ROSEVILLE

REQUEST FOR COUNCIL ACTION

Date: January 9, 2023
Item No.:

Department Approval | City Manager Approval

Item Description: Consider Adopting a Resolution supporting the creation of a local sales tax in Roseville

BACKGROUND

Last year, the City Council adopted a resolution supporting the creation of a 0.5% local option sales tax in Roseville. Under state law, the Minnesota Legislature first has to approve the request and then Roseville voters would need to approve the implementation of the local option sales tax. In the last legislative session, Roseville's local sales tax request was included in the House and Senate omnibus tax bills, but the Legislature adjourned without taking action on the bills.

The City Council has expressed a desire to pursue approval of 0.5% local option sales for Roseville in the 2023 Legislative Session. Below is the process the City must follow for the Minnesota Legislature to consider approving a local option sales tax for Roseville:

1. City must pass a resolution that includes:
    a. Proposed tax rate
    b. Detailed description of up to five capital projects to be funded with the tax
    c. Documentation of how each project will provide an economic benefit to residents, businesses, and visitors from outside their jurisdiction
    d. Amount of revenue to be raised for each project and the estimated time needed to raise funds
    e. Total amount of revenue to be raised for all projects
    f. Estimated length of time the tax will be in effect if all proposed projects are approved
2. City must submit the approved resolution and supporting documentation to the senate and house tax committee chairs by January 31
3. Once legislative approval is given, the City shall revise and reaffirm its resolution. The resolution must be passed at least 90 days before a general election
4. The City shall hold a referendum vote at a general election within two years of legislative approval. If there are multiple projects, each project must have a separate question for approval
5. If sales tax referendum is approved, the City shall create and pass an ordinance imposing the tax
6. Once ordinance is passed, file a certificate of approval and copy of the ordinance with the Minnesota Secretary of State and inform the Minnesota Department of Revenue in writing of the new local sales tax

Staff is proposing that two projects totaling $76,900,000 to be funded by a local sales tax:

1) City Maintenance Facility at a cost of $64,200,000

2) City License and Passport Center at a cost of $12,7000

Last year, the City also requested sales tax funding for a pedestrian Bridge over Hwy. 36 west of Snelling Ave. The pedestrian bridge has been dropped as part of this request due to the higher costs for the Maintenance Facility and License Center.

To fund these project improvements as well as the debt issuance and interest costs, staff is proposing the City request the Legislature approve a 0.5% local option sales tax subject to approval by voter referendum approval for a period of 20 years in Roseville. According the Minnesota Department of Revenue, it is estimated that a 0.5% sales tax in Roseville will generate $5.4 million annually based on 2019 sales figures. Over 20 years, the sales tax will raise an estimated $108 million dollars which will be sufficient to cover all of the two projects and debt issuance and interest costs. If the project costs come in lower and/or sale tax revenue exceeds our projections, the debt and sale tax authority will expire earlier.

For the City Council's information, Attachment A shows a listing of the local sales tax rates within the Twin Cities metro area and selected cities in Minnesota.

Staff has included a draft resolution (Attachment B) based off of the League of Minnesota Cities model resolution that has been updated with the current projects and the amount of sales tax proposed to be collected. Attachment C contains documentation of regional significance for each project that the City is proposing to be funded via the sales tax. This documentation will be included with the resolution sent to Legislators.

POLICY OBJECTIVE

The creation of a local sales tax for Roseville will more closely distribute the cost borne by Roseville taxpayers for regional transportation infrastructure supporting Roseville's business community.

BUDGET IMPLICATIONS

Not directly applicable at this time. Approval of a local sales tax will lead to additional dollars being available for city capital projects.

RACIAL EQUITY IMPACT SUMMARY

A sales tax is generally considered one of the most regressive taxes, meaning that people of lower incomes pay a larger percentage of their income for sales taxes. The Institute on Taxation and Economic Policy's report "Taxes and Racial Equity – An Overview of State and Local Policy Impacts" states the following regarding the impact of sales taxes:

> *Consumption taxes, most notably general sales taxes, are the most regressive type of taxes relied on by state and local governments and the most significant drivers of racial inequity in state and local tax codes. Low- and middle-income families pay a larger share of their incomes in consumption taxes than the rich. While most low-income taxpayers are white because they remain a majority of the U.S. population, a disproportionate share of Black, Hispanic, Indigenous and other households of color are in lower-income groups due to the legacy of racist public policies and ongoing discrimination. So, policies that disadvantage low-income individuals and families—like heavy reliance on sales and excise taxes—have a disproportionately negative effect on people of color.*

The Executive Summary of the report is included as Attachment C.

While still acknowledging that sales tax disproportionally impact lower income groups and people of color, it should be noted that Minnesota does not apply sales tax to food bought in grocery stores and clothing. This is an important distinction since the exemption helps individuals meet their basic needs around food and clothing without paying an additional tax. However, it is clear that sales taxes, along with property taxes, and income taxes continue to disproportionally affect lower income groups and persons of color. Changes on the state and federal level regarding tax policies will be needed to fully address these inequities.

For reference purposes, listed below is data specific to the City of Roseville.

Median Income by Race/Ethnicity (Household) – Roseville, Minnesota	
American Indian and Alaska Native	Null
Asian	$79,145
Hispanic or Latino	$64,400
Native Hawaiian and Other Pacific Islander	Null
White	$84,514
Black or African American	$49,946
Other Race	$44,410

** US Census Bureau ACS 5-year data (2017-2021)*

Additionally, the City or Roseville demographics are as follows:

Category	**2020 Numbers**	**% of Population**
Total Population	36,254	-
African American or Black	3,182	8.78%
American Indian	137	0.38%
Asian, or Pacific Islander	3,458	9.54%
White	25,809	71.19%
Hispanic/Latino	1,942	5.36%
Two or more races	1,604	4.42%
Some other race	122	0.34%

STAFF RECOMMENDATION

Staff recommends the City Council pass the resolution supporting the creation of a local sales tax in Roseville to fund the City Maintenance Facility and City License and Passport Center,

REQUESTED COUNCIL ACTION

Motion to approve a resolution supporting the creation of a local sales tax in Roseville to fund the City Maintenance Facility and City License and Passport Center.

