

City of Willmar Annual Report 2010



Planning & Development

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April 4, 2011

The Honorable Mayor Frank Yanish
and Members of the Willmar City Council

Mayor and Council Members:

Submitted for your information and consideration is the 2010 Annual Report for the Department of Planning and Development Services. This report covers the four major program areas the Department is responsible for. They are:

1. Economic/community development
2. Planning and zoning
3. Building inspection
4. Rental housing inspection

If there are any issues which you would like to discuss in more detail, please contact me at your convenience.

Sincerely,

CITY OF WILLMAR

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

Personnel

Department of Planning and Development Services

Staff	Certification	Contact Information	
Director, Bruce D. Peterson	AICP, EDFP	320-214-5184	bpeterson@ci.willmar.mn.us
Planner, Megan Sauer	AICP	320-214-5195	msauer@ci.willmar.mn.us
Building Official, Randy Kardell	MNCBO, ICC	320-214-5185	rkardell@ci.willmar.mn.us
Building Inspector, Tom Rosemeier	MNCBO	320-214-5187	trosemeier@ci.willmar.mn.us
Permit Technician, Megan Bonnema	MNPTA	320-214-5186	mbonnema@ci.willmar.mn.us

Economic Development

- Data Center
- Marketing
- Deal Structuring
- Credit Analysis
- TIF/Tax Abatement/JOBZ

Physical Development/Planning

- Land Use Planning
- Zoning Enforcement
- Nuisance Enforcement
- Site Plan Review
- Sub division Review

Code Enforcement

- Building Code
- Mechanical Code
- Plumbing Code
- Accessibility Code
- Fire Code

Rental Inspection

- Rental Ordinance

Special Functions: Lobbying and Project Management

Works with: Economic Development Commission, Chamber of Commerce, Willmar Area Development Corporation, Mainstreet, Willmar Design Center, Housing and Redevelopment Authority, West Central Builders Association, Planning Commission, Board of Zoning Appeals.

Community Development Committee Roster:

- Jim Dokken – Chair
- Bruce DeBlieck – Member
- Ron Christianson – Member
- Steve Ahmann – Member

Willmar Planning Commission Roster:

- Carol Laumer
- Mark Klema
- Bob Mathiasen
- Charlie Oakes
- Brian Bollig
- Paul Borene
- Scott Thaden
- Gary Geiger
- Andrew Engan

Board of Zoning Appeals Roster:

- Ross Magnuson
- Jeff Sawyer
- Gary Thompson
- Bev Dougherty
- Larry Brown
- Mark Suedbeck
(One position vacant)

Economic and Community Development

2010 Economic/Community Development

2010 was an unusual year for the core areas the department of Planning and Development Services deals with. While the economy was improving at the national level, it was doing so without employment growth. Local economic gains included new jobs as the unemployment rate reflected a reversal of recession – caused job losses. The strength of the local economy continues to be assisted by gains in the agricultural and manufacturing sectors. Construction figures were down again as compared to 2009, but an improving economy is expected to turn that around.

2010 Census - Preliminary results of the 2010 Census of Population show an increase of nearly 7% for the City vs. 2000 Census figures, with an estimated population of 19,610 persons. Kandiyohi County showed an increase of roughly 3%. These figures stand in stark contrast to the population figures for cities and counties southwest, west and northwest of here. Willmar has solidified its position as a regional center, and is one of the few growing cities in the western half of Greater Minnesota. As a regional center, Willmar is looked to for the provision of jobs, goods, and services to accommodate a large geographic area. Population growth is expected to continue, albeit at a slower pace.

Employment – Locally, the unemployment rate continues to decrease as the City and County grow their way out of the recent recession. The unemployment rate for Kandiyohi County has been consistently 2-3 points better than the state average unemployment. Employment numbers are expected to grow based on trends and a number of development projects in the works.

Construction Review - Total construction valuation for 2010 declined to \$22.5 million; the lowest in nearly a decade and only about 50% of the 10-year average. The number of permits remained steady, and reflects a large increase in permits for property maintenance and improvement. Housing construction declined to approximately \$5 million in valuation for 30 residential units, while commercial/industrial construction valuation totaled a surprising \$14.3 million.

Major projects in 2010 included Willmar Municipal Utilities wind turbines, United FCS office building, Rice Care Center expansion, Willmar Poultry addition, Ridgewater College improvements, the Jennie-O Turkey Store pre-treatment facility, and the Jimmy John's Restaurant.

Staff continues to provide quality technical assistance to project developers in the form of code review, site planning, financial analysis, plan review, and inspections.

Housing - Despite an improving economy, residential development remained slow in 2010 with the fewest number of new units permitted in over a decade. Foreclosures continue to hinder a turnaround in the housing market by artificially lowering prices and causing lenders to be more cautious in approving credit. A side effect of the foreclosure issue is exhibited by housing maintenance problems in certain neighborhoods. Staff tries to stay on top of this problem by working with the mortgage holders to perform needed maintenance. Recent statistics released by the State show significant gains in the number of real estate loans closed and the median sales price for homes in the fourth quarter of 2010 for the counties in central Minnesota.

MinnWest Technology Campus - An on-going bright spot in the local economy is the MinnWest Technology Campus. Home to over 20 businesses and nearly 300 employees, the Campus has become a hub of bio-technology. A number of new businesses have recently been approved by the Planning Commission to locate at the Campus. Some of these companies have great potential for future growth.

A coming attraction is the Mid-Central Research and Outreach Center, scheduled to be opened later in 2011. Significant staff time was spend in 2010 working with MinnWest and University of Minnesota representatives to plan for the Center, and to draft and review lease and management documents. Up to 40 professors and graduate students will occupy the Center and assist businesses with research and development, bringing intellectual property to the marketplace.

Airport Redevelopment

Efforts to redevelop the former airport were thwarted by the on-going refusal by the FAA to release the land. Hundreds of acres of land continue to be held hostage by the claimed historical significance of the former terminal area. The environmental assessment for the site was completed, with the exception of the historical review. Staff continues to work with the FAA and SHPO to resolve the remaining issues, although it is unlikely that the land release will occur in the near future.

Reimbursement for redevelopment activities under a 2006 HUD EDI grant has been requested. Activities funded by that grant included some engineering and design work, telecommunications extension, and infrastructure development.

Neighborhood Stabilization

In 2010, staff spent more time in the neighborhoods working with property owners to eliminate blight and preserve property values. Most of these efforts involved noting exterior storage or maintenance violations, and then dealing with owners or tenants to abate the conditions. A greater emphasis was placed on education versus punishment. The "handbook" of citizen expectations prepared by staff was fine-tuned and distributed in multiple languages.

Clean-up efforts extended into the mobile home parks, as well. A number of homes were removed from the parks, and only one new home was moved in. Total lot occupancy at the East and West parks is down to 50% and 70% respectively, with several additional homes slated for removal. Staff has joined forces with the County on hazard/nuisance abatement in the parks.

Overview

Because of the reduction of construction and economic activity in 2010, the Department of Planning and Development Services had more time to take a look at how we do things. The focus was not just on building and construction, but on improving the built environment. Staff was reminded to always look for innovative ways to provide citizens the services they require, and to focus on core department functions and continuous process improvement.

