

**CITY OF EAST GRAND FORKS, MINNESOTA  
RESOLUTION 20 – 01 – 11 AMENDED  
AS OF FEBRUARY 24, 2020**

**Resolution to supporting the authority 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**, Minnesota Statutes, Section 297A.99 (the “Local Tax Act”), provides the City of East Grand Forks, Minnesota (the “City”) with authority to impose a local sales tax if that tax is approved by the voters at a general election and the State Legislature approves the local sales tax through the creation of a special law; and

**WHEREAS**, the Local Tax Act also requires the City Council (the “Council”) of the City to adopt a resolution indicating its approval of the tax, outlining the details of the proposed local sales tax, and setting forth the regional significance of the proposed projects prior to submitting the request for a local sales tax to the State Legislature; and

**WHEREAS**, the City continues to grow as a regional center for employment, retail trade, and recreation opportunities; and

**WHEREAS**, the City has engaged community residents and businesses and in order to facilitate strategic investment in the region and community, proposes to request special legislation to impose a local sales tax in order to raise revenues to fund the following 2 capital projects (the “Projects”):

1. Civic Center and Indoor Ice Arena Capital Improvements
  - Construction of improvements to the City’s indoor and outdoor ice arenas, Civic Center, VFW Memorial Arena, and Blue Line Arena including any or all of the following improvements: renovation or expansion of existing recreation and athletic facilities, conversion of current ice surface for other recreational and athletic uses, construction of additional ice sheets, parking lot improvements, drainage improvements and exterior building repair  
**Projected Project Cost: \$24 Million**
  
2. Ball Field Capital Improvements
  - Construction of improvements to the City’s athletic fields including any or all of the following improvements: improvements to existing baseball and softball fields, construction of new baseball and softball fields drainage improvements, installation of synthetic turf, playing surface turf grass replacement, installation of new lighting, dugouts, grandstands, changing spaces and other recreational improvements  
**Projected Project Cost: \$2.5 Million**

**WHEREAS**, the Projects will result in benefits to both the residents and businesses of the City of East Grand Forks and to non-resident visitors and businesses; and

**WHEREAS**, funding the Projects with a local sales tax will more closely distribute the cost of the Projects to the users of the facilities; and

**WHEREAS**, the Projects are estimated to cost approximately \$26,500,000 plus an amount equal to interest on and the costs of issuance of any bonds; and

**WHEREAS**, the City estimates that a local sales tax of 1% would generate \$15,000,000 for project funds available for construction over 20 years; and

**WHEREAS**, the City plans to engage in local fundraising and grant recruitment to generate the necessary additional funds to complete construction of the above listed projects; and

**WHEREAS**, the City has provided documentation of the regional significance of each project, including the share of the economic benefit to or use of each project by persons residing, or businesses located, outside of the jurisdiction, including but not limited to the materials attached hereto as Exhibit A; and

**WHEREAS**, the estimated local sales tax revenue and estimated time needed to raise that amount of revenue for each project and a proportional amount for the estimated interest on and the costs of issuing bonds to finance each of the Projects is as follows:

1. Civic Center and Indoor Ice Arena and Ball Field Improvements: The City will collect \$19,900,000 over 20 years.

**WHEREAS**, the Local Tax Act authorizes the imposition of a general sales tax if permitted by special law of the Minnesota Legislature; and,

**WHEREAS**, the Local Tax Act 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; and

**THEREFORE, BE IT RESOLVED the following:**

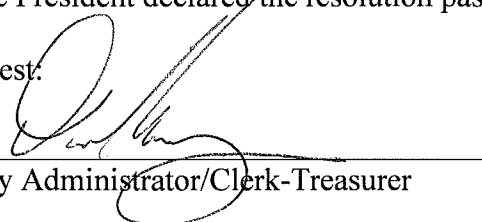
1. The Council supports the authority to impose a general local sales tax of *1%* for a period of *20 years* to fund the aforementioned project(s);
2. Upon approval of this resolution, the City will submit the adopted resolution and documentation of regional significance to the chairs and ranking minority 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 one or more detailed ballot questions, which includes separate questions for each project, on a general election ballot for local voter approval of the imposition of the sales tax 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 30 years or until a sum sufficient to fund the voter approved projects plus amounts sufficient to pay interest on and the costs of issuing any bonds, is raised, whichever comes first.
7. The Council further finds that it is in the best interest of the health, welfare, and safety of the City and its residents and it is necessary and expedient to the sound financial management of the affairs of the City that the acquisition and betterment of the Projects, or any part thereof, be financed in whole or in part by the issuance and sale of the City's general obligation bonds pursuant to Minnesota Statutes, Chapter 475, as amended, in one or more series in an aggregate principal amount not to exceed \$26,500,000 plus an amount equal to interest and the costs of the issuance of any bonds.

*Voting Aye: Riopelle, Johnson, Olstad, Grassel, and DeMers.*  
*Voting Nay: Vetter.*  
*Absent: Helms.*

The President declared the resolution passed.

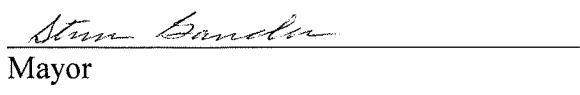
Passed: February 24, 2020

Attest:

  
\_\_\_\_\_  
City Administrator/Clerk-Treasurer

  
\_\_\_\_\_  
President of the Council

I hereby approve the foregoing resolution this 24<sup>th</sup> day of February, 2020.

  
\_\_\_\_\_  
Mayor

**EXHIBIT A**  
**DOCUMENTATION OF REGIONAL SIGNIFICANCE**