Prepared by: Patrick Trudgeon, City Manager (651) 792-7021

Attachments:
- A: Listing of metro-area and selected Minnesota cities with local sales taxes
- B: Draft resolution supporting local sales tax for Roseville
- C: Executive Summary of the ITEP report "Taxes and Racial Equity – An Overview of State and Local Policy Impacts
- D: Regional Significance Documentation

Minnesota Sales Tax - 6.875%

Jurisdiction	Sales Tax Rate	Note
Anoka County	7.125%	All cities have a 7.125% sales tax which inlcudes .25% County tax
Carver County	7.375%	All cities have a 7.375% sales tax which inlcudes .50% County tax
Dakota County	7.125%	All cities, except WSP have a 7.125% sales tax which inlcudes .25% County tax
West St. Paul	7.625%	0.5% Local Sales Tax
Hennipen County	7.525%	All cities, except cities listed below, have a 7.525% sales tax which inlcudes .50% County tax and .15% Stadium tax
Excelsior	8.025%	0.5% Local Sales Tax
Minneapolis	8.025%	0.5% Local Sales Tax
Rogers	7.775%	0.25% Local Sales Tax
Ramsey County	7.375%	All cities, except St. Paul have a 7.375% sales tax which inlcudes .50% County tax
St. Paul	7.875%	0.5% Local Sales Tax
Scott County	7.375%	All cities have a 7.375% sales tax which inlcudes .50% County tax
Washington County	7.375%	All cities have a 7.375% sales tax which inlcudes .50% County tax

Selected cities outside of the Twin Cities Metro with local sales tax		
Rochester	8.125%	0.75% Local Sales Tax
St. Cloud	7.875%	0.50% other local tax
Duluth	8.875%	1.50% Local Sales Tax
Elk River	7.875%	0.50% Local Sales Tax

Cities with approved sales tax by the Legislature and received approval from voters in 2022		
Edina	0.50%	Funding for Park Improvements
Maple Grove	0.50%	Funding for Community Center Expansion and Renovation
Oakdale	0.50%	Funding for Police Station and Public Works Facility
Cloquet	0.50%	Funding for Park and Ice Arena Improvements
Fergus Falls	0.50%	Funding for Park and Aquatic Center Improvemetns
Grand Rapids	0.50%	Funding for Civic Center Improvements
Hermantown	0.50%	Funding for Community Recreation Improvements
Litchfield	0.50%	Funding for a Community Recreation Center
Staples	0.50%	Funding for Community Recreation Center
Waite Park	0.50%	Funding for Public Safety Facility

EXTRACT OF MINUTES OF MEETING
OF THE
CITY COUNCIL OF THE CITY OF ROSEVILLE

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Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Roseville, County of Ramsey, Minnesota was duly held on the 9th day of January 2023, at 6:00 p.m.

The following members were present: Etten, Groff, Schroeder, Strahan, and Mayor Roe;
and the following were absent: None.

Member _________ introduced the following resolution and moved its adoption:

RESOLUTION No. XXXXXX

RESOLUTION SUPPORTING THE AUTHORITY TO IMPOSE A LOCAL SALES TAX TO FUND SPECIFIC CAPITAL IMPROVEMENTS PROVIDING REGIONAL BENEFIT, TO ESTABLISH THE DURATION OF THE TAX AND THE REVENUE TO BE RAISED BY THE TAX, AND TO AUTHORIZE THE CITY TO ISSUE BONDS SUPPORTED BY THE SALES TAX REVENUE

WHEREAS, the City of Roseville has engaged community residents and businesses and identified two projects to be funded through a local sales tax:

- Maintenance Facility: This project involves the construction of a new facility which houses the equipment, materials and staff which maintain parks, roadways, trails, storm water infrastructure, water distribution infrastructure, sanitary sewer infrastructure as well as maintains public safety equipment and vehicles, much of which serves a regional population as it visits and conducts business within the City of Roseville. The new facility replaces a facility which was originally constructed in 1957 and has been expanded and remodeled several times since then resulting in a facility that is undersized and lacking in safety and efficiency standards. The total cost of $64,200,000 includes planning, design, property acquisition, building construction and utility infrastructure to support the new facility.

- License and Passport Center: This project includes the construction of a new facility which will house mandated separate spaces for licensing and passports. It will be a larger, more useable space that will be designed to provide better waiting areas and better support customers with scheduled appointments. The current building is a retail center that the City previously leased space in and then purchased it in 2018 as part of an expansion of the overall City Campus. This building is not well suited for an expansion of the current use and is in need of significant maintenance and rehabilitation. The new facility will also include a 5,000 square foot space for recreational programming. The total estimated cost is $12,700,000 and includes planning, design, phased construction, and infrastructure to support the new facility.

WHEREAS**,** the projects will result in benefits to both the residents and businesses of the City of Roseville and to non-resident visitors and businesses and 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 are set forth in the Case Report prepared for this resolution and are incorporated herein by reference; and,

WHEREAS, the projects are estimated to cost approximately *$76,900,000*; and,

WHEREAS, the city estimates that a local sales tax of 0.5 (one-half) percent would generate approximately $108 million over 20 years which is sufficient to cover the project costs plus interest and other associated debt costs; and,

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

- Maintenance Facility: The city will collect $64,200,000, plus interest and other associated debt issuance costs, over 20 years
- License Center: The city will collect $12,700,000 plus interest and other associated debt issuance costs, over 20 years

WHEREAS, funding the project with a local sales tax will most closely distribute the cost borne by Roseville taxpayers for supporting the Roseville business community; and

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

WHEREAS, the City of Roseville agrees to comply with Minn. Stat. § 297A.99 relating to the process of enacting, implementing, and collecting the local tax; 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.

NOW, THEREFORE, BE IT RESOLVED;

1. The Roseville City Council supports the authority to impose a general local sales tax of 0.50% for a period of the lesser of 20 years or the retirement of the debt (and all related issuance and interest costs) to fund the aforementioned projects.
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 Tax 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 the 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 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 of the calendar quarter that the tax will be imposed.
6. Upon completion of the aforementioned requirements, the local sales tax will commence and run for a duration of 20 years or until a sum sufficient to fund the voter approved projects, including related issuance and interest costs, is raised, whichever comes first.

