



**Special City Council Agenda
January 23, 2023
3:30 pm in the Otter Community
Room at Kennedy Secondary School**

- A. Call to Order
- B. Roll Call
- C. Approval of the Agenda
- D. Resolution to support legislative action authorizing an additional \$3,000,000 of local sales tax to construct an aquatic center as approved by voters at the general election on November 8, 2022
- E. Adjournment to joint work session (4:00 pm) with the Fergus Falls School Board to discuss a proposed new elementary school building

CITY OF FERGUS FALLS, MINNESOTA
RESOLUTION #XX-2023

Resolution to support legislative action authorizing an additional \$3,000,000 of local sales tax to construct an aquatic center as approved by voters at the general election on November 8, 2022.

WHEREAS, the city engaged community residents and businesses in 2020 to develop potential projects of regional significance that could be supported by a local sales tax and,

WHEREAS, the City Council reviewed the recommendations of the community and adopted Resolution 16-2021 on January 19, 2021 (the “Initial Resolution”), which supported the authority to impose a local sales tax to fund specific capital improvements, including the Aquatics Center and DeLagoon Improvement Project and authorized the City of Fergus Falls, Minnesota (the “City”), to issue bonds supported by the local sales tax revenue and,

WHEREAS, on January 21, 2021, the City submitted the Initial Resolution and documentation of the regional significance of the Aquatics Center and DeLagoon Improvement Project to the Chairs of the Tax Committees of the Minnesota House of Representatives and the Minnesota Senate pursuant to Minnesota Stat. §297A.99, requesting authorization from the legislature to submit two projects (the Aquatics Center and DeLagoon Improvement Project) to City voters at its next general election and,

WHEREAS, legislation was introduced in the Minnesota House of Representatives and Minnesota Senate (SF 1297 / HF 1304) seeking legislative approval for a local sales tax supporting the two projects and the request was approved by the legislature on June 30, 2021 and signed into law by the governor on July 1, 2021 as Minnesota Session Laws 2021, First Special Session, Chapter 14, Article 8, Section 6 and,

WHEREAS, circumstances beyond the control of the city increased the cost to construct the Aquatics Center by approximately \$3,000,000. The city sought amendment to its legislatively approved local sales tax question to be submitted to voters on November 8, 2022, via SF 4058 / HF 4206 and,

WHEREAS, Members of the House and Senate Tax Conference Committee announced their agreement to an omnibus tax bill on May 21, 2022 which included authority for the City (and other municipalities) to increase their approved local sales tax questions by \$3,000,000 and,

WHEREAS, the legislature did not approve their agreement on the omnibus tax bill during the completion of the 2022 legislative session and a special session to approve the omnibus tax bill was contemplated but never called and,

WHEREAS, the City reviewed all of its options to transparently ask voters for the necessary funding for the Aquatics Center and determined that the Aquatics Center project could not sustain the increased cost of delaying the project until the earliest date that additional legislative and voter approval could be obtained for the increased project amount, which would push the start date of construction into the 2025 season, at the earliest, and,

WHEREAS, after the City consulted its legislative delegation, bond counsel and others, it delayed until the last possible date to approve the language for the local sales tax ballot to allow for a special session to be held and,

WHEREAS, on August 15, 2022, the City Council approved Resolution 166-2022, which provided for the submission of a proposition to the qualified electors of the City at the election to be held on Tuesday,

November 8, 2022, of imposing a sales tax of up to \$10,800,000, plus an amount equal to interest and the costs of issuance of any bonds, which was the amount of sales tax needed for successful completion of the entire Aquatics Center, with the understanding that the 2023 legislature would need to consider and approve the additional \$3,000,000 in funding for the project as requested in the 2022 legislative session before the additional sales tax could be collected and,

WHEREAS, the City provided documentation of the regional significance of the Aquatics Center project and the benefits to both the residents and businesses of the City of Fergus Falls and to non-resident visitors and businesses which was accepted and approved by the legislature in 2021 and,

WHEREAS, the voters of the City of Fergus Falls approved the Aquatics Center for up to \$10,800,000, plus an amount equal to interest and the costs of issuance of any bonds on November 8, 2022 by a vote of 59.7 % to 40.3 %

THEREFORE, BE IT RESOLVED the following:

1. The City Council ratifies its previous support of the authority to impose a general local sales tax of one-half of one percent (0.50% until \$10,800,000, plus an amount equal to interest and the costs of issuance of any bonds, is collected to finance the Aquatics Center and,
2. Upon approval of this Resolution, the City will submit this resolution and a request to the 2023 legislature that it consider and approve (1) an additional \$3,000,000 of local sales taxes as requested during the 2022 legislative session for the Aquatics Center as supported by the City's voters and (2) a grant of authority to the City to impose the full \$10,800,000 sales tax.

The above and foregoing resolution was offered at a special meeting of the City Council held on January _____ 2023 by Council Member XXX who offered its adoption, was seconded by Council Member XXXXXX and adopted by the following vote:

AYES:
NAYES:
ABSENT:

Whereupon the above resolution was duly adopted.