



**CITY COUNCIL BUSINESS MEETING
MONDAY, JANUARY 23, 2023
COUNCIL CHAMBERS
BLOOMINGTON CIVIC PLAZA
1800 W. OLD SHAKOPEE RD.
BLOOMINGTON, MN 55431
6:30 PM**

Mayor: Tim Busse

Councilmembers:

Jenna Carter
Shawn Nelson
Lona Dallessandro

Patrick Martin
Dwayne Lowman

ANNOUNCEMENT

This meeting will be held in person and electronically via Webex. Some members of the City Council, testifiers, and presenters may participate electronically as permitted by Minnesota Statutes. Members of the public may participate in person or electronically. Directions are provided below. *For this meeting, one Councilmember will participate electronically from the lobby of Esme Miami Beach, 1438 Washington Ave, Miami Beach, FL 33139.*

To watch the meeting:

- Attend in person
- Watch online at blm.mn/btv-live or the City's YouTube channel blm.mn/youtube
- Watch BTV (Comcast channels 859 or 14)

To provide testimony on a public hearing item:

- Attend in person and speak at the podium; or
- Speak by phone during a public hearing by dialing **1-415-655-0001**. Enter access code **2469 670 4279 #** and password **012323 #**. Press ***3** to "raise your hand" to indicate a desire to speak; your line will remain muted until it is your turn. When it is your turn to speak, the Council Secretary will call on you by the first six digits of your phone number and will unmute your line. Listen for notification that your line has been unmuted and state your name before speaking.

CALL TO ORDER

The City Council requests that attendees silence cell phones during the meeting. A paper copy of the full City Council packet is available to the public in the ring binder at the entrance of Council Chambers.

PLEDGE OF ALLEGIANCE

1. APPROVAL OF AGENDA

2. INTRODUCTORY

- 2.1 Appointment of City Councilmember at large
- 2.2 Introduction of New Employees

2.3 Update on the Welcome to Bloomington Design Group

3. CONSENT BUSINESS

The following items are considered to be routine by the City Council and will be acted on by one motion. There will be no separate discussion of these items unless a Councilmember so requests, in which event the item will be removed from the consent agenda and considered at the end of Consent Business or at another stated time on the agenda as determined by the City Council. If you desire to have an item removed from the consent agenda, then please alert the Council Secretary prior to the start of the City Council meeting. The Council Secretary will notify the City Council of a request to remove an item from the consent agenda.

3.1 Normandale Service Rd Sidewalk (City Project 2023-302)

3.2 Approve Termination of MOU Between the City of Bloomington and HealthPartners, Inc.

3.3 Blanket Purchase Order for Genuine Auto Parts (NAPA)

3.4 Resolution Authorizing Execution of a Third Amendment to Covenant Agreement Relating to the City's Taxable GO TIF Bonds, Series 2019C

3.5 Award 2022-902 Pond and Storm Sewer Maintenance Project

3.6 Resolution Accepting State Homeland Security Program Grant Funds and Making Related Budget Adjustment

3.7 Approval of City Council Meeting Minutes

3.8 Resolution: Amendment #1 to 2023 Full-Time Non-Union & Part-Time, Temporary, and Seasonal Compensation Plans

3.9 Collective Bargaining Agreement with AFSCME Council 5, Local 2828, Assistant City Attorneys Unit (2022-2023)

4. HEARINGS, RESOLUTIONS, AND ORDINANCES

To address the Council on a public hearing item, please approach the podium, clearly state your name, and after you have spoken, please sign the roster so the City can accurately include your comments in the official meeting minutes.

4.1 Public Comment Opportunity: Bloomington Sales Tax (BST) Resolution

4.2 Public Hearing: Earned Sick and Safe Leave Ordinance Amendments

5. ORGANIZATIONAL BUSINESS

5.1 Sign Ordinance Update - Study Item

5.2 City Council Policy & Issue Update

6. ADJOURNMENT

MEETING ATTACHMENTS

Meeting Attachments

View regular meetings live or via archive at blm.mn/meetings. Catch the replay on Comcast cable by tuning to Bloomington TV channels 14(SD) and 859(HD) the Wednesday after a meeting at 6:00 p.m. and Thursday at 12:00 a.m., 6:00 a.m. and 12:00 p.m.

