



January 26, 2022

Rep. Paul Marquart  
Chair, House Taxes Committee  
597 State Office Building  
St. Paul, MN 55155

Rep. Cheryl Youakim  
Chair, Property Tax Division

Representative Andrew Carlson  
District 50B representing Bloomington

Rep. Greg Davids  
Ranking Minority Member  
House Taxes Committee

Representative Steve Elkins  
District 49B representing Bloomington

Rep. Jerry Hertaus  
Ranking Minority Member  
House Property Tax Division

Representative Mike Howard  
District 50A representing Bloomington

Honorable Representatives,

Enclosed is a resolution of support seeking the authority to establish a Local Option Sales Tax (LOST) to fund infrastructure improvements with regional significance. This resolution was passed by the Bloomington City Council on January 24, 2022.

This resolution, 2022-13, supports 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 of Bloomington to issue bonds supported by the sales tax revenue.

Specifically, Bloomington has identified four infrastructure projects to be funded by LOST.

1. Bloomington Ice Garden ("BIG") (\$32M)

The Bloomington Ice Garden ("BIG") is a significant skating facility that opened in 1970. The Bloomington Ice Garden has regional significance because the City rents more than 9,000 ice hours and hosts more than 24 tournaments and figure skating events with skaters from Minnesota, across the United States and Canada. It is one of the busiest ice skating facilities in Minnesota. Sixty to 70% of the ice rented during the summer is for groups outside of Bloomington. More than 90% of OS Hockey's summer camp participants live outside of Bloomington. Twenty five percent of the Skate School registrants live outside of Bloomington. More than 40% of ice time at BIG is rented by/for non-Bloomington users.

2. Community Health and Wellness Center (\$70M)

The Community Health and Wellness Center project would combine and enhance the existing services provided by Bloomington Public Health and the Creekside Community Center and replace outdated, structurally limiting facilities. The Community Health and Wellness Center has regional significance because the City provides public health services to a population of nearly 180,000 people in Bloomington and the two adjacent cities of Edina and Richfield through mutual aid and similar agreements. With a focus on individuals with less resources and those experiencing health disparities due to structural racism, 86% of its 2020 WIC clients were from BIPOC communities. In addition, the City is a party to various mutual aid agreements with the State of Minnesota to conduct public health services outside the City's boundaries.

3. Bloomington Center for the Arts Concert Hall Expansion (\$33M)

The Bloomington Center for the Arts Concert Hall Expansion will enlarge seating capacity, improve the experience for attendees and performers, and improve accessibility at this arts and culture destination in the south metro. The Bloomington Center for the Arts Concert Hall Expansion has regional significance because it is a venue for 25 arts organizations serving 282,460 attendees of performing and visual arts programming and education (including 81,945 youth) across Hennepin County and in 10 adjacent counties. The Center's box office and patron database includes households from more than 1,100 zip codes around the country.

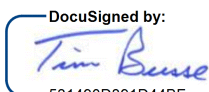
4. Dwan Golf Course Improvement (\$15M)

The Dwan Golf Course Improvement project is needed to replace outdated and poor conditions in the facilities, including ADA accessible restroom and food service upgrades. The Dwan Golf Course Improvement has regional significance because the City provides golfing amenities and services to over 50,000 golfers from Bloomington, the metro, and the region. Dwan is one of the busiest golf courses in the metro and is a facility for golfers of all ages and abilities. It is estimated that nearly 60 percent of patrons and golfers were from cities outside of Bloomington.

The City estimates that a local sales tax of 0.5% would generate approximately \$11 million annually over 20 years for estimated total sales tax revenues of \$220 million. The anticipated total project costs are estimated at \$150 million. Total debt service including interest and financing costs over 20 years is expected to be approximately \$220 million.

In accordance with Minn. Stat. § 297A.99 the City has passed resolution 2022-13 supporting the use of LOST and requests authorization by the Minnesota Legislature to authorize the imposition of a general sales tax if approved by a local ballot referendum.

