

**WILLMAR CITY COUNCIL PROCEEDINGS**  
**COUNCIL CHAMBERS**  
**WILLMAR MUNICIPAL UTILITIES BUILDING**  
**WILLMAR, MINNESOTA**

April 4, 2011  
7:00 p.m.

The regular meeting of the Willmar City Council was called to order by the Honorable Mayor Frank Yanish. Members present on a roll call were Mayor Yanish, Council Members Doug Reese, Ron Christianson, Denis Anderson, Steve Ahmann, Rick Fagerlie, Jim Dokken, and Tim Johnson; Present 8, Absent 1 – Bruce DeBlicke was excused from the meeting.

Also present were City Administrator Michael Schmit, City Attorney Richard Ronning, Police Chief David Wyffels, Fire Chief Marv Calvin, Finance Director Steve Okins, Planning and Development Services Director Bruce Peterson, and City Clerk Kevin Halliday.

Additions to the Agenda included announcements regarding the Board of Review and Mayoral reappointments.

Council Member Fagerlie offered a motion adopting the Consent Agenda which included the following: City Council Minutes of March 21, Rice Hospital Board Minutes of March 16, Municipal Utilities Commission Minutes of March 28, Accounts Payable through March 30, and WCER Joint Powers Board Minutes of March 25, 2011; and Mayoral reappointment of Patti Johnson to the WCER Joint Powers Board. Council Member Anderson seconded the motion, which carried.

At 7:02 p.m. Mayor Yanish opened a hearing on an Ordinance Repealing in its Entirety Willmar Municipal Code Sections 10-76 through 10-82 Establishing an Administrative Fine Program. Police Chief Wyffels presented details of the proposed Ordinance enacted in 2003 which allowed Officers to issue informal administrative citations rather than criminal citations for certain petty misdemeanors. In 2009 the Legislature changed what cities could control under administrative citations. There being no one present to speak for or against the proposed Ordinance, Mayor Yanish closed the hearing at 7:03 p.m.

Council Member Reese offered a motion to adopt, assign a number, and order final publication of an Ordinance Repealing in its Entirety Willmar Municipal Code Sections 10-76 through 10-82 Establishing an Administrative Fine Program. Council Member Fagerlie seconded the motion, which carried on a roll call vote of Ayes 7, Noes 0.

At 7:05 p.m. Mayor Yanish opened a hearing to consider a JOBZ Sub-zone Amendment. Planning and Development Services Director Peterson presented details of the request from Willmar Fabrication to receive local and state tax breaks under the State Job Opportunity Building Zone (JOBZ) program for the company's new assembly located at 2400 19<sup>th</sup> Avenue SW. To accommodate the request, the City must amend the physical dimensions of the sub-zone to include the 19<sup>th</sup> Avenue site. Mr. Peterson noted the Kandiyohi County Board of Commissioners and Willmar School Board have approved resolutions of support for the JOBZ amendment. There being no one present to speak for or against the proposed JOBZ Sub-Zone Amendment, Mayor Yanish closed the hearing at 7:07 p.m.

Resolution No. 1 was introduced by Council Member Reese, seconded by Council Member Dokken, reviewed by Mayor Yanish, and approved on a roll call vote of Ayes 7, Noes 0.

**RESOLUTION NO. 1**

RESOLUTION OF APPROVAL TO AUTHORIZE SUB-ZONE MODIFICATION

WHEREAS, job creation, business development and individual wealth growth in Kandiyohi County, Minnesota, is an objective for economic development activities; and

WHEREAS, the Job Opportunity Building Zones (JOBZ) program was created by Minnesota Legislation to enhance job creation; and

WHEREAS, the Job Opportunity Building Zones (JOBZ) program created in Minnesota Session Law 2003, 1<sup>st</sup> Special Session, Chapter 21, Article 1, allows for the modification of Sub-zones;

NOW, THEREFORE, BE IT RESOLVED, that the Willmar City Council, as its meeting held on April 4, 2011, approves the specific areas designated in the application for Sub-Zone Modification:

The removal of 70,000 sq. ft. (1.61 acres) from Parcel 95-123-0100 in Sub-zone 165, and the addition of 20,000 sq. ft. of Parcel 95-870-0040 and 50,000 sq. ft. of Parcel 95-921-5854.

The Willmar City Council extends the original exemption and tax credits within the designated zones (subject to proper review and approval by the other appropriate taxing authorities within the zones), and encourages the Minnesota Department of Employment and Economic Development to approve the Modification of the Tax-Free Sub-zone as submitted.

BE IT FURTHER RESOLVED, that the Willmar City Council agrees to provide all of the local tax exemptions and credits required and provided for under the JOBZ legislation and agrees to forego the tax benefits resulting from the local and state tax exemptions and credits provided under the JOBZ legislation.

Dated this 4<sup>th</sup> day of April, 2011.

/s/ Frank Yanish

MAYOR

/s/ Kevin Halliday

Attest: CITY CLERK

Mayor Yanish acknowledged that no one had signed up to address the City Council during its scheduled Open Forum.

