

THESE MINUTES ARE IN DRAFT FORMAT AND REQUIRE APPROVAL BY THE COUNTY BOARD.

WAYS AND MEANS COMMITTEE
MINUTES
JANUARY 10, 2018

MEMBERS PRESENT: Borrell, Husom, and L. Kelly

OTHERS PRESENT: Asleson, Hoffman, Kryzer, Treichler, Vaith
Nick Haggenmiller, Howard Lake City Administrator

I. Howard Lake Sidewalk/Trail Request

Howard Lake City Administrator Nick Haggenmiller said he has been working with Commissioner Borrell for several years to find a way to fund a sidewalk trail along County Road 6 through downtown Howard Lake to the County Fairgrounds. Haggenmiller said the Fairgrounds represent a unique circumstance for the County. He has tried unsuccessfully to work out agreements with the Highway Department and the Fair Board in the past few years. Most recently, a Tax Increment Financing (TIF) District in Howard Lake decertified itself at the end of 2016. The remaining funds from an economic development project in Howard Lake were to be sent back to the County and redistributed to the taxing authorities. Haggenmiller said the City could have retained those funds by law to use in a manner consistent with the original TIF District, but only \$77,000 remained. The funds were generated from a Howard Lake project. Haggenmiller said his hope is that the County would work with the City on this project utilizing those funds.

Borrell said it is best that the funds returned to the County from the TIF District be kept separate from the proposed sidewalk/trail project. He asked Haggenmiller to clarify the cost of the project. Coordinator Lee Kelly said the returned funds would go into the General Revenue Fund.

Borrell said it is a worthwhile project, since pedestrians are at risk when walking along County Road 6, as cars have to swerve to avoid them. There is also a proposal to install a rapid flashing beacon light at a pedestrian crosswalk to the main entrance to the Fairgrounds.

Haggenmiller said the projected cost is approximately \$148,000 to 150,000, including construction and engineering soft costs. He distributed the following documents (see attachments):

- 1) Letter from the City of Howard Lake to Wright County dated 7-30-17;
- 2) Letter from David Drown Associates, Inc. to the City of Howard Lake, dated 12-13-16;
- 3) Confirmation of Decertified TIF District;
- 4) Rendering of proposed CSAH 6 Trail Improvements;
- 5) Conceptual Development drawing, Street View, Howard Lake.

Haggenmiller said the City is working with the feed mill building at 10th Avenue / CSAH 6 in downtown Howard Lake to reshape the Highway 12 frontage road. If this building were torn down, a future building could be set back to allow for the trail and open up a Right-Of Way. The trail would start at the intersection of 10th Avenue/County Road 6 and Highway 12 and run north along 6. The Burlington Northern track funnels street traffic under two concrete uprights. Pedestrians who wish to walk across have no sidewalk, and therefore have to walk in the street. The proposed trail would go underneath the

railroad tracks, which is allowable with Burlington Northern. The trail would continue north along County Road 6 across from the main entrance to the County Fairgrounds.

Borrell suggested that the County give \$77,000 to \$80,000 toward the trail. Once the time came to construct the rapid flashing beacon for the crosswalk, Borrell suggested the County could provide additional funds to the Fair Board to construct it. Haggemiller said the City has not surveyed or gone out for bids; they only have an engineer's estimate.

Husom said this is two separate projects. Once the trail gets to the Fairgrounds, it becomes County property. She thought the crosswalk light project should be discussed with the full County Board.

Recommendation: Allot \$77,000 to the Fair Board for construction of a sidewalk/trail from downtown Howard Lake along County Road 6 to provide safe pedestrian access to the County Fairgrounds. Further discussion regarding funding the crosswalk light project at the entrance to the Fairgrounds may be discussed in the future at the initiative of the full County Board.

II. Enforcement Ordinance for Parks Patrol/Special Deputy

Lieutenant Matt Treichler from the Sheriff's Office said they have reviewed revisions to the Special Deputy job description, and seek clarification on language regarding governing and zoning regulations. The current job description does not address zoning. He asked whether the County Board has another vision for that position.

Ordinance Amendment Number 18-1, Amendments to the Wright County Restated and Revised Code, Article I – Powers of Special Deputies, Chapter 31 was distributed (see attached).

Assistant County Attorney Greg Kryzer said the delegated authority is at the discretion of the County Board. He suggested adding language to the Ordinance that meets the needs of the Sheriff's Office now to avoid going through another Ordinance process in the future. The Sheriff does not have to assign the duties, even though they may be in the Ordinance, but the language is there should he decide to do so in the future.

