

RESOLUTION NO. 21-012

CITY OF MAPLE GROVE

**RESOLUTION SUPPORTING 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**

BE IT RESOLVED, by the City Council of the City of Maple Grove, Minnesota, as follows:

WHEREAS, the city has engaged community residents and businesses and identified the expansion and renovation of the Maple Grove Community Center as a key investment to continue to support Maple Grove as a northwest metro regional center. The current facility opened to the public in 1997; since that time, Maple Grove and the northwest metro region have experienced significant population growth to over 230,000 residents. The current facility hosts over 650,000 visitors annually and includes banquet and meeting rooms, conference/expo space, aquatics, senior services, indoor playground, teen center, gymnasiums and a two-sheet ice arena, all serving the broader region; and

WHEREAS, the Maple Grove Community Center is situated in the Arbor Lakes retail, entertainment and business district which is the center of the Northwest Minneapolis Regional Commercial Trade Area, which is home to over 450,000 residents; and

WHEREAS, the project will result in benefits to both regional residents and businesses in the City of Maple Grove with the expansion and renovation of the ice arenas, banquet and meeting facilities, aquatics, and senior programming space. Currently, the Maple Grove Community Center is utilized by regional residents and those traveling for sports events, conferences, meetings and expos, to include:

- The current ice arenas host 230 games, 40 clinics, and 16 tournament events annually serving athletes throughout the metro and out-state Minnesota. The addition of a third sheet of ice would greatly increase the number of events.
- The current banquet facility hosts 10 small business conferences and 30 weddings annually serving patrons throughout the metro and state. Expansion of these facilities will fill a gap in the northwest metro region for event venues of this type and bring numerous visitors to the community and local businesses.
- Current aquatics facilities host daily field trips during the summer of which 80% are outside the city and walk-in swimmers, of which 60% are outside the city. Expansion of this facility provides for growth to serve a larger number of residents and visitors from the northwest region.

- Current event spaces host 12 expos (craft, home improvement, health and wellness, etc.) annually that attract many vendors and visitors from outside the city. Expansion of the event space would allow for an increase in this growing industry.

- The Community Center is host to many senior programs and drop-in activities. Thirty-four percent our senior patrons come from outside the community. Demographic growth in this area is significant and expansion of facilities would build on our strong senior patronage; and

WHEREAS, funding the project with a local sales tax will more closely distribute the cost of the project to the users of the facilities; and

WHEREAS, the project is estimated to cost approximately \$90,000,000 plus the cost of interest and debt issuance; and

WHEREAS, the city estimates that a local sales tax of .50% would generate \$133,680,000 over 20 years; and

WHEREAS, the city has provided documentation of the regional significance of the project, including the share of the economic benefit to or use of the project by persons residing, or businesses located, outside of 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 Maple Grove Community Center Expansion and Renovation: The city will collect \$133,680,000 over 20 years to fund project costs, interest and bond issuance costs.

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

WHEREAS, the City of Maple Grove agrees to comply with Minn. Stat. §297A.99 relating to the process of enacting, implementing and collecting the local tax; 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, the following:

1. The city council supports the authority to impose a general local sales tax of .50% for a period of the lesser of 20 years or the retirement of the debt (and all related issuance and interest costs) to fund the aforementioned project.
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. This will be done within two years of receiving legislative authority.
5. If the ballot question 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 June 30, 2043 or until a sum sufficient to fund the voter approved project, including related issuance and interest costs, is raised, whichever comes first.

Motion to approve the foregoing was made by Mayor Steffenson and seconded by Councilmember Barnett, upon a vote being duly taken thereon, the following voted in favor thereof: Mayor Steffenson and Councilmembers Jaeger, Leith, Hanson and Barnett

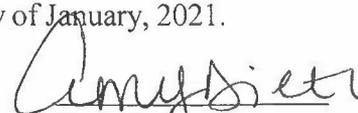
and the following voted against the same: None

and the following were absent: None

whereupon, the resolution was declared duly passed and adopted the 19th day of January, 2021.

STATE OF MINNESOTA)
COUNTY OF HENNEPIN) SS.
CITY OF MAPLE GROVE)

I, the undersigned, being the duly qualified and acting Clerk of the City of Maple Grove, Hennepin County, Minnesota, a Minnesota municipal corporation, hereby certify that the above and foregoing Resolution No. 21-012 is a true and correct copy of the Resolution as adopted by the City Council on the 19th day of January, 2021.


City Clerk