



January 28, 2021

Chair Carla J. Nelson and Members of the Minnesota State Senate Tax Committee
3225 Minnesota Senate Building
St. Paul MN 55155

Chair Paul Marquart and Members of the Minnesota House of Representatives Tax Committee
597 Rev. Dr. Martin Luther King Jr. Boulevard
St Paul MN 55155

**Re: Local Option Sales Tax
Moorhead City Council Resolutions 2021-0111-4 and 2021-0111-5**

Dear Senator Nelson and Representative Marquart:

The City of Moorhead is requesting the authority to impose a local option sales tax to fund a Regional Public Library/Community Center that provides regional benefit to the greater Moorhead area. Enclosed you will find City Council Resolutions passed January 11, 2021 to that effect, as well as a briefing document that further describes the project and its regional benefits.

The estimated cost of the project is \$25.3M; the estimated sales tax that could be generated within the 25-year maximum LOST authorization period is \$75.5M, supporting bond financing of \$47.6M. These estimates are based on pre-pandemic assumptions, and the City is working to gather additional data to more precisely estimate revenue figures, as well as a refinement of uses and associated cost to make these figures available to the legislature and subsequently, voters within the City of Moorhead.

Please do not hesitate to contact me at 218.299.5372 | lisa.bode@cityofmoorhead.com, with any questions you have on this information. We look forward to working with you through this 2021 legislative session for consideration of these matters.

Respectfully,

A handwritten signature in black ink that reads "Lisa J. Bode". The signature is written in a cursive, flowing style.

Lisa J. Bode
Governmental Affairs Director

RESOLUTION 2021-0111-4

Resolution Supporting the Authority to Impose a Local Option 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 of Moorhead is a growing regional center of more than 43,000 people within the Fargo-Moorhead Standard Metropolitan Statistical Area of more than 245,000 population, comprised of Clay County Minnesota and Cass County North Dakota (2 states, 2 counties, 14 cities, and 30 townships within 1,073 square miles, and the intersection of two interstate highways); and

WHEREAS, the community is home to four post-secondary institutions with a combined enrollment of nearly 14,000 students from the region, around the country, and around the world; and

WHEREAS, Moorhead is a regional center in western Minnesota, as evidenced by the following:

- Home to agribusiness processing, including American Crystal Sugar Factory, Busch Agricultural Resources Malting Facility, and other industrial uses that bring supply and customer traffic into and through the City from the Red River Valley and beyond;
- Serves as the Clay County seat and home to the Moorhead/Clay County Joint Law Enforcement Center and Clay County District Courthouse;
- Offers regional parks, ice arenas, cultural center, and entertainment facilities that attract regional, state and international tournaments, performances, and other tourism visits from Minnesota, North Dakota, Canada and beyond, including the Heritage-Hjemkomst Interpretive Center, Cullen Hockey Center, Bluestem Amphitheater, Moorhead Sports Center, Gooseberry Mound Park, and Southside Regional Park.

WHEREAS, the City of Moorhead has engaged community residents and businesses, and will continue to engage residents regarding a Regional Library and Community Center, a project which will acquire land, pre-design, design, construct, furnish and equip the facility at an estimated expenditure of \$25.3 million.

WHEREAS, the project will result in benefits to both the residents and businesses of the city of Moorhead and to non-resident visitors and businesses; and,

WHEREAS, funding the Regional Library and Community Center with a local sales tax will more closely distribute the cost of the project to the regional users of the facility; and,

WHEREAS, the project is estimated to cost approximately \$25.3 million; and,

WHEREAS, the city estimates that a local sales tax of .5% could generate \$75.5 million over 25 years and support bond financing of \$47.6 million; and,

WHEREAS, the city has provided documentation of the regional significance of the Regional Library and Community Center Complex, 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, the current Moorhead Public Library was built in 1962 and its size and functionality are not adequate for the growing and changing needs of the community or the region served by the Lake Agassiz Regional Library system; and

WHEREAS, the local sales tax revenue and time needed to raise the funds for the Regional Library & Community Center is estimated at \$30,187,057 over 13 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 by the City Council of the City of Moorhead, Minnesota, of the following:

1. The City Council supports the authority to impose a general local sales tax of .5% for a period of up to 25 years to fund the Regional Library and Community Center;

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.

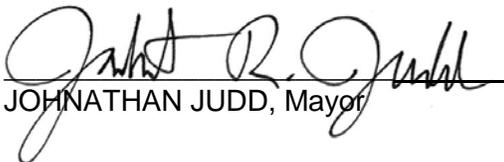
4. The city will put a detailed ballot question on a general election ballot for local voter approval within two years of receiving legislative authority.