The motion for the adoption of the foregoing resolution was duly seconded by Member _______, and upon a vote being taken thereon, the following voted in favor thereof: _________________________________; and the following voted against the same:

WHEREUPON said resolution was declared duly passed and adopted.

STATE OF MINNESOTA)
) SS
COUNTY OF RAMSEY)

I, the undersigned, being the duly qualified City Manager of the City of Roseville, County of Ramsey, State of Minnesota, do hereby certify that I have carefully compared the attached and foregoing extract of minutes of a regular meeting of said City Council held on the 9th day of, January, 2023 with the original thereof on file in my office.

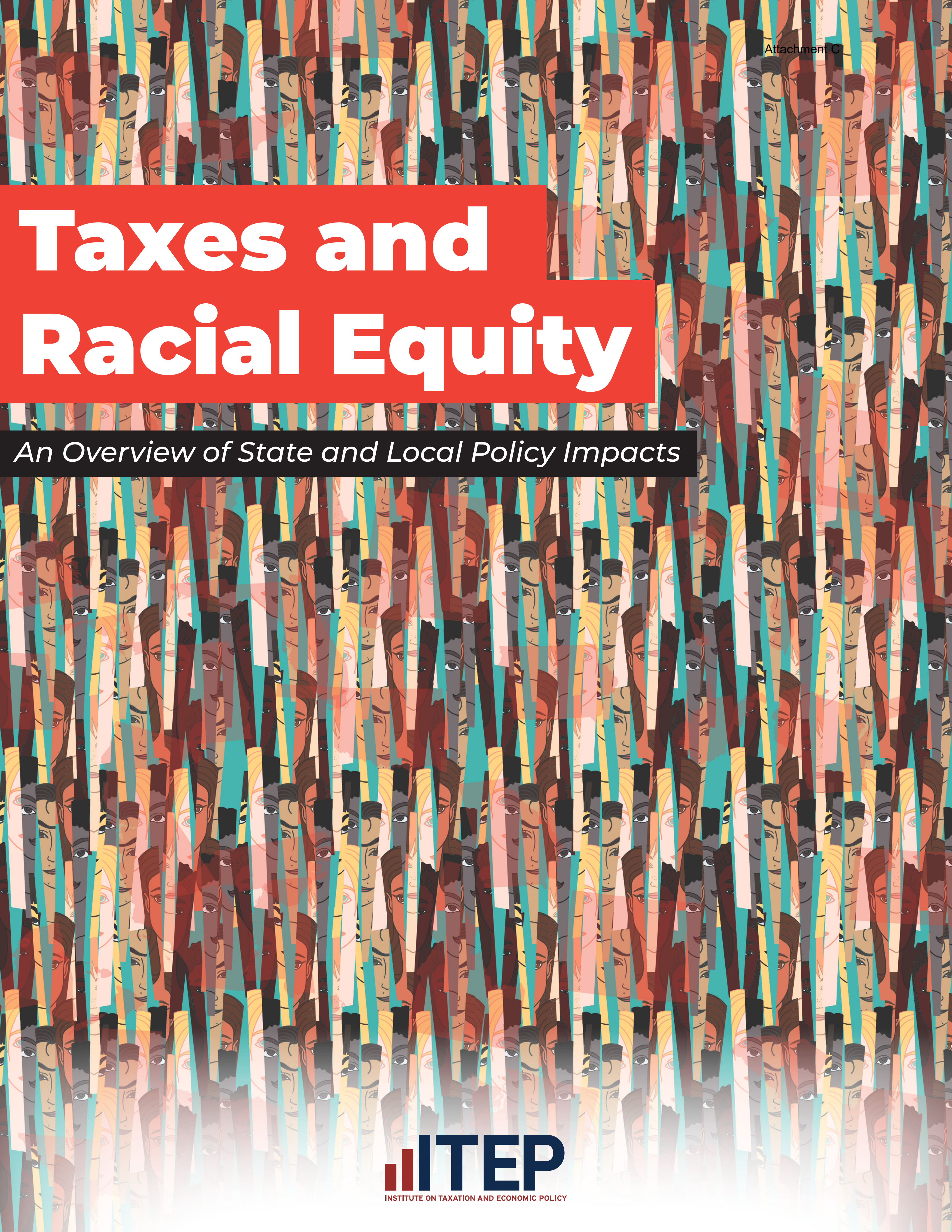
WITNESS MY HAND officially as such Manager this 9th of January, 2023

SEAL

____

Patrick J. Trudgeon, City Manager

Attachment C



Taxes and Racial Equity

An Overview of State and Local Policy Impacts

ITEP

INSTITUTE ON TAXATION AND ECONOMIC POLICY

Taxes and Racial Equity

An Overview of State and Local Policy Impacts

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Carl Davis

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Institute on Taxation and Economic Policy

March 2021

About the Institute on Taxation and Economic Policy

ITEP is a non-profit, non-partisan tax policy organization. We conduct rigorous analyses of tax and economic proposals and provide data-driven recommendations on how to shape equitable and sustainable tax systems. ITEP's expertise and data uniquely enhance federal, state, and local policy debates by revealing how taxes affect both public revenues and people of various levels of income and wealth.

Acknowledgments

The authors wish to thank Jessica Schieder, Lorena Roque, Matt Salomon, Matt Gardner, and Erika Frankel for their data work that made the analyses in this report possible. Thanks also to Kamolika Das, Aidan Davis, Lisa Christensen Gee, Marco Guzman, and Dylan Grundman O'Neill for research support and to Stephanie Clegg for the report's layout.

EXECUTIVE SUMMARY

Historic and current injustices, both in public policy and in broader society, have resulted in vast disparities in income and wealth across race and ethnicity. Employment discrimination has denied good job opportunities to people of color. An uneven system of public education funding advantages wealthier white people and produces unequal educational outcomes. Racist policies such as redlining and discrimination in lending practices have denied countless Black families the opportunity to become homeowners or business owners, creating extraordinary differences in intergenerational wealth. These inequities have long-lasting effects that compound over time.

