Special Minot City Council and Minot Park Board Meeting
Tuesday, November 12, 2024, at 1:00 PM
City Council Chambers, City Hall (10 3rd Ave SW)
Any person needing special accommodation for the meeting is requested to notify the City Clerk’s office at 857-4752.

1. ROLL CALL

2. PLEDGE OF ALLEGIANCE

3. ACTION ITEMS

    3.1. MINOT PARK DISTRICT 1/2 CENT SALES TAX

    RECOMMENDED ACTION
    This is an informational meeting only to discuss the draft of the ordinance proposed. City Council can give staff direction on the ordinance.

4. ADJOURNMENT

TO: Mayor Ross
Members of the City Council

FROM: Elly DesLauriers
Executive Director Minot Park District

DATE: November 12, 2024

SUBJECT: MINOT PARK DISTRICT 1/2 CENT SALES TAX

I. RECOMMENDED ACTION

This is an informational meeting only to discuss the draft of the ordinance proposed. City Council can give staff direction on the ordinance.

II. DEPARTMENT CONTACT PERSONS

Harold Stewart, City Manager, 701-857-4721
David Lakefield, Finance Director, 701-857-4774
Stefanie Stalheim, City Attorney, 701-857-4190

III. DESCRIPTION

A. Background

City staff arranged this joint meeting of the Minot City Council and the Minot Park District to consider a request by the Minot Park District to the City of Minot to call a special election for the electorate to consider approving a 1/2 cent sales tax to be dedicated to the Minot Park District to finance and construct a new indoor turf facility and provide general funds for the operation of the Minot Park District.

If the 1/2 cent sales tax is approved, the Minot Park District is agreeable to reducing the property tax assessment gap on its general fund mills from 38 mills to 26 mills until June 30, 2030. The 1/2 cent sales tax will not expire upon satisfying the bonds required to construct the indoor turf facility. Rather, after repayment of the bonds, one hundred percent of the tax will remain dedicated to the Minot Park District general fund for operations and future capital projects of the Minot Park District.

B. Proposed Project

The Minot Park District is proposing a field house to be located at the site of the MAYSA Arena. Indoor turf was ranked as the biggest community need through the 2022 indoor facility study completed by the district. The fieldhouse would provide an open space for open free play, which also scored high as a priority in our community. A portion of the ½ cent sales tax would go towards a bond payment for the new turf facility and provide general funds for the Minot Park operations and future capital projects and allow the Minot Park District to reduce its property tax assessments for a period of five years and reevaluate at that time.

C. Recommendation Detail

The Minot Park District assessed the needs of the community with a focus of indoor recreation in 2022. As mentioned above, indoor turf was the highest-ranking need among user groups and community forums. Once the Field House project was identified, the district began to research funding options. In researching, the ½ sales tax would be a viable option to include a bond payment for a turf facility, provide general funds for the Minot Park operations and future capital projects and allow the Minot Park District to reduce its property tax assessment. The Minot Park District is asking the Minot City Council to allow this to go on a ballot for a special election on April 29, 2025.

IV. IMPACT

A. Aspirations

Dynamic and Flourishing - This project supports the Minot Parks mission to provide a quality of life for people of all ages and all abilities. The proposed plan for an indoor facility was compiled by meeting with multiple user groups and community groups. The goal of the district is to continue to expand recreational opportunities for our community and surrounding communities while maintaining our current parks and facilities.

B. Service/Delivery Impact:

The Minot Park District believes, through the projected estimates of a ½ sales tax, we can lower the Minot Parks general fund portion of the property tax by 40% as well as continue to improve the quality of life in our area through a new fieldhouse and continue to maintain and operate our current parks and facilities. By doing so, creating an economic impact that puts dollars back into our community and the Minot Park system.

The Minot Park District sees the proposed fieldhouse as a facility that can enhance the quality of life for our entire community and surrounding area. The early concepts had a turf space that would accommodate multiple user groups and community members at the same time as well as an elevated walking track for all ages and all abilities.

