



Legislation Text

File #: 18-246, **Version:** 1

City Council Meeting Date: May 1, 2018

To: Mayor and City Council
City Administrator

From: David E. Bennett, Public Works Director/City Engineer

Consider Motion Authorizing Staff to Prepare 1/2 Cent Sales Tax question and Property Tax Referendum question related to a Two-Sheet Community Arena for the November Vote

Action Requested:

The Northfield City Council considers a Motion Authorizing Staff to Prepare 1/2 Cent Sales Tax question and Property Tax Referendum question related the recommendation from the Northfield Ice Arena Advisory Board for the 2018 November vote.

Summary Report:

At the April 10 City Council meeting the Northfield Ice Arena Advisory Board presented their recommendation to Council after an 18-month thorough review. The Advisory Board reviewed the conditions of the existing ice arena, market demands, and facility options. The advisory board has concluded that, to best serve the needs of the community, a new Two-Sheet Community Arena on land donated to the Northfield Hockey Association is recommended. The Council accepted the Advisory Board's report on April 17 per Resolution 2018-041 (Attachment 1- Link: <https://www.ci.northfield.mn.us/DocumentCenter/View/6457>).

As part of the financing recommendation, a ½-cent local option sales tax for the City of Northfield and City of Dundas, where 70% would go toward the Community Arena and 30% is recommended to go to other recreational projects. In addition, it is proposed that a property tax levy for the City of Northfield be utilized to assist in financing the capital costs. Both of these items would need voter approval on the November ballot.

The proposed action tonight will allow staff to begin preparing the ballot question for both the ½-cent local option sales tax and property tax levy. Staff will be working with bond counsel to prepare these questions. It is anticipated that the resolution would come back to Council at the May 15 or June 5 Council Meeting for consideration.

When the resolution is prepared for the ½ Cent Local Option Sales Tax, it will include these items:

- proposed tax rate
- intended use of the revenue
- amount of revenue to be raised

- anticipated expiration date

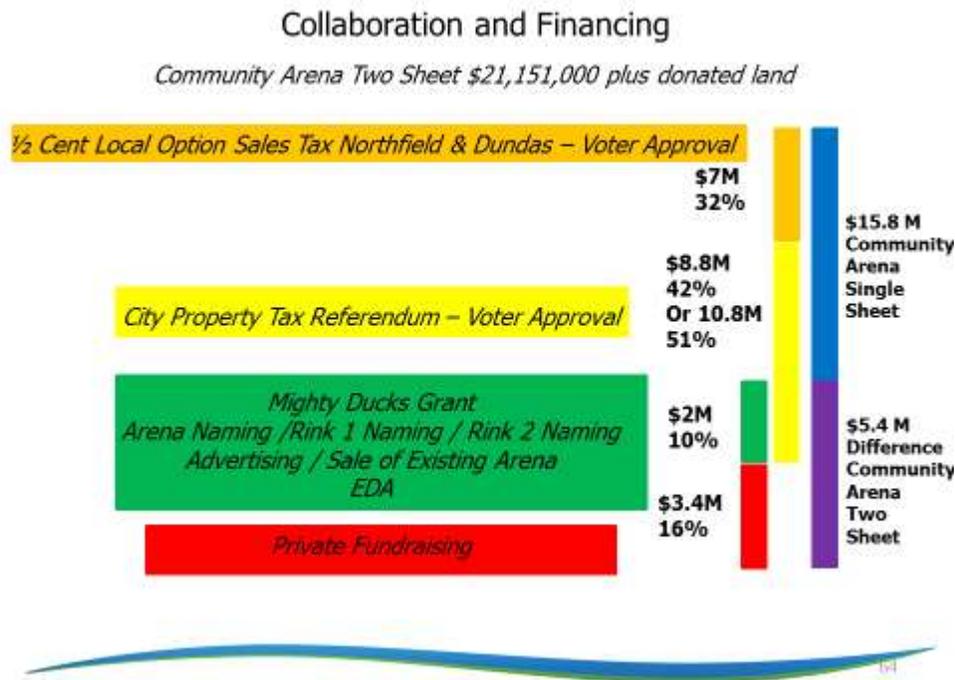
The proposed tax must pass by a majority of the voters at the general election, the election must be held a minimum of 90 days after passing the resolution, and the proposed tax must pass the MN Legislature as a special law for imposing the tax.

Staff has attached an advisory example of legal issues to consider related to promoting referendums. It is focused on school boards but also applies to city operations. Nick Anhut with Ehlers provided this information. We are continuing to explore other legal advisories and information but at least is some initial background.

Alternative Options:

The Northfield Ice Arena Advisory Board has provided five options for Council to consider.

Financial Impacts:



Tentative Timelines:

Timeline moving forward is attached (Attachment 2).