of this form, with stamped debit date, has been received by the regulatory authority(ies), the account holder, and the credit user.

When this form is completed and all required signatures are obtained, send with the fee check to:

**Wetland Bank Administration
Minnesota Board of Water and Soil Resources
520 Lafayette Road North
Saint Paul, MN 55155**

Disclaimer: any transaction in the wetland banking system is public information.

The following is a sample of a possible Purchase Agreement for the sale of Wetland Banking Credits. This Purchase Agreement does not necessarily cover all of the issues that would be important to Sellers and Buyers, nor does it address the terms that would be appropriate for any particular transaction. Sellers and Buyers should obtain the services of qualified legal counsel to adapt this Purchase Agreement to meet their specific needs.

**PURCHASE AGREEMENT
FOR
WETLAND BANKING CREDITS**

THIS AGREEMENT is made this 3rd day of September, 2014_ between
Lyon County _____ (Seller) and Bruce Peterson _____ (Buyer).

1. Seller agrees to sell to Buyer, and Buyer agrees to buy from Seller, the wetland banking credits (Credits) listed below:

CREDITS TO BE SOLD						
Credit Sub-Group ¹	Acres or Sq. Ft.	Wetland Circ. 39 Type ²	Plant Community Type ³	Cost per Acre or Sq. Foot	State Fee 6.5%	Fee Estimate
A.	0.70 ac	4	Deep Marsh	36,000	0.065	1638.00
B.					0.065	
C.					0.065	
D.					0.065	
E.					0.065	
Totals						1638.00

Check here if additional credit sub-groups are part of this account and are listed on an attachment to this document.

¹A separate credit sub-group shall be established for each wetland or wetland area that has different wetland characteristics.

²Circular 39 types: 1, 1L, 2, 3, 4, 5, 6, 7, 8, B, U.

³**Wetland plant community type:** shallow open water, deep marsh, shallow marsh, sedge meadow, fresh meadow, wet to wet-mesic prairie, calcareous fen, open bog or coniferous bog, shrub-carr/alder thicket, hardwood swamp or coniferous swamp, floodplain forest, seasonally flooded basin. See *Wetland Plants and Plant Communities of Minnesota and Wisconsin (Eggers and Reed, 1997)* as modified by the Board of Water and Soil Resources, United States Army Corps of Engineers..

2. Seller represents and warrants as follows:
- a) The Credits are deposited in an account in the Minnesota Wetland Bank administered by the Minnesota Board of Water and Soil Resources (BWSR) pursuant to Minn. Rules Chapter 8420.0700-.0760.
 - b) Seller owns the Credits and has the right to sell the Credits to Buyer.

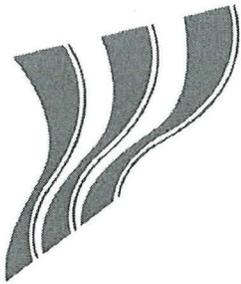
3. Buyer will pay Seller a total of \$ 25,200.00 for the Credits, as follows:
- a) \$ 0 as earnest money, to be paid when this Agreement is signed; and
 - b) The balance of \$ 25,200.00 to be paid on the Closing Date listed below.
4. Buyer, Seller agrees to pay to a withdrawal fee of \$ 1638.00 to the State of Minnesota based on 6.5% of the agreed to purchase price. At the Closing Date, Buyer, Seller will execute a check made out for this amount, payable to the Board of Water and Soil Resources.
5. The closing of the purchase and sale shall occur on Oct. 1, 2014 (Closing Date) at 10:00 am. The Closing Date and location may be changed by written consent of both parties. Upon payment of the balance of the purchase price, Seller will sign a fully executed Application for Withdrawal of the Credits in the form specified BWSR, provide a copy of the Application for Withdrawal to the Buyer and forward the same to the BWSR along with the check for the withdrawal fee.
6. Buyer has applied or will apply to Kandiyohi Co. Env. Services (Local Government Unit (LGU) or other regulatory authority) for approval of a replacement plan utilizing the Credits as the means of replacing impacted wetlands. If the LGU has not approved the Buyer's application for a replacement plan utilizing the Credits by the Closing Date, and no postponement of the Closing Date has been agreed to by Buyer and Seller in writing, then either Buyer or Seller may cancel this Agreement by giving written notice to the other. In this case, Seller shall return Buyer's earnest money, and neither Buyer nor Seller shall have any further obligations under this Agreement. If the LGU has approved the replacement plan and the Seller is ready to proceed with the sale on the Closing Date, but Buyer fails to proceed, then the Seller may retain the earnest money as liquidated damages.