State and local tax policies interact with this severe inequality in important ways. Revenues raised through taxes are vital to funding public investments in education, health, and the safety net, all of which can help combat inequality. But some state tax systems exacerbate racial income inequality by taxing low-income people, a disproportionate share of whom are people of color, at higher rates than other families. Such regressive tax structures can make racial income inequality worse as incomes become more unequal after state and local taxes. A progressive system for raising revenue, however, can narrow racial income gaps by asking more of families with the highest incomes, who are predominately white. When state policymakers leave immense racial and ethnic income inequality unaddressed in state tax codes, they solidify that inequality.

It is difficult for policymakers and the public to fully understand the impact of tax laws across race and ethnicity in part because tax return data do not include information on taxpayers' races. To fill this void, we have merged tax and survey data within our microsimulation tax model to allow for race and ethnicity-specific tax estimates. We use this new capacity in this report to illuminate how state and local tax policies have differential impacts across race.

Consumption taxes, most notably general sales taxes, are the most regressive type of taxes relied on by state and local governments and the most significant drivers of racial inequity in state and local tax codes. Low- and middle-income families pay a larger share of their incomes in consumption taxes than the rich. While most low-income taxpayers are white because they remain a majority of the U.S. population, a disproportionate share of Black, Hispanic, Indigenous and other households of color are in lower-income groups due to the legacy of racist public policies and ongoing discrimination. So, policies that disadvantage low-income individuals and families—like heavy reliance on sales and excise taxes—have a disproportionately negative effect on people of color. Wealthier white families, who enjoy systemic advantages that have positioned them to save and build their wealth, tend to pay lower sales and excise tax rates since the portion of income set aside into savings is only taxed after a lengthy delay, if at all.

Income taxes can help to address income inequality by asking more of families with higher incomes, thus narrowing post-tax income gaps between high and low-income taxpayers. Flat-rate income taxes, or those littered with carveouts for investors or other high-income families, have limited potential to reduce yawning racial income gaps. Robust, progressive personal income taxes—which include meaningfully graduated tax rates, broad bases, and significant refundable low-income tax credits—are more effective at narrowing the racial income gap. Income taxes are, of course, just one part of a much larger package of policies needed to address inequality as evidenced by the fact that states with robust income taxes continue to experience severe racial income inequality even after those taxes are applied.

The effect of real estate property taxes across race and ethnicity is nuanced and complex. Vast differences in intergenerational wealth and a long history of racist housing policy have allowed white households to achieve homeownership rates far beyond those in communities of color. Those forces, together with white homebuyers' aversion to living in areas with large nonwhite populations, have also led to significantly higher market values for white-owned homes relative to those owned by people of color. These factors can lead to higher property tax payments and, as a result, better-funded schools in majority white areas. But renters, a disproportionate share of whom are people of color, also pay the property tax indirectly through their rent payments. Compounding the challenges in property tax payments, housing segregation and assessment discrimination can result in higher tax bills for people of color relative to what white homeowners in similarly valued homes pay.

The overall tax level also has important consequences for racial equity, as states need robust revenues to fund deep investments in services and institutions that can advance racial and economic equity. Adequate funding for education, health, childcare, affordable housing, and other priorities is essential for moving toward broadly shared prosperity. A regressive tax code that asks the least of high-income families will struggle to raise adequate revenues during times when affluent, predominately white families, are enjoying an outsized share of all new income growth.

One way this report illustrates the disparate impact of various tax policies is by comparing and contrasting taxes in Tennessee and Minnesota, two states with dramatically different tax codes. Tennessee does not levy a personal income tax, relies very heavily on sales taxes to fund public services and institutions, and does not offer any refundable credits to low-income families. As a result of these policy choices, Tennessee's tax code is worsening racial income gaps. Hispanic and Black families are taxed at higher average rates than higher-income white residents. Relative to the statewide average, Black families tend to pay an additional 1 percent of their income in Tennessee state and local taxes while Hispanic families pay an additional 0.9 percent.

Minnesota, by contrast, levies a robust personal income tax with refundable credits for low-income families and higher rates for top earners, thereby allowing the state to rely less heavily on regressive sales taxes. Minnesota appropriately taxes lower-income groups at rates slightly below the statewide average. Black families, for instance, pay a rate 0.4 percentage points below average while Indigenous families pay an average rate 0.5 percent below average, and Hispanic families' average rate is 0.7 percent below average. White families, by contrast, pay slightly more on average because they have higher average incomes. Overall, by tending to tax people of color at slightly lower rates than white families with higher incomes, Minnesota's tax system slightly mitigates racial income inequality. Of course, high-income households of color pay taxes above the state average and poor white families pay tax rates below the state average. And to be clear, racial income inequality remains intact post tax in Minnesota.

Different tax types have varying impacts on the racial income divide, which has significant implications for reformers seeking to overhaul their tax codes. Centuries of policy advantage and privilege have led to a significant overconcentration of white families among the nation's top earners. Because of this, tax policies designed to benefit high-income or high-wealth taxpayers—like cutting top income tax rates, affording preferential tax treatment to investors, neglecting to levy estate taxes and other forms of wealth taxation, and funding government mainly through regressive consumption taxes—primarily benefit an affluent group of families that is overwhelmingly white. Similarly, increasing sales and excise taxes to buy down income tax or property tax rates, as many states have done in recent years, tends to redistribute income away from moderate-income families of all races and mostly toward wealthier white families instead.

Raising income taxes to lessen reliance on regressive sales and excise taxes can help state tax systems move toward easing the racial income divide, or at least not worsening it. Taxing the rich at higher rates is arguably the most important thing state and local government can do to improve racial equity in their tax codes both because of the direct effect of the tax on narrowing income divides and because of the public investments made possible by the revenue that such a reform can raise. Higher taxes on top earners, a group that is disproportionately white, allow states to use their tax codes to reduce racial inequity.

Policymakers can generate more economic and racial equity with better decisions about state and local taxes.

Socioeconomic disparities by race and ethnicity extend beyond current income levels, and it is important to account for those differences when assessing the impact of taxes on racial equity. Years of racism and discrimination across all segments of society—the housing market, labor market, financial industry, education systems, criminal justice, and other areas—have prevented people of color from building wealth on the same level as white families. Policies that advantage wealth, such as tax subsidies for investment or business income, therefore disproportionately favor white households even if income is held constant. Similarly, Black and Hispanic households are much less likely than white households of the same income level to own their homes, and this tilts certain tax policies such as the mortgage interest deduction, property tax deduction, exclusion of gains on home sales, and other homeowner-only tax breaks heavily in favor of white households.

