

**CITY OF FLOODWOOD
RESOLUTION 20200908-02**

Resolution to supporting the authority to impose a local sales tax to fund specific capital improvements providing regional benefit, to establish the duration of the tax and the revenue to be raised by the tax, and to authorize the city to issue bonds supported by the sales tax revenue.

WHEREAS, the city has engaged community residents and businesses and identified one project identified as the Floodwood City-wide Street and Infrastructure Project. The project includes upgrading streets, water lines, sanitary sewer and storm sewers along Avenues First through Eleventh, East and West of Highway 73, and adjoining streets including Popular, Fir, Ash, Cedar, Birch, Pine, Elm and Hickory. It is anticipated that the total estimated cost for this project is \$10,000,000. Floodwood will be seeking additional funds, over and above this local sales tax, to complete this project; and

WHEREAS, the project will result in benefits to both the residents and businesses of the city of Floodwood and to non-resident visitors and businesses; and,

WHEREAS, funding the project with a local sales tax will more closely distribute the cost of the project to the users of the facilities; and,

WHEREAS, the project is estimated to cost approximately \$10,000,000; and,

WHEREAS, the city estimates that a local sales tax of *one-half of one percent* would generate \$1,250,000 over 25 years; and,

WHEREAS, the city has provided documentation of the regional significance of each project, including the share of the economic benefit to or use of each project by persons residing, or businesses located, outside of the jurisdiction; and,

WHEREAS, the estimated local sales tax revenue and estimated time needed to raise that amount of revenue for each project is as follows:

- For the Floodwood City-wide Street and Infrastructure Project: The city will collect \$1,250,000 over 25 years to defray the cost of this project.

WHEREAS, Minn. Stat. § 297A.99 authorizes the imposition of a general sales tax if permitted by special law of the Minnesota Legislature; and,

WHEREAS, Minn. Stat. § 297A.99 requires the City to pass a resolution authorizing such a local tax and to obtain Legislative approval prior to approval by the local voters to enact the local tax;

THEREFORE, BE IT RESOLVED the following:

1. The city council supports the authority to impose a general local sales tax of *one-half of one percent* for a period of 25 years to fund the aforementioned project(s);
2. Upon approval of this resolution, the city will submit the adopted resolution and documentation of regional significance to the chairs and ranking minority members of the

House and Senate Taxes committees for approval and passage of a special law authorizing the tax, by January 31 of the year that it is seeking the special law.

3. Upon Legislative approval and passage of the special law authorizing the tax, the city will adopt a resolution accepting the new law, which will be filed with a local approval certificate to the Office of the Secretary of State before the following Legislative session.
4. The city will put a detailed ballot question(s), which includes separate questions for each project, on a general election ballot for local voter approval. This will be done within two years of receiving legislative authority.
5. If one or more ballot questions pass, the city will also pass an ordinance imposing the tax and notify the commissioner of Revenue at least 90 days before the first day of the calendar quarter that the tax will be imposed.
6. Upon completion of the aforementioned requirements, the local sales tax will commence and run up to 25 years or until a sum sufficient to fund the voter approved project(s), including related debt costs, is raised, whichever comes first.

Adoption by the City Council of the City of Floodwood this 8th day of September, 2020.


Patti Karpik, Clerk

ATTEST:


Dave DeNoyer, Mayor