

Chad Ward
Mayor

City of Proctor

COUNCILORS
Jake P. Benson
Troy R. DeWall
Rory Johnson
James Rohweder

Jess Rich
City Administrator

You Have A Place in Proctor

100 Pionk Drive · Proctor, Minnesota 55810-1700 · 218-324-3641 · Fax 218-624-9459 · email: cityhall@proctormn.gov

RESOLUTION 04-22 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, the city has engaged community residents and businesses and identified:

A Community Initiative: This initiative would create the missing link to The Proctor – Hermantown Munger Trail Spur which will be a 10-foot-wide paved regional trail that accommodates multiple non-motorized uses. The trail will connect Proctor to the Hermantown Munger Trail Spur at its border and Proctor's Southern Border near the Munger Trail.

The estimated cost to construct the trail spur \$15 million. The estimated cost with interest over 20 years for Proctor's portion of \$6 million at 4% - would have a semi-annual payment of \$183,000 with interest over 20 years to be about \$7,260,820.

The estimated annual revenue based on one-half percent sales tax is \$192,500 (2019 actual.)

WHEREAS, the project(s) will result in benefits to both the residents and businesses of the City of Proctor and to non-resident visitors and businesses; and,

WHEREAS, funding the project(s) with a local sales tax will more closely distribute the cost of the project(s) to the users of the facilities; and,

WHEREAS, the city estimates that a local sales tax of one-half percent (0.5%) would generate an estimated \$3,850,000 over 20 years; and,

WHEREAS, the city has provided documentation of the regional significance of the project, including the share of the economic benefit to or use of each project by persons residing, or businesses located, outside of the jurisdiction; 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.

THEREFORE, BE IT RESOLVED the following:

1. The city council supports the authority to impose a general local sales tax of one-half (0.5) percent 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 a detailed 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 for twenty year or until a sum sufficient to fund the voter approved project(s), including related debt costs, is raised, whichever comes first.

Councilor Benson introduced the foregoing resolution and moved its adoption.

The motion for the adoption of such resolution was seconded by Mayor Ward and, upon a vote being taken thereon, the following voted in favor thereof: ALL

and the following voted in opposition thereto: NONE

WHEREUPON, such resolution has been duly passed and adopted this 18th day of January 2022.

Attest:



Chad Ward
Mayor



Jess Rich
City Administrator

CITY OF PROCTOR
CORPORATE SEAL

1894