C. Fiscal Impact

The Minot Park District estimates a portion of the ½ cent sales tax would go towards a bond payment of the new turf facility and provide general funds for the Minot Park operations and future capital projects and allow the Minot Park District to reduce its property tax assessments for a period of five years and reevaluate at that time.

Project Costs

The estimate for the fieldhouse project is 16 million dollars.

VI. ALTERNATIVES

Currently, the Minot Park District does not have another viable funding source for an indoor turf facility. If not put on the ballot, Minot Parks will continue to operate on property tax.

NOTICE OF BALLOT MEASURE

At a special election on ________________, 2025, the following proposed amendment to the Minot Code of Ordinances will be placed on the ballot:

At the request of the Minot Park District, the City of Minot shall amend its Minot Code of Ordinances to adopt an additional one-half percent (1/2%) tax on gross receipts of retailers from all sales at retail and use tax to be dedicated to the Minot Park District for the financing and construction of a new indoor turf facility and to provide general funds for the operation of the Park District. Upon approval of the one-half percent (1/2%) sales tax the Park District shall reduce the property tax assessment cap on its general fund mills from 38 mills to 26 mills, which cap shall sunset June 30, 2030. The one-half percent (1/2%) sales and use tax shall not expire at the completion of paying for the bonds to build the indoor turf facility. After repayment of the bonds, one hundred percent of the tax shall be dedicated to the Park District general fund for operations and future capital projects of the Park District and allow for the reduction of its property tax assessments.

A “**YES**” Vote means you approve the city measure as summarized above.

A “**NO**” Vote means you reject the city measure as summarized above.

If this proposed amendment receives a majority of “**YES**” votes in the next election, it will be enacted by the City of Minot.

ORDINANCE NO.

AN ORDINANCE ENACTING ARTICLE VI (SALES AND USE TAXES (MINOT PARK DISTRICT)), SECTIONS 28½-141 (DEFINITIONS), 28½-142 (COLLECTION AND ADMINISTRATION), 28½-143 (SALES TAX IMPOSED), 28 ½-144 (USE TAX IMPOSED), 28½-145 (GROSS RECEIPTS OF ALCOHOLIC BEVERAGES), 28½-146 (EXEMPTIONS), 28½-147 (CONTRACT WITH STATE TAX COMMISSIONER), 28 ½-148 (DEDICATION OF TAX PROCEEDS), 28½-149 (MAXIMUM TAX IMPOSED), AND 28½-150 (EFFECTIVE DATE) UNDER CHAPTER 28 ½ (TAXATION), CODE OF ORDINANCES, CITY OF MINOT, NORTH DAKOTA TO IMPOSE A ONE-HALF PERCENT SALES AND USE TAX AND DEDICATE THE PROCEEDS THEREOF TO THE MINOT PARK DISTRICT TO FINANCE AND CONTRUCT AN INDOOR TURF FACILITY AND FINANCE GENERAL PARK DISTRICT OPERATIONS AND FUTURE CAPITAL PROJECTS.

WHEREAS, the City of Minot is a political subdivision and home rule city in North Dakota possessing municipal powers and authority pursuant to its Home Rule Charter and the North Dakota Century Code (N.D.C.C.), including Title 40, N.D.C.C., and specifically those municipal powers codified in N.D.C.C. §§ 40-05-01 and 40-05.1-06; and

WHEREAS, the City of Minot's Home Rule Charter explicitly grants the City the power to impose a sales and use tax; and

WHEREAS, the City Council for the City of Minot, North Dakota (City of Minot) has been presented information and data from the Park District for the City of Minot (Minot Park District) relating to their proposed plan for the design, construction, and operation of an indoor turf facility that will be incorporated into the current MAYSA facility located within the City of Minot to be used for health, wellness, athletic, and/or recreational activities which will enhance the quality of life to the Minot community and surrounding area residents; and

WHEREAS, the City Council for the City of Minot has been presented information and data from the Minot Park District for a plan to fund construction for the indoor turf facility and provide funding for Minot Park District operations and future capital projects through the use of an additional one-half percent (½%) gross retail sales and use tax; and