Planning and Development Services Director Peterson presented to the Mayor and Council the 2010 Planning and Development Services Department's Annual Report. Following a question and answer period, the report was ordered placed on file in the City Clerk's Office.

Rhonda Ray with Donohue and Associates presented to the Mayor and Council details of Phase 2 of the decommissioning of the existing Wastewater Treatment Plant which includes the Ortenblad and Arby's Lift Station decommissioning and 21<sup>st</sup> Street sewer extension (Project No. 1109). Following discussion, Resolution No. 2 was introduced by Council Member Christianson, seconded by Council Member Dokken, reviewed by Mayor Yanish, and approved on a roll call vote of Ayes 7, Noes 0.

#### RESOLUTION NO. 2

WHEREAS, the City Engineer of the City of Willmar has presented to the City Council plans and specifications for Project No. 1109 (Ortenblad and Arby's Lift Station Decommissioning and 21<sup>st</sup> Street SW Sewer Extension) for the City of Willmar; and

WHEREAS, the Engineer's estimated construction cost is \$376,674.40;

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Willmar that final plans and specifications are hereby approved, and publication of the advertisement for bids is herewith authorized.

Dated this 4<sup>th</sup> day of April, 2011.

/s/ Frank Yanish

MAYOR

/s/ Kevin Halliday

Attest: CITY CLERK

City Clerk Halliday presented to the Mayor and Council for consideration a list of establishments requesting renewal of their current liquor licenses: On-Sale – American Legion 167, Applebee's Grill & Bar, El Tapatio, Grizzly's Grill N' Saloon, Holiday Inn/Green Mill, Kandi Entertainment Center, New Fireside, Oaks at Eagle Creek and VFW 1639; Club On-Sale – Elks Lodge and Fraternal Order of Eagles; On-Sale 3.2% Malt Liquor – Café Persepolis, Golden Palace, Valley Golf and Willmar Stingers; Off-Sale – Cash Wise Liquor, Cub Foods, Gerry's Liquor, Wal-Mart Super Center 1470 and West Side Liquor; Wine – Café Persepolis, Golden Palace and Barn Theatre. Council Member Anderson moved to approve the liquor license renewals as presented. Council Member Fagerlie seconded the motion, which carried on a roll call vote of Ayes 7, Noes 0.

The Finance Committee Report for March 28, 2011, was presented to the Mayor and Council by Council Member Anderson. There were five items for Council consideration.

Item No. 1 Chair Anderson acknowledged that there was no one present to address the Committee during the Public Forum. This matter was for information only.

Item No. 2 The Committee reviewed previous discussion regarding Dan Groothuis' request for Right of First Refusal of City-owned land located at the end of the runway at the new airport. Since the property is not for sale, Mr. Groothuis is requesting Right of First Refusal for renting this parcel. There was no motion to offer Mr. Groothuis Right of First Refusal for renting the land in question and this matter was taken for information.

Item No. 3 Staff informed the Committee that the Willmar Fire Relief Association is required to certify the calculated retirement benefits for all members by August 1<sup>st</sup> of each year. Last year, the 2010 Worksheets reflected a liability to the City in the amount of \$40,768. Due to recalculation by the State Auditor's office, this liability has been reduced to \$24,463. This matter was for information only.

Item No. 4 The Committee reviewed the February Rice Trust Report. This matter was for information only.

Item No. 5 The Committee discussed with Staff the format of the accounts payable lists provided in the Council packets. This matter will be included on future agendas, and this matter was for information only.

The Finance Committee Report for March 28, 2011, was approved as presented and ordered placed on file in the City Clerk's Office upon motion by Council Member Anderson, seconded by Council Member Fagerlie, and carried.

The Community Development Report for March 31, 2011, was presented to the Mayor and Council by Council Member Dokken. There were six items for Council consideration.

Item No. 1 There were no public comments offered and this matter was for information only.

Item No. 2 Staff reviewed with the Committee the matter of commercial property maintenance and talked about existing conditions in commercial structures. The comments related primarily to interior conditions and were directed at life-safety hazards. It was noted that the Fire Code does not cover interior or exterior cosmetic issues. The Committee discussed building maintenance relative to safety and cosmetics. It was agreed that there were two separate issues to address.

Staff presented the International Property Maintenance Code as one example of how both interior and exterior issues can be addressed. Council Member Christianson expressed concern about enforcement of such a comprehensive document and felt the necessary standards were already in place. The Committee was of the opinion that building and business owners needed to be involved in the process to determine what main issues need to be addressed.

Past philosophy and policy relating to Fire Code inspections was offered by Staff. The Committee discussed changing policy to enable systematic fire code inspections to be conducted. It was determined that the Fire Chief and Building Official should come back to the Committee at a later date with proposals to initiate commercial property inspections, relative to both the Fire Code and a new exterior maintenance ordinance. Staff will prepare a simple exterior maintenance ordinance for commercial buildings and make it available at that time. The anticipated date for this matter to come back to the Committee is June, 2011. This matter was for information only.