To remain relevant and address current trends and workplace demands, the department has reviewed and fine-tuned development review and inspection procedures. The transfer of airport management responsibilities to a department staff person lead to workload shifts for other field activities. Relationships with the Economic Development Commission, Kandiyohi County, adjacent townships, Willmar School District, and the Mid-Minnesota Development Commission provided opportunities for cross-jurisdictional cooperation on development issues. The City takes seriously its leadership position and responsibilities as the economic engine of the region.

A major portion of the Planning and Development Services budget revenue is derived from fees. This revenue continues to cover more than 75% of budgeted expenditures, despite the department operating with an outdated building code fee schedule.

Department of Planning and Development Services – Fees Collected

2001	\$217,064
2002	\$291,128
2003	\$570,080
2004	\$409,378
2005	\$518,129
2006	\$476,260
2007	\$393,564
2008	\$543,069
2009	\$372,304
2010	\$302,082

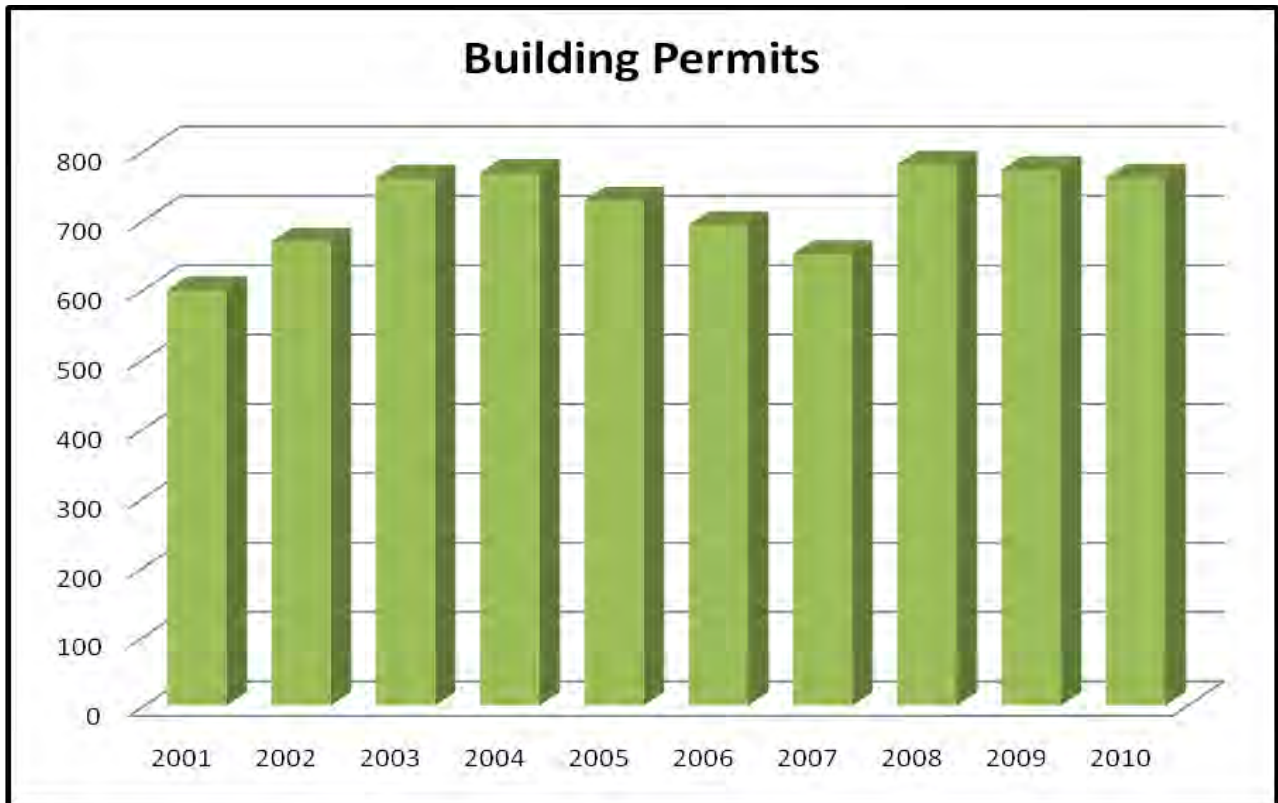
The following chart compares fees collected for the years 2001 through 2010.



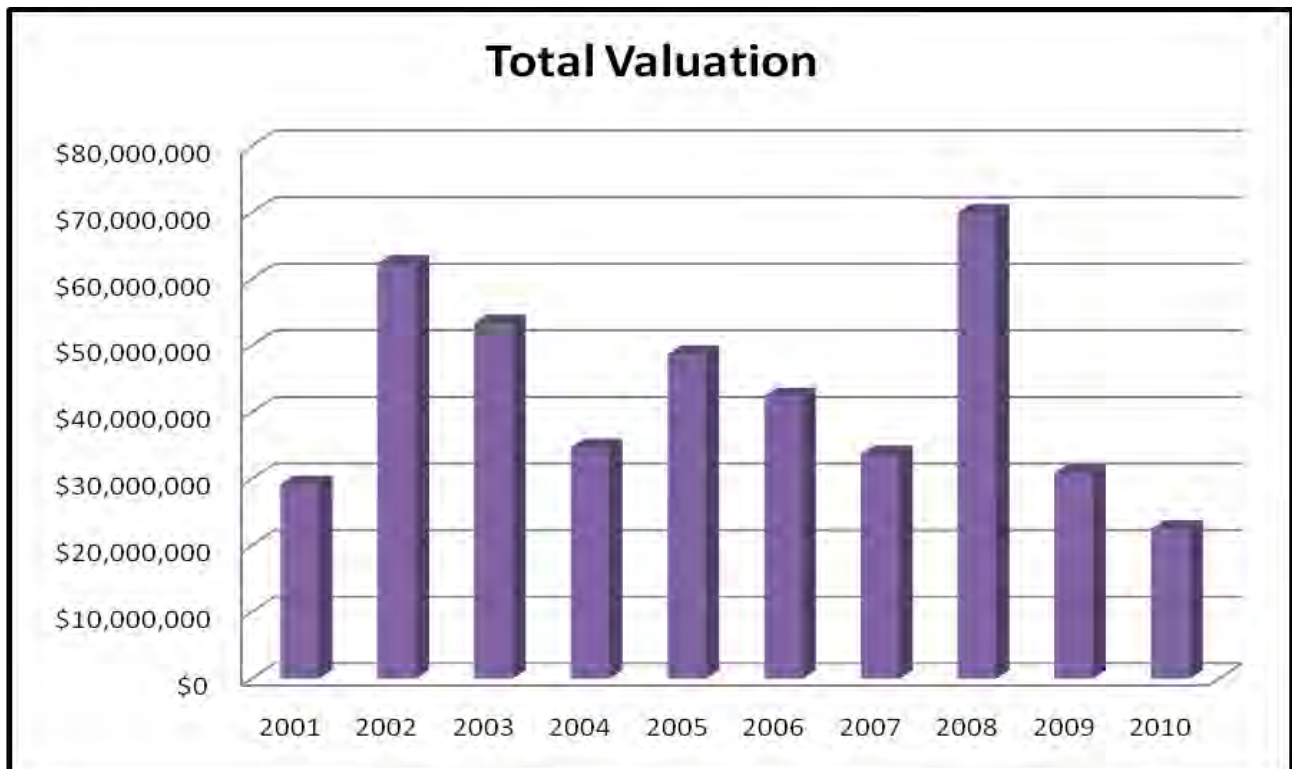
Willmar Construction Activity

	Number of Building Permits	Total Valuation	Commercial/Industrial Valuation	Housing Units	
				Single Family	Total
2001	599	\$29,203,778	\$16,813,966	32	46
2002	669	\$62,335,142	\$47,890,584	45	111
2003	760	\$53,373,765	\$37,397,983	48	107
2004	768	\$34,723,015	\$16,812,162	57	73
2005	728	\$48,732,486	\$30,222,299	49	67
2006	693	\$42,379,064	\$30,744,047	25	45
2007	651	\$33,722,627	\$25,941,806	23	31
2008	780	\$70,002,629	\$60,879,956	19	24
2009	772	\$30,922,474	\$16,506,417	17	57
2010	761	\$22,520,064	\$14,279,361	12	30
Total	7181	\$427,915,044	\$297,488,581	327	591

The following chart compares the number of building permits issued over 10 years.