Sincerely,

DocuSigned by:  
  
531490D391D44BF...  
Tim Busse  
Mayor

DocuSigned by:  
  
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Jamie Verbrugge  
City Manager

**STATE OF MINNESOTA**

**COUNTY OF HENNEPIN**

**CITY OF BLOOMINGTON**

The undersigned duly qualified and acting City Clerk of the City of Bloomington hereby certifies that attached hereto is a true and correct copy of the original Resolution No. 2022-13, a resolution approving a local sales tax and authorizing actions to be taken by the City in connection with such taxes. Passed and adopted January 24, 2022. This resolution is on file in the office of the City Clerk, City of Bloomington, Minnesota.

A handwritten signature in black ink, appearing to read "Christina M. Scipioni", written over a horizontal line.

Christina M. Scipioni, City Clerk

Dated this 26<sup>th</sup> day of January, 2022.

## RESOLUTION NO. 2022-13

### A RESOLUTION APPROVING A LOCAL SALES TAX AND AUTHORIZING ACTIONS TO BE TAKEN BY THE CITY IN CONNECTION WITH SUCH TAXES

BE IT RESOLVED by the City Council of the City of Bloomington, Minnesota (the "City"), as follows:

1. The City has several proposed projects and improvements the capital and operating costs of which cannot be adequately funded with existing resources. The City desires to submit a proposal to the Minnesota Legislature to allow the City to propose a 0.5% (one half of one percent) local sales tax to be imposed on the gross receipts from retail sales in the city. The proceeds of the sales taxes would be used to pay the capital costs of constructing and rehabilitating the projects described below.

2. Minnesota Statutes, Section 297A.99 provides, in part, that a political subdivision may impose a local sales tax if permitted by special law and if approved by the voters of the political subdivision, and that before a governing body requests legislative approval of a special law for a local sales tax, the governing body must adopt a resolution indicating approval of the tax. The resolution must also provide the following: the proposed tax rate; how the revenues will be used; 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; the total revenue that will be raised before the tax expires; and the estimated length of time the tax will be in effect.

3. The City Council hereby approves a local sales tax in the amount of 0.5%, if approved by the voters of the City of Bloomington. The City estimates that a local sales tax of 0.5% would generate approximately \$11 million annually over 20 years for estimated total sales tax revenues of \$220 million. The anticipated total project costs are estimated at \$150 million. Total debt service including interest and financing costs over 20 years is expected to be approximately \$220 million.

4. The revenues derived from imposition of the sales tax will be used to pay the capital costs of constructing, rehabilitating, and the associated interest and financing costs for these projects: (a) Bloomington Ice Garden; (b) Community Health and Wellness Center, (c) Bloomington Center for the Arts Concert Hall Expansion; (d) Dwan Golf Course Improvement (collectively, "Projects").

5. The **Bloomington Ice Garden** ("BIG") is a significant skating facility that opened in 1970. The Bloomington Ice Garden has regional significance because the City rents more than 9,000 ice hours and hosts more than 24 tournaments and figure skating events with skaters from Minnesota, across the United States and Canada. It is one of the busiest ice skating facilities in Minnesota. Sixty to 70% of the ice rented during the summer is for groups outside of Bloomington. More than 90% of OS Hockey's summer camp participants live outside of

Bloomington. Twenty five percent of the Skate School registrants live outside of Bloomington. More than 40% of ice time at BIG is rented by/for non-Bloomington users. This is an estimated \$32 million construction project. The sales tax will be in effect until the projects costs of approximately \$32 million, plus interest and financing costs as referenced above, are paid or 20 years after imposition of the sales, whichever is earlier.

