



CITY OF ST. JOSEPH

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**St. Joseph City Council Special Meeting
January 30th, 2023
8:00 AM**

****The City Council meeting will be conducted in-person in the council chambers of the St. Joseph Government Center. Members of the public can attend in-person or via Zoom. ****

Join Zoom Meeting

<https://us06web.zoom.us/j/83310450346?pwd=TThDcG41dXg4MWZqcnJ5bWdYdi9XQT09>

Meeting ID: 833 1045 0346

Passcode: 192083

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1. 8:00 AM Call to order - Pledge of Allegiance
 2. Consideration of approval of a resolution supporting the authority to impose a local sales tax to fund certain capital improvements in the City of St. Joseph
 3. Adjourn



**RESOLUTION NO. 2023-003
CITY OF ST. JOSEPH**

**A RESOLUTION OF THE CITY OF ST. JOSEPH, MINNESOTA
APPROVING THE USE OF A LOCAL OPTION SALES TAX
AUTHORIZED BY SPECIAL LAW TO FUND SPECIFIC CAPITAL IMPROVEMENTS
AND TO AUTHORIZE THE CITY TO ISSUE BONDS
SUPPORTED BY THE SALES TAX REVENUE**

WHEREAS, the City of St. Joseph is located in Central Minnesota and is part of the St. Cloud Regional area; and,

WHEREAS, the City of St. Joseph, as part of the St. Cloud Regional Cities, currently collects a one-half of one percent of sales tax through December 31, 2038. Sales tax funds are shared amongst the St. Cloud Regional Cities and the City of St. Joseph has already identified and designated its share of these funds to specific projects; and,

WHEREAS, the City of St. Joseph has engaged community residents and businesses and identified a demand for capital investment to fund regional projects that far exceeds the amount of revenue generated by its current tax levy and current local option sales tax collected; and,

WHEREAS, as described in Exhibit A, the projects identified all serve a regional purpose that extends the benefit beyond the residents and businesses of St. Joseph; and,

WHEREAS, funding the projects with a local sales tax will more closely distribute the cost of the projects to the users of the proposed projects; and,

WHEREAS, the projects are estimated to cost approximately \$37.5 million; and,

WHEREAS, the City of St. Joseph estimates that a local sales tax of one-half of one percent (0.5%) would generate approximately \$20 million over 20 years; and,

WHEREAS, the estimated local sales tax revenue and estimated time needed to raise that amount of revenue for each project is as follows:

- a. **Public Safety Facility and Equipment:** Approximately \$15.5 million to be collected over 20 years.
- b. **St. Joseph Community Center/YMCA Phase II:** Approximately \$11 million to be collected over 20 years.
- c. **Regional Trail Connections:** Approximately \$5 million to be collected over 20 years.
- d. **Regional Parks:** Approximately \$6 million to be collected over 20 years

WHEREAS, Minn. Stat. § 297A.99 authorizes the imposition of a general sales tax if permitted by special law of the Minnesota Legislature; and

WHEREAS, Minn. Stat. § 297A.99, 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;

THEREFORE, BE IT RESOLVED the following:

1. The City Council supports the authority to impose a general local sales tax of one-half of one percent (0.5%) for a period of 20 years to fund the aforementioned project(s).
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 a detailed ballot question(s), which includes separate questions for each project, on a general election ballot for local voter approval. This will be done 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. The sales tax will be in effect until project costs plus interest and financing costs as referenced above are paid, or once \$20 million is generated, or at a date 20 years after imposition of the sales tax, whichever is earlier.

Adopted by the City Council of the City of St. Joseph this 30th day of January, 2023.

CITY OF ST. JOSEPH


By: Rick Schultz, Mayor

ATTEST:



By: Jeff O'Neill, Interim City Administrator

EXHIBIT A
REGIONAL SIGNIFICANCE OF PROPOSED PROJECTS

Public Safety Facility and Equipment:

The City proposes to utilize sales tax revenue for a Public Safety Facility and equipment to include: a combined Police and Fire public safety building, a pumper and a ladder truck. This facility and equipment are anticipated to come on line in the near future to serve the local needs and the tide of regular visitors from the region. The City of St. Joseph has 11 full-time sworn police officers and two support staff in the police department. The Police Department serves the 7,342 residents of St. Joseph as well as the influx of people coming in from the region. The St. Joseph Fire Department, consisting of 30 members, services the City of St. Joseph, St. Joseph Township, and areas of St. Wendel Township.

Public safety service and response must be set to meet local levels and peak demand generated by area college communities and the hospitality industry. The College of Saint Benedict and St. John's University are located in and adjacent to the City of St Joseph. Both institutions are a wonderful asset to the community, bringing many visitors from the region on a regular basis as well as a large influx during frequent major college events. In addition, downtown St. Joseph has become a vibrant center for dining, entertainment and shopping, attracting visitors from the region. On weekends, in addition to college visitors, the local population swells further with the influx of individuals and families coming to enjoy the night life. With the influx of people comes a higher need for public safety personnel. The St. Joseph Police Department and Fire Department are called regularly to respond to emergencies on I-94, most of which are the result of regional traffic. Given this setting, a local option sales tax is appropriate for funding a share of the cost to maintain public safety services. St. Joseph houses ambulance service out of its Police Department facility. Service demand is on the increase much of which is generated from visitor traffic as cited above.