The following chart compares the total valuation over 10 years.



Planning and Zoning

2010 Planning Commission Report

February 2011

The Honorable Mayor Frank Yanish
& Members of the Willmar City Council

Mayor and Council:

The following report summarizes an active year by the Willmar Planning Commission. Article IV, Section 4.02, Subdivision 2 of the Willmar City Charter requires that the Commission submit a report of their activity for the past year.

The following members served in 2010: Carol Laumer- Chair, Mark Klema- Vice Chair, Bob Mathiasen- Secretary, Charles Oakes, Brian Bollig, Paul Borene, Scott Thaden, Gary Geiger, and Andrew Engan.

Incorporated by reference into this report is the 2011-2015 Capital Improvements Report which was compiled for, and presented to, the City Council in the summer of 2010. Addendum A (attached) summarizes Planning Commission and Board of Zoning Appeals action on specific land use/zoning applications, i.e. conditional use permits, plan reviews, rezoning/text amendments, subdivision plats, variances/appeals, street vacations, and annexations (Note: this data is provided in text and graphic formats).

Meeting activity increased slightly from last year, with 18 regular meetings held in 2010. The Planning Commission is a varied, thoughtful group that represents the community well. This range of views allows for thorough review and discussion of land use issues.

Significant matters/issues before the Planning Commission in 2010 included:

1. Cambridge Second Addition.
2. Text amendment for electronic signs
3. Text Amendment for Home Occupations regarding non-family employees
4. Jimmy John's Restaurant
5. Willmar Poultry Addition
6. Street Vacations by Perkin's Lumber and MUC
7. Several Home Occupations
8. Rice Care Center Addition

Also, three applications for variances were reviewed by the Board of Zoning Appeals.

Land use-related matters/issues expected to come before the Commission in 2011 include:

1. Zoning Map update
2. Zoning Ordinance/Subdivision Ordinance rewrite/update
3. Capital Improvement Planning
4. Former airport redevelopment

2011 will surely bring development projects that will keep the Commission busy. As the City adjusts to economic changes, the Commission will hopefully have time to update and adjust Ordinances to prepare for future growth. The Planning Commission will remain diligent in its project review and decision making, as well as in the Planning policy recommendations it makes.

Carol Laumer, 2010 Chair
Willmar Planning Commission

Addendum A

Conditional Use Permit Applications

- 10-01 Barb Martins, to allow a home occupation tailoring service. *Approved*
- 10-02 Carrie VanderBeek, to allow a home occupation massage therapy business.
Approved
- 10-03 KLC of Willmar, an amendment to allow two twin homes instead of one four-plex on each lot in the PUD. *Approved*
- 10-04 Pamela and Robert Morrill, to allow a home occupation beauty salon/spa. *Approved*
- 10-05 Rice Care Center, to allow a short stay unit addition onto the existing facility.
Approved
- 10-06 KLC of Willmar, to allow a Planned Unit Development on five four-plexes. *Approved*

Plan Reviews

- 10-01 Jimmy John's Restaurant
- 10-02 Willmar Poultry Phase II Addition and truck bay enclosure

Amendments

- 10-01 Zoning Ordinance Text Amendment Electronic Signs. *Approved*
- 10-02 Martens rezone, R-2 to R-3 (triplex rental). *Approved*
- 10-03 Leis rezone, R-2 to LB (to allow law office). *Approved*
- 10-04 Zoning Ordinance Text Amendment Home Occupations non-family member employees. *Approved*
- 10-05 Otting rezone, R-2 to R-4 to allow four units in a four plex or duplex format. *Pending*

Subdivision Plats

10-01 Northwood Court Second Addition. 2 lots. *Final*

10-02 Cambridge Second Addition. 14 lots. *Final*

VariANCES/Appeals

10-01 Jennie-O Turkey Store request to allow a 5' side setback for construction of an industrial wastewater pretreatment facility. *Approved*

10-02 Wulff Properties (Jimmy John's) request to allow a 4' parking setback on a portion of property and 5' parking setback on another portion. *Approved*

10-03 Rice Care Center request to allow parking lot expansion at existing right-of-way setback from property. *Approved*

Annexations

None

Vacations

10-01 Perkins Street Vacation, portion 9th St. NW.

10-02 Municipal Utilities Street Vacation, portion of Pacific Ave. SW and 8th St. SW. *Pending*

Zoning and Nuisance Complaints

Zoning and nuisance complaints resulting in actions/citations totaled 491 in 2010. Staff did not sweep entire neighborhoods this year, due to a shift to airport job duties. So the reduction in numbers is based off of total citizen complaints. The public is becoming more active with phoned in complaints, which shows the public wants clean neighborhoods and supports the exterior storage ordinance. Many of the complaints involved more than one violation. The most common violations are garbage, furniture/appliances, and unlicensed vehicles.

The high-visibility notice system works well, and reduces clerical time. Near 100% compliance is obtained, usually without the use of certified mail or assistance from the City Attorney.

Special thank you to the Police Department and City Attorney for their help with this process. It can be a frustrating, time consuming process to get through the court system.

Complaints comparison- 2008-2010:

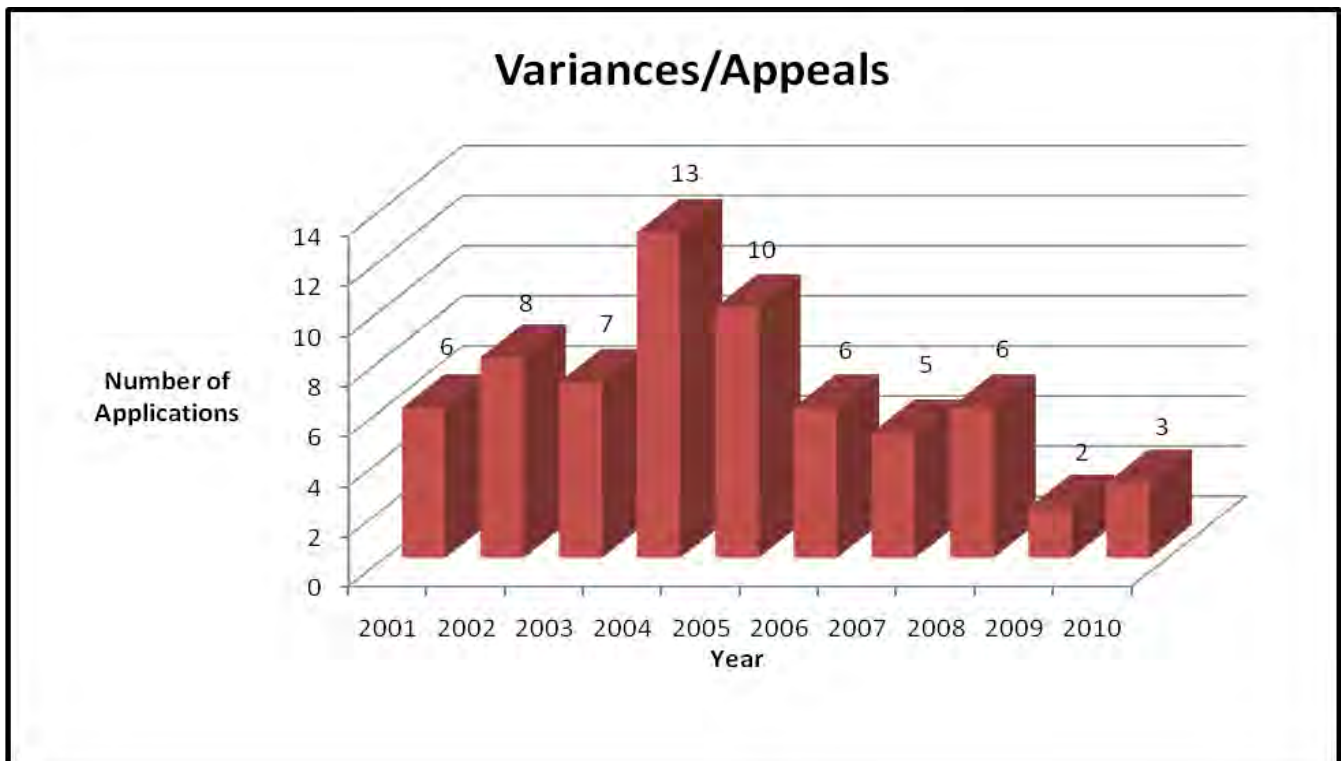
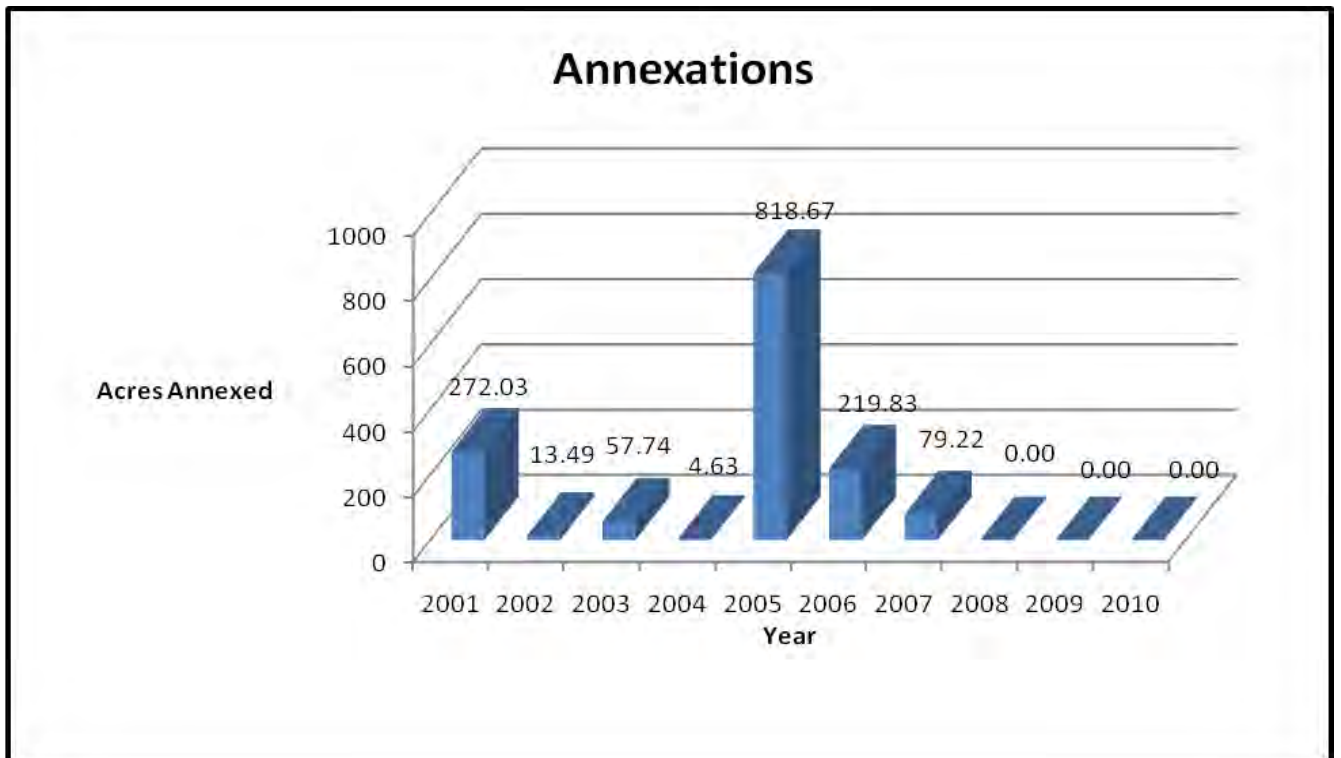
Type	<u>2010</u>	<u>2009</u>	<u>2008</u>
unlicensed vehicles	45	82	78
furniture/appliances	55	115	101
junk	12	41	59
garbage/waste	130	125	110
building materials	25	73	36
auto parts	18	58	49
unlicensed trailers	0	1	1
off-street parking	28	26	21
branches/leaves	20	26	11
signs	51	34	21
fences/hedges	0	3	3
building removal (unsafe)	3	5	0
miscellany	<u>71</u>	<u>63</u>	<u>21</u>
	458	667	511

A total of 491 inspections were required to achieve compliance.

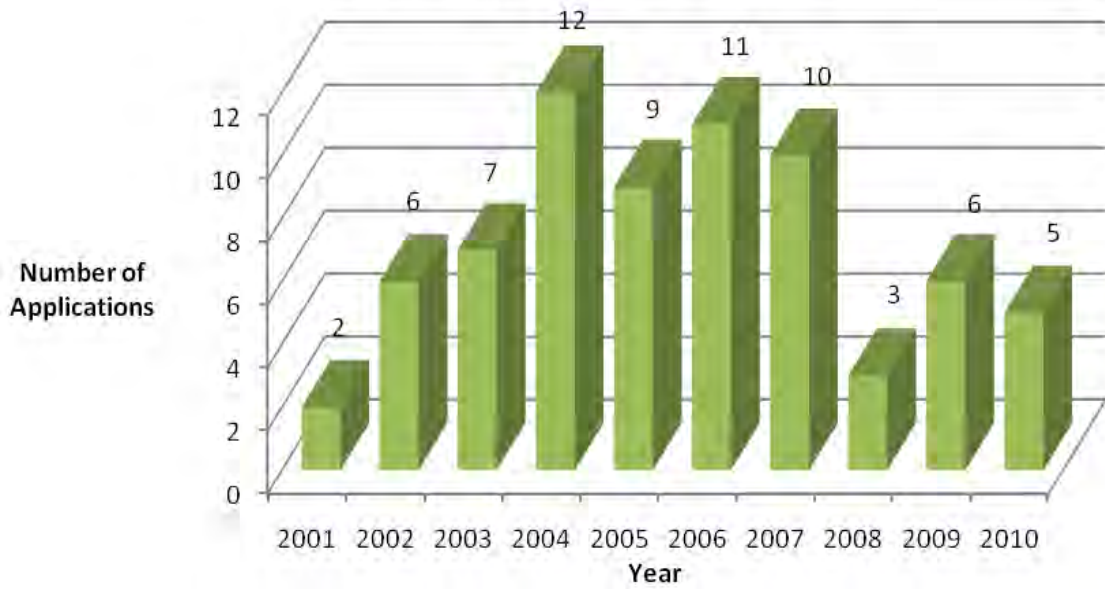
A duty added to zoning enforcement tasks for City staff in 2009, was graffiti abatement. Staff receives lists of violations from the Police Department and does the photo records, property owner notification, and monitors abatement procedures. Staff did 26 graffiti notices (which required 65 inspections). Two properties did not obtain full compliance prior to winter.

