



Request for Moorhead Community Center/Library Sales Tax Exemption on Construction Materials

- House File: [HF 2482](#) Authors: Keeler and Joy
- Senate File: [SF 2177](#) Author: Kupec



Moorhead – Downtown Transformation

About the Project: Moorhead’s regional library and community center project is an anchor and activator component of the City’s plan to revitalize and transform its downtown. Downtown Moorhead is on the verge of a massive transformation, replacing the underutilized 1970s era Moorhead Center Mall with a highly walkable combination of mixed-use housing and retail, community spaces, and green spaces and increasing the taxable property value tenfold. Learn more at MoretoMoorhead.com

Inflationary Pressures Impacting the Project: Since the Legislature approved this project for a local option sales tax in 2021, construction costs have escalated by more than 19.7 percent.

The requested state sales tax exemption on building materials will help to offset the impacts of inflation on the project budget since the City’s request was approved by the Legislature in 2021.

Last November, nearly 65% of Moorhead voters approved a 0.5% local option sales tax that will be used to fund a new Community Center/Public Library. The City has also secured a \$1M federal grant for a “Center for Entrepreneurship” within the library, bringing the project budget to **\$32.59M**.

- **CONSTRUCTION TIMELINE:** February 29, 2024 – April 1, 2027.
- **PROJECT COST,** estimated at **\$32.59 million**.
- **ESTIMATED COST OF MATERIALS:** Up to 45% of the project, which would equate to approximately **\$14,665,500**.

Contact: City Manager Dan Mahli 218.299.5303, dan.mahli@moorheadmn.gov
Lisa Bode, Governmental Affairs 218.299.5372, lisa.bode@moorheadmn.gov