

# City of Columbia Heights City Hall

## Request for Construction Sales Tax Exemption

Photo credit: LEO A DALY | Thomas Grady Photography

### The Project

In 2019, a building condition report estimated that renovation costs for Columbia Heights' old City Hall would reach \$6-8 million dollars over the next decade. Built in 1942, the building had been repurposed multiple times in its 80-year history, resulting in a disjointed layout with a growing list of accessibility and condition issues. After exploring costs to construct a new stand-alone building, the City saw the savings potential in partnering with a developer to build a new City Hall as part of a public-private development project. The City ultimately chose this path, saving upwards of \$6 million in building costs and resulting in a new City Hall that combines multiple departments under one roof to deliver City services in the heart of the City's main corridor. In addition to taking this innovative cost-saving approach, the City had been proactive in planning for this expense and was able to avoid increasing taxes to pay for the project by relying on funds that had been saved over several years.

### Our Community

In 2021, the median household income in Columbia Heights was 26% lower than the seven-county MSA. Over the last ten years, the City's local tax-supported levy increased by an average of 8.2% per year to support essential services. The overall local levy has increased from \$6.4M to \$14M over the same time frame. The City recognizes that many of its taxpayers have limited resources and aims to preserve its status as an accessible community by maintaining affordable tax levels. The City is seeking a construction sales tax exemption to lessen the overall tax burden on our community members.

### Contact Us

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