(Signature of Seller)

(Date)

(Signature of Buyer)

(Date)



**CITY OF WILLMAR, MINNESOTA
REQUEST FOR COMMITTEE
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Agenda Item Number: 5

Meeting Date: September 11, 2014

Attachments: Yes No

CITY COUNCIL ACTION

Date: September 15, 2014

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|-----------------------------------|---------------------------------|
| <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: Business Retention and Expansion Survey Results

Recommended Action: Review and receive for information

Background/Summary:

The results of a recent on-line survey conducted, by the Economic Development Commission, have been compiled for review and analysis. A committee of the Economic Development Commission will address all actionable results.

Alternatives: N/A

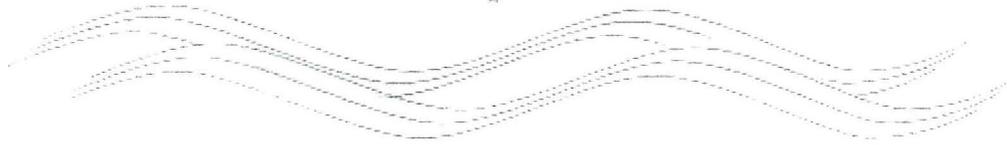
Financial Considerations: N/A

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

Signature:

Comments:

Kandiyohi County
& City of Willmar
Economic Development Commission



Summary

**Business Retention and Expansion
Online Survey**

July 2014

**Business Retention and Expansion E-mailed Survey
Conducted July 2014**

The on-line survey was sent to 640 businesses in Kandiyohi County excluding the New London and Spicer area businesses because of their BRE Visitation program in process.

Of those sent, 152 business surveys were returned. Of those returned, 121 were complete. The incomplete surveys generally contained only contact information. A call back was requested by 21 of the respondents.

Demographics of the Respondents

City or Township of Business:

<u>City</u>		<u>Township</u>	
Atwater	4	Davre	1
Blomkest	2	Fahlun	1
Lake Lillian	2	Kandiyohi	1
Kandiyohi	3	Lake Elizabeth	1
Pennock	1	Mamre	1
Prinsburg	1	New London	1
Spicer	3	St. Johns	2
Svea	1	Willmar	2
Willmar	87	<u>Multi City/County</u>	5

Size of business by number of employees:

<u>Employees</u>	<u># of Businesses</u>
1	5
2	12
2.5 – 9	43
10-20	21
21-30	6
31-50	8
51-80	5
81-100	4
101-200	3
201-500	5
541	1
850	1
1500	1
10,000 citizens	1

Year business started:

<u>Year</u>	<u># of Businesses</u>
1800's	5
1900-1950	16
1951-1975	19
1976-2000	50
2001-2010	18
2012	2
2014	1

Summary of Responses

** denotes highest percentage of response

- I. Business related plans for next three years:

Grow or expand	52
Continue as is	26
Build or expand facility	7
Adding product or service	6
Retiring or starting the process	4
Reduce product/service	3
Merge or move	2

- II. Access to number of employees: 12 said not applicable – of the remaining 109,
25 or 23% very or extremely satisfied
40 or 37% were moderately satisfied
44 or 40% slightly or not at all satisfied **

- III. Success at securing employees at a competitive cost: 12 said not applicable – of the remaining 109,
23 or 21% very or extremely satisfied
38 or 35% were moderately satisfied
48 or 44% slightly or not at all satisfied **

- IV. Labor supply for skills your company requires: 14 said not applicable – of the remaining 107,
13 or 12% very or extremely satisfied
36 or 34% were moderately satisfied
58 or 54% slightly or not at all satisfied **

- V. Labor skill gaps:

Entry level/unskilled	7
Mechanical/construction	7
Specialized skills	5
Ph. D level skills	3

- VI. Businesses that import employees from outside of Kandiyohi County:
64 businesses, all positions

- VII. Business leaders that are aware of workforce development programs other than in-house training:
65 or 54% are aware
56 or 46% are not aware

