

CITY OF COTTAGE GROVE, MINNESOTA  
CITY COUNCIL  
RESOLUTION 2023-012

RESOLUTION IN SUPPORT OF LEGISLATIVE AUTHORIZATION FOR APPROVAL OF A  
LOCAL SALES AND USE TAX

**WHEREAS**, the City Council of the City of Cottage Grove, Minnesota (the "City"), has engaged community residents and businesses and identified the following three projects to be funded with revenue from a general sales and use tax:

1. The Hamlet Park Project: The construction of improvements of Hamlet Park, which may include the completion of the sports complex, the addition of art spaces, the addition of a splash pad and skate park, and the replacement, rehabilitation, and improvement of the existing amenities (the "Hamlet Park Project");
2. The River Oaks Golf Course Project: The construction of improvements to River Oaks Golf Course, which may include high-tech golf simulators, a Himalayan putting course and innovative and premiere options for golf and enhanced entertainment and event space (the "River Oaks Golf Course Project");
3. The Mississippi Dunes Park Project: The development of a park and related facilities at property along the Mississippi River, which may include new access to the Mississippi National River and Recreation Area, an interpretive building, trails, a boat launch, habitat restoration, fishing piers, and educational spaces (the "Mississippi Dunes Park Project")

(together the Mississippi Dunes Park Project, the Hamlet Park Project and the River Oaks Golf Course Project shall be referred to as the "Project" or "Projects"); and

**WHEREAS**, Minnesota Statutes, Section 297A.99, authorizes the imposition of a general sales tax if permitted by special law of the Minnesota Legislature and requires that before requesting legislative approval of a special law to impose a local sales and use tax, the City Council must adopt a resolution that indicates its approval of the tax; and

**WHEREAS**, the City has proposed that a sales and use tax of up to one-half of one percent (0.5%) be imposed to pay the costs of collecting the tax and to pay all or part of the costs of the Projects; and

**WHEREAS**, the Projects will result in benefits to both the residents and the businesses of the City and to non-resident visitors and businesses and will have regional significance, drawing hundreds of thousands of visitors to the community; and

**WHEREAS**, the City has documentation of the regional significance of each of

the Projects, including the share of the economic benefit to or use of each of the Projects by persons residing, or businesses located outside of the City; and

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

**WHEREAS**, the Projects are projected to cost approximately \$36,000,000 in the aggregate, consisting of projected project costs of \$17 million for the Hamlet Park Project, \$6 million for the River Oaks Golf Course Project, and \$13 million for the Mississippi Dunes Park Project; and

**WHEREAS**, the City estimates that the proposed tax will generate revenue of approximately \$36,000,000 over 25 years; and

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

- For the Hamlet Park Project, the City will collect \$17 million over 12 years;
- For the River Oaks Golf Course Project, the City will collect \$6 million over 4 years; and
- For the Mississippi River Park Project, the City will collect \$13 million over 9 years.


NOW THEREFORE BE IT RESOLVED by the City Council of the City of Cottage Grove, County of Washington, State of Minnesota, that:

1. The City Council supports the authority to impose a one-half-of-one percent (0.5%) general local sales and use tax for a period of up to 25 years or until \$36,000,000, plus an amount equal to interest and the costs of issuance of any bonds issued to finance the Project is raised (unless otherwise extended by subsequent Legislative authorization), to fund the Projects; and
2. Upon approval of this resolution and by January 31, 2023, the City will submit the adopted resolution and documentation of the regional significance of the Projects 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; and
3. Upon legislative approval and passage of a 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; and
4. The City will put separate, detailed ballot questions for each Project on a general election ballot for local voter approval within two years of receiving legislative authority; and
5. If one or more ballot questions pass, the City will also pass an ordinance

imposing the tax and notify the commissioner of the Department of Revenue of the tax at least 90 days before the first day of the calendar quarter in which the tax will be imposed.

6. The City recognizes and acknowledges that once any authorized local sales and use tax extension expires or otherwise terminates, the City is prohibited from imposing a local sales tax for a period of one year; and
7. The City Council hereby indicates its approval of a sales and use tax to be authorized by the Legislature of the State of Minnesota for the Projects.

Passed this 18<sup>th</sup> day of January, 2023.

  
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Myron Bailey, Mayor

Attest:

  
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Tamara Anderson, City Clerk