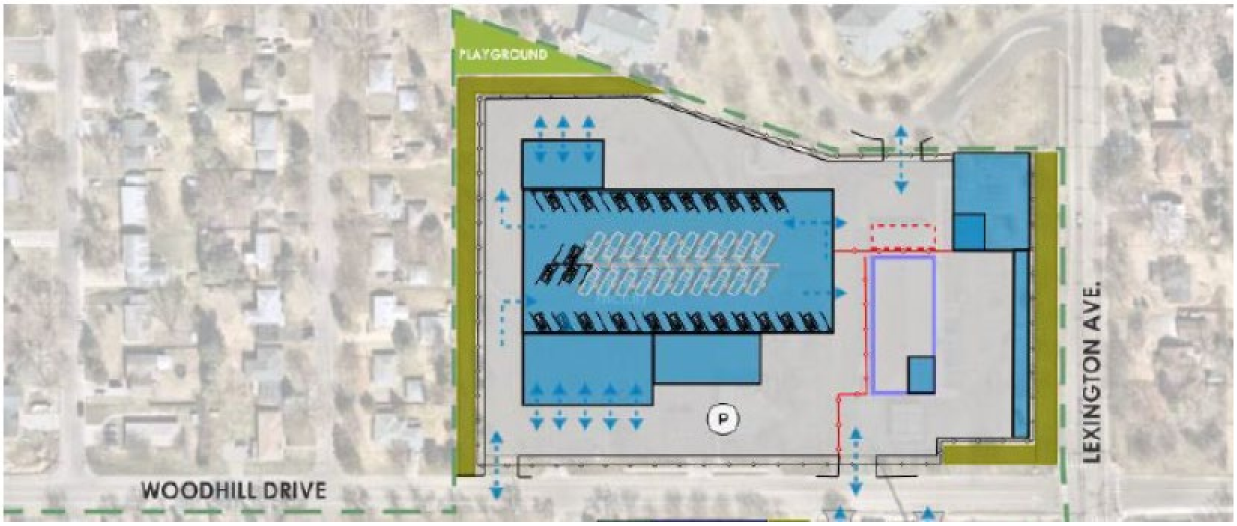
Policymakers can generate more economic and racial equity with better decisions about state and local taxes. By enacting progressive income taxes with more brackets at the top, restoring estate or inheritance taxes, taxing earnings from wealth at least as much as earnings from work, and taxing wealth itself, policymakers can meaningfully address economic and racial inequality and create a more equitable nation.

CITY OF ROSEVILLE

MAINTENANCE FACILITY

DOCUMENTATION OF REGIONAL SIGNIFICANCE

THE REGIONAL SIGNIFICANCE OF THE ROSEVILLE MAINTENANCE FACILITY



The City of Roseville, located in Ramsey County, is a first ring suburb of St. Paul and Minneapolis. Roseville is home to 36,254 residents, 15,554 households, and over 34,000 jobs within the community. Roseville shares borders with 10 different communities including St. Paul and Minneapolis and has the principal arterials of Hwy. 36 and I-35W corridors as well County Road minor arterials that traverse through the city. As a result of its location and amenities, Roseville is a regional destination for jobs, shopping, and recreation.

The Roseville Maintenance Facility is a 60,000 square foot facility sitting on approximately 3.75 acres on the City's Civic Campus. It houses vehicles, equipment, materials and staff responsible for the maintenance of public works infrastructure and parks and recreational facilities across the City such as:

- Local, collector and arterial roadways
- Water distribution system serving Roseville and providing water connection to the City of Arden Hills
- Sanitary Sewer system
- Storm water system including regional waterbodies such as Lake Owasso and McCarrons Lake
- Regional Park facilities including the Guidant John Rose Minnesota Oval outdoor skating facility and the Cedarholm Golf Course
- Over 100 miles of pathways many of which are located along regional transportation corridors such as Lexington Ave (CSAH 50), Snelling Ave (TH 51), Fairview Ave (CSAH 48) and Rice Street (CSAH 49)

The facility also houses the City's vehicle maintenance operations which maintains over 200 vehicles including police and fire vehicles.

Parks and Recreation

Roseville's Parks Maintenance staff, housed in the Maintenance Facility, maintains 32 award winning parks, seven rentable buildings and picnic shelters, an arboretum, skating center, nature center and more. All of these facilities are available and used by individuals outside of the City of Roseville. Further, the Roseville Area School District, which serves Roseville, Little Canada, Falcon Heights, and portions of Shoreview and Maplewood, make use of Roseville Park facilities for educational programming and sports events. Youth sports associations that serve this and additional surrounding communities also make use of Roseville park facilities.

Regional Transportation Systems

Roseville maintenance staff, by agreement, are required to maintain trails, sidewalks and other pathway facilities along the regional roadway system within Roseville. This includes clearing snow off of major regional corridor trails such as County Road C, Fairview Ave and Lexington Ave. Staff is also responsible for maintaining lighting and other amenities along these same corridors. The staff, equipment and vehicles used to maintain this infrastructure is housed at the Roseville Maintenance Facility.

FACILITY DEFICINCIES

This facility, originally constructed on this site in 1957, has been expanded and remodeled numerous times over the past 65 years. However, City operations have outgrown the space and there is no room to expand on the current site.

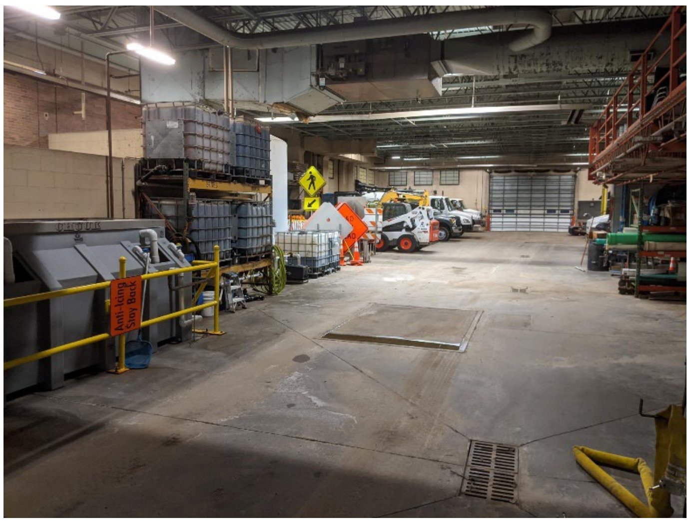
The City has conducted two major space needs studies over the past 6 years including a thorough Space Needs Study and a follow up Civic Campus Master Plan study. Both studies indicated that given current operations and expected growth that the Maintenance Facility should be approximately 100,000 square feet in size, nearly 40% larger than the current size of the facility.

