



MEMORANDUM

To: Senator Carla Nelson, Chair of Tax Committee
Committee Members

From: Tom Pagel, City Administrator, City of Grand Rapids

Re: SF 3742, Request for Local Sales Tax Amendment

At your previous legislative session during the spring of 2021, you authorized the City of Grand Rapids to impose a local sales and use tax for improvements at the IRA Civic Center. The amount authorized was \$5,980,000 at one-half percent. Since authorization, the City has completed the design of needed improvements and updated the opinion of costs for the project.

IRA Civic Center - Grand Rapids			
Increase in Project Cost			
	Original Opinion of Cost	Design Opinion of Cost	Increase
Emergency Roof Replacement	5,085,486	7,251,999	2,166,513
Refrigeration Replacement	1,919,449	3,255,874	1,336,425
ADA Improvements	1,665,231	1,383,406	-281,825
Health and Safety Improvments	2,306,351	2,196,235	-110,116
Parking Lot Improvements	0	1,528,918	1,528,918
Totals	10,976,517	15,616,431	4,639,914

The Emergency Roof Replacement and Refrigeration Replacement increases are primarily due to inflationary increases. The parking lot improvements are an additional need with focus on making ADA improvements, curb and sidewalk replacements, and a bituminous overlay to a 27-year-old parking lot.

Funding for this project now consists of \$5.0 million from State Bonds and \$10.6 million in local funds. The City is requesting you amend the current law to allow the City to collect \$10.6 million in local sales and use tax.