

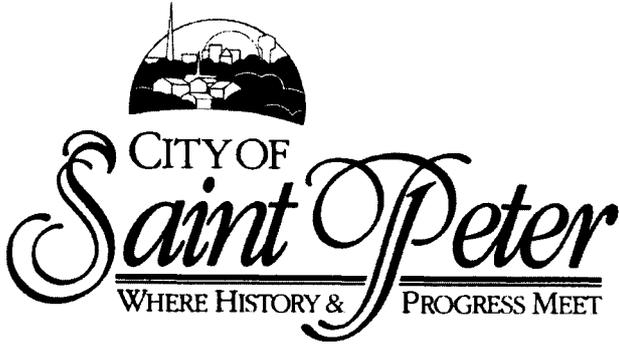
**CITY OF SAINT PETER, MINNESOTA
AGENDA AND NOTICE OF MEETING**

Regular Workshop Session of March 16, 2020
Community Center, St. Peter Room – 5:30 p.m.
600 South Fifth Street

- I. **CALL TO ORDER**
- II. **DISCUSSION**
 - A. Building Department Presentation
 - B. Senate Tax Committee Hearing
- III. **ADJOURNMENT**

Office of the City Administrator
Todd Prafke

TP/bal



Memorandum

TO: Honorable Mayor Zieman
Members of the City Council

DATE: 3/13/20

FROM: Todd Prafke
City Administrator

RE: Department Presentations: Building

ACTION/RECOMMENDATION

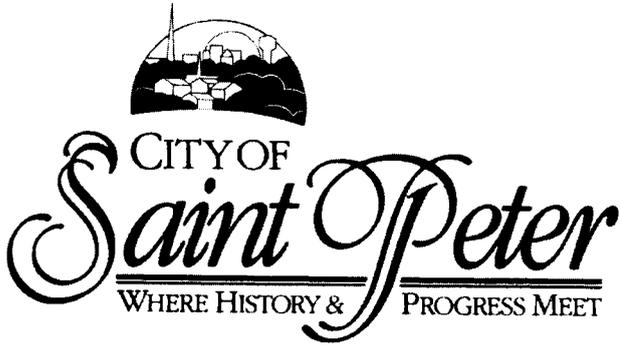
None needed. For Council information and discussion only.

BACKGROUND

As part of Monday evening's workshop Director of Building Dean Busse will provide a presentation on the Building Department.

Please feel free to contact me if you have any questions or concerns on this agenda item.

TP/bal



Memorandum

TO: Honorable Mayor Zieman
Members of the City Council

DATE: 3/13/20

FROM: Todd Prafke
City Administrator

RE: Senate Tax Hearing

ACTION/RECOMMENDATION

None needed. For Council information and discussion only.

BACKGROUND

On Thursday, March 19th, the Senate Tax Committee is expected to hold a hearing to consider the City of Saint Peter's request for a local option sales tax. Time has been included on the workshop agenda to review the talking points for that presentation.

As used during the House hearing, the following topics are presented for review and consideration:

The City Council is requesting authority to hold a local vote for a one-half of one percent sales tax used solely for the development of a new Fire Hall. Fire service is an essential service that we are not able to provide effectively using our current Fire Hall which was constructed in 1929. The total project costs for a new facility are estimated at \$9.1 million dollars.

The City has applied for a USDA-Rural Development loan to finance the project over a 40-year term at an estimated interest rate of 2.75%. The USDA-Rural Development loan is estimated to have debt service payments totaling \$15,152,441 over the 40-year term. Based on estimates of sales tax revenue from the Minnesota Department of Revenue, a local sales tax of one-half of one percent would generate \$10,400,000 over 40 years.

In addition, the City Council plans to implement a local property tax levy to pay debt service costs not funded by sales tax revenues. We anticipate that levy being at slightly less than \$120,000 per year and sales tax generating approximately \$260,000 per year.

We believe our request meets the Regional Impact requirement under the new law based on these points:

- Saint Peter is home to the State-owned Saint Peter Regional Treatment Center which, as you are aware, is a State treatment facility for sexual predator and mentally ill and dangerous persons. As such, the fire response service we provide has statewide impact. The location of the Treatment Center within our fire service territory has resulted in the need for our Fire Department to purchase additional equipment and undergo training that we may not otherwise need in order to respond to emergencies at this facility.
- Saint Peter is also home to Gustavus Adolphus College which draws students from across the globe. Science class rooms, dormitories and other uses that occur on campus also require additional specialized equipment for our Fire Department. This too shows regional impact.
- The taxable property in the City of Saint Peter during that last year providing comparable assessed valuation (2016) shows that \$551,971,100 (63%) was taxable and tax exempt property was \$325,176,600 (37%). This is significantly different than most communities. The City Council believes that the use of sales tax for a portion of the cost of the Fire Hall better represents the balance of value received between those that pay property taxes and those that utilize services but do not pay property taxes.
- The Treatment Center is home to approximately 650 patients and Gustavus provides about 2,300 people to our community - all of whom pay no real estate taxes but benefit from core services such as the Fire Department. These institutions provide wonderful benefits to our community and employ many people who live here including some of our Volunteer Firefighters. A mix of sales tax and property taxes is seen by the Council as an appropriate balance in sharing the cost burden of a new Fire Hall.
- The Saint Peter Fire Department provides service to major portions of three surrounding townships through contracts for service and provides mutual aid assistance to a number of cities in our area.
- The Fire Department is more than just a fire fighting organization. We provide hazardous material response to this area and support other first responders in providing aid such as passenger extraction to travelers involved in crashes along State Highways 169, 99 and 22. These three highways carry an inordinate amount of traffic through Saint Peter and many of those who receive assistance from the Fire Department along these State highways live outside of the City of Saint Peter.

The City Council, through its resolution, respectfully requests authority be given to hold a local vote for a one-half of one percent sales tax used solely for the development of a new Fire Hall in Saint Peter.

My goal for your meeting is to go through this information, review the talking points, arrange who, what, how we will cover this hearing, which will likely take place on Thursday.

Please feel free to contact me if you have any questions or concerns on this agenda item.

TP/bal