WHEREAS, the Minot Park District also proposes to reduce the property tax assessment cap on its general fund mills from 38 mills to 26 mills for a period of five (5) years, which cap shall sunset June 30, 2030, if the additional one-half percent (½%) sales and use tax is imposed and proceeds of the tax dedicated to the indoor turf facility and Minot Park District operations and future capital projects; and

WHEREAS, the City of Minot has the authority and desires to impose a sales and use tax of one-half percent (½%), with proceeds of the taxes placed in a separate fund and dedicated and expended according to Article VI (Sales and Use Taxes (Minot Park District)) and Sections 28 ½ 121 – 150 as set forth in this ordinance; and

WHEREAS, it is mutually beneficial that the City of Minot and Minot Park District cooperate in providing financing for the indoor turf facility and Minot Park District operations and future capital projects through an additional one-half percent (½%) sales and use tax, allowing the Minot Park District to reduce the property tax assessment cap on its general fund mills from 38 mills to 26 mills for a period of five (5) years, for the benefit of community residents and surrounding area residents, provided a majority of City of Minot residents express their support by voting at a City election in favor of financing the indoor turf facility and Minot Park District operations and future capital projects through imposition of the additional one-half percent (½%) sales and use tax; and

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MINOT:

§1. That Article VI (Sales and Use Taxes (Minot Park District)), Sections 28½-141 (Definitions), 28½-142 (Collection and administration), 28½-143 (Sales tax imposed), 28 ½-144 (Use tax imposed), 28½-145 (Gross Receipts of Alcoholic Beverages), 28½-146 (Exemptions), 28½-147 (Contract With State Tax Commissioner), 28 ½-148 (Dedication of Tax Proceeds), 28½-149 (Maximum Tax Imposed), and 28½-150 (Effective Date), under Chapter 28 ½ (Taxation), Code of Ordinances, City of Minot, North Dakota, are hereby enacted as follows:

ARTICLE VI – SALES AND USE TAXES (MINOT PARK DISTRICT)

Sec. 28½-141. Definitions.

All terms defined in chapters 40-05.1, 57-39.2, 57-39.4, 57-39.5, 57-39.6 and 57-40.2 of the N.D.C.C. are adopted by reference with respect to this article.

Sec. 28½-142. Collection and administration.

Where not in conflict with the provisions of this article, the provisions of chapters 40-05.1, 57-39.2, 57-39.4, 57-39.5, 57-39.6 and 57-40.2, N.D.C.C., and all administrative rules adopted by the tax commissioner, pertaining to the collection and administration of the retail sales, use, and gross receipts tax, including provisions for liability, refund, penalty, interest or credit, govern the administration by the North Dakota Office of State Tax Commissioner (hereinafter "tax commissioner") of the taxes imposed by this article.

Sec. 28 ½-143. Sales tax imposed.

Subject to the provisions of NDCC § 40-05.1-06, and except as otherwise provided by this article, or the sales and use tax laws of the State of North Dakota, a tax of one-half percent (½%) is imposed upon the gross receipts of retailers from all sales at retail, including the leasing or renting of tangible personal property, within the corporate limits of the City of Minot, North Dakota.

Sec. 28 ½-144. Use tax imposed.

Subject to the provisions of NDCC § 40-05.1-06, and except as otherwise provided by this article, or the sales and use tax laws of the State of North Dakota, an excise tax is imposed upon the storage, use, or consumption within the corporate limits of the City of Minot, North Dakota, of tangible personal property purchased at retail for storage, use, or consumption in this city, at the rate of one-half percent (½%) of the purchase price of the property. An excise tax is imposed on the storage use, or consumption within the corporate limits of the City of Minot, North Dakota of tangible personal property not originally purchased for storage, use, or consumption in this city at the rate of one-half percent (½%) of the fair market value of the property at the time it was brought into this city.

With respect to the purchase price of tangible personal property used by a contractor or subcontractor to fulfill a contract as defined in NDCC § 57-40.2-03.3, the tax imposed by this section applies only to bids submitted on or after the effective date of this article.

Sec. 28 ½-145. Gross receipts of alcoholic beverages.