Again this year, staff was able to utilize a complaint/issue tracker program to assist with keeping track of complaints. This helped the process remain timely, and archives a timeline of all actions taken after a complaint is submitted.

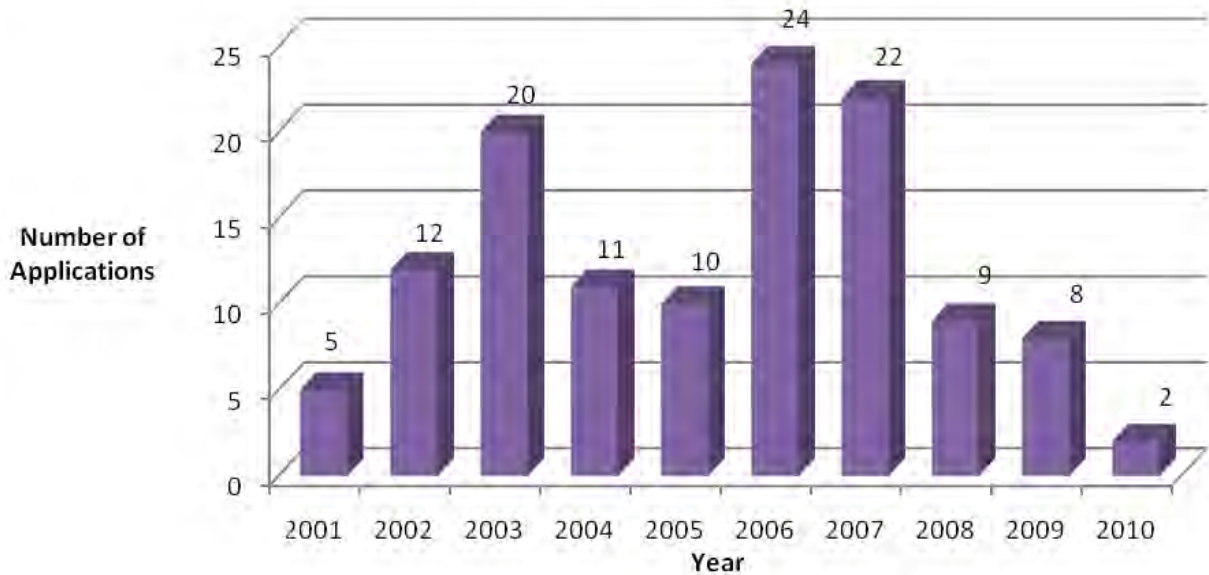
Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
# of Annexations	1	1	3	2	3	3	3	0	0	0
Acres Annexed	272.03	13.49	57.74	4.63	818.7	219.83	79.22	0	0	0



