

**CITY OF HENDERSON, MINNESOTA  
RESOLUTION 2022-02**

**A resolution supporting the authority to impose a local sales tax to fund park and trail 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 the local community and identified enhancing Allanson's facilities, campground, trail and amenities as a significant local and regional project; and,

**WHEREAS**, the project will result in benefits to both the residents, property owners and businesses of the City of Henderson and to non-resident visitors and businesses; 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 \$200,000; and,

**WHEREAS**, the city estimates that a local sales tax of \$.005 would generate \$240,000 over 15 years; and,

**WHEREAS**, the City of Henderson has provided documentation of the regional significance of the Allanson's Park Campground and Trail project and the community per the findings below; and,

**WHEREAS**, annually the City of Henderson hosts multiple events including weekly roll-ins on Tuesday nights, Hummingbird Hurrah, Sauerkraut Day's, Baseball and Softball Tournaments, Prince Fest, Ladies Night Out and other events that increases the number of sales tax remitting businesses by over 20; and,

**WHEREAS**, non-residents/tourists use the existing Campground at Allanson's Park (17 developed sites plus primitive sites) as well as the shelter hosting multiple visitors (graduations, wedding, reunions, birthday parties, etc.) from throughout the region from April through October of each year including the adjoining playground and recreational facilities during their visits; and,

**WHEREAS**, a study done by the University of Minnesota extension in 2017 determined that on the average 700 rollin attendees of which about 80% were non 56044 zip code residents spent about \$17 per visit to Henderson. In 2021, a supplemental survey showed that dollar amount increased to about \$30 per visitor; and,

**WHEREAS**, based on the above findings the Henderson City Council determines that over half of sales tax collection eligible revenue generated is from non City of Henderson residents, businesses and property owners and the referenced project is regionally significant in its impact; and,

**WHEREAS**, the estimated local sales tax revenue and estimated time needed to raise that amount of revenue the project is as follows:

Allanson Park Campground and Trail: The city will collect \$240,000 over 15 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.

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

1. The Henderson City Council supports the authority to impose a general local sales tax of \$.005 for a period of 15 years to fund the aforementioned project.
2. Upon approval of the resolution the city will submit the adopted resolution which includes documentation of regional significance to chairs and ranking minority members of the House and Senate Taxes committees, Senator Scott Newman and Representative Glenn Gruenhagen for approval and passage of a special law authorizing the tax by January 31, 2022.
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 in November of 2022.
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 requirements, the local sales tax will commence and run until 2038 or until a sum sufficient to fund the voter approved project, including related debt costs, is raised, whichever comes first.
7. Adoption by the City Council of the City of Henderson this 19<sup>th</sup> day of January 2022.

**BY:**

  
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Mayor Keith Swenson

**ATTEST:**

  
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Lon Berberich, City Clerk