This article recognizes enactment of new provisions under chapter 28½, taxation, article IV of the City of Minot Code of Ordinances, with the provisions of this article relating solely to implementation of city sales and use taxes. However, recognizing that article VII (alcoholic beverage gross revenues tax) of ½ of the Minot Code of Ordinances does not have a current expiration date, the terms and provisions of that existing ordinance and tax relating to gross receipts of alcoholic beverages remains intact and is not modified or terminated by this article.

Sec. 28 ½-146. Exemptions.

This article provides for exemptions from imposition and computation of the city sales and use tax for mobile homes, new farm machinery, and new farm irrigation equipment and for any additional exemption provided by state law.

Sec. 28 ½-147. Contract with tax commissioner.

The Minot Finance Director is authorized to contract with the tax commissioner for administration and collection of taxes imposed by this article. The City's Finance Director has all powers granted to the tax commissioner, and in the absence of a valid contract with the tax commissioner or failure of the tax commissioner to perform the delegated duties, shall perform these duties in place of the tax commissioner.

Sec. 28 ½-148. Dedication of tax proceeds.

The proceeds of the one-half percent (½%) tax authorized under this article (the "Minot Park District sales tax") shall be placed in a separate fund, which shall be dedicated exclusively to the Minot Park District to be expended for:

(1) the financing and construction of an indoor turf facility; and

(2) to provide general funds for Minot Park District operations and future capital projects and allow the Minot Park District to reduce its property tax assessments for a period of five (5) years.

Sec. 28 ½-149. Maximum tax imposed.

Any patron or user paying a tax imposed by this article in excess of fifty dollars ($50.00) upon any single transaction of one (1) or more items may obtain a credit or refund of the excess tax at the time of purchase directly from the vendor or request a refund of the excess tax payment by filing a request for refund upon the forms provided by the tax commissioner.

Sec. 28 ½-150. Effective Date.

This article shall be accepted after its passage and approval on second reading by the Minot City Council.

§2. Implementation Date of Amendments. The ordinance amendments shall be implemented on ____________ 1, 2025.

§3. Effective Date. This ordinance shall be effective upon the later of second reading and final passage by the Minot City Council and approval by a majority of the electors voting in a special election to be held ____________, 2025 for the purpose of considering whether the ordinance should be ratified. If the voters fail to approve the ordinance, it shall not become effective.

PASSED ON FIRST READING:
PASSED ON SECOND READING:

ATTEST:	APPROVED:
____________________________	____________________________
Mikayla McWilliams, City Clerk	Tom Ross, Mayor