BloomingtonMN.gov: A yearly meeting schedule, agendas, and the official minutes once approved are available. If you require a reasonable accommodation, please call 952-563-8733 (MN Relay 711) as soon as possible, but no later than 9:00 a.m. one business day before the meeting day.



Request for Council Action

Originator Finance	Item 4.1 Public Comment Opportunity: Bloomington Sales Tax (BST) Resolution
Agenda Section HEARINGS, RESOLUTIONS, AND ORDINANCES	Date January 23, 2023

Requested Action:

Motion by _____, seconded by _____ to adopt Resolution No. 2023- _____ approving a local sales tax and authorizing actions to be taken by the City in connection with such taxes.

Item created by: Briana Eicheldinger, Finance

Item presented by: Jamie Verbrugge, City Manager

Description:

The City Council is being asked to approve a local sales tax in the amount of 0.5% (one-half of one percent). As required by MN Statute 297A.99 this resolution would be submitted to the respective Tax Committee chairs of both the Minnesota House of Representatives and the Minnesota Senate. Should this request be placed into the 2023 Tax Bill and signed by the Governor, each project listed below would need to be approved by the Bloomington voters at a general election.

Proposed Projects: Option A

- Bloomington Ice Garden - \$35M
- Community Health and Wellness Center - \$100M (Replacement of Public Health and Senior Center)
- Nine Mile Creek Corridor Renewal - \$20M

Proposed Projects: Option B

- Bloomington Ice Garden - \$40M
- Community Health and Wellness Center - \$115M (Replacement of Public Health and Senior Center)

Local Referendum Process

January 23, 2023 – Council is requested to pass resolutions for each of the projects.

January 31, 2023 – Deadline for resolutions requesting legislative approval of local option sales tax to be sent to members of the respective tax committees.

February-May 2023 – Council, Legislators and staff to provide education/information on the projects.

June –November 2023 - Should the LOST legislation be successful, educational activities would continue through early November when residents will be asked to approve a local option sale tax at the individual project level at the general election. If any of the projects do not pass, the Minnesota Department of Revenue would recalculate the reduction needed.

January 2024 – Should all projects pass the general election, the Minnesota Department of Revenue will notify the businesses collecting the sales taxes to inform them of additional changes.

Attachments:

[Presentation](#)

[RESOLUTION 1-23-2023 OPTION A THREE PROJECTS](#)

[RESOLUTION 1-23-2023 OPTION B TWO PROJECTS](#)

[Affidavit of Publication - Resolution Seeking the Authority to Establish a General Local Sales Tax.pdf](#)

Bloomington Sales Tax Project Prioritization Discussion

January 23, 2023



Background



Bloomington Sales Tax – 2022 Efforts

- Local option sales tax proposal:
 - Bloomington Ice Garden (“BIG”) (\$32M)
 - Community Health and Wellness Center (\$70M)
 - Bloomington Center for the Arts Concert Hall Expansion (\$33M)
 - Dwan Golf Course Improvement (\$15M)
- Resolution approved by City Council on January 24, 2022
- City sought Legislative approval and was included in MN House tax bill
 - Senate included all four projects, House included three projects (Dwan removed)
- The session ended without agreement on tax bills



Local Option Sales Tax

- **Nearly 80 local units** of government have received authority for a local option sales tax
 - Includes Minneapolis, St. Paul, Duluth, Rochester and Mankato
 - This authority is common – Oakdale, Edina and Maple Grove sought authority in 2020



Capital Projects Funding Source



Many of Bloomington's facilities **need significant investment or replacement**. This serves as a strategy for managing a portion of capital project needs and advancing the City's strategic goals.



The estimated \$11-12 million generated each year through a Bloomington sales tax would be used to pay for **specific capital improvement projects that have a regional impact**.



A Bloomington sales tax would give the City a tool to **shift the cost to a broader base of taxpayers from outside of Bloomington** for regionally significant projects.

