

City of Little Falls

RESOLUTION 2020-05

RESOLUTION SUPPORTING THE AUTHORITY TO IMPOSE
A LOCAL SALES TAX TO FUND SPECIAL CAPITAL IMPROVEMENTS

WHEREAS, the City of Little wishes to support the authority to impose a local sales tax to fund specific capital improvements that provide 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; and

WHEREAS, the City of Little Falls has engaged community residents and businesses and identified a need to construct a "Community Recreational Facility" that would include a multi-purpose gymnasium with an indoor track, multi-purpose rooms for meeting spaces and educational purposes, and office and storage spaces; moreover, there will be outdoor recreational amenities for aquatic recreation and a master plan to incorporate more facilities in the future if revenue and costs allows; and

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

WHEREAS, funding the project with local sales tax will more closely distribute the costs of the project to be financed through bonds to the users of the facilities; and

WHEREAS, the project is estimated to cost approximately \$17,000,000; and

WHEREAS, the City estimates that a local sales tax of 0.5% would generate over \$17,000,000 over 30 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 of each project is as follows:

for Community Recreational Facility, the City will collect \$17,000,000 over 30 years;
and

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

WHEREAS, Minnesota Statute 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.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Little Falls supports the authority to impose a general local sales tax of 0.5% for a period of 30 years to fund a Community Recreational Facility; and

BE IT FURTHER RESOLVED, that upon approval of this resolution, the City of Little Falls 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, 2020; and

BE IT FURTHER RESOLVED, that upon legislative approval and passage of the special law authorizing the tax, the City of Little Falls will adopt a resolution accepting the new law, which will be filed with the a local approval certificate to the Office of the Secretary of State before the following legislative session; and

BE IT FURTHER RESOLVED, that the City of Little Falls will put a detailed ballot question(s), which includes separate questions for each project, on a general ballot for local voter approval, within two years of receiving legislative authority; and

BE IT FURTHER RESOLVED, that if one or more ballot questions pass, the City of Little Falls 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; and

BE IT FURTHER RESOLVED, that upon completion of the aforementioned requirements, the local sales tax will commence and run until December 31, 2050, or until a sum sufficient to fund the voter approved project(s), including related debt costs, is raised, whichever comes first.

Passed this 21st day of January, 2020.



Brad Hircock, Council President

ATTEST:



Jon Radermacher, City Administrator

Approved this 21st day of January, 2020.



Gregory J. Zylka, Mayor

(SEAL)