

CITY OF FERGUS FALLS, MINNESOTA
RESOLUTION #18-2020

Resolution to support the authority to 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 three projects:

1. Aquatics Center
 - a. Bath House
 - b. Two bodies of water
 - c. Lazy River
 - d. Water Slides
 - e. Climbing Wall and other related aquatics amenities

Projected Project Cost \$7,800,000

2. Trails Project
 - a. Central Segment of the Glacial Edge Trail (ten foot paved, multimodal), including pedestrian railroad crossings
 - b. Rehabilitation of the existing river walk pavers on the south side of the river
 - c. Stanton Ave. streetscape improvements along the Glacial Edge Trail, including rail crossings at Broadway and St. Andrews St.
 - d. Renaissance of Old Smokey Ski Hill, including a warming house, lifts, groomers, and snow making equipment

Projected Project Cost \$2,500,000

3. DeLagoon Improvement Project
 - a. Significant improvements to the existing campground, including infrastructure as identified in a City approved Master Plan
 - b. Restroom/Concession facility for the Soccer Complex
 - c. Upgraded Restroom/Concession facility for the softball complex
 - d. Replacement of the Lighting systems on the softball and baseball fields

Projected Project Cost \$5,200,000 and,

WHEREAS, the projects will result in benefits to both the residents and businesses of the City of Fergus Falls and to non-resident visitors and businesses and,

WHEREAS, the projects are estimated to cost approximately \$15,500,000 and,

WHEREAS, the estimates that a local sales tax of .5% would generate \$21,000,000 over 16 years and,

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

WHEREAS, the estimated local sales tax revenue and estimated time needed to raise that amount of revenue for each project is as follows:

For the Aquatics Center: the city will collect \$10,600,000 over eight years

For the Trails project: the city will collect \$3,300,000 over three years

For the Delagoon improvement project: the city will collect \$7,100,000 over five years

WHEREAS, Minnesota Stat. §297A.99 authorizes the imposition of a general sales tax if permitted by special law of the Minnesota Legislature and,

WHEREAS, Minnesota 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:

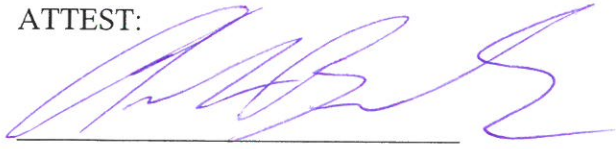
1. The city council supports the authority to impose a general local sales tax of .5% for a period of 16 years to fund the aforementioned project(s)
2. Upon approval of this resolution, the city will submit the adopted resolution and documentation of regional significance to the chairs and ranking minority 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 until December 31, 2038 or until a sum sufficient to fund the voter approved projects, including related debt costs, is raised, whichever comes first.

The above and foregoing resolution was offered at a regular meeting of the City Council held on January 21, 2020 by Council Member Rufer who offered its adoption, was seconded by Council Member Kvamme and adopted by the following vote:

AYES: Arneson, Gustafson, Fish, Hagberg, Kvamme, Rufer
NAYES: Hicks
ABSENT: Thompson

Whereupon the above resolution was duly adopted.

ATTEST:



City Administrator

ADOPTED:



Mayor

City of Fergus Falls Local Option Sale Tax Proposal for Projects of Regional Significance

The City of Fergus Falls, population approximately 14,000, is the County seat of Otter Tail County. Located along I-94, with 5 interstate exits, Fergus Falls is considered a Regional Center. Located in the heart of Lakes Country, many prefer to reside on lakes outside the City, but call Fergus Falls “home.” The City Council has approved pursuing three sales tax projects, all which provide significant regional benefit through recreational opportunities for residents, visitors and tourists. These projects increase the quality of life in this region, positively stimulate the economy, and help make Fergus Falls a year-round destination for our surrounding communities. The three projects include an Aquatics Center, a Trails Project, and the DeLagoon Park Improvement Project.

Aquatics Center

The Aquatics Center project that is proposed includes a bath house, two bodies of water, a lazy river, three waterslides, a climbing wall and other related recreational amenities. The features of the proposed Aquatics Center were identified through a deliberate public engagement process including surveys taken in conjunction with the Fergus Falls School District, open houses community forums and pop-up kiosks at community events.

A citizen-led group of volunteers has worked tirelessly on this project for the past four years, engaging regional residents and working through various design plans. Fergus Falls currently offers a small public beach area on Pebble Lake which is not centrally located or convenient to visitors. There are no other outdoor water activities within the city or region. Currently, residents travel to Breckenridge, MN or Wahpeton, ND to participate in outdoor aquatics activities.