Item No. 3 Staff presented a request by Willmar Fabrication for JOBZ benefits at the new locations that they will occupy following the sale of the majority of their business to a Canadian manufacturer. The two sites that are being considered for inclusion in the JOBZ program are the Bernick's building on 19<sup>th</sup> Avenue and a 20,000 sq. ft. building on Trott Avenue across from the West Central Tribune. It was noted that the County and School District had approved the JOBZ application and that the City was the final taxing jurisdiction required to do so. If the Council approves the application of Willmar Fabrication, the information will be provided to the State of Minnesota who will make the final decision regarding JOBZ qualification. Due to the fact the Trott site was occupied by the business prior to JOBZ approval, the State has indicated they would not approve JOBZ for that location. The EDC has advocated for both sites.

The Committee was recommending the Council adopt a Resolution approving the JOBZ business subsidy for Willmar Fabrication at their new location and authorize the Mayor and Administrator to execute the business subsidy agreement. Resolution No. 3 was introduced by Council Member Dokken, seconded by Council Member Anderson, reviewed by Mayor Yanish, and approved on a roll call vote of Ayes 7, Noes 0.

### RESOLUTION NO. 3

#### RESOLUTION CONFERRING JOBZ STATUS

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

1. Recitals.
  - (a) Willmar Fabrication, LLC (the "Developer") proposes to begin operations at 2400 19<sup>th</sup> Avenue Southwest, designing and manufacturing agricultural equipment. The Developer has requested JOBZ status approval. The City proposes to confer said JOBZ status as permitted by state statute. Said status shall terminate on December 31, 2015. JOBZ status shall apply to operations at 2400 19<sup>th</sup> Avenue Southwest.
  - (b) On April 4, 2011, the Council held a public hearing on the question of the JOBZ request, with proper notice being duly given.

- (c) JOBZ status is authorized under Minnesota Statutes, Sections 469.310 through 469.320.
2. Findings for the JOBZ Request. The City Council hereby makes the following findings:
    - (a) The Council expects the benefits to the City from the JOBZ subsidy to at least equal or exceed the costs to the City thereof.
    - (b) Granting JOBZ status is in the public interest because it will provide employment opportunities in the City.
    - (c) The Property is not located in a tax increment financing district.
  3. Terms of JOBZ Approval. The request for JOBZ status is hereby approved as follows:
    - (a) Exemption from individual income taxes as provided under M.S. § 469.316; and
    - (b) Exemption from corporate franchise taxes as provided under M.S. § 469.317; and
    - (c) Exemption from the state sales and use tax and any local sales and use taxes on qualifying purchases as provided in M.S. § 297A.68, subdivision 37; and
    - (d) Exemption from the state sales tax on motor vehicles and any local sales tax on motor vehicles as provided under M.S. § 297B.03; and
    - (e) Exemption from the property tax as provided in M.S. § 272.02; subdivision 64; and
    - (f) Exemption from the wind energy production tax under M.S. § 272.029, subdivision 7; and
    - (g) The jobs credit allowed under M.S. § 469.318.
  4. Authorized Signatures. The Mayor and City Administrator are hereby authorized to sign the required JOBZ Business Subsidy Agreement which will detail the terms of this subsidy.

Dated this 4<sup>th</sup> day of April, 2011.

/s/ Frank Yanish  
MAYOR

/s/ Kevin Halliday  
Attest: CITY CLERK

Item No. 4 The Committee was informed on what has been done to enforce codes in the mobile home parks and with County staff to issue citations to remove homes and improve conditions. It is estimated that 50% of the sites are occupied in the East park and approximately 70% of the sites are occupied in the West park. This matter was for information only.

Item No. 5 The Committee considered a draft ordinance prepared by the City Attorney which changes the penalties for first-time exterior storage and maintenance ordinance violations from a misdemeanor to a petty misdemeanor. This has come about in an attempt to speed up the process that violations are moved through the court system. The Committee was recommending the Council introduce the Ordinance as presented.

Following discussion, Council Member Dokken offered a motion to introduce the Ordinance Amending Municipal Code Section 1-15 to Provide for a Petty Misdemeanor Penalty for Housing Maintenance and Exterior Storage Code Violations and schedule a public hearing on April 18, 2011. Council Member Christianson seconded the motion, which carried.

Item No. 6 The Committee discussed the status of the John's Supper Club building. Staff

indicated that the owner is not getting the work done as specified in the agreement with the City.

Staff informed the Committee that they had found five homes that were occupied without having municipal water service available to them. Contact with the tenants and property owners resulted in water service being restored to all 5 of the dwellings. No orders to vacate were needed.

The Community Development Committee Report for March 31, 2011, was approved as presented upon motion by Council Member Dokken, seconded by Council Member Christianson, and carried.

Announcements for Council Committee meeting dates were as follows: Finance, April 11; Public Works/Safety, April 12; and Community Development, April 14, 2011. Other meetings scheduled were as follows: Council Work Session with Springsted Incorporated, April 13; Board of Equalization, April 18; Airport Commission/Council, April 20; Council/Charter Commission Work Session, April 27; and Council Strategic Planning Session, April 29, 2011.

There being no further business to come before the Council, the meeting adjourned at 8:15 p.m. upon motion by Council Member Anderson, seconded by Council Member Reese, and carried.

Attest:

\_\_\_\_\_  
MAYOR

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