

# S.F. 3709: Osseo 0.5% Sales and Use Tax



The City of Osseo seeks legislative authorization to implement a 0.5% Local Option Sales Tax to fund voter-approved capital projects totaling \$10 million. The tax would sunset after approximately 20 years or upon bond repayment.

## Capital Projects

### Civic Campus Improvements

City Hall Improvements will strengthen Osseo's role as a regional service and public safety hub by modernizing facilities relied on by both residents and non-residents; key benefits include:

- Enhanced public safety coordination through improved police and fire facilities
- Improved access to public meeting spaces including City Council chambers
- Critical upgrades to safety, accessibility, and building systems to ensure safety of visitors and staff



### Community Center Project

The proposed Community Center at Boerboom Park will replace an existing facility that is at capacity and no longer meets regional demand; key benefits include:

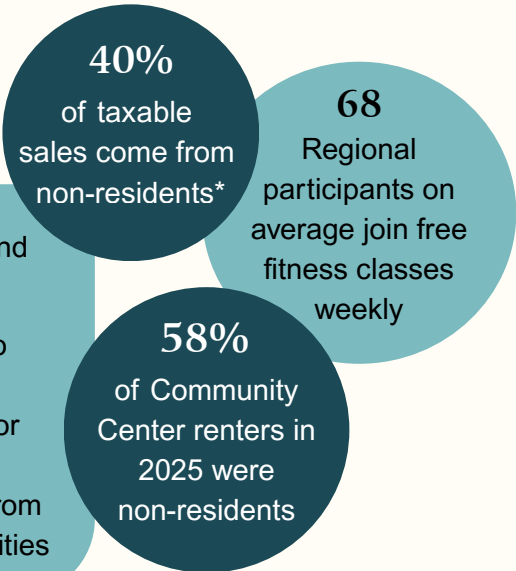
- Expanded space to meet growing demand due to growth in nearby housing
- Opportunity for additional free and low-cost youth and senior programming, fitness classes, and community events
- Year-round indoor recreation and emergency shelter space



## Regional Impact

With just 2,688 residents, Osseo functions as a regional service and enrichment destination. The City Hall campus houses resources highly utilized by residents and non-residents alike:

- **Osseo Fire Department** and **Osseo Police Department** provide mutual aid to surrounding communities
- **Osseo Community Center** hosts free health classes, private gatherings, senior programming, and community events
- **Hennepin County Library's** only self-service branch is used daily by guests from Osseo and beyond, including students from School District 279 serving eight cities



\*Sales Tax data based on a 2024 study conducted by the University of Minnesota Extension for the City of Osseo.



## City of Osseo

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### **Proposed Amendment: Local Sales Tax Authority – City of Osseo Regional and Community Hub Project**

#### **Purpose and Authorization**

The City of Osseo respectfully requests legislative authority to impose a local sales and use tax of one-half of one percent (0.5%), contingent upon voter approval at the November general election.

The proceeds of this tax shall be used exclusively to fund the following capital projects:

1. Construction of a new Community Center facility located across Central Avenue from City Hall; and
2. Renovations, repairs, and necessary improvements to Osseo City Hall.

No other projects shall be funded with revenues generated under this authorization.

#### **Revenue Intent and Duration**

The proposed local sales tax is structured to:

- Generate approximately \$200,000 to \$300,000 annually;
- Be in effect for a period not to exceed 20 years; and
- Produce total revenues of approximately \$10,000,000 over the life of the tax.

The tax shall expire upon the earlier of:

- Collection of sufficient revenue to fund the authorized projects and associated financing costs; or
- The conclusion of the 20-year authorization period.

#### **Regional Significance and Justification**

While the City of Osseo has a population of approximately 2,600 residents, its public facilities serve a substantially larger regional population across the northwest metropolitan area. The proposed projects address facilities that are already heavily utilized by residents of surrounding communities, demonstrating clear regional significance.

#### **Community Center – Regional Recreation and Community Hub**

The proposed Community Center at Boerboom Park will replace an existing facility that is currently operating at or near capacity and no longer meets the needs of its users.

- **Regional Usage:** A majority of current facility reservations—approximately 58%—are made by non-residents, indicating strong demand from surrounding communities.
- **Youth Impact:** The facility serves students from multiple area schools, collectively representing over 6,000 youth, many of whom rely on Osseo’s centrally located and accessible programming.
- **Equitable Access:** Free and low-cost programming—including youth activities, senior programming, and fitness classes—draws participants from neighboring cities, particularly those seeking affordable recreation options.
- **Community Demand:** Growth in nearby housing, including affordable and subsidized developments, has increased reliance on Osseo’s facilities for indoor recreation and community gathering space.

A new facility will expand capacity, improve accessibility, and allow the City to safely and effectively meet demonstrated regional demand.

### **City Hall Improvements – Regional Service and Public Safety Hub**

Osseo City Hall functions as a multi-purpose regional service center, extending well beyond traditional municipal administrative functions.

- **Public Safety Coordination:** The facility houses police and fire services that operate through mutual aid agreements, supporting emergency response efforts across neighboring communities.
- **Regional Civic Services:** City Hall provides accessible services—such as notary services and public resource access—that attract non-resident users due to Osseo’s central location.
- **Library Access:** The building contains the only self-service Hennepin County Library **branch**, a unique resource used daily by residents from across the region.
- **Facility Demand:** Daily usage reflects a steady flow of visitors who rely on the building for safety, education, and civic needs.

Planned improvements—including structural repairs, accessibility upgrades, and security enhancements—are necessary to ensure continued safe and reliable service delivery to both residents and the broader regional population.

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### **Need for Local Funding Authority**

Due to its small tax base, the City of Osseo faces limitations in funding large-scale capital improvements despite serving a regional population. A local sales tax provides a fair and appropriate mechanism to:

- Distribute the cost of these facilities among all users, including non-residents;
- Address aging infrastructure and capacity limitations; and
- Sustain facilities that function as shared regional assets.

**Referendum Request**

The City of Osseo respectfully requests authorization from the Minnesota Legislature to submit the following question to voters at the November general election:

“Shall the City of Osseo be authorized to impose a local sales and use tax of one-half of one percent (0.5%) for up to 20 years to fund the construction of a new community center and improvements to City Hall?”

**Conclusion**

The proposed investments in a new Community Center and improvements to City Hall represent critical, high-use regional assets that serve thousands of individuals beyond Osseo’s borders each year. Granting this authority will allow voters to determine whether to equitably fund these essential facilities and ensure their continued availability for the broader northwest metropolitan community.