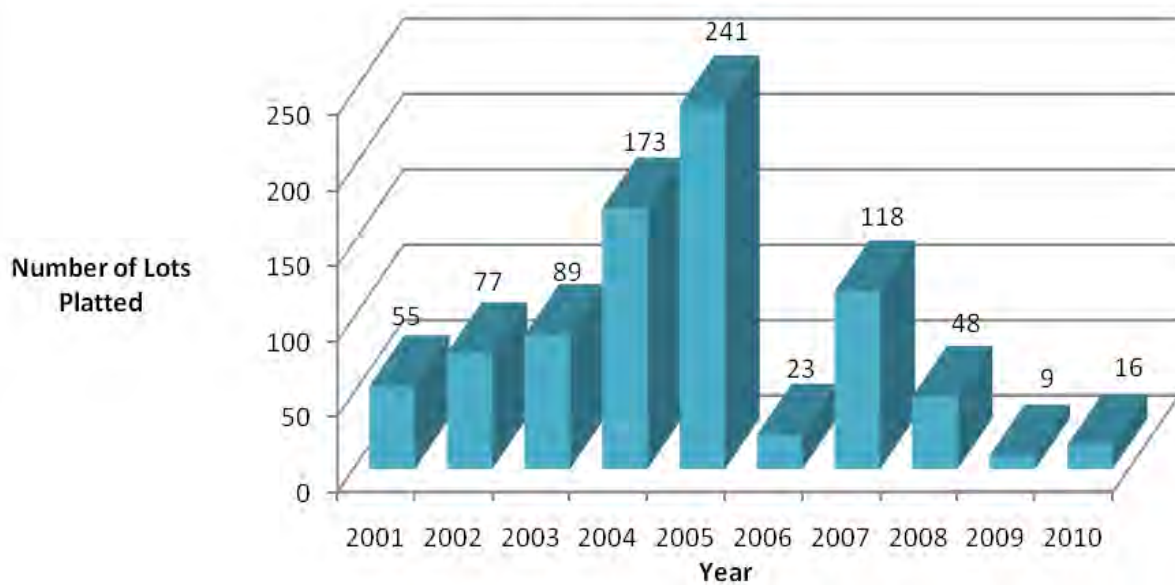
Rezoning/Text Amendments



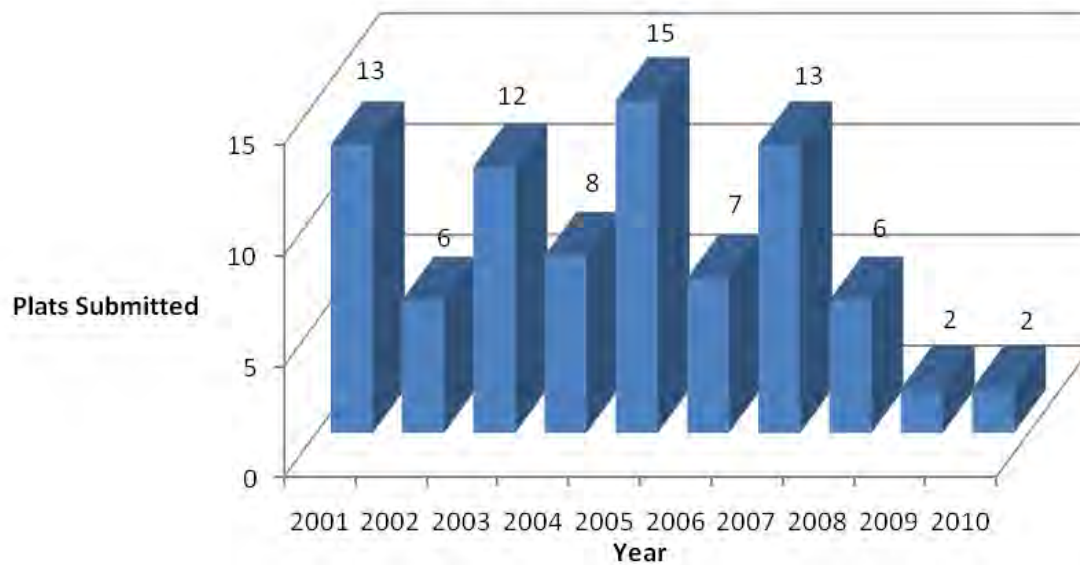
Plan Reviews



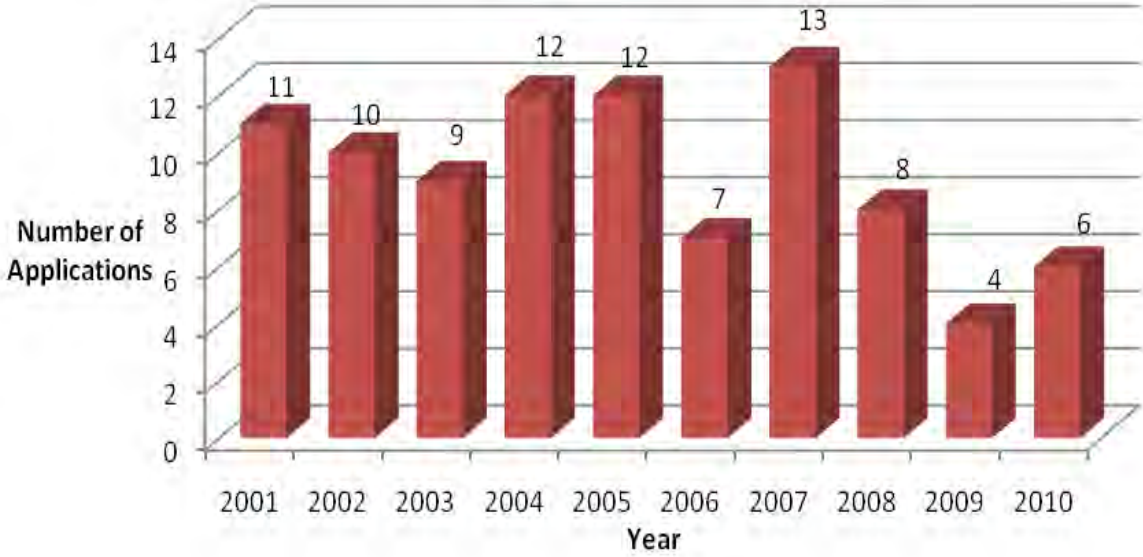
Lots Platted



Plat Submittals



Conditional Use Permits



Building Inspection

2010 Building Report

During a period of tough economic times, the 2010 construction season did achieve a total valuation of \$22,520,064.12. The construction activity within the City of Willmar exceeded state and national construction starts averages. Construction starts for new residential, multi-family and commercial projects are still far behind the good times of 2007 to 2008. While signs for the future are promising, there is still a lot of lost ground to make up. With the lack of construction activity, the materials needed for construction continue to increase in cost. Soon, new construction building codes will be adopted with new code requirements that will increase construction costs. This year there were 4 projects with a valuation greater than \$1,000,000. Three of the four projects were of municipal or public ownership.

In 2010 there were 10 permits issued for new commercial/industrial projects. These projects included the Farm Service Credit Building, Jimmy John's Sandwiches, Perkins Lumber Storage Building, and Jennie-O Pre-Treatment facility. This represents an increase of 42% over the previous year. Commercial/industrial additions and alterations had a total of 95 permits. Some of the major projects were Rice Care Center Projects A & B, Ridgewater College Elevator upgrade, Willmar Poultry Addition, and City of Willmar Wastewater Office Remodel. This represents an increase of 43% over 2009.

In 2010 there were a total of 12 new single family dwellings constructed. This represents a decrease of 41% when compared to 2009 residential permits. Two family/twin home construction permits totaled 3 buildings in the year 2010 and the permits issued for 4-unit apartments buildings totaled 3. This represents a total of 30 housing units. Compared to the McGraw Hill Construction bulletin, the City is still above average in residential construction starts. When using the supplied national statistics, the Midwest saw a single family increase of only 12% and multi-family of 33%. City of Willmar residential construction reports are included in the national statistics. It will take several more years before residential construction recovers.

Currently, the City of Willmar is enforcing the 2007 Minnesota State Building Code. Soon the State of Minnesota will adopt the 2012 series of International Codes. The current fee schedule is still the 1994 Uniform Building Code, Table 5-A. This fee schedule is antiquated. The fees do not represent current construction realities and should be updated as recommended by the League of Minnesota Cities. Fees should be periodically increased to avoid a big fee increase.

Detailed within this report is data showing major construction projects valued at \$250,000 or more, the type and number of inspections performed by staff, the number and type of permits issued, permit revenues, and a 10-year running construction summary.

Randy L. Kardell
Willmar Building Official

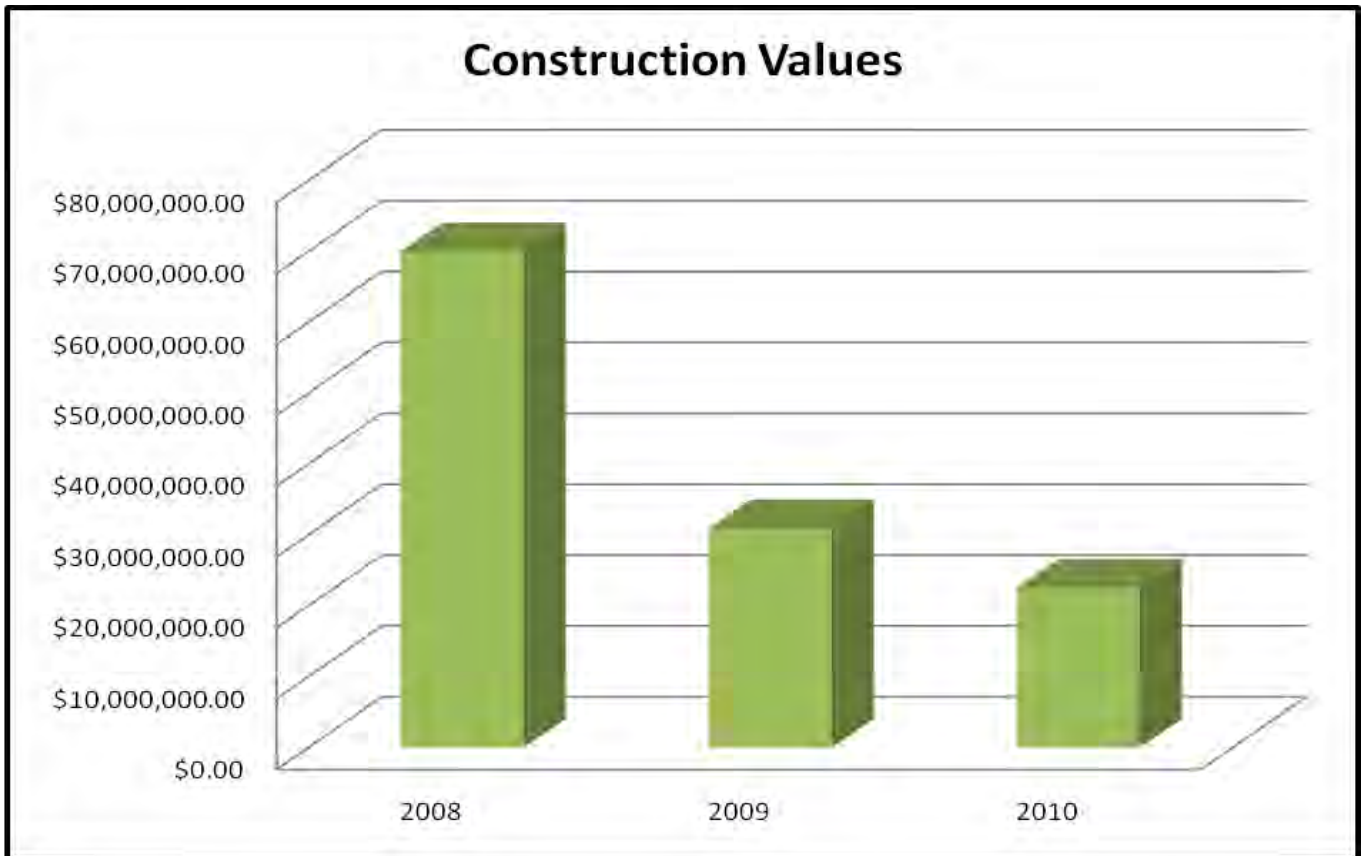
Major Building Permits (Valuations over \$250,000)

