COMMUNITY DEVELOPMENT COMMITTEE

MINUTES

The Community Development Committee of the Willmar City Council met on Wednesday, October 29, 2014, in Conference Room No. 1 at the City Office Building.

Present:	Rick Fagerlie	..... Chair
	Bruce DeBlieck	..... Vice Chair
	Jim Dokken	..... Member
	Tim Johnson	..... Member

Others present: Bruce Peterson, Director of Planning and Development Services; Doug Fenstra; Gus Wurdell

Item No. 1 Call to Order

The meeting was called to order by Chair Fagerlie at 5:00 p.m.

Item No. 2 Public Comments

There were no public comments.

Item No. 3 Wurdell Tax Abatement (Motion)

Gus Wurdell presented his request for tax abatement. He explained the redevelopment project to repopulate the east mobile home park. Mr. Wurdell said the tax abatement would not offset the negative cash flows. The capital expenditures are not included in the cash flows, which makes the cash flow deficit even greater. Kandiyohi County will also be asked to abate all or a portion of the taxes on the mobile home park redevelopment.

Mr. Wurdell said the existing infrastructure is well engineered. Not all streets need to be replaced, but parking pads will be. Sewer and water lines will be repaired as needed. Electrical upgrades were done several years ago, but services will be reconstructed as new homes are brought into the park. Also planned for the redeveloped park are a new playground, soccer field, and a full security system. Over 100 trees will be trimmed and privacy fencing is planned for the frontages on Lakeland Drive and Civic Center Drive.

All of the new home will go on concrete foundations; he estimated 118 homes at full build out. There are 36 homes currently in the park. Three of those are to be removed in the near future. Applications have been received from seven current residents to purchase new houses. That leaves 29 homes to be removed over time. Mr. Wurdell will be working with housing agencies and local financial institutions to coordinate home purchases. Buyers will be able to choose between single or double wide homes. It is anticipated that most will be 16ft by 76ft. All homes will be required to be owner occupied.

The Committee discussed the project and how the City could provide assistance on this major housing project through the use of tax abatement.

A motion was made by Council Member DeBlieck, seconded by Council Member Dokken, and passed to set a public hearing on the tax abatement for December 1, 2014; and to move to establish a 10 year abatement of the City portion of real estate taxes, not to excessed $25,000 per year. The motion carried, with Council Member Johnson abstaining.

Item No. 4 Old Business

There was no old business to come before the Committee.

Item No. 5 New Business

Oil-Air Products Tax Abatement Request (Motion)

Staff presented a preliminary request by Oil-Air Products for tax abatement assistance in a planned move from Litchfield to Willmar, including business expansion. Steve Renquist from the EDC, who prepared the initial request letter, was unable to attend the meeting. Doug Fenstra, project realtor, provided information about the proposal by the company to lease a portion of the Donner building on East Highway 12. Approximately 18,000 square feet would be leased by the company. This will be a new business in town with nine employees initially, and plans to add four more in the near future. There is a possibility that, as the company grows, they could relocate to a new building in the Industrial Park. Mr. Fenstra explained the additional costs being faced by the company in their move to Willmar, primarily in the area of real estate taxes. It was acknowledged that the facility that they lease in Litchfield is one- half as large and not nearly in as good of condition as the Donner property, so it was naturally not valued as high as the Willmar property. Staff told the Committee that a review of the City's tax abatement policies found that the project request would meet the criteria for the use of tax abatement. It was noted that at this time, staff was recommending preliminary approval and that the company be invited to submit a complete application for further review.

A motion was made by Council Member Dokken, seconded by Council Member DeBlieck, that the City offer preliminary approval to the tax abatement request and invite the company to submit a full application. The motion carried.

There being no further business to come before the Committee, the meeting was adjourned at 6:00 p.m. by Chair Fagerlie.

Respectfully submitted,

Bruce Peterson, AICP
Director of Planning and Development Services