MAPPING THE FUTURE
WHILE MAINTING THE FUTURE
MINOT PARK DISTRICT

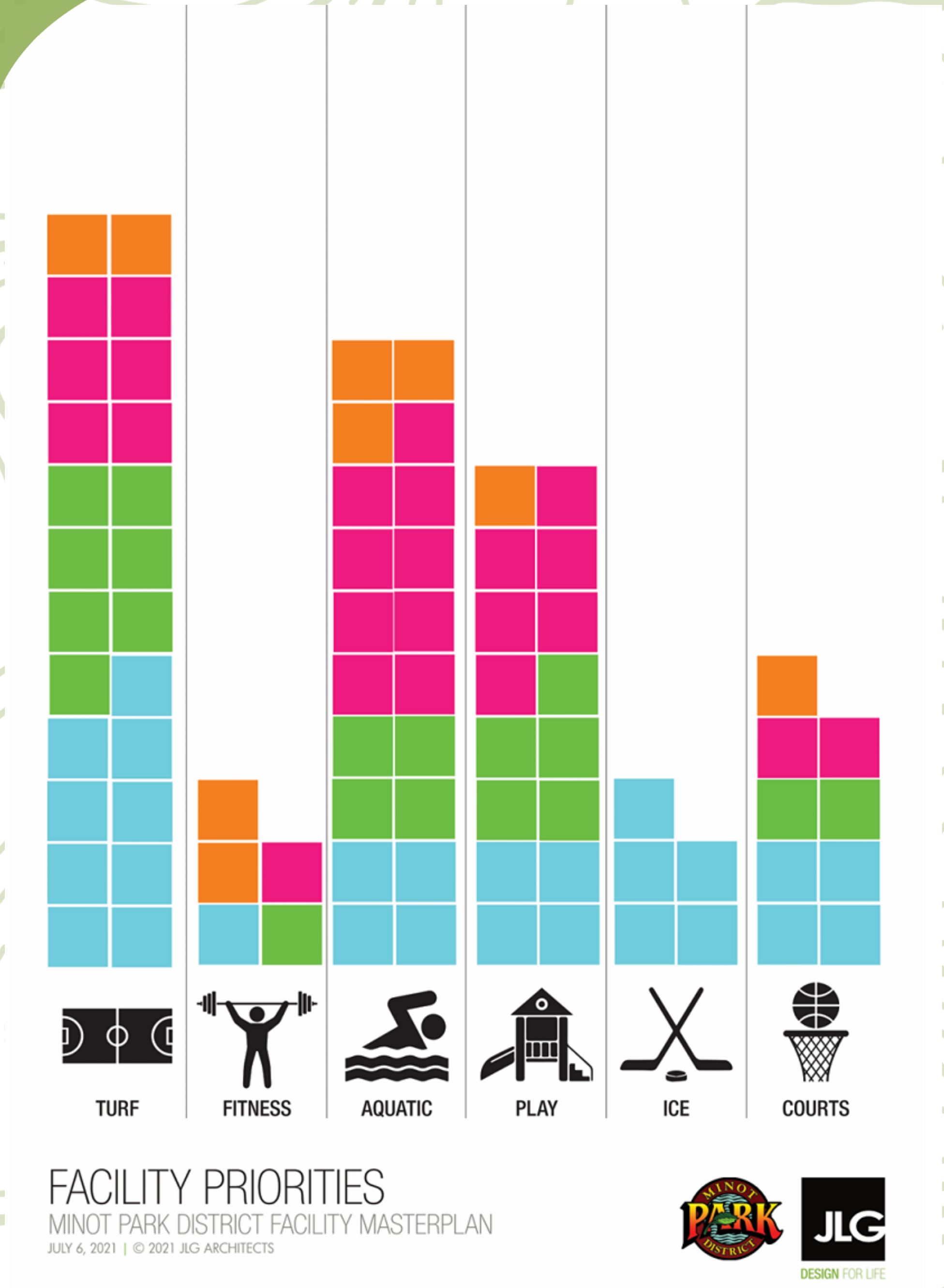
MAPPING THE FUTURE

The Minot Park Discovery is proposing a ½ cent sales tax that will provide property tax relief as well provide funding for quality of life projects and maintain our current parks and facilities.

MAPPING THE FUTURE

INDOOR FACILITY STUDY

- Flexibility and adaptability of spaces for year-round recreation
- Involve the Community to identify Community needs
- Benefit all Minot citizens regardless of recreation type, age, or abilities
- Enhance quality of life for Minot Citizens
- Community Partnerships
- Increase Minot Park District's economic impact



