

**CITY OF CROSSLAKE
RESOLUTION NO. 20-02**

**RESOLUTION SUPPORTING THE AUTHORITY TO IMPOSE A LOCAL SALES AND
USE TAX TO FUND SPECIFIC CAPITAL IMPROVEMENTS PROVIDING REGIONAL
SIGNIFICANCE, 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 of Crosslake has engaged Council Members, staff, community residents and businesses to identify the following projects;

Project 1: On-Site Bio Solids Treatment – Currently, the City transports all bio solids remaining after the wastewater treatment process to the Pine River Area Sanitary Sewer District for final treatment and disposal. The City anticipates it will no longer have this available in the near future and will be required to treat and dispose of its own bio solids. The estimated cost of treatment plant modifications enabling the City to treat and dispose of its own bio solids is \$2,000,000.

Project 2: Northerly System Expansion (CSAH 66/Moonlite Service Area) – Due to high volume water users not currently on the City’s sewer system, current and anticipated sewer issues in the Moonlite Bay Restaurant and Moonlite Square Car Wash/Gas Station, the City’s intent is to extend sewer service to this area. Use in this area will continue to grow beyond the original septic design capabilities. Estimated cost (adjusted for inflation) is \$1,600,000. Refer to Attachment A; “Citywide Wastewater Management Study”, dated October 31, 2018 for project location and other details.

Project 3: Easterly System Expansion (Daggett Lake Service Area) – Due to density, small lot size, and proximity to lake shore, the City’s intent is to extend sewer service to this area. The City considered this area in the past and residents have shown interest for sanitary sewer. Estimated cost (adjusted for inflation) is \$2,400,000. Refer to Attachment A; “Citywide Wastewater Management Study”, dated October 31, 2018 for project location and other details.

WHEREAS, the aforementioned projects will result in benefits to both the residents and businesses of the City of Crosslake as well as tourists and visitors; and,

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

WHEREAS, the aforementioned project(s) are estimated to cost approximately \$6,000,000; and,

WHEREAS, the City estimates that a local sales tax of 1/2 percent would generate \$4,800,000 over 15 years would provide funding for project costs not assessed; and,

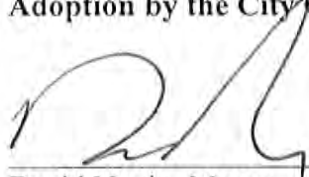
WHEREAS, Minn. Stat. § 297A.99 authorizes the imposition of a general sales tax if permitted by special law of the Minnesota Legislature; and,

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;

**NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF
CROSSLAKE, MINNESOTA AS FOLLOWS:**

1. The City Council supports the authority to impose a general local sales tax of 1/2 percent for a period of 15 years to assist in funding the aforementioned projects;
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 until December 31, 2036 or until a sum sufficient to fund the voter approved projects, including related debt costs, is raised, whichever comes first.

Adoption by the City Council of the City of Crosslake this 6th day January, 2020.



David Nevin, Mayor



Michael R. Lyonais, City Administrator

ATTEST:



Charlene Nelson, City Clerk