VIII. Community or customer base changes that impact the businesses:

Growing community and addition of businesses coming in positively affect my business-7
Population demographic changes - 7
Declining small towns and farms - 4
Downtown Willmar issues - 4
On-line shopping - 4
Residential/commercial development - 3
Workforce availability - 3
Government regulations – 3
Aging population - 2
Number of rental properties in the community – 2
Increase in number of people on medical assistance/public assistance - 2
Businesses leaving downtown Willmar
Strong healthcare system - schools
Big box competitors
Amenities offered in the community
Diminishing consumer purchasing power
Donor base decreasing
Electrical demand
People moving out of Willmar city limits for larger housing
Larger businesses coming to Willmar
Fast service shops replacing traditional smaller service shops
Technology campus
Changing technology – need for PC's replaced with tablets/personal devices
Railroad
Outsiders' perception of Willmar as area that is unsafe
Overall economy
Rebounding economy and strong agricultural markets

IX. Changes to the community or market that are anticipated and will affect the business

Continued demographic changes of population – 5
Workforce shortage - 4
Changes in technology - 4
New minimum wage laws - 3
Continued aging of population - 3
Community/ business growth – 2
Lack of access to high speed internet – 2
Parking problems in downtown Willmar - 2
Increase in price of LP
Affordable Care Act
Continued decline of family farms
Continued decline of new housing construction
Cost of energy
Government regulation
Cost of materials
Number of fixed income residents in community
Declining population
Energy Efficiencies Programs
Food Safety Modernization Act

X. Satisfaction with local supply of raw materials necessary for the business 48 said not applicable– of the remaining 73,

44 or 60% very or extremely satisfied **
18 or 25% were moderately satisfied
11 or 15% slightly or not at all satisfied

XI. Access to business services required to function

112 or 93% said yes
7 or 7% said no

Services needed:

Better internet access – 2

City sewer and water at site

More contractor specific building of homes

Access to the road (temporary problem)

XII. Satisfaction ratings

Property taxes – of 118 responses

17 or 15% very or extremely satisfied
44 or 37% were moderately satisfied
57 or 48% slightly or not at all satisfied **

Community services – of 118 responses

54 or 46% very or extremely satisfied **
49 or 41% were moderately satisfied
15 or 13% slightly or not at all satisfied

County services – of 117 responses

53 or 45% very or extremely satisfied **
46 or 39% were moderately satisfied
19 or 16% slightly or not at all satisfied

Local Economic Development Group – of 116 responses

46 or 40% very or extremely satisfied
47 or 40% were moderately satisfied **
23 or 20% slightly or not at all satisfied

XIII. Satisfaction ratings for areas of assistance

Financial resources available to the business – of 115 responses

70 or 61% very or extremely satisfied **
26 or 23% were moderately satisfied
19 or 16% slightly or not at all satisfied

Business planning assistance available when needed – of 104 responses

46 or 44% very or extremely satisfied **
43 or 41% were moderately satisfied
15 or 15% slightly or not at all satisfied

Help navigating local, state, and federal resources - of 103 responses

34 or 33% very or extremely satisfied
40 or 39% were moderately satisfied **
29 or 28% slightly or not at all satisfied

Acquiring building or zoning permits - of 109 responses

44 or 40% very or extremely satisfied **
38 or 35% were moderately satisfied
27 or 25% slightly or not at all satisfied

Workforce training and education opportunities - of 103 responses

35 or 34% very or extremely satisfied
37 or 36% were moderately satisfied **
31 or 30% slightly or not at all satisfied

Overall rating of Kandiyohi County as a place to do business - of 121 responses

51 or 42% very or extremely satisfied **
48 or 40% were moderately satisfied
22 or 18% slightly or not at all satisfied

Comments:

Government workers need to recognize taxpayer as customer and serve them as such

Need more high paying jobs in the area

Need to understand and promote Targeted Identified Businesses

The regulatory departments are more focused on saying no than finding ways to say yes

Unhappy with tax law trends in MN; have considered moving more work to our WI operations

XIV. List ways that government could work to improve satisfaction

Lower taxes/business taxes – 7

Increase image of city council; reduce dysfunction - 5

Make it less easy for people to not work/reduce welfare programs -5

Less local government/regulations/fees - 4

Market the services of business service organizations – businesses do not know what is available - 3

Marketing of the businesses/area; unified marketing - 3

Communicate with small businesses and follow-up -2

Enforce ordinances in downtown Willmar -2

Conduct an RFP with local providers

Reduce government regulation

Eliminate advertising

Increase advertising

Decrease state debt

Even out commercial property values

Reduce barriers to permitting and assist businesses in starting up

Have an open for business attitude

Assist with tax abatement for new businesses

Improve infrastructure maintenance

Recognize contributions of tourism and industry in the community

Keep city and county fiscally responsible

Keep EDC downtown

More open attitude about business expansion

Shop local campaigns – use radio more often

Mentoring of workforce that is at risk of not working