

## CITY BROOKLYN CENTER, MINNESOTA

### RESOLUTION NO. \_\_\_\_\_

**Resolution supporting the authority to impose a local sales tax to fund specific capital improvements providing regional benefit, establishing the duration of the tax and the revenue to be raised by the tax, and authorizing the City to issue bonds supported by the sales tax revenue**

**WHEREAS**, Minnesota Statutes, Section 297A.99 (the “Local Tax Act”), provides the City of Brooklyn Center, Minnesota (the “City”) with authority to impose a local sales tax if that tax is approved by the voters at a general election and the State Legislature approves the local sales tax through the creation of a special law; and

**WHEREAS**, the Local Tax Act requires the City Council of the City (the “Council”) to adopt a resolution indicating its approval of the tax, outlining the details of the proposed local sales tax, and setting forth the regional significance of the proposed projects prior to submitting the request for a local sales tax to the State Legislature; and

**WHEREAS**, the City has engaged community residents and businesses and in order to facilitate strategic investment in the region and community, and proposes to request special legislation to impose a local sales tax in order to raise revenues to fund either or both of the following capital projects (the “Projects”):

#### 1. Community Center

**Project description:** The future vision of the Brooklyn Center Community Center includes a phased approach to renovate and expand the existing facility to meet the current and future needs of the community. The implementation strategy for the project includes work over three phases (June 2023, 2025, and 2027 respectively) to achieve a 110,000 SF fully modern facility that will serve as an inclusive hub of community health, wellness, and recreation for Brooklyn Center and the surrounding region.

Phase 1 of the project vision includes the addition of 29,500 SF to the facility, and the renovation of 23,400 SF of space within the existing building to modernize the facility’s finishes, fixtures, and MEP systems. It also includes the selective demolition of the existing (6) lane 50M pool, and replacement with a new (8) lane 50M pool with seating for approximately 360 spectators to allow for competitive swim meets. In addition to the new pool addition, Phase 1 proposes an expansion of the facility for new multi-purpose and meeting room spaces to support community enrichment and partnership programs, and a community lounge, gallery, and café space to provide a welcoming environment for all within the facility.

Phase 2 proposes another 47,600 SF addition to the building to accommodate a (4) court multi-purpose gymnasium, elevated running track, and an elevated fitness mezzanine overlooking the new competition pool.

Phase 3 completes the vision of the Brooklyn Center Community Center with the 10,500 SF addition of a new recreation pool, party rental rooms, additional storage, and a new complimentary outdoor splash pad.

**Projected Project Cost:** \$49 million

2. Regional Year-round Outdoor Adventure Park Facility

**Project description:** This facility would provide year-round adventure, health and wellness activities and play for the broader Metropolitan region and beyond. Situated on 22 acres of land along Hwy 100 and Bass Lake Road, the facility would offer a variety of indoor and outdoor activities which may include but are not limited to white-water rafting, kayaking, climbing, zip-lines, ropes courses, trails and connections to regional trails for biking, ice rinks, farmers market and open space. Dining and convention services along with weekly live entertainment offer experiences for a variety of users. The grounds are free and open to the public; revenue is generated from those who choose to participate in activities. The facility would be owned and operated through a public private partnership that would bring together public land and financial support to leverage private investment and operations. Brooklyn Center residents benefit from deeply discounted access to the facility and activities, bringing access to recreational programming and services that residents would not otherwise be able to tap into.

**Projected Project Cost:** \$80 million

**WHEREAS,** the Projects will result in benefits to both the residents and businesses of the City of Brooklyn Center and to non-resident visitors and businesses; and

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

**WHEREAS,** the Projects are estimated to cost approximately \$129,000,000, plus an amount equal to interest on and the costs of issuance of any bonds; and

**WHEREAS,** the City estimates that a local sales tax of one-half of one percent (0.50%) would generate approximately \$55,000,000 over 20 years; and

**WHEREAS,** the City has provided 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 of the jurisdiction, including but not limited to the materials attached hereto as **Exhibit A**; and

**WHEREAS,** because the estimated cost of each Project exceeds the estimated sales tax revenues that are expected to be generated over the 20-year collection period, the City may determine to allocate such revenues to one, rather than both, Projects; therefore, the estimated local sales tax revenue and estimated time needed to raise that amount of revenue for each project and a proportional amount for the estimated interest on and the costs of issuing bonds to finance each of the Projects is as follows:

1. Community Center: The City will collect up to \$55,000,000 over 20 years.
2. Regional Outdoor Adventure Park Facility: The City will collect up to \$55,000,000 over 20 years.

**WHEREAS,** the Local Tax Act authorizes the imposition of a general sales tax if permitted by special law of the Minnesota Legislature; and

**WHEREAS,** the Local Tax Act 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; and

**NOW, THEREFORE, BE IT RESOLVED by the City Council (the “Council”) of the City of Brooklyn Center, Minnesota (the “City”), as follows:**

1. The Council supports the authority to impose a general local sales tax of one-half of one percent

(0.50%) for a period of 20 years to fund either or both of the aforementioned projects;

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 one or more detailed ballot questions, which includes separate questions for each project, on a general election ballot for local voter approval of the imposition of the sales tax within two years of receiving legislative authority.
5. If one or more ballot questions pass, 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 for a period of 20 years or until a sum sufficient to fund the voter approved projects plus amounts sufficient to pay interest on and the costs of issuing any bonds, is raised, whichever comes first.
7. The Council further finds that 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 Minnesota Statutes, Chapter 475, as amended, in one or more series in an aggregate principal amount not to exceed \$129,000,000 plus an amount equal to interest and the costs of the issuance of any 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.

Approved by the City Council of the City of Brooklyn Center, Minnesota this 24<sup>th</sup> day of January, 2022.

**CITY OF BROOKLYN CENTER, MINNESOTA**

---

Mayor

Attest:

---

City Clerk

**EXHIBIT A**  
**DOCUMENTATION OF REGIONAL SIGNIFICANCE**

1. Community Center

Annually, the Brooklyn Center community center serves a greater percentage of regional visitors versus local. Its central location and excellent access to major freeways make it an easy place to visit. These assets also make it an excellent regional host site for those traveling for sports events, conferences, meetings, expos, activities and recreation. For approximately the last twelve months, resident versus non-resident usage is as follows:

1. Annual memberships/punch cards (includes Pool passes)
  - a. Resident- 339 (37%)
  - b. Non-Resident-580 (63%)
3. Banquet/meeting rooms
  - a. Resident- 85 (22%)
  - b. Non-Resident- 313 (78%)
5. Rec Programs
  - a. Resident- 670 (40%)
  - b. Non-Resident-984 (60%)

2. Regional Year-round Outdoor Adventure Park Facility: **See Attached**