5. If the ballot questions 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 aforementioned requirements, the local sales tax will commence and run until 2048 or until a sum sufficient to fund the voter-approved project, including related debt costs, is raised, whichever comes first.

PASSED: January 11, 2021 by the City Council of the City of Moorhead.

APPROVED BY:


JOHNATHAN JUDD, Mayor

ATTEST:


CHRISTINA RUST, City Clerk

RESOLUTION 2021-0111-5

Resolution Documenting the Regional Significance of the Moorhead Public Library/Community Center Identified for Possible Funding through a Local Option Sales Tax which may be considered by Voters in 2022

WHEREAS, the City of Moorhead is a growing regional center of more than 43,000 people within the Fargo-Moorhead Standard Metropolitan Statistical Area of more than 245,000 population, comprised of Clay County Minnesota and Cass County North Dakota (2 states, 2 counties, 14 cities, and 30 townships within 1,073 square miles, and the intersection of two interstate highways); and

WHEREAS, the community is home to four post-secondary institutions with a combined enrollment of nearly 14,000 students from the region, around the country, and around the world; and

WHEREAS, Moorhead is a regional center in western Minnesota, as evidenced by the following:

- Home to agribusiness processing, including American Crystal Sugar Factory, Busch Agricultural Resources Malting Facility, and other industrial uses that bring supply and customer traffic into and through the City from the Red River Valley and beyond;
- Serves as the Clay County seat and home to the Moorhead/Clay County Joint Law Enforcement Center and Clay County District Courthouse;
- Offers regional parks, ice arenas, cultural center, and entertainment facilities that attract regional, state and international tournaments, performances, and other tourism visits from Minnesota, North Dakota, Canada and beyond, including the Heritage-Hjemkomst Interpretive Center, Cullen Hockey Center, Bluestem Amphitheater, Moorhead Sports Center, Gooseberry Mound Park, and Southside Regional Park; and

WHEREAS, Moorhead Public Library is the largest library within and headquarters for the Lake Agassiz Regional Library system, which consists of 13 libraries in the west central Minnesota region serving nearly 49,000 library patrons living in 22 communities in a seven-county service area; and

WHEREAS, Moorhead Public Library has 20,172 library card holders – 15,096 (75%) of which reside in the City of Moorhead and 5,076 (25%) reside in areas outside of the City of Moorhead; and

WHEREAS, community rooms and facilities at Moorhead Public Library offer robust cultural enrichment and community events and forums; and

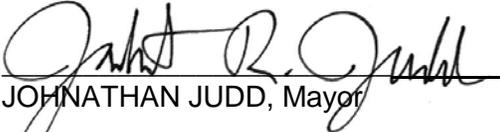
WHEREAS, a Regional Library and Community Center would serve Moorhead and Clay County residents, and serve as a draw for visitors; and

WHEREAS, a Regional Library and Community Center would offer a fiscally responsible facility with efficiency and expanded community benefits, including facility maintenance/management, shared meeting rooms, community spaces and parking areas.

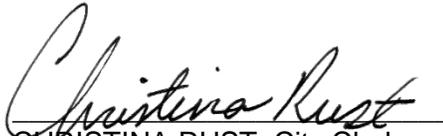
NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Moorhead, Minnesota, that the Mayor and City Council do hereby designate the Regional Library and Community Center a regionally significant project.

PASSED: January 11, 2021 by the City Council of the City of Moorhead.

APPROVED BY:


JOHNATHAN JUDD, Mayor

ATTEST:


CHRISTINA RUST, City Clerk



CITY OF MOORHEAD LOCAL OPTION SALES TAX PROPOSAL REGIONAL LIBRARY/COMMUNITY CENTER

January 2021

\$25.3M

**MAXIMUM
EXPENDITURE**

PROJECT VISION

The City of Moorhead is seeking to construct a Regional Library/Community Center to serve Moorhead, Clay County residents, and users of the Lake Agassiz Regional Library System. The new facility will replace a 59-year old library with a state of the art library that includes spaces designed for the community to thrive—from the youngest community members to our elders. The multipurpose facility will include space for learning, gathering, and caring for a growing community and region. The model is fiscally responsible with joint and regional benefits. Library Strategies, a St. Paul-based library consulting firm, has been contracted to conduct a community needs assessment that will include community and stakeholder engagement, site analysis, and recommendations to guide the size and scope of a library to serve our growing community for generations to come.