Bloomington Sales Tax

0.5% (one-half of one percent) added tax charged on gross receipts from retail sales in the city

The new tax would only apply to **items that are currently taxable**

Approx. 75% of the local sales tax would be **paid by visitors**, per Minnesota Extension reports

The local sales tax has **less impact** to Bloomington residents than the property tax for these projects

Voter approval is required for each project

University of Minnesota Extension

The University of Minnesota Extension is a partnership between the university and federal, state and local governments to provide scientific knowledge and expertise to the public in a variety of areas

Approx. 75% of the local sales tax would be paid by visitors

Government agencies and some nonprofit agencies have limited sales tax exemptions

Local Sales Tax Reports

Proposed Projects





Bloomington Ice Garden Renovation

Local Option Sales Tax Request

Project Cost: \$35 million, plus interest and financing costs

Regional Impact

- BIG rents 9,000 ice hours and hosts more than 24 tournaments and figure skating events with skaters from Minnesota and U.S.
- 89% of teams in Bloomington Amateur Hockey Association's 5 tournaments are from outside Bloomington.
- 60% - 70% of ice rented in the summer is for groups outside of Bloomington.

The Project

- Replace R22 refrigeration systems, update major mechanicals and roof systems
- Improve ADA accessibility, including new elevators and renovated locker rooms
- Downsize Rink 3 from Olympic to NHL size
- Add new high school locker rooms
- Create dedicated dryland training area
- Enhance guest experience (flow, ticketing, concessions, security, etc.)



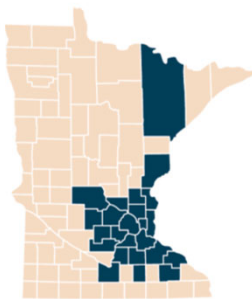
Community Health & Wellness Center

Local Option Sales Tax Request

Project Cost: \$100 million, plus interest and financing costs

Regional Impact

In the last three years, Bloomington Public Health has served thousands of individuals outside of its service area of Bloomington, Edina and Richfield.



The Project

- Integrate health and wellness by combining services of Bloomington Public Health and Parks and Recreation
- Create family-oriented facility to meet health and wellness goals of the region
- Provide wide range of recreational, fitness and educational opportunities
- Design multi-use and flexible spaces
- Increase accessibility to services, particularly those with health disparities





Nine Mile Creek Corridor Renewal

Local Option Sales Tax Request

Project Cost: \$20 million, plus interest and financing costs

Regional Impact

- *The Nine Mile Creek Corridor is enjoyed by visitors from across the southwest metro area*
- *The project provides increased year-round access to regionally significant trail networks in the Minnesota River Valley*

The Project

- 12,400 feet of trails and seven new bridges.
- Trail widening to allow bikes along the trails.
- Boardwalk connecting river bottom trails to Moir/Central Park
- ADA accessibility improvements
- 131 acres of woodland and wetland restoration
- 12,000 lineal feet of stream/riparian restoration
- New park shelter building and outdoor gathering space with restrooms
- New playground



Thank you!



RESOLUTION NO. 2023-__

**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 \$12 million annually over 20 years for estimated total sales tax revenues of \$240 million. The anticipated total project costs are estimated at \$155 million. Total debt service including interest and financing costs over 20 years is expected to be approximately \$240 million.

4. The revenues derived from imposition of the sales tax will be used to pay the capital costs and the associated interest and financing costs for these projects: (a) Bloomington Ice Garden Rehabilitation; (b) Community Health and Wellness Center Construction, and (c) Nine Mile Creek Corridor Renewal (collectively, “Projects”).

5. The **Bloomington Ice Garden** is a significant skating facility that opened in 1970. The Bloomington Ice Garden (“BIG”) 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 around Minnesota, and across the United States and Canada. It is one of the busiest ice-skating facilities in Minnesota. More than 40% of ice time at BIG is rented by/for non-Bloomington users. 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. This is an estimated \$35 million construction project. The sales tax will be in effect until the project costs of approximately \$35 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 \$100 million project. The sales tax will be in effect until the project costs of approximately \$100 million, plus interest and financing costs as referenced above, are paid or 20 years after imposition of the sales, whichever is earlier.

