



January 25, 2023

Rep. Aisha Gomez
Chair, House Taxes Committee
453 State Office Building
St. Paul, MN 55155

Rep. Dave Lislegard
Chair, Property Tax Division

Representative Heather Edelson
District 50A representing Bloomington

Rep. Greg Davids
Ranking Minority Member, House Taxes Committee

Representative Steve Elkins
District 50B representing Bloomington

Rep. Duane Quam
Ranking Minority Member, House Property Tax Division

Representative Nathan Coulter
District 51B 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 23, 2023.

This resolution, 2023-11, 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 three infrastructure projects to be funded by LOST.

1. Bloomington Ice Garden (“BIG”) (\$35M)

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.

2. Community Health and Wellness Center (\$100M)

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and enhance the existing services provided by Bloomington Public Health and the Creekside Community Center and replace outdated, structurally limiting facilities.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. Nine Mile Creek Corridor Renewal (\$20M)

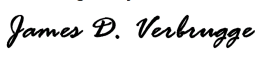
The Nine Mile Creek Corridor Renewal project restores natural resources within a Metropolitan DNR Conservation Corridor and provides the broader community with increased year-round recreational access to regionally significant trail networks in the Minnesota River Valley. This project would implement 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.

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.

In accordance with Minn. Stat. § 297A.99 the City has passed resolution 2023-11 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:

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Tim Busse
Mayor

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James D. 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. 2023-11, 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 23, 2023. This resolution is on file in the office of the City Clerk, City of Bloomington, Minnesota.


Christina M. Scipioni, City Clerk

Dated this 25th day of January, 2023.

RESOLUTION NO. 2023-11

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.

DocuSigned by:

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Mayor

Attest:

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Council Secretary