Development of a public safety building housing Fire Department, Police and Ambulance service has been the subject of study. Current facilities will outlive their useful life, or need to expand well within 20 years. In addition, a pumper truck and ladder truck are slated for replacement soon. The sales tax will be in effect until the project costs of approximately \$15.5 M plus interest and financing costs as referenced above are paid or 20 years after imposition of the sales tax, whichever is earlier.

St. Joseph Community Center/YMCA Phase II:

The City has partnered with the YMCA to operate and manage the St. Joseph Community Center/YMCA. The community center is centrally located in the St. Joseph city limits on eight acres of land. The mission of the St. Joseph Community Center/YMCA is to provide space for all ages and a go-to place to connect families and individuals for health, wellness and recreation. The YMCA conducted a study on who would use the St. Joseph facility and found that neighboring communities within a 12-minute drive will also use the St. Joseph Community Center/YMCA. Due to funding constraints and inflationary costs, the construction of the facility will be completed in phases. Phase one of the community center is anticipated by be completed by 2025 with 45,000 ft² of building space. Phase two will begin as soon as funding is available. Phase two is estimated to be 30,000 ft² will include an outdoor gathering area space and pickleball courts, outdoor play area for children, indoor lap pool, additional gym space and community rooms. The cost, including predesign, design, construct, furnish and equip, is estimated to be \$11 million. The sales tax will be in effect until the project costs plus interest and financing costs as referenced above are paid or 20 years after imposition of the sales tax, whichever is earlier.

Regional Trail Connections:

The City has identified the need for pedestrians to safely cross County State Aid Highway 75 (CSAH 75). CSAH 75 is an important arterial roadway that runs east-west through the heart of St. Joseph. It is a principal arterial four-lane divided rural roadway with turn lanes at intersection roadways. The combination of long crossing distances, high vehicular speeds (ranging from 45 to 60 miles per hour), and high traffic volumes (ranging from 17,900 to 22,700 vehicles per day), make pedestrian/bicyclist crossings challenging. In addition to connecting commercial and residential properties located north and south of CSAH 75, the crossing would increase access to recreational activities such as parks, Lake Wobegon Trail, St. Joseph Community Center/YMCA, College of Saint Benedict, local school and churches. In 2017, the St. Cloud Area Planning Organization (APO) hired SRF Consulting to understand the needs for

a crossing at CSAH 75 given the increasing pedestrian/bicyclist traffic off of the Lake Wobegon Trail. It was determined that there is a need to provide safe pedestrian accommodations between the Lake Wobegon Trail and St. Joseph downtown and hospitality center south of CSAH 75.

The City of St. Joseph maintains the Lake Wobegon Trailhead along the Lake Wobegon Trail which sees over 40,000 users along the 65-mile route and is hub of pedestrian, bicycle, rollerblading and snowmobile activity for the region. Numerous marathons and biking events are held on the trail, attracting people from the region and beyond. The cities of St. Joseph and Waite Park partnered to install bike rentals along the trail in both cities that further attracts users. The interest in users traveling from the trailhead into the downtown has grown immensely. The crossing and associated pedestrian connections to and within the downtown will significantly enhance safety for all users and would greatly minimize at grade crossing of CSAH 75. The cost, including predesign, design, construct, furnish and equip, is estimated to be \$5 million. The sales tax will be in effect until the project costs plus interest and financing costs as referenced above are paid or 20 years after imposition of the sales tax, whichever is earlier.

Regional Park Facilities:

East Park. Construction of a Boardwalk and nature trail within East Park, a ninety-five-acre park adjacent to a DNR regional water trail (Sauk River). Improvements also include parking expansion. Project will provide regional recreational opportunities and engagement with the Sauk River through passive recreational amenities. Phase 1 and 2 of East Park is expected to be completed by 2024/2025 and includes canoe/kayak access, entrance improvements, and trails.

Millstream Park. A regional park facility serving residents from throughout the St Cloud area. A number of improvements have been identified for this facility including recreational field development, field lighting, amphitheater, sport courts, parking lot expansion and storm sewer improvements.

The cost for these facilities including predesign, design, construct, furnish and equip, is estimated to be \$6 million. The sales tax will be in effect until the project costs plus interest and financing costs as referenced above are paid or 20 years after imposition of the sales tax, whichever is earlier.

The total cost of all four projects identified for funding is \$37.5 M with the total projected sales tax revenue set at \$20 M creating a gap of \$ 17.5 M. If total cost of projects approved via referendum exceeds the amount of revenue generated by the sales tax, it is anticipated that alternative funding will be applied to fund the difference.