



City Council

Special Meeting Agenda

Wednesday, January 28, 2026

4:00 PM

Elk River City Hall

- Meeting in Council Chambers

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1. CALL MEETING TO ORDER
 2. PLEDGE OF ALLEGIANCE
 3. DISCUSSION
 - 3.1 Consider local option for sales tax amendment
 4. MOTION TO ADJOURN



Request for Action

To
City Council

Item Number
3.1

Meeting Date
January 28, 2026

Prepared By
Cal Portner, City Administrator

Item Description
Consider local option for sales tax amendment

Reviewed by
Cal Portner
Jolene Richter

Action Requested

Approve, by motion, Resolution 26-07, amending Minnesota laws 2019, First Special Session, Chapter 6, Article 6, Section 17 to broaden the uses of the tax to include a fire station.

Designate, by motion, Calvin P. Portner to be a signatory for official City of Elk River documents as Interim Deputy City Clerk.

Background/Discussion

In 2019, the City of Elk River received legislative approval to adopt a Local Option Sales Tax (LOST) of 0.5 percent for up to 25 years to fund the construction of a community center, meeting space, senior center, ice arenas, park improvements at Lion John Weicht Park, Orono Park, and the Youth Athletic Complex, trail connections, and dredging of Lake Orono.

Proceeds of the 2019 LOST have exceeded the initial revenue estimates, thus enabling the termination of the LOST well before the 25-year term.

Fire Station #1 has neared the end of its expected lifecycle and will require major renovations to continue in its current operational capacity. Multiple studies have indicated improved value in replacing the building rather than making major improvements.

The City Council has expressed consensus to fund the construction of the building. Amending the existing state law to include these new items would continue the existing term without increasing the tax. If the bonds for the fire station are paid for before the end of the original term, the LOST would terminate at that time.

Per Minnesota Statute, the respective tax chairs in the House and Senate must receive an approved resolution by January 31 of their session.

Financial Impact

N/A

Mission/Policy/Goal

Elk River Mission Statement

The Elk River Vision

A welcoming community with revolutionary and spirited resourcefulness, exceptional service, and community engagement that encourages and inspires prosperity



Attachments

1. Sec. 297A.99 MN Statutes
2. Resolution LOST Amendment 2026

§ Subd. 2. **Local resolution before application for authority.** (a) Before the governing body of a political subdivision requests legislative approval to impose a local sales tax authorized by a special law, it shall adopt a resolution indicating its approval of the tax. The resolution must include the following information:

- (1) the proposed tax rate;
- (2) a detailed description of no more than five capital projects that will be funded with revenue from the tax;
- (3) 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;
- (4) the amount of local sales tax revenue that would be used for each project and the estimated time needed to raise that amount of revenue; and
- (5) the total revenue that will be raised for all projects before the tax expires, and the estimated length of time that the tax will be in effect if all proposed projects are funded.

(b) The jurisdiction seeking authority to impose a local sales tax by special law must submit the resolution in paragraph (a) along with underlying documentation indicating how the benefits under paragraph (a), clause (3), were determined, to the chairs and ranking minority members of the legislative committees with jurisdiction over taxes no later than January 31 of the year in which the jurisdiction is seeking a special law authorizing the tax.

(c) The special legislation granting local sales tax authority is not required to allow funding for all projects listed in the resolution with the revenue from the local sales tax, but must not include any projects not contained in the resolution.

(d) For purposes of this section, a "capital project" or "project" means:

- (1) a single building or structure including associated infrastructure needed to safely access or use the building or structure;
- (2) improvements within a single park or named recreation area; or
- (3) a contiguous trail.



**City of Elk River
City Council**

Resolution 26-07

**A Resolution of the City Council of the City of Elk River to amend Minnesota Laws,
2019, 1st Special Session, Chapter 6, Article 6, Section 17**

WHEREAS, the City of Elk River enacted a Local Option Sales Tax in June 2019 of one half of one cent to pay the cost of collecting and administering the tax and to pay the capital and administrative costs for various recreational facility and park improvements; and

WHEREAS, City of Elk River voters approved by referendum the implementation of the tax before approved in Minnesota law; and

WHEREAS, the total raised from the tax was limited to \$35,000,000, plus the costs related to the issuance and paying debt service for the identified projects; and

WHEREAS, the City of Elk River was granted, by law, up to 25 years to collect the tax; and

WHEREAS, the City of Elk River seeks to amend the said state law to include an additional \$20,000,000, plus the costs related to the issuance and paying debt service to construct a replacement fire station; and

WHEREAS, The City of Elk River seeks to maintain the currently authorized tax rate and 25-year period of collection to fund the primary fire station that serves the City of Elk River, the City of Otsego, Big Lake Township with fire and ambulance response, as well as supporting Mutual Aid Agreements with surrounding cities and townships; and

WHEREAS, the city is a gateway to the Minnesota lakes regions served by U.S. Highways 169 and 10 with an approximate average of 70,000 vehicles moving through the city daily to vacation destinations, places of employment, shopping and entertainment as well as a BNSF rail line with approximately 60 freight trains per day. Our fire department responds to motor vehicle and personal injury accidents and maintains hazardous material response capabilities for both rail and over-the-

road haulers; and

WHEREAS, Elk River is home to ISD 728 and the Sherburne County Government Center, two of the largest employers in the region serving students, families from throughout the three-county area; and

WHEREAS, the city is also the regional employer for large manufacturers such as Sportech, Rinker Materials, Preferred Powder, Heritage Millworks, J&J Machine and JonnyPops; and

WHEREAS, Elk River is also a regional shopping and entertainment destination as evidenced by a 2018 University of Minnesota Extension Service Study finding non-residents accounted for 45.5 percent of taxable sales; and

WHEREAS, the city is also a destination for its parks system which include 300+ acre Woodland Trails Regional Park, William H. Houlton Conservation Area (325 acres on the Mississippi River), Hillside Mountain Bike Park which draws cycling enthusiasts from the entire Midwest as well as the privately-owned ERX Motor Park which hosts multiple national championship Snocross snowmobile and Torx Truck races, concerts and events annually; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Elk River, Minnesota, as follows: 1. The above recitals are incorporated as if fully set forth herein. 2. The city requests that the Legislature amend Minnesota Laws, 2019, First Special Session, Chapter 6, Article 6, Section 17 to increase the total raised from the one half of one cent to Local Option Sales Tax by \$20,000,000 for a total of \$55,000,000 during the 25-year period of collection.

Passed and adopted this 28th day of January 2026.

John J. Dietz, Mayor

ATTEST:

Calvin P. Portner, Interim Deputy Clerk