SURVEY RESULTS

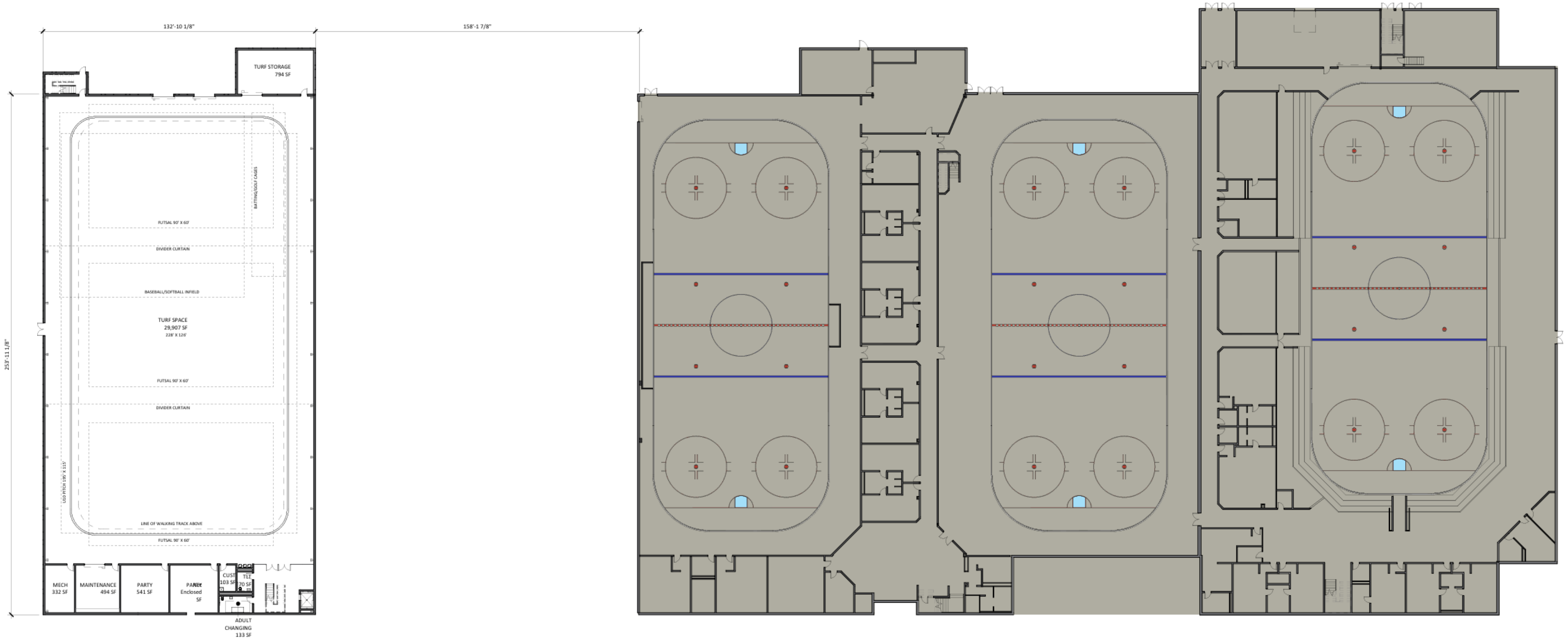
1. Turf
2. Aquatics
3. Play
4. Ice
5. Courts

MAPPING THE FUTURE

PUBLIC FORUM

- MAYSA Providing resources outside of ice sports is positive and makes the building more rounded for year-round use.
- The proposed concourse on the south side of the facility is important to connecting the building together, but may be considered as one of the later phases.
- Indoor play is critical to the usage of the facility.