If this proposed facility comes to fruition, it will be the largest outdoor facility in the region and will be a significant attraction for the area. No other regional center in West Central Minnesota has an outdoor facility comparable to the proposed Aquatics Center. Documenting the migration of Otter Tail County citizens to outdoor water attractions gives us confidence that area residents will travel to Fergus Falls to utilize and enjoy these proposed amenities.

Part of our research has included interviews with other municipalities that have constructed new public outdoor aquatic facilities in the past. Each are impressed with the number of area citizens who travel to use these facilities and the benefits they bring to their communities.

The Aquatics Center will be a great asset and heavily utilized by those within the Community. We are confident that tourists will spend time at the Aquatic Center while visiting the area lakes, as well as other residents throughout the region. The closest comparable facility that we are aware of in Minnesota is located in Hutchinson, nearly 150 miles away. That facility has averaged over 45,000 attendees in its first three years of operation.

The Aquatics Center will truly be a regional asset, enjoyed by those throughout the entire region, making the local option sales tax is a fair and appropriate funding mechanism.

Trails Project

There are two main components to the trails project that provide regional opportunities for area residents. Recreational trails have long been recognized as a key attraction for communities across Minnesota. Trail connectivity is critical to the overall success of any trail system and benefits visitors and residents alike.

We are proposing to complete the central segment of the Glacial Edge Trail with a ten-foot paved, multimodal trail surface. The Glacial Edge Trail has been deemed “Regionally Significant” by the Greater Minnesota Regional Parks and Trails Commission (GMRPTC). This segment of trail connects the State’s Central Lakes Trail to Fergus Falls, with the hopes of eventually connecting to Otter Tail County trails that lead to Maplewood State Park and beyond.

The central segment, as proposed in this project, runs from Union/Stanton Avenue along the Otter Tail River, through the former Mid-Am Dairy site and concludes at the Otter Tail County Historical Society, which is the destination of many travelers and tourists. This Regional trail runs directly through downtown Fergus Falls, providing exquisite views, connectivity and recreational opportunities.

Fergus Falls already sees many travelers through town utilizing the existing trail systems. We have hosted many bicycle trams, tours and several cross country travelers due to our reputation as a “Trail Town” on the North Country Trail. Our existing River Walk, also in this area, is one of our most visited destinations by those coming from out of town. Rehabilitation of the existing River Walk is included within this project. The existing river walk was built over 30 years ago and needs repairs to continue its popular use.

The other main component of this project is the renaissance of Old Smokey Ski Hill in Fergus Falls. Closed years ago, this ski hill is the source of fond memories for residents and visitors alike. The City would like to bring this asset back to life by installing a magic carpet lift, warming house and cross-country ski trails. The City sees this as a perfect opportunity to provide winter recreation in a way that doesn’t currently exist in this area. Old Smokey can be used for tubing, sledding, snowboarding and skiing. The closest facilities with these assets are located in rural Kensington, MN and Detroit Lakes, MN, 40 and 50 miles away, respectively. Once reopened, Old Smokey will provide safe and affordable opportunities for residents and visitors alike. The City also intends to utilize this area as mountain bike trails throughout the summer months. We plan to make this dormant asset a year-round recreational facility.

DeLagoon Improvement Project

DeLagoon Park and Campground is the largest public park facility in Fergus Falls, consisting of a campground, public lake access (in partnership with the DNR), fishing pier, Central Lakes Trail access, soccer complex, softball complex, multiple baseball fields (including an American Legion field) and a 27 hole disc golf course. With these activities, there is nearly constant activity at DeLagoon Park.

The Campground at DeLagoon Park is heavily used and almost always full of RVs, campers and tents during the summer months. Currently, this facility does not have running water, so vault toilets are used and guests don’t have the ability to shower. The City completed a Master Plan in 2014 for the

Campground, contemplating bringing water and wastewater infrastructure into the area, adding additional camping spots and other upgraded amenities such as picnic tables, shelters and benches.

Having infrastructure in this area will allow for shower and restroom facilities to be built. A large majority of the users of the Campground come from outside our region. While this asset is utilized more by visitors than our residents, we see the importance of this park facility. The city will be able to host additional soccer, baseball and softball tournaments with an improved facility and those staying at the campground help the local economy by visits to our shops and restaurants. This is the only local campground in Fergus Falls and is located adjacent to the Central Lakes Trail.

This improvement project also includes badly needed restroom and concession facilities at the soccer and softball complexes. Both of these complexes have four fields and the ability to host regional tournaments. While we often host tournaments, the lack of adequate facilities has severely limited our ability to attract larger events. The lighting systems at the softball and baseball fields have also been a hindrance to attracting major tournaments.

DeLagoon Park is a wonderful venue and, once upgraded, the City anticipates park participation numbers to increase as well as hosting additional sports tournaments from around the region.