



7800 Golden Valley Road
Golden Valley, MN 55427

The Honorable Representative Youakim
Chair, House Property Tax Division
591 State Office Building
St. Paul, MN 55155

March 17, 2022

Re: Amendments to HF 3474 – Local Sales Tax Authorization for the City of Golden Valley

Dear Chair Youakim,

Thank you for the opportunity to present an amendment to HF 3474. On March 9, 2022 the City of Golden Valley provided testimony to the House Property Tax Division requesting legislative authorization to place a local sales tax question on the ballot in November. Following the hearing, you discussed with us concerns the committee had about HF 3474, and subsequently the City proposed several amendments to address those concerns. This letter summarizes the amendments and reasoning behind the City's request.

Why is the City of Golden Valley pursuing a local sales tax? In 2021 the City completed a study to identify its facilities needs. Current facilities are outdated, undersized for equipment and function, and do not allow for modern municipal operations. Public Safety (Police and Fire) has immediate needs to address vehicle and equipment storage, recruitment and retention of staff, and operational safety and efficiency. Planned facilities would do the following:

- Shift the Fire Department from a three station/paid on call staffing model, to a two station/duty crew staffing model in order to address firefighter recruitment and retention challenges.
- Relocate the four Public Works buildings out of the downtown area to avoid conflicts with pedestrians and bicyclists, and construct one efficiently designed building, appropriately sized for modern operations and equipment.
- Construct a new Public Safety building (Police and Fire) on the former Public Works site that is properly designed for contemporary policing, modern equipment, and facilitates community engagement.

What amendments are included in HF 3474? The amendments can be summarized as follows:

Compressed Project Scope. The original bill included funding for a new public safety building, a new public works facility, and a new remote fire station with a local sales tax. That bill also included dollar figures reflecting future construction costs projected in the facility study. The amended bill plans for the construction of one-half of a new, relocated public works building (The second half to be completed at an unspecified future date.) to facilitate a new public safety building on the former public works site. Constructing these buildings 10-20 years sooner than projected in the study reduces construction costs. Funding for a remote fire station has been removed from this bill is sought in a bonding bill, HF 3132. The City understands that any funding shortfall may need to be made up with levy dollars.

Increased Sales Tax Percentage. The original bill proposed a ½ percent sale tax of up to 30 years. The amended bill proposes a ¾ percent sales tax of up to 30 years. The City shares the committee's preference to minimize the percentage and number of years of the local sales tax. Unfortunately, the City's financial modeling indicates that this is the only local sales tax scenario that addresses the City's urgent public safety needs.



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Individual Ballot Questions. The original bill include text that would have allowed the City to place just one question on the November ballot to fund all of the City's proposed projects. However, this was not the intention of the statute nor common practice, and Representative Frieberg introduced an amendment at the March 9th Committee hearing to remove this language. Subsequently, if authorized by the Legislature, each project will be placed on the November ballot as a separate question.

Why is funding for a public works facility included in the proposal? A key objective of the Golden Valley Facilities study is to keep its fire and police operations in its downtown area, along with city hall, a library branch and the local post office. However, to do so requires the relocation of the City's public works operations – which are currently located in the heart of downtown Golden Valley – to create a site for a new Public Safety building. The amendment requests local sales tax funding to relocate the minimal amount of public works square footage to allow for the construction of a public safety building.

How does this amendment satisfy the Regionalism requirement? Municipal Public Safety departments operate on a regional scale. Departments provide mutual aid to area communities during large events, share equipment, information or other resources, and provide venues and tools for training. Departments utilize FEMA standardized protocols and command structures to ensure inter-agency operability during events. Increasingly, Public Works has been incorporated into emergency management operations and many departments have entered into mutual aid agreements to share, access, and manage staff and equipment for large scale projects or emergency events.

The City of Golden Valley appreciates the committee's feedback regarding HF 3474 and its consideration of these amendments.

Sincerely,

A handwritten signature in blue ink, appearing to read "Marc Nevinski".

Marc Nevinski
Physical Development Director

Copy Representative Mike Frieberg
Ms. Polly Cerkvenik, Committee Administrator