7. The **Nine Mile Creek Corridor Renewal** project restores natural resources within a Metropolitan DNR Conservation Corridor and provides the broader community with increased year-round recreational access to regionally significant trail networks in the Minnesota River Valley. This project would implement a wide array of improvements, including: 131 acres of woodland and wetland restoration; 12,000 lineal feet of stream/riparian restoration of Nine Mile Creek; 12,400 feet of trails with associated retaining walls, wayfinding kiosks, and signage; seven new trail bridges within Central Park; a boardwalk connecting the river bottom trails to Moir/Central Park; trail widening to improve safety and allow bikes along the park trails; ADA accessibility improvements allowing easier access from the upper portion of the park to trails and natural resource amenities in the lower portion; new park shelter building and outdoor gathering space with restrooms; new playground; evaluation of softball fields use; and new amenities desired by the community. A community-driven planning process will develop a new vision for Nine Mile Creek Corridor parks with design principles reflecting the Park System Master Plan's priorities of natural resources, park facility needs, trails/mobility and equity. This is an estimated \$20 million project. The sales tax will be in effect until the project costs of approximately \$20 million, plus interest and financing costs as referenced above, are paid or 20 years after imposition of the sales, whichever is earlier.

8. 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 \$155 million and the total revenues to be generated from the local sales tax is expected to be approximately \$240 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.

9. 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 23rd day of January, 2023.

Mayor

Attest:

Council Secretary

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Approved by the City Council of the City of Bloomington, Minnesota, this 23rd day of January, 2023.

Mayor

Attest:

Council Secretary

AFFIDAVIT OF PUBLICATION

STATE OF MINNESOTA)
COUNTY OF HENNEPIN) ss

Debbie Schwalba being duly sworn on an oath, states or affirms that he/she is the Publisher's Designated Agent of the newspaper(s) known as:

SC Bloomington Richfield

with the known office of issue being located in the county of:

HENNEPIN

with additional circulation in the counties of:

HENNEPIN

and has full knowledge of the facts stated below:

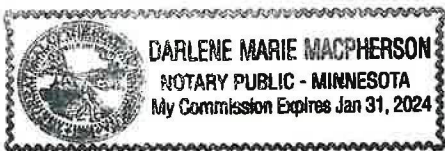
- (A) The newspaper has complied with all of the requirements constituting qualification as a qualified newspaper as provided by Minn. Stat. §331A.02.
- (B) This Public Notice was printed and published in said newspaper(s) once each week, for 1 successive week(s); the first insertion being on 01/12/2023 and the last insertion being on 01/12/2023.

MORTGAGE FORECLOSURE NOTICES
Pursuant to Minnesota Stat. §580.033 relating to the publication of mortgage foreclosure notices: The newspaper complies with the conditions described in §580.033, subd. 1, clause (1) or (2). If the newspaper's known office of issue is located in a county adjoining the county where the mortgaged premises or some part of the mortgaged premises described in the notice are located, a substantial portion of the newspaper's circulation is in the latter county.

By: *Debbie Schwalba*
Designated Agent

Subscribed and sworn to or affirmed before me on 01/12/2023 by Debbie Schwalba.

Darlene M MacPherson
Notary Public



Rate Information:
(1) Lowest classified rate paid by commercial users for comparable space:
\$999.99 per column inch

Ad ID 1285285

**CITY OF BLOOMINGTON
PUBLIC
COMMENT OPPORTUNITY
BEFORE THE
CITY COUNCIL**

The Bloomington City Council will accept public comment on Monday, January 23, 2023, at 6:30 p.m. in the Council Chambers at Bloomington Civic Plaza, 1800 West Old Shakopee Road, Bloomington, Minnesota, 55431, and by electronic means as permitted by state law, regarding a Resolution seeking the authority to establish a general local sales tax.

A full copy of the Resolution is available online at blm.mn/notices or for review during regular business hours in the Finance Department at the Bloomington Civic Plaza, at the address listed above. For more information, to submit comments, or to learn how to participate electronically go online to blm.mn/meetings or call 952-563-8790 or email Finance@BloomingtonMN.gov.

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