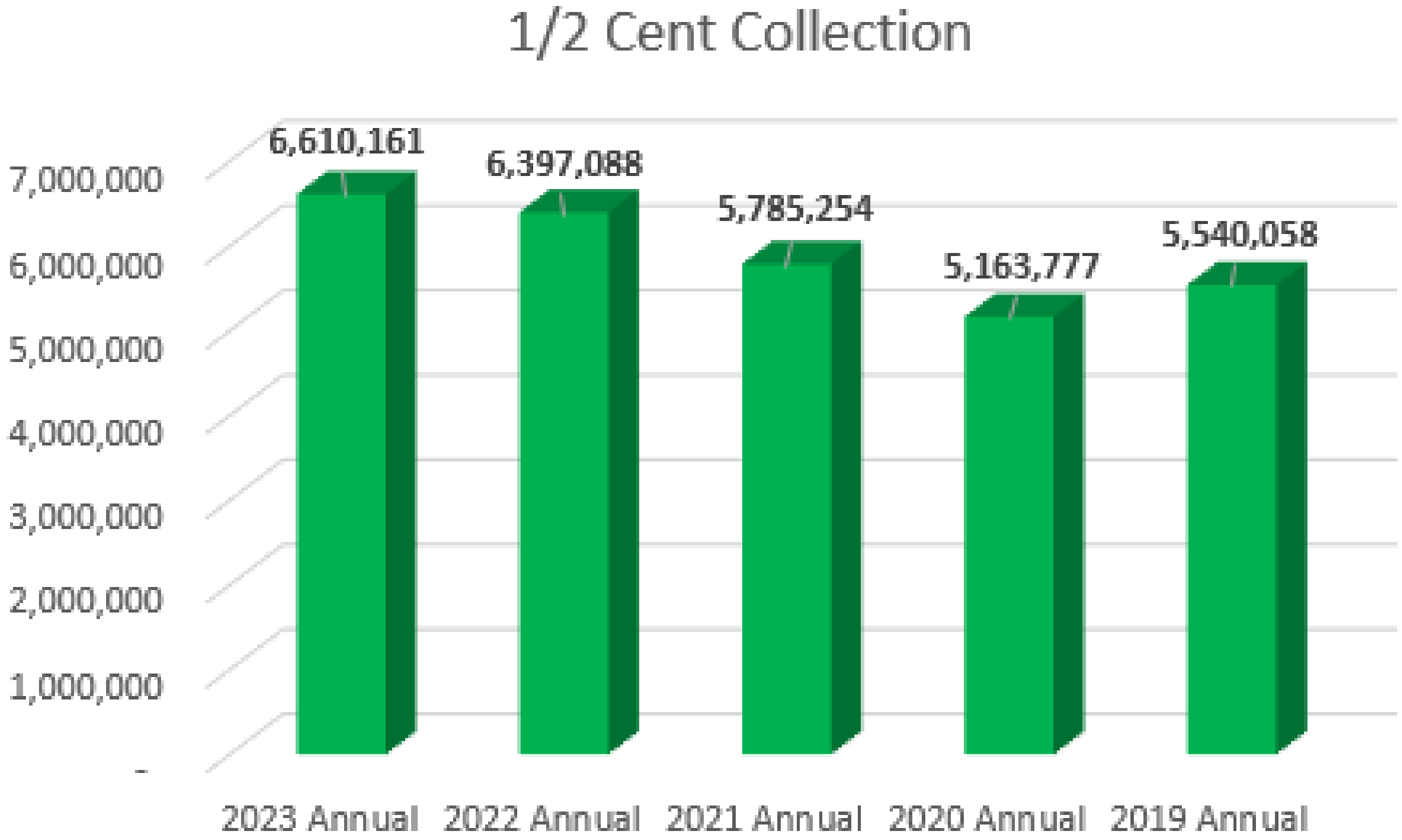

MAPPING THE FUTURE
MAYSA
FIELDHOUSE
MINOT
PARK
DISTRICT



132'-10 1/8"
158'-1 7/8"
253'-11 1/8"
TURF STORAGE
794 SF
BATTING/GOLF CAGES
FUTSAL 90' X 60'
DIVIDER CURTAIN
BASEBALL/SOFTBALL INFIELD
TURF SPACE
29,907 SF
228' X 126'
FUTSAL 90' X 60'
DIVIDER CURTAIN
U10 PITCH 195' X 115'
LINE OF WALKING TRACK ABOVE
FUTSAL 90' X 60'
MECH
332 SF
MAINTENANCE
494 SF
PARTY
541 SF
Enclosed
SF
CUST
103 SF
TLT
70 SF
ADULT
CHANGING
133 SF


MAPPING THE FUTURE
MINOT
PARK
DISTRICT

SALES TAX COLLECTION



BREAK DOWN OF ½ SALES TAX

- Property Tax Relief
  - 14 Mills from Minot Parks
    - 2025=3.5 Million
    - 40% Reduction General Fund
    - Savings of $170.00 on $250,000.00 Home
- Operational Costs
  - Baseball Fields
  - Softball Fields
  - MAYSA
  - Roosevelt Park Zoo
  - Auditorium
- Bond Payment Turf Facility

MAINTENANCE OF CURRENT FACILITIES

- Auditorium Roof
- MAYSA Roof
- Roosevelt Park Pool
- Scheels Complex Grading
- Optimist Soccer Complex Drainage

FUTURE PROJECTS

Corbett Field Masterplan

- Accessibility
- Restrooms

Superfund Site

- 18 Disc Golf Course
- Crossing Country Running Track
- Mountain Bike Trails

Auditorium Renovation/Expansion

- Three Multiuse Courts
- Pickleball Courts

Phase Three Outdoor Recreation

- Poured in Place Inclusive Playground
- Zip Line
- Community Orchard
- Challenge Course
- All Season Pavilion