This need for simple space is highlighted by the fact the City is forced to store trailers, castings, replacement poles and other materials outside year round, reducing the serviceable life of much of the material. The City is also currently leasing seasonal storage space offsite to house equipment and vehicles that don't fit in the current facility. Some of this space is actually located outside the City of Roseville at the State Fair grounds. Staff is then forced to rotate equipment and vehicles seasonally. Also, the City is currently paying over $60,000 per year for this lease space, which will of course increase over time.

As well as being too small, much of the facility is outdated and behind modern standards and requirements. A prime example of this is the vehicle wash bay. It is undersized for the City's large vehicles such as snow plows and the jetter, forcing maintenance staff to wash off vehicles outside, often times in freezing conditions which creates a hazard for the maintenance worker. It also lacks proper drainage for the wash out material; a new wash bay would allow the City to meet current standards and regulations.

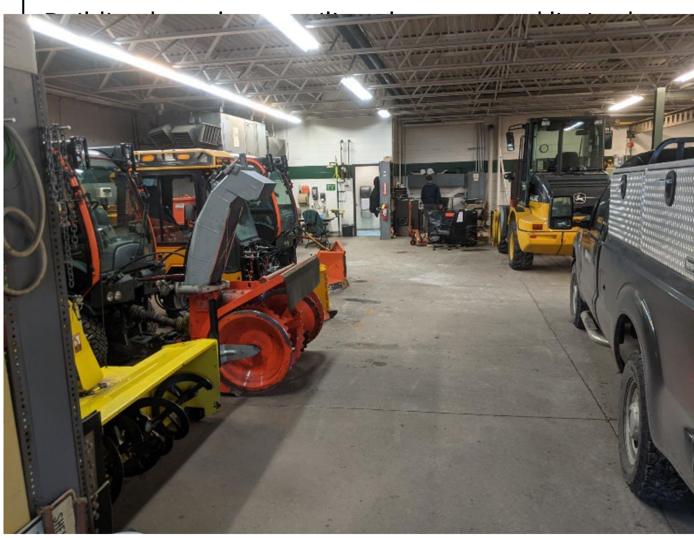
The City is also delaying needed maintenance on its fuel islands and fuel tanks not wanting to make a large investment in components of an aging facility.

Additionally, the space that we do have is largely too small for larger vehicles, lacks proper clearances and work space, and requires rotating vehicles and equipment to provide work space for the maintenance staff. In short, it is extremely inefficient for the variety of maintenance activities that occur inside and around the current facility.

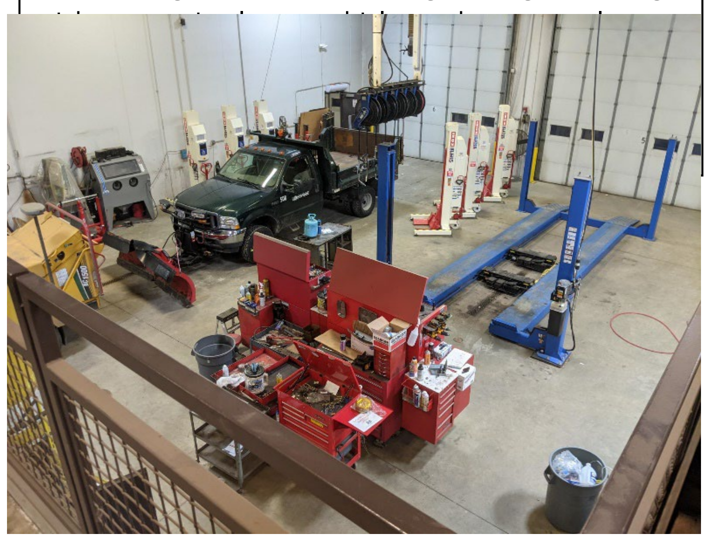


Constructed in 1980, the North Maintenance

The existing wash bay is only large enough for a large



The Parks shop and vehicle storage area, was originally the Police garage. It is not designed for larger maintenance equipment and the space serves as both vehicle storage and workshop space.

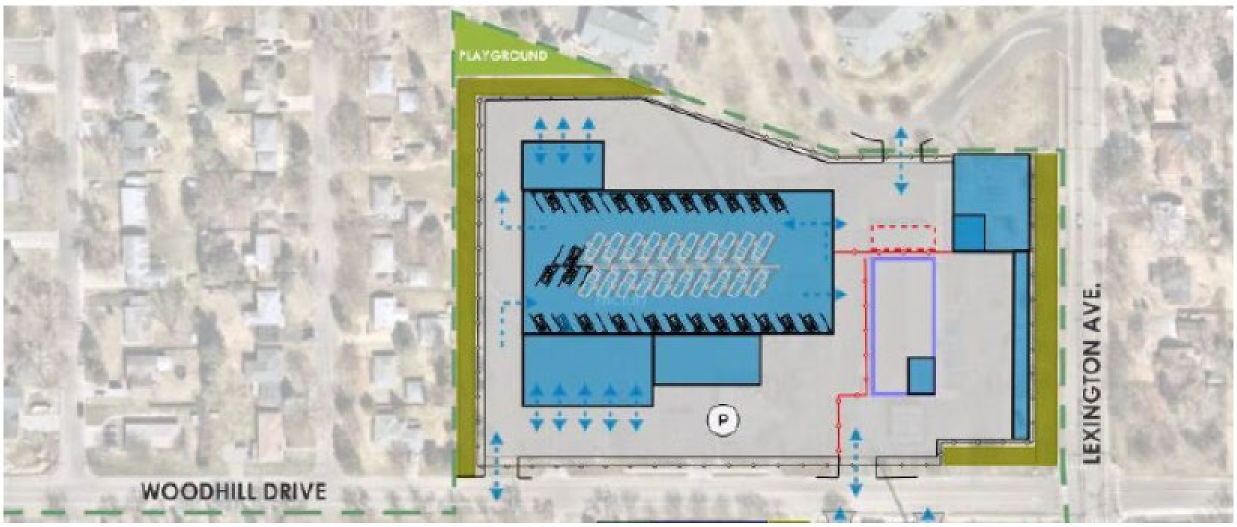


The vehicle maintenance area has three vehicle bays; one of which doubles as a welding workshop area. Given the size of the City's fleet additional bays and at least one more full-length bay would make the operation much more efficient.