Chief Deputy Todd Hoffman said the job description for the Parks Patrol/Special Deputy position does not include zoning. The Sheriff's Office wants the County Board to be aware that the job description going forward currently is for Parks Patrol/Special Deputy. In the future, there may be a need for a Community Service Officer/Special Deputy with different duties. Kryzer said it is easier to change a job description than an Ordinance.

Recommendation: Publication and adoption of Ordinance 18-01, and schedule a Public Hearing.



CITY OF HOWARD LAKE, MINNESOTA

July 30, 2017

Wright County

c/o Mr. Robert Hiivala, County Auditor/Treasurer

c/o Mr. Charlie Borrell, County Commissioner

c/o Ms. Tammi Vaith, Chief Deputy Auditor/Treasurer

10 2nd Street NW

Buffalo MN 55313

Greetings Wright County Team!

The intent of this letter is to serve as official notice of an automatic decertification of a TIF District which occurred on 12/31/16 as well as act as an official request of Wright County related to this TIF District.

Introduction

As you're well aware, Wright County as a collar county to the Minneapolis Metropolitan area is experiencing significant growth. In relation to the I94 or Northeast corridor, the southwest portion of Wright County has not enjoyed the same rate or intensity of growth. Still, the City of Howard Lake has aggressively and creatively pursued development and growth. Doing so has required business subsidies, commonly in the form of Tax Increment Financing. Doing so, has afforded us the necessary but-for test to see industrial growth, address workforce housing needs and redevelop portions of downtown.

Specifically, Howard Lake TIF District #3, otherwise known as Keleher-Schmid TIF District automatically decertified on 12/31/16 based on statutory limits. The current fund balance is \$\$287,881.97. Originally, this fund was used to incentivize a multi-family housing development which by and large acts to support employees of Dura Supreme Cabinetry. Prior to the 2008 Housing Crash, Dura Supreme was one of the largest employers in Wright County. As they regain market and momentum they are also adding employees. We're proud of this manufacturer and the related developments which mutually support our community.

Request to Retain

Recognizing limited funds at all levels of government but increasing demands for services, amenities and to further promote economic development has prompted this request. In short, the City is requesting to retain the City and Wright County's portion of the distribution from this decertified TIF district. The proposed use of these funds to further economic development and increase local amenities; collectively we believe these to be a shared goal of both the City of Howard Lake and Wright County.

Intent & Proposed Use

Over the past several years, the City has approached the Wright County Fair Board and Wright County Commissioners to assist in the development of a sidewalk/trail from downtown, connecting our signature park and the Wright County Fair Grounds. Over the last year, the City has been actively pursuing the redevelopment of the Munson Lakes Nutrition Highway 12 frontage. Together, we anticipate to acquire a needed property located on the corner of Highway 12/CSAH 6, demolish three existing buildings and construct a new 8,000 square foot office building in its place as well as allocate right-of-way and construct a trail as aforementioned. Redevelopment projects are complicated and expensive. We estimate total project costs to be nearly \$2 Million. Market rate rentals nor property values would support this project without governmental assistance. We project tax values to increase from \$1,500 for these three parcels to nearly \$32,000 annually! The project will greatly shape our downtown, create jobs and allow for the construction of this sidewalk/trail.

MM

Discussing this matter with our city attorney and financial advisor, if acceptable the request is not necessarily mutually dependent. Therefore, while we are requesting to retain Wright County's portion of the excess TIF funds, the City would in fact return the funds through the normal decertification process and separately Wright County would approve an allocation to Howard Lake for these purposes in the same amount. The City recognizes the unorthodox request and speculated precedence that could be set with such request. We affirm two points: First, currently the City would be able to retain the funds for uses under the original TIF district, specifically housing related activities. Second, the proposed use of these funds are to benefit Wright County property and use thereof as the proposed trail connects downtown to Wright County Fair Grounds immediately adjacent to CSAH 6.

I have included the Confirmation of Decertified TIF District, a letter from David Drown & Associates detailing the TIF Fund itself as well as a check for \$287,881.97. Additionally, included is supporting materials providing background to the project these funds will support. In short, we believe these funds which were generated in, for and as a result of development in Howard Lake could be put to good use on this proposed project.

I would welcome the opportunity to meet with pertinent Wright County Staff, Committees or full commissioners to see through the request. County Commissioner Borrell has previously been briefed on the request and is generally supportive provided the proper approval procedures are followed.

Thank you for your assistance and direction on this matter.