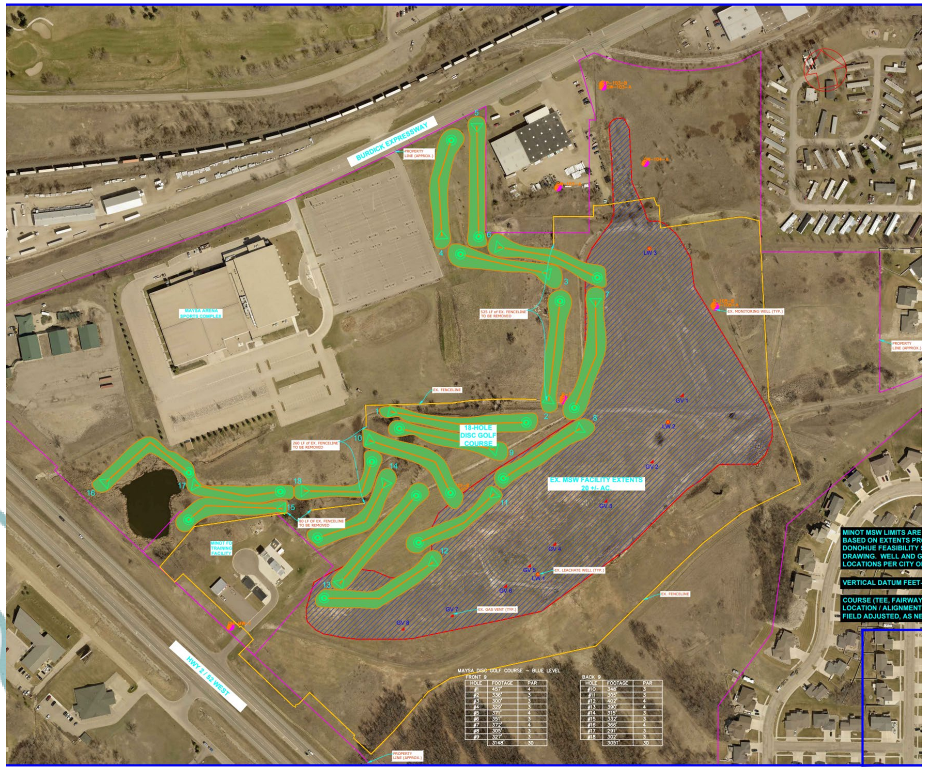
Field Analysis

- Potential Tournament Growth
- Economic Impact

MAYSA Addition

FUTURE PROJECTS

SUPERFUND SITE



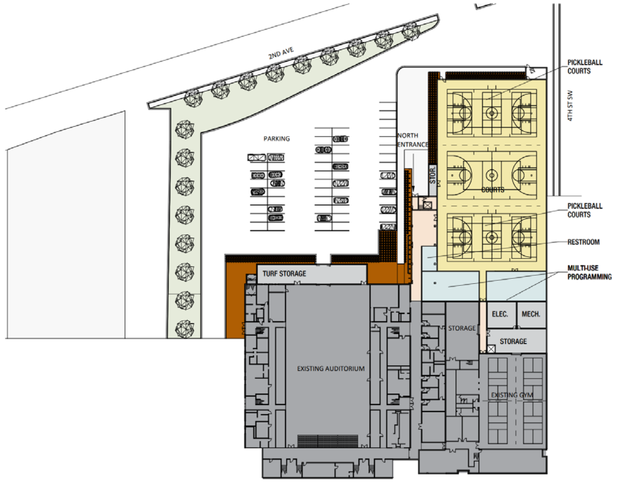
CORBETT FIELD

MAPPING THE FUTURE

FUTURE PROJECTS

OUTDOOR RECREATION PHASE THREE

AUDITORIUM



MINOT PARK DISTRICT INDOOR REC. FACILITIES

Ground Floor

12/9/21 | JLG 21037 | © 2022 JLG ARCHITECTS

0 30 60 120

FUTURE PROJECTS

FIELD ANALYSIS

MAYSA ADDITION