With just over one acre of actual yard space, and the deficient space inside, the yard area of the current maintenance facility is overcrowded and has trailers, castings and other equipment and materials stored outside limiting space for other materials like water break spoils, sand, gravel and topsoil.

PROPOSED FACILITY

A new facility will provide a much more efficient, modern, safe and sustainable facility for the future. It will provide space to expand and be flexible enough to reconfigure as maintenance equipment needs evolve and grow. The new facility is estimated to cost $64.2 million including planning and design, right-of-way acquisition and business relocation, construction and infrastructure required to serve the new facility.



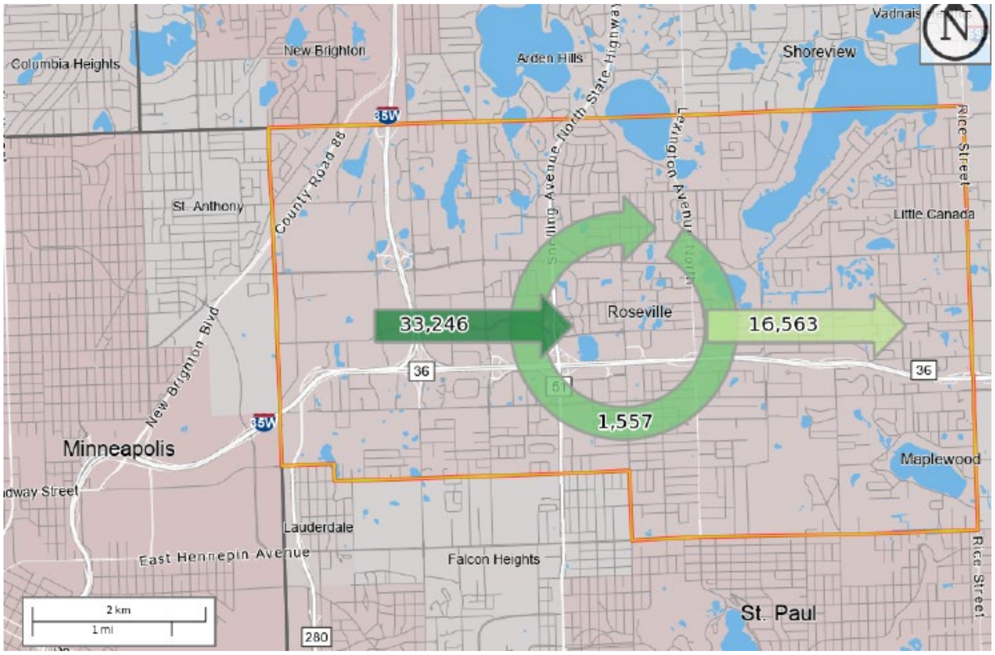
Proposed 112,000 square foot Maintenance Facility on 7.5 acres of land

Roseville as a Regional Shopping Destination

Data received in a 2022 report by Environics Analysis commissioned by the City of Roseville indicates that retail sales, including food and beverage sales, totals approximately $1.33 billion annually. In its model, Environics show that overall sales are significantly more than what the demand by Roseville's residents for these goods were, making Roseville a major regional shopping destination. Rosedale Center alone has 1.3 million square feet of retail uses and has over 14 million visitors annually. There are 1.5 million people within fifteen miles of Roseville. Based on all of these factors, non-residents generate significant activity across all retail sectors and therefore Roseville has to provide infrastructure (utilities, local roads, traffic control, and pathways) and service for these businesses that serve non-city residents with city resources.

Employment in Roseville

US Census Data from 2019 shows that Roseville's nearly 1,500 businesses creates 34,803 jobs in Roseville. Of that number, 33,246 (or 95%) were not residents of Roseville. This data shows that Roseville is a major regional employment center, and that Roseville serves over 65,000 persons when combining daytime and nighttime populations.



Due to the high concentration of jobs in Roseville, there is heavier use of the city's infrastructure by the non-taxpayer. As a result, the costs to maintain the local infrastructure is borne by the Roseville taxpayer.

Regional Transportation Network in Roseville

A significant portion of traffic in Roseville originates from outside of its boundaries. The following table shows the current traffic volumes and those forecasted for 2040.

	Current ADT	2040 Projected ADT
TH 36	91,000	96,000
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Snelling Ave (TH 51)	45,000	46,000
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Rice Street (CSAH 49)	19,400	22,000
Fairview Ave (CSAH 48)	23,000	24,000

Roseville is served by 15 fixed and 6 express Metro Transit bus routes including the Bus Rapid Transit Route A along Snelling Ave. and the Rosedale Transit Center.

Due to its adjacency to St. Paul and Minneapolis, numerous vehicle trips from non-residents travel through Roseville on a daily basis and often use local infrastructure as part of that travel. As a result, the costs to maintain the local infrastructure and associated facility needs is borne by the Roseville taxpayer.

Leisure and Recreation Opportunities in Roseville

The City of Roseville maintains and operates 32 parks that contain 679 acres of recreation and open space and 67 miles of trails and walkways. The City's Park and Recreation Department offers more than 1,000 recreation programs and events that serve the greater Roseville area.

