

**COMMUNITY DEVELOPMENT COMMITTEE  
CITY OF WILLMAR, MINNESOTA  
THURSDAY, APRIL 26, 2012**

**MINUTES**

The Community Development Committee of the Willmar City Council met on Thursday, April 26, 2012, in Conference Room No.1 at the City Office Building. Chair Dokken called the meeting to order at 4:45pm.

**Present:**

Jim Dokken	Chair
Dennis Anderson	Council Member
Bruce DeBlicek	Council Member
Ron Christianson	Council Member
Bruce Peterson	Director of Planning and Development Services
Charlene Stevens	City Administrator

**Others present:** Mayor Frank Yanish, Council Member Rick Fagerlie, Council Member Tim Johnson, Jill Bengtson – HRA Director, Rick Goodeman – Southwest MN Housing Partnership, David Little – West Central Tribune, Steve Renquist – EDC, Bev Dougherty, Richard Engan, Andy Engan, Warren Hagen, and Laura Becker.

**1. PUBLIC COMMENTS (FOR INFORMATION ONLY)**

There were no public comments offered at this meeting.

**2. LAKELAND HOTEL REDEVELOPMENT PROPOSAL ( NO RECOMMENDATION)**

Rick Goodeman of the Southwest Minnesota Housing Partnership presented a proposal for the redevelopment of the former Lakeland Hotel building (See Attachment A). They plan to apply for tax credits and the application is due June 12, 2012. The tax credit application is driving the speed at which municipal approval is needed.

Redevelopment costs are estimated at \$3.6 million. Financing consists of low income housing tax credits, federal and state historic tax credits, owner equity, and tax abatement. When questioned about parking, Mr. Goodeman said the reduction in unit count from the present 30 units would lessen the impact of parking in the downtown. Mr. Goodeman stated that tax abatement calculations have not been completed. He anticipated that the abatement would not be needed initially, but that as the project got into year 6 or 7 there could be a cash flow issue. The property currently pays \$12,000 a year in real estate taxes. Mr. Goodeman said that there were income qualifications for the rental units and that the income for occupancy can increase without limit after original qualification. A major focus of the rehabilitation would be to restore and maintain the historic nature of the building. One early step in the process would be to conduct a rental housing analysis to reaffirm the need for the project. Mr. Goodeman estimated that the project would be scheduled for construction beginning late summer 2013.

Steve Renquist of the EDC supported development of quality housing downtown. He stated that was his opinion and didn't come from the EDC Board. Richard Engan said that the proposed project was tied to the proposed downtown plan and would be consistent with the plan element calling for the expansion of quality housing in the Central Business District.

Following discussion, a motion was made by Council member DeBlieck, seconded by Council member Anderson to support the application for low income housing tax credits. The motion failed on a 2-2 vote and was to go to the Council without a recommendation. Members voting for the motion—Anderson and DeBlieck. Members voting against the motion—Dokken and Christianson.

### **3. DOWNTOWN PLAN (MOTION)**

Chair Dokken read a letter he sent to City Administrator Charlene Stevens expressing concern over downtown plan elements and funding. He said the plan was good, but should not be a priority when compared to other matters. He offered the opinion that public dollars should only be spent for public purposes, and he was not convinced that downtown development had a public purpose.

Staff reviewed the plan elements and implementation process (See Attachment B). For further information on the plan, see the City of Willmar website. City Administrator Stevens presented a document showing possible CBD capital improvements for the years 2013-2017. These were for projects that the City was identified in the plan as the champion to complete (See Attachment C). The Committee was reminded by staff that many plan elements do not require capital dollars and that the plan doesn't rely solely on public financing. The private sector plays a major part in accomplishing plan elements. Council member Anderson said the plan is a good start towards preserving past investment in the downtown. Council member DeBlieck stated that the plan is a good way to promote public investment, and that downtown redevelopment is a public purpose. Council member Christianson said much of the public expenditures are for public infrastructure which supports private development.

Following discussion, a motion was made by Council member Anderson, seconded by Council member Christianson, and passed for the following:

**RECOMMENDATION:** To set a public hearing to consider adoption of the plan for the May 21, 2012 Council meeting.

### **4. CHAD HAUGEN SIGN ISSUE (MOTION)**

Staff presented a request by Chad Haugen that the City consider entering into a terminable licensing agreement to allow his sign at 2125 South 1<sup>st</sup> Street to stay within the public right-of-way. Staff stated they had discussed the matter with the City Attorneys, and the terminable licensing agreement was the preferred solution due to a lack of options for a freestanding sign at that location. It was noted that the agreement would be prepared

entirely at the cost of the applicant and that the City would be protected from liability by the terms of the agreement.

Following discussion, a motion was made by Council member Christianson, seconded by Council member Anderson, and passed for the following:

**RECOMMENDATION:** To approve the preparation and execution of a terminable license agreement for a free standing sign in the public right-of-way at 2125 South 1<sup>st</sup> Street.

**5. UPDATES (FOR INFORMATION ONLY)**

Staff provided updates on the status of the following projects: Goodwill building, airport land release, Erickson Building, major retail projects, Applebee's expansion, and Ridgewater College improvements.

6. There being no further business to come before the Committee, the meeting adjourned at 6:00pm.

Respectfully Submitted,

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