Perkins Lumber Storage Building	\$251,832
City of Willmar Remodel WTP	\$253,860
Kandi Mall/Verizon Wireless	\$261,968
ISD #347 Reroof	\$353,845
Matt Monson Residence	\$358,861
Jimmie John's Restaurant	\$380,000
Ken Ohl Residence	\$420,548
Jennie-O Turkey Pretreatment Facility	\$510,800
Ridgewater College Elevator Renovations	\$512,085
Willmar Poultry Addition	\$600,000
Rice Care Center - Project A	\$1,092,372
Rice Care Center - Project B	\$1,189,129
United Farm Credit Services	\$2,912,582
MUC Wind Turbine	\$3,200,000

Permit Breakdown			
Residential Permits	2008	2009	2010
One-Family	19	17	12
Two-Family/Twin Home	1	14	3
Tri-Plex	0	0	0
Multi-Family/Town Home	1	0	3
Apartments	0	4	0
Garages/Sheds	35	23	25
Residential Addn/Alts	326	365	396
Moved/Razed Buildings	34	33	29
Mobile Homes*	7	4	11*
*Includes mobile homes moved into City, out of City, and relocated within City.			
Commercial/Industrial Permits	2008	2009	2010
New Commercial	31	7	8
New Industrial	0	3	2
Additions/Alterations	89	66	95
Churches/Schools	8	6	2
Mechanical Permits	2008	2009	2010
	151	150	90
Plumbing Permits	2008	2009	2010
	75	80	84
Total Permits	780	772	761

Construction Valuation			
	2008	2009	2010
New Residential	\$4,628,150.87	\$8,694,545.30	\$4,899,811.16
Garages/Sheds	\$640,342.96	\$449,851.04	\$453,728.22
Residential Addn-Alts	\$1,819,151.99	\$2,045,493.49	2,324,578.44
New Commercial	\$53,588,370.80	\$5,705,873.67	\$6,764,133.01
New Industrial	0	\$1,119,383.70	\$1,110,800
Comm /Ind Addns.-Alts.	\$7,291,585.58	\$9,681,159.77	\$6,404,428.31
Churches & Schools	\$2,035,044.18	\$3,226,158.00	\$562,585
New & Additions	0	0	0
Others	0	0	0
TOTAL	\$70,002,646.38	\$30,922,464.97	\$22,520,064.14

The following chart compares total construction valuations from the years 2008 through 2010.

