



**CITY OF WARREN,  
MINNESOTA RESOLUTION  
#1122021-04**

**Resolution 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 the need to build a childcare facility;

**WHEREAS**, the project will result in benefits to both the residents and businesses of the city of Warren, non-resident visitors and businesses, and businesses within a radius of 30 miles; 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 \$1.5 Million; and,

**WHEREAS**, the city estimates that a local sales tax of 0.5% would generate \$1,340,000 over 20 years; and,

**WHEREAS**, the city has provided documentation of the regional significance for the 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 10,000 square foot childcare facility: The city will collect \$1.34 Million over 20 years.

**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 .5% for a period of 20 years to fund the aforementioned project;
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 on a general election ballot for local voter approval. This will be done within two years of receiving legislative authority.
5. If the ballot question passes, 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 20 years thereafter or until a sum sufficient to fund the voter approved project, including related debt costs, is raised, whichever comes first.

Adoption by the City Council of the City of Warren this 12th day of Jan, 2021.



**Mara Hanel, Mayor**

ATTEST:



Shannon R. Mortenson  
City Administrator/Clerk-Treasurer



REGIONAL SIGNIFICANCE  
CHILD CARE FACILITY  
WARREN, MN

The regional significance of a childcare facility in Warren can be quantified with a number of statistics. The first statistic of significance to analyze was derived from a Housing Study completed for the city in 2018. According to the Center of Economic Studies, 520 people commute into Warren every day to go to work. With 784 people employed in the city, 66% of those employed in Warren travel to work here. That means people from outside of city limits need childcare to continue working. The same source showed 464 residents commute to their jobs which are located at least 30 miles from Warren. The regional significance of providing childcare in Warren is quite evident. The same study shows population growth has been occurring in Warren in the last decade. That is also verified with the school district census that continues to grow from birth – school age. Young families are moving to Warren to raise their families and work in the region.

According to the MN DEED 2019 Northwest Regional Profile, the labor force projections for 2020-2030 show a labor force need of about 1,000 workers. Another DEED employment projection from 2016-2026 showed a 4.2% growth or a gain of 10,961 new jobs. The statistics from the same source show that the population of the NW region cannot support filling those positions. People must move to the region; childcare is usually the number one service needed for people to relocate to a region. With the statistics for people commuting to and from Warren and future work force need, there is a huge regional significance for Warren to provide a large childcare facility.

Looking at current childcare statistics, Warren has 187 slots to be filled in a 20-mile radius. There is currently a center and three family licensed childcare which fills close to 80 slots. The city of Warren is proposing building a 10,000 square foot facility to lease for a childcare center that doubles the capacity of the existing one. Coupled with the statistics of employees needed in the region, the impact to the region will be huge and the success can be quantified in any given year.

During the pandemic and the State shutdown in March/April, the childcare facility was the only option for childcare. The three home daycares closed during that time. The childcare center took Tier One employees to help ease the burden. If the center was not an option during the shutdown, there would have been a shortage of healthcare workers at the hospital and nursing home in Warren.

The city of Warren is proposing a .5% local sales tax to raise \$67,000 per year for 20 years. This amount will pay the debt service on a \$1.5 million dollar facility. The facility will double the number of childcare slots available for Warren and surrounding area. As presented statistically, this facility will benefit the region, not just Warren.