For the City,



Nick Haggemiller
City Administrator

CC: Munson Lakes Nutrition Board of Directors / Mayor Zimmerman & City Council



DDA

**David Drown Associates, Inc.
Public Finance Advisors**

Waconia Office:
2078 Feather Circle
Waconia, MN 55387
(952) 442-5821 | fax (952) 442-8838
shannon@daviddrown.com

December 13, 2016

City of Howard Lake
Attn: Nick Haggenmiller, City Administrator
P.O. Box 736
Howard Lake, MN 55349

RE: TIF 3 – Excess Increment

Dear Mr. Haggenmiller:

Per our discussion the City of Howard Lake will be returning \$333,774.99 in excess tax increments from TIF 3 to Wright County for redistribution. This TIF District has reached its mandatory decertification date under Minnesota Statute.

TIF 3 was created in 1988 for the purpose of supporting the development of workforce housing to assist Dura Supreme with attracting and retaining employees in Howard Lake. More recently, the increments from this TIF District were also critical in enabling the City to meet additional senior housing needs by assisting in the development of the Lodge of Howard Lake.

As mentioned, the excess increments that are returned to the County Auditor will be redistributed in a proportionate manner based on tax rates of the underlying units of government. The County, City, School District, and any regional taxing authorities should all receive a supplemental tax settlement in 2017 that is above and beyond their regular tax levy as a result of the redistribution. The redistributed funds are then available for any lawful purpose and are no longer considered tax increments.

Please feel free to contact me if you have any questions regarding this matter. Thanks again for your time and consideration.

Sincerely,

Shannon Sweeney, Associate
David Drown Associates, Inc.

CONFIRMATION OF DECERTIFIED TIF DISTRICT

Please complete the information requested below in Part A and then forward the form to the County Auditor to be certified in Part B. Once the information has been completed by both the authorized TIF representative and the County Auditor, please return the form to the Office of the State Auditor at the address listed below:

**Office of the State Auditor - TIF Division
525 Park Street, Suite 500 St. Paul, MN 55103**

PART A. To be completed by the TIF authorized representative:

County Auditor/Treasurer's Name: Robert Hiivala Date: 12/13/16
 County Name: Wright County Address: 10 2nd St NW, Room 230, Buffalo, MN
 TIF Authority Name: Howard Lake
 TIF District # and Name: TIF 3 - Kelehar - Schmid
 TIF District Type: Housing TIF Plan Approval Date: 3/8/1988
 Certification Request Date: 3/23/1988 Certification Date: 3/28/1988
 Required Decertification Date: 12/31/16 Based on: Statute

(Information to be confirmed by the County Auditor:)

1. Actual decertification date: 12/31/16
2. Date of first tax increment received: 6/1991
3. Final tax increment distribution date: 11/2/2016 and amount \$ 52,065.62
4. Amount of excess tax increment returned to the county, if any \$ \$257,851.12 and date _____ *

Please note: If the district is decertifying early, please forward a copy of the resolution with this form to the County Auditor and the TIF Division.

Signature: [Signature] Date: 6/30/17
 Name and title of TIF authorized representative: Nick Haggemiller, City Administrator

PART B: To be completed by the County Auditor or representative:

On behalf of the County Auditor/Treasurer, I certify that the above information, specifically information provided in questions 1-4, is correct with the following exceptions, if any:

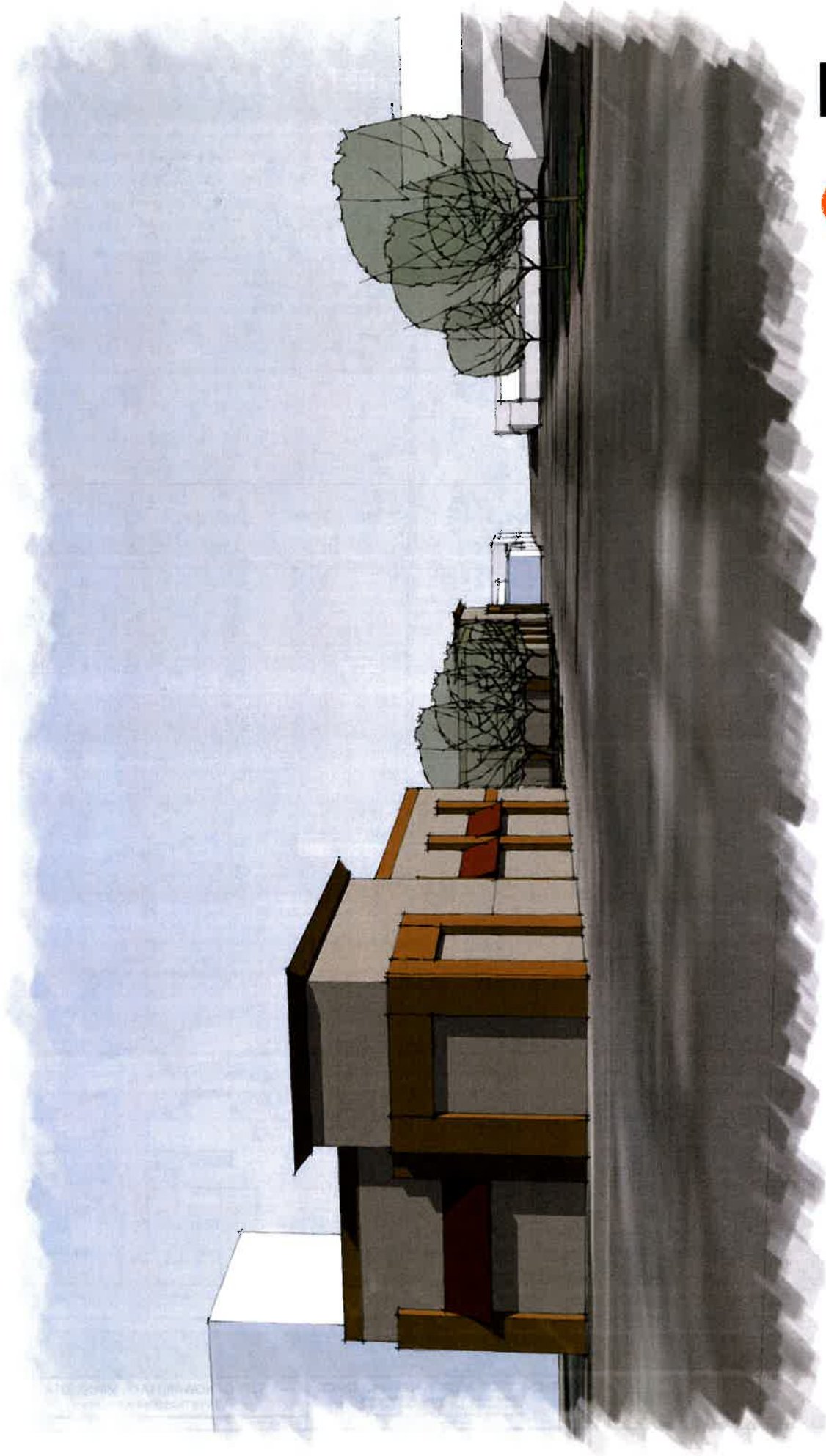
Signature: _____ Date: _____
 Name and title of the county representative: _____
 Phone: _____ Exceptions? No Yes If yes, please describe below:



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BOLTON & MENK, INC.
 Consulting Engineers & Surveyors
 2040 HIGHWAY 12 EAST - WILLMAR, MINNESOTA 56201
 Phone: (320) 253-2856 Email: William@bolton-menk.com
www.bolton-menk.com

CITY OF HOWARD LAKE, MINNESOTA
 CSAH 6 TRAIL IMPROVEMENTS
 AUGUST, 2016 FIGURE NO. 1



street view

CONCEPTUAL DEVELOPMENT
Howard Lake, MN



EBERT
CONSTRUCTION

28 NOVEMBER 2016



ORDINANCE AMENDMENT NUMBER 18-1

THE COUNTY BOARD OF WRIGHT COUNTY HEREBY ORDAINS:

AMENDMENTS TO THE WRIGHT COUNTY RESTATED AND REVISED CODE

Article I – Powers of Special Deputies, Chapter 31

Sec. 1

Create “Chapter 31: Powers of Special Deputies” and insert:

§ 31.01 Special Deputies to Issue Citation in Lieu of Arrest

An ordinance authorizing the Special Deputies of the Office of the Wright County Sheriff to enforce all applicable state and local statutory and regulatory provisions governing zoning regulations, and parks, trails, water, boat, vehicle or traffic safety through the issuance of citations or other means permitted by state law.

(A) The County Board of Wright County ordains that Special Deputies duly appointed and sworn by the Wright County Sheriff are hereby granted the authority to enforce, through the issuance of citations and such other means as permitted by state law, the provisions of any state or local statutory or regulatory provision governing zoning regulations and parks, trails, water, boat, vehicle or traffic safety.

Enacting Clause

This ordinance shall amend the Code of Ordinance of Wright County, Minnesota. This ordinance shall be in effect upon passage and publication.

Mark Daleiden
Chair, Wright County Board of Commissioners

ATTEST:

Lee Kelly
Wright County Coordinator