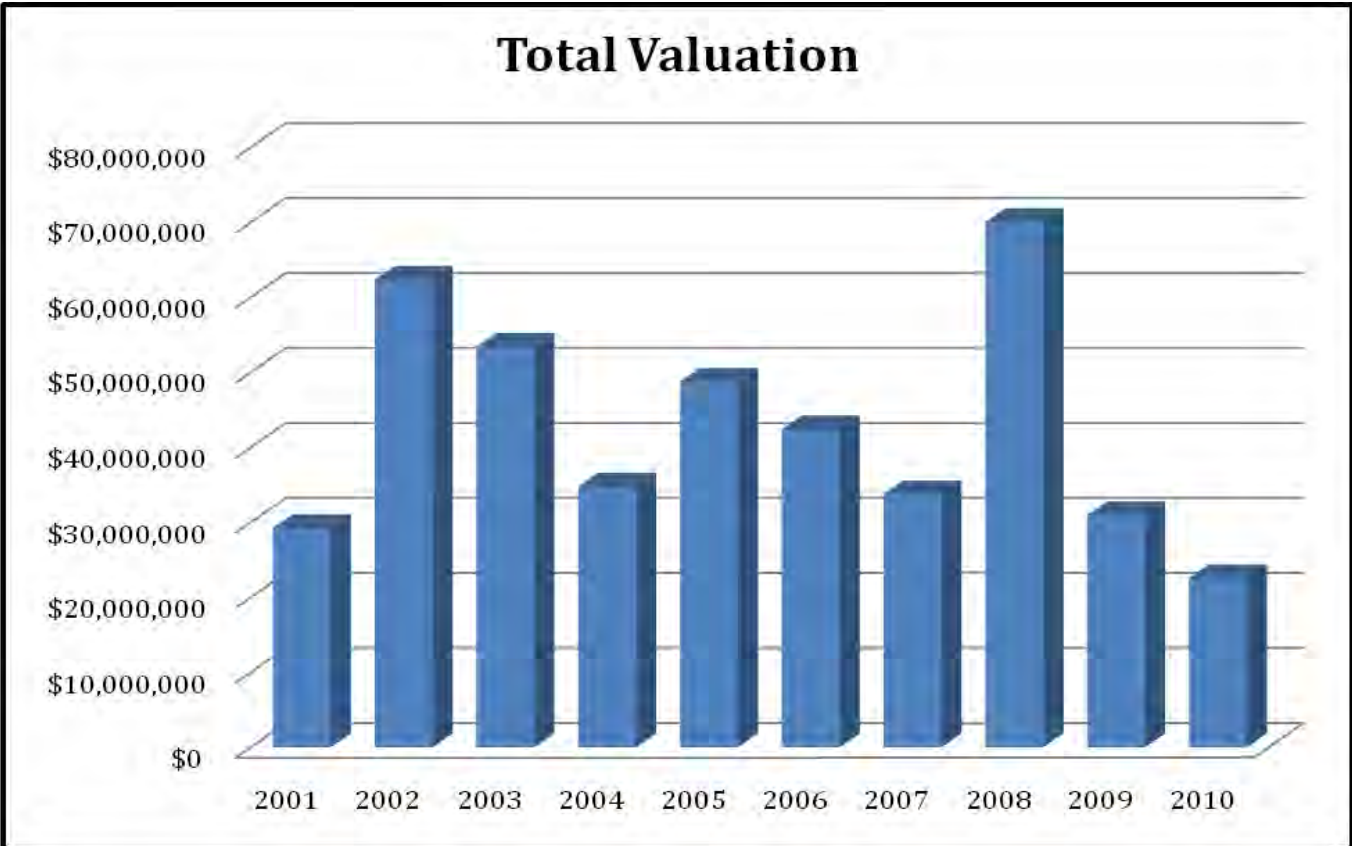


Permit Revenue			
Building Permits	2008	2009***	2010
Permit Revenue	\$289,394.39	\$189,997.05	\$157,222.26
State Surcharge Collected	\$34,991.42	\$15,461.38	\$12,979.93
State Surcharge Paid	\$13,048.77	\$13,414.89	\$11,121.97
Retained by City	\$21,942.65	\$2,046.49	\$1,857.96
Plan Review Fees	\$160,374.33	\$77,289.26	\$61,203.08
***Does not include \$7,011.71 in waived plan review fees waived by City.			
Mechanical Permits	2008	2009	2010
Commercial	\$19,342.07	\$38,640.75	\$27,051.35
Residential	\$6,150.16	\$5,213.83	\$4,765.72
TOTAL	\$26,512.66	\$43,854.58	\$31,817.07
Plumbing / Excavation Permits	2008	2009	2010
Plumbing Permits	\$12,299.00	\$12,618.00	\$14,575.00
Excavation Permits	0	0	0
TOTAL	\$12,156.00	\$12,618.00	\$14,575.00
Sign Permit Revenue	2008	2009	2010
Sign Permits	\$1,740.00	\$1,140.00	\$1,255.00
Special Sign Permits	\$680.00	\$1,195.00	\$1,085.00
TOTAL	\$2,420.00	\$2,335.00	\$2,340.00

Number of Inspections			
	2008	2009	2010
Commercial	490	533	384
Plumbing	184	160	149
Mechanical	152	55	85
Residential	817	645	784
Zoning	479	713	585
Other/Garages/Sheds	133	63	157
Service Lines/Sump Pump	16	20	126
Rental Housing	1747	1699	1804
Misc	0	452	100
TOTAL	4018	4340	4174

10-Year Summary of Construction Values					
Year	Homes	Apt. Bldgs.	Res Units	Comm/Ind	Total Value
2001	46	0	46	111	\$29,203,778
2002	75	1	111	94	\$62,335,142
2003	68	2	107	122	\$53,373,765
2004	73	0	73	119	\$34,723,015
2005	67	0	67	110	\$48,732,486
2006	35	0	45	158	\$42,379,064
2007	27	0	31	121	\$33,722,627
2008	19	0	24	128	\$70,002,629
2009	17	4	57	82	\$30,922,474
2010	18	3	30	105	\$22,520,064
Total	445	10	591	1150	\$427,915,044

The following chart compares total valuation for the last 10 years.



Rental Inspection

2010 Rental Housing Inspection Report

The number of rental units inspected in 2010 totaled 1768, up slightly compared to 1699 units inspected in 2009. The number of licenses issued also increased slightly, up from 265 to 277.

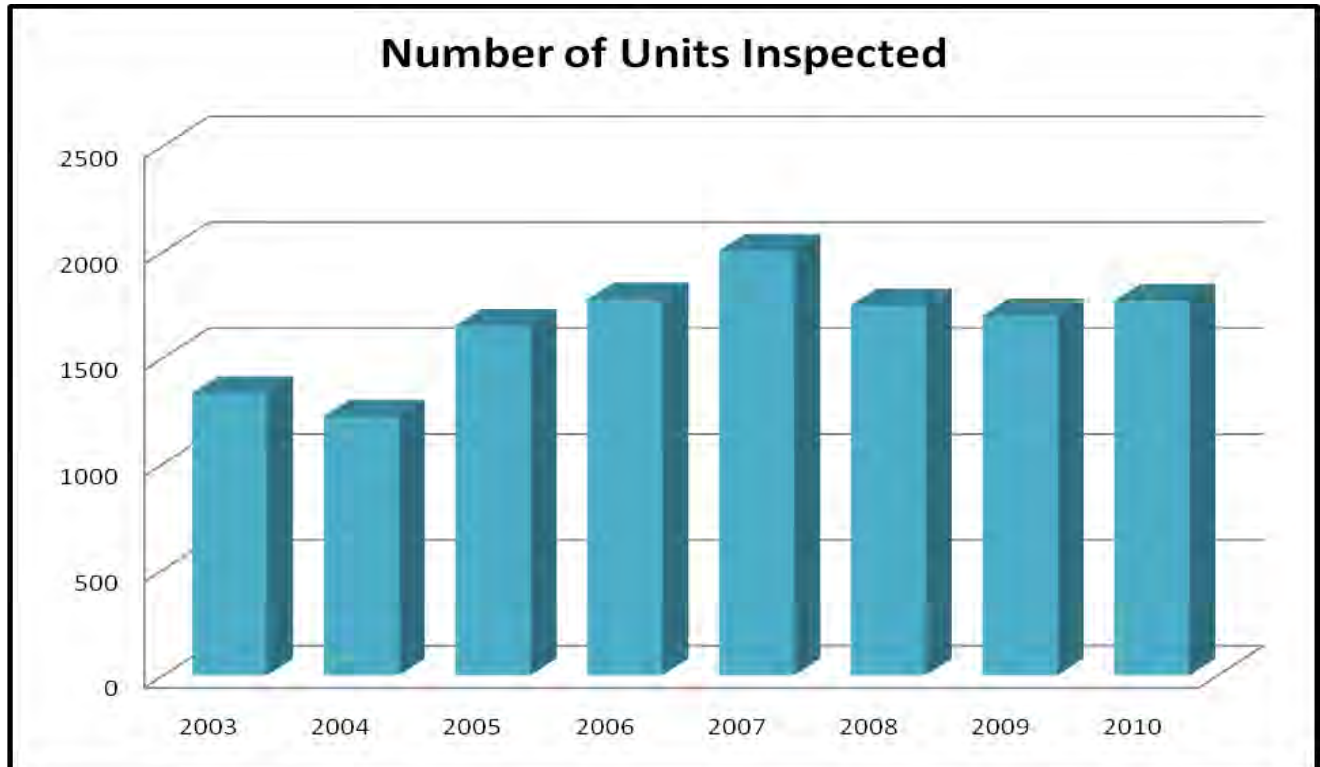
As in the past, the majority of landlords were cooperative and for the most part keep their properties in fair to good condition. However, there are a number of property owners who continue to push the limits and do the very minimum to meet the intent of the Rental Housing Ordinance. These landlords typically have the poorest looking and maintained properties, and also tend to attract a greater number of tenants with little or no respect for the property or the neighborhood they live in. As a result, they tend to produce a higher percentage of zoning and tenant complaints.

Most property owners have a good understanding of the Rental Ordinance and know what to expect of the process. By keeping their property properly maintained, the owners require fewer corrections at their scheduled inspections. There are a number of properties that don't require any corrections, saving the owners time and money by not requiring a second trip back for a re-inspection. These owners also benefit by increasing the value of their property, attracting better tenants, and protecting their investments.

The tenants benefit from this program by having access to safe and sanitary housing and a higher standard of living. The City benefits by preserving its tax base and helping maintain neighborhood aesthetics while protecting the safety, health and general welfare of the people in the community.

Tom Rosemeier
Building Inspector

The following chart compares the number of units inspected for the last 10 years.



The following chart compares the number of units licensed for the last 10 years.