6. The **Community Health and Wellness Center** project would combine and enhance the existing services provided by Bloomington Public Health and the Creekside Community Center and replace outdated, structurally limiting facilities. The Community Health and Wellness Center has regional significance because the City provides public health services to a population of nearly 180,000 people in Bloomington and the two adjacent cities of Edina and Richfield through mutual aid and similar agreements. With a focus on individuals with less resources and those experiencing health disparities due to structural racism, 86% of its 2020 WIC clients were from BIPOC communities. In addition, the City is a party to various mutual aid agreements with the State of Minnesota to conduct public health services outside the City's boundaries. This is an estimated \$70 million project. The sales tax will be in effect until the project costs of approximately \$70 million, plus interest and financing costs as referenced above, are paid or 20 years after imposition of the sales, whichever is earlier.

7. The **Bloomington Center for the Arts Concert Hall Expansion** will enlarge seating capacity, improve the experience for attendees and performers, and improve accessibility at this arts and culture destination in the south metro. The Bloomington Center for the Arts Concert Hall Expansion has regional significance because it is a venue for 25 arts organizations serving 282,460 attendees of performing and visual arts programming and education (including 81,945 youth) across Hennepin County and in 10 adjacent counties. The Center's box office and patron database includes households from more than 1,100 zip codes around the country. This is an estimated \$33 million project. The sales tax will be in effect until the project costs of approximately \$33 million, plus interest and financing costs as referenced above, are paid or 20 years after imposition of the sales, whichever is earlier.

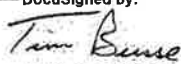
8. The **Dwan Golf Course Improvement** project is needed to replace outdated and poor conditions in the facilities, including ADA accessible restroom and food service upgrades. The Dwan Golf Course Improvement has regional significance because the City provides golfing amenities and services to over 50,000 golfers from Bloomington, the metro, and the region. Dwan is one of the busiest golf courses in the metro and is a facility for golfers of all ages and abilities. It is estimated that nearly 60 percent of patrons and golfers were from cities outside of Bloomington. This is an estimated \$15 million project. The sales tax will be in effect until the project costs of approximately \$15 million, plus interest and financing costs as referenced above, are paid or 20 years after imposition of the sales, whichever is earlier.

9. It is in the best interest of the health, welfare, and safety of the City and its residents and it is necessary and expedient to the sound financial management of the affairs of the City that the acquisition and betterment of the Projects, or any part thereof, be financed in whole or in part by the issuance and sale of the City's general obligation bonds pursuant to the City's Charter, Minnesota Statutes, Chapter 475, as amended, or any other applicable law. The

anticipated total bonds to be issued is estimated to be \$150 million and the total revenues to be generated from the local sales tax is expected to be approximately \$220 million. The local sales tax will be used to pay the principal amount of one or more series of bonds and the interest accruing on such bonds. The City may accept an offer to purchase the Bonds, and the City may sell the Bonds, at a price that results in the receipt of original issue premium in any amount.

10. The Chief Financial Officer and the City Manager, or their designees, are hereby authorized to take all actions necessary or appropriate, and in accordance with applicable laws of the State of Minnesota, to prepare and submit to the Minnesota Legislature for enactment a special law authorizing the local sales tax referred to in this Resolution.

Approved by the City Council of the City of Bloomington, Minnesota, this 24th day of January, 2022.

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Mayor

Attest:

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\_\_\_\_\_  
Council Secretary



January 26, 2022

Senator Carla Nelson  
Chair, Senate Tax Committee  
95 University Ave W.  
Minnesota Senate Building, Room 3235  
St. Paul, MN 55155

Senator Bill Weber  
Chair, Senate Property Tax

Senator Ann Rest  
Ranking Minority Member, Senate Tax Committee

Senator Melisa López Franzen  
District 49 representing Bloomington

Senator Melissa Wiklund  
District 50 representing Bloomington

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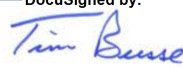
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Approved by the City Council of the City of Bloomington, Minnesota, this 24th day of January, 2022.

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Mayor

Attest:

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Council Secretary