

**CITY OF CLOQUET
COUNTY OF CARLTON
STATE OF MINNESOTA**

RESOLUTION NO. 20-75

**A RESOLUTION SUPPORTING THE AUTHORITY TO IMPOSE A LOCAL SALES AND USE
TAX TO FUND SPECIFIC CAPITAL IMPROVEMENTS PROVIDING REGIONAL
SIGNIFICANCE, TO ESTABLISH THE DURATION FOR 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**

The undersigned, being all of the members of the Council for the City of Cloquet, hereby adopt the following resolutions by unanimous consent and direct that this Consent Resolution be entered in the minute books of the City.

WHEREAS, the City of Cloquet has engaged Council Members, staff, community residents and business to identify the following projects;

Project 1: Pine Valley Regional Park Project - Pine Valley, a city owned recreation area, is recognized both locally and regionally as a multipurpose outdoor recreation and sporting area. Located on a major corridor for north-south traffic between the Metro Area and Arrowhead Region, this regional park is easily accessed from Interstate Highway 35 and MN State Highway 33. Created in 1961, its 243 acres are heavily used for events and attractions that include: ski jumping, with 4 jumps from 5 meters to 45 meters; Nordic skiing with a 5.5 K competition quality skate and classic ski trail, and a 2.3 mile recreational skate and classic ski/snowshoe trail; mountain biking, with a 2.3 mile mountain bike trail to be extended to 5 miles; snowmobiling, with a 1.5 mile groomed snowmobile trail; not to mention running, hiking, picnicking, hosted events, and of course hockey (as mentioned in Project 2). The Pine Valleys Chalet compliments the area events in both winter and summer. Multiple organized sporting events call Pine Valley home, such as the City Ski Meet, the Pine Valley Invitational Nordic Combine, the Pine Valley 5.5K, 11K, and Lost Forester runs, the Rotary Color Run, the NMTC Pine Valley Trail Series Run, and the Easter Egg Hunt. Every Sunday during the winter season an average of 100 people ranging from 3-years to 70+ years old participate in the Pine Valley Nordic Ski Club's family outings, which include cross country skiing and ski jumping. Due to its unique soils, Pine Valley's trails are available in nearly all weather conditions - wet or dry. Its ski jump is one of only a few in the nation and the only one located in Northern Minnesota. The Cloquet Nordic Ski Club sponsors jumping and Nordic ski events all season, which brings in participants from as far away as Chicago. Recreational skiers come from around the area to ski. Estimated cost of ski jump repairs, chalet replacement, and parking and lighting improvements is \$2,124,700.

Project 2: Cloquet Ice Arena Restoration and Repair – In 2018 the City of Cloquet sponsored an “Ice Arena Study” to determine the long-term viability of this regional facility which was originally constructed in 1996. The study identified numerous repairs and upgrades needed to ensure continued “safe” use of this facility into the future. This regional facility is used 11 months of the year for hockey and skating, it is home to the Minnesota Wilderness hockey team, 1 of 20 North American Hockey League Tier II Junior teams. Playing 36 games per season averaging over 46,000 fans in attendance. In an economic impact study, conducted by the Labovitz School of Business and Economics at UMD, it was estimated that Carlton County sees \$2.4 million in additional spending in this community. The Wilderness organization is credited with the creation of 29 new jobs both directly and indirectly. Half, through operational spending in industries such as fitness and

recreational sports and retail and the other half, resulting from visitor spending in industries related to leisure and hospitality, including hotels, restaurants, and bars.

The ice arena is also home to the Cloquet Area Hockey Association with over 300 families participating in youth hockey from our region and also hosts tournaments, on average of 20 weekends a year, with at least 46 teams traveling from outside the county to participate. Estimated cost of repair/upgrading the facilities is \$6,025,500.

WHEREAS, the aforementioned project will result in benefits to both the residents and businesses of the City of Cloquet and the visitors attracted from the region; and,

WHEREAS, the aforementioned projects are estimated to cost approximately \$8,150,200; and,

WHEREAS, the City estimate that a local sales tax of ½ percent would generate the monies needed to fund project costs in 10 years; 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 CLOQUET, MINNESOTA AS FOLLOWS:

1. The City Council supports the authority to impose a general local sales tax of ½ percent for an estimated period of 10 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 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 detail 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, 2032 or until sum sufficient to fund the voter approved projects, including related debt costs, is raised, whichever comes first.

BE IT FURTHER RESOLVED, that the members of the City are authorized and directed to take any and all actions as may be necessary to effectuate this Resolution.

IN WITNESS WHEREOF, the undersigned, being all the members of the Council of the City, have executed this Resolution effective November 17, 2020.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CLOQUET THIS 17th DAY OF NOVEMBER 2020.



Roger Maki, Mayor

ATTEST:



Tim Peterson, City Administrator