



January 31, 2020

Sent via email

Re: Local Sales Tax

Representative Paul Marquart
Senator Roger Chamberlain
Representative Greg Davids
Senator Ann Rest

Dear Senators and Representatives,

A local group of residents has been working on plans to build a 120,000-square-foot activities center (to be called the Three Rivers Activity Complex or TRAC) which would house two ice rinks, two basketball courts, a play park, gymnastics area, arts center, and an overhead walking track. The complex is estimated to cost approximately \$20 million and would be located on a piece of property to be donated by the current landowner on the north edge of Breckenridge. Proposed funding would come from approximately \$1.8 million in Breckenridge local sales tax revenue, \$14.4 million in Wahpeton, ND, local sales tax revenue and \$4 million from private funding. The projected sales tax revenues are based on a 1% local sales tax. The complex would be co-owned by the City of Breckenridge, MN, along with its sister City of Wahpeton, ND, which is located just across the river.

There are numerous approval steps that will be needed to bring this project to fruition. The first of those occurred on Monday, January 27, 2020, when the Breckenridge City Council voted to approve a resolution supporting the authority to impose a local sales tax to fund this project. Additional approval steps that will need to take place include, but are not limited to, the following: 1) approval by the Wahpeton City Council of a local sales tax to help fund this, 2) approval by the MN legislature to authorize the City of Breckenridge to impose a local sales tax, 3) approval by the voters of Wahpeton, ND, 4) approval by the voters in Breckenridge at a general election, and 5) passage of an ordinance by the Breckenridge City Council to enact the sales tax.

We realize that this project is very unique in nature, as it seeks funding and ownership from two different cities and states. We are still working through the details of this, but we are cognizant of the January 31 deadline to submit an approved resolution to you for your review and consideration in the upcoming legislative session.

We recently met with Representative Paul Marquart to review this project with him, and he was very supportive of the project and was able to provide us with some guidance on the local sales tax process. We have also met with our local Representative Jeff Backer and have been in communications with Senator Torrey Westrom's office.

Please see the attached approved resolution from the Breckenridge City Council along with supporting documentation. Thank you for your time and consideration of this project. Please feel free to contact me with any questions that you might have.

Best regards,



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Breckenridge City Administrator
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Cc: Senator Torrey Westrom
Representative Jeff Backer