



Something is happening here....

January 29, 2021

Representative Paul Marquart  
Taxes Committee Chair  
413 State Office Building  
St. Paul, MN 55155

Dear Representative Marquart,

Thank you for the opportunity to present our request for legislative authority to place a ballot question before the city of Wadena voters regarding enacting a local sales tax to support our regionally significant project – the Wadena City Library Rehabilitation Project.

The City of Wadena identified the critical need to expand the library and made the investment to purchase a new building. The City then hired an architectural firm to provide preliminary design and cost estimating, final design, bidding and construction phase services. The architectural firm provided the enclosed preliminary design and cost estimates.

We have considered a number of options to fund the project including grants and donations. We have also discussed a general obligation bond, with the bond payments made by city of Wadena residents. These options continue to be available to us, however, we believe that because over half of the library patrons are not residents of the city of Wadena, a more equitable method to repay the bond is by a local sales tax.

The Department of Revenue supplied the data regarding the yearly amount of sales tax generated in the City. This amount indicates the ability to repay the bond through the collected sales tax. When analyzing the generated amount, our population and the demographics of our population, the information further indicates the amount generated is from shoppers outside of our City limits.

I have attached the council's adopted resolution supporting the authority to impose a local sales tax.

Again, thank you for this opportunity. We look forward to giving our residents the opportunity to vote on this important regionally significant project.

Sincerely,

Janette M. Bower  
City Administrator

**Legislative History**

Agenda date: January 29, 2020

Action: Adopted

Vote: Unanimous

Yes:	No:	Absent:
Gibbs		
Lunde		
Miller		
Uselman		
Deiss		

CITY OF WADENA, MINNESOTA

**Resolution No. 2020-13**

**A Resolution of the Wadena City Council Supporting the Authority to Impose a Local Sales Tax to Fund a Specific Capital Improvement Project 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 of Wadena has identified the Wadena City Library Rehabilitation Project as a regionally significant project that benefits the citizens of the City, as well as, those in Wadena County and those outside Wadena County; and

**Whereas**, public libraries are now considered information hubs for their communities, providing a wide array of services, in addition to general book, periodical and audio visual distribution; and

**Whereas**, rural Public Libraries must have the ability to provide internet services including WiFi access, reference services for tax assistance, legal assistance, educational proctoring assistance, and access to STEAM (Science/Technology/Engineering/Arts/Math) labs for student and public use including 3-D printing capability; and

**Whereas**, rural libraries provide the historical reference information for the public searching genealogical information, database and computer access for business planning and job searching; and

**Whereas**, libraries are a safe place for the public to gather and have their needs met, with a space for everyone; and

**Whereas**, the city of Wadena, located at the crossroads of Highway 10 and Highway 71, serves as a regional hub for shopping, medical care, and recreational opportunities; and

**Whereas**, the Wadena City Library is currently the only public library in the County of Wadena serving 2286 active patrons inside the City limits, 1505 patrons County-wide and 1527 patrons outside the County of Wadena; and

**Whereas,** active patrons outside the County of Wadena are actual residents of counties not affiliated with the Kitchigami Regional System. Their tax dollars support other Regional Library Systems. These patrons choose to utilize the services of Wadena City Library of their own accord; and

**Whereas,** due to the ever increasing regional needs of the current library, the City hired Library Consulting to complete a needs assessment and site selection study regarding the current Wadena City Library building; and

**Whereas,** the needs assessment indicated the Library has outgrown the current building; and

**Whereas,** the site selection study identified the former First National Bank building as a viable building to rehabilitate into a new library; and

**Whereas,** the City purchased the former First National Bank building and hired an architectural consultant to provide architectural and engineering services for the library project; and

**Whereas,** City of Wadena taxpayers are burdened by property taxes and should not be further burdened with the full cost of providing services to non-Wadena residents; and

**Whereas,** funding this project with a local sales tax will more closely distribute the cost of the project to the users of the Library; and

**Whereas,** a city sales tax could generate the revenues needed to provide the necessary capital improvements to complete the Library project; and

**Whereas,** the Mayor and City Council of the City of Wadena would like the legislative authorization to have the City of Wadena voters vote on the establishment of a city sales tax for the City of Wadena; and

**Whereas,** Minnesota Statute 297A.99 authorizes the imposition of a general sales tax if permitted by special law of the Minnesota Legislature; and

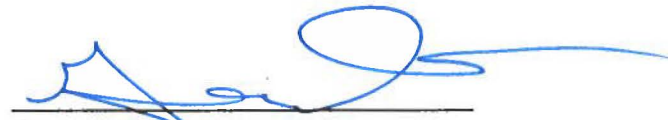
**Whereas,** Minnesota Statute 297A.99 requires the City to pass a resolution authorizing such a local tax and to obtain Legislative approval prior to approval by the local voters to enact the local tax.

**Now, therefore, be it resolved** by the Wadena City Council:

1. The estimated project cost is approximately \$3,000,000.000, plus the additional amount needed to pay the costs related to issuance of bonds, including interest on the bonds.
2. The City Council supports the authority to impose a general local sales tax of .25% to fund the Wadena Library Rehabilitation Project.

3. The city estimates that a local sales tax of .25% would generate \$215,000 per year, \$4,300,000.00 over 20 years.
4. 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, 2020.
5. 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.
6. The City will put a detailed ballot question on a general election ballot for voter approval. This will be done within two years of receiving legislative authority.
7. 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.
8. The tax will expire at the earlier of (a) 20 years or (b) when the City Council determines that the amount of revenues received from the taxes to finance the improvements equals or exceeds \$3,000,000.00, plus the additional amount needed to pay the costs related to issuance of bonds, including interest.

Adopted this twenty-ninth day of January, 2020.

  
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Janette M. Bower, City Administrator  
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George Deiss, Mayor