REGIONAL LIBRARY Community Center

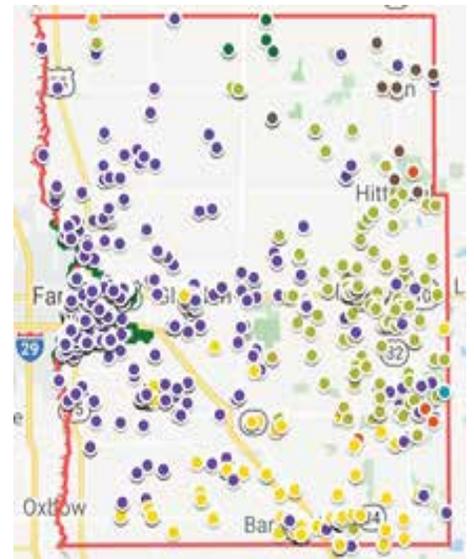
REGIONAL BENEFITS

Moorhead Public Library is the largest branch of the Lake Agassiz Regional Library system and houses the regional library's headquarters. Serving as the main branch, the Moorhead Public Library and headquarters provides region-wide support to 22 communities in the seven county service area, including administration, IT support, marketing and promotion, training, interlibrary loan services, customer account support, and research and referral services for nearly 49,000 patrons.

Moorhead Public Library has more than 20,000 library card holders. Seventy-five percent of Moorhead Public Library patrons reside within the city limits, with an additional 25% residing outside the city limits. The Moorhead Public Library and LARL headquarters provides assistance and support to an additional ___% of residents residing throughout the seven county service area.

(Map - Right)

The purple dots on the right represent the citizens in Clay County who use the Moorhead Public Library. The other dots represent those citizens with LARL cards who have access to Moorhead Public Library services, but use other LARL locations as their home library.



contact:

Lisa Bode, Governmental Affairs Director
218.299.5372 lisa.bode@cityofmoorhead.com

Dan Mahli, City Manager
218.299.5303 dan.mahli@cityofmoorhead.com
Johnathan Judd, Mayor
218.299.5307 johnathan.judd@cityofmoorhead.com

Photo used with permission by "Travelin' Librarian on Flickr"



ABOUT MOORHEAD

The City of Moorhead is a growing regional center of more than 43,000 people within the Fargo-Moorhead Standard Metropolitan Statistical Area of more than 245,000 population, comprised of Clay County Minnesota and Cass County North Dakota (2 states, 2 counties, 14 cities, and 30 townships within 1,073 square miles, and the intersection of two interstate highways). Moorhead is home to four post-secondary institutions with a combined enrollment of nearly 14,000 students from the region, around the country, and around the world.

REGIONAL LIBRARY AND COMMUNITY CENTER AMENITIES

The Moorhead Regional Library and Community Center will be an incredible asset to Moorhead and the surrounding area, bringing traditional library services under the same roof as so much more. The City of Moorhead is currently actively engaged in community conversations regarding the combination of community functions of the library and community center. The Library Strategies study underway in February 2021, supplemented by the "Onward, Moorhead" Comprehensive Plan which kicked off in January 2021 will inform the multipurpose spaces that will be part of the Library Community Center. Spaces for childcare, seniors, youth, and community gatherings are central themes, each of which will have broad regional impact.

CHILDCARE

Childcare is an identified local need impeding workforce development by a Regional Workforce Study of the Greater Fargo/Moorhead area (available upon request).

The United Way of Cass/Clay indicates that the shortage of childcare availability in our region is a key challenge for all working families in the region, and for low-income families in particular.

SENIOR PROGRAM

Seniors living in rural areas are traveling to, and in some cases, moving to Moorhead in order for medical and other services and amenities, including community activities and social spaces.

YOUTH PROGRAMMING AND ACTIVITIES

Moorhead's school district extends beyond the City limits and includes students who live in surrounding areas. Youth activities and programming at the library and community center will serve those students who live outside of the city but attend Moorhead schools, as well as attracting youth from the surrounding metro area.

COMMUNITY GATHERING SPACE

Multifunction spaces are in demand, adding to Moorhead's offering of regional parks, ice arenas, cultural center, and entertainment facilities that attract regional, state and international visitors from Minnesota, North Dakota, Canada, and beyond.

RECREATION AND EXERCISE FACILITIES

The active spaces within the Library/Community Center will serve to improve community health outcomes. According to County Health Rankings & Roadmaps, Clay County currently ranks 58 of Minnesota's 87 counties in terms of health outcomes. Moorhead has higher than average premature death, an elevated premature age-adjusted mortality, and lower than average social associations. With a young population, we see no reason why Moorhead couldn't be in the top 10 Minnesota counties in terms of health outcomes.