Pre-pandemic, the Roseville Parks and Recreation Department brought over 56,000 residents and non-residents together for community-wide events. The City's Cedarholm Golf Course has over 20,000 rounds of golf played annually. Over 30,000 people used our park building facilities either through rentals or recreational programming. The City's Harriet Alexander Nature Center and Muriel Sahlin Arboretum have over 20,000 visitors during the year that visit to enjoy the beauty of nature. The Guidant John Rose Minnesota OVAL is a facility that serves the entire state, provides public skating opportunities for over 20,000 people a year and hosts national and international speed skating and bandy competitive events.

A sizeable number of users of Roseville's Parks and Recreation programs, facilities, and events are non-residents that use the City's infrastructure. As a result, the costs to maintain the local infrastructure and associated facility needs is borne by the Roseville taxpayer

CITY OF ROSEVILLE

LICENSE AND PASSPORT CENTER

DOCUMENTATION OF REGIONAL SIGNIFICANCE

THE REGIONAL SIGNIFICANCE OF THE ROSEVILLE LICENSE AND PASSPORT CENTER

License and Passport Center Concept including parking lot and supporting green space

The City of Roseville, located in Ramsey County, is a first ring suburb of St. Paul and Minneapolis. Roseville is home to 36,254 residents, 15,554 households, and over 34,000 jobs within the community. Roseville shares borders with 10 different communities including St. Paul and Minneapolis and has the principal arterials of Hwy. 36 and I-35W corridors as well County Road minor arterials that traverse through the city. As a result of its location and amenities, Roseville is a regional destination for jobs, shopping, and recreation.

The Roseville License and Passport Center, located in along Lexington Ave in the City of Roseville, provides driver's licenses, vehicle tabs, hunting and fishing licenses, passports, and other services to residents of Roseville and much of Ramsey County and the Twin Cities metro area. The facility is extremely busy and has over 200,000 transactions annually per year. Also, many people from throughout the Twin Cities metro have utilized the Roseville Passport Center in preparation for their international trips.

The License and Passport Center has been in its current space since 2000 in leased space from the Lexington Shops retail center. As time went on, the License and Passport Center served more and more customers and changes were required by the federal government to separate the general license operation space from the passport service area. This required more space. Ultimately the City decided to purchase the retail center in order to provide more space for long term growth of the Civic Campus.

The City anticipated that the popular License and Passport Center needed to grow if it was to remain a convenient and efficient location for its customers to meet their needs. Therefore, in 2017 the City conducted a space needs analysis which identified several space and operational deficiencies of the current space. This was followed up with a Civic Campus Master Plan which analyzed the needs of the overall campus and provided concepts to meet the many needs of the City well into the future.

Primarily the studies identified that the current 5,000 square foot space should be nearly 10,000 square feet in size. This would provide sufficient separation of the operations as required by federal regulations, as well as efficient circulation, allow room for growth and provide staff support spaces and an expanded waiting area.

The new facility will also provide additional recreational space for the City's Parks and Recreation programs. Currently, the City operates a dance studio program out of open space in the retail center. This space is too small for the size of the program and limits potential growth of the popular recreational program. A new Dance and Wellness Studio, a 5,000 square foot open recreational space with restroom and other support amenities, will be the home of the Roseville School of Dance, various adult wellness classes such as yoga and mindfulness and could be available to community and non-community users when not in use for City programs.

The cost of the new facility is estimated to be around $12.7 million and would include costs for design, construction, relocation and required infrastructure to support the new facility.

Roseville License and Passport Center serves the region

In 2019, the Roseville License and Passport Center processed 204,912 transactions which included tab renewals, drivers' license renewals, title transfers, DNR permits, Auto Dealer title transfers, and the processing of passport applications.

2019 Roseville License and Passport Center Transactions per month and total transactions

Auto Dealer Titles: ALL													
Long App	2,628	2,093	2,833	3,290	3,617	3,447	2,541	2,181	2,420	2,687	2,264	2,921	32,922
Renewal	2,498	2,327	1,454	1,693	1,512	1,103	908	1,599	1,497	1,504	1,177	1,355	18,627
No Fee	5	9	7	11	-	2	1	26	4	30	90	1	186
Auto Dealer Total	5,131	4,429	4,294	4,994	5,129	4,552	3,450	3,806	3,921	4,221	3,531	4,277	51,735
Indiv. Vehicle Titles: Regular	1,259	916	1,457	1,721	1,601	1,402	1,571	2,209	1,513	1,312	942	1,142	17,045
Indiv. Vehicle Titles: Expedite	17	9	12	13	26	21	13	8	11	8	4	5	147
Vehicle Tab Renewals	5,275	5,634	6,839	6,177	6,078	5,899	5,134	4,984	5,597	4,720	3,598	4,169	64,104
No Fee MV Transactions	43	57	56	46	62	54	32	71	44	58	33	29	585
Drivers' Licenses: Standard	2,556	2,200	2,745	2,572	2,691	2,732	2,635	2,532	2,217	2,243	1,726	1,708	28,557
Drivers' Licenses: Real	463	385	527	550	578	567	693	753	756	1,346	1,026	1,021	8,665
Drivers' Licenses: Enhanced	49	28	33	53	64	51	59	70	84	127	118	120	856
Drivers' Licenses - No Fee	225	267	313	267	247	211	189	237	199	217	179	228	2,779
DL Book / Other	73	18	27	36	17	25	13	30	25	27	26	24	341
DNR Recreational Vehicles	342	237	172	399	643	472	337	167	94	96	59	138	3,156
DNR Fish & Game	6	5	13	16	41	28	8	11	5	5	8	9	155
Other State Trans Total	10,308	9,756	12,194	11,850	12,048	11,462	10,684	11,072	10,545	10,159	7,719	8,593	126,390
Passports	1,302	912	1,357	1,175	870	880	862	874	812	1,073	878	1,080	12,075
Passport photos	1,399	1,103	1,512	1,398	1,083	1,063	1,166	1,084	1,063	1,416	1,103	1,322	14,712
Passport Transactions	2,701	2,015	2,869	2,573	1,953	1,943	2,028	1,958	1,875	2,489	1,981	2,402	26,787
Total Transactions	18,140	16,200	19,357	19,417	19,130	17,957	16,162	16,836	16,341	16,869	13,231	15,272	204,912

Past customer surveys show that nearly 80% of the customers of the Roseville License and Passport Center are non-Roseville residents. The Roseville License Center ranks among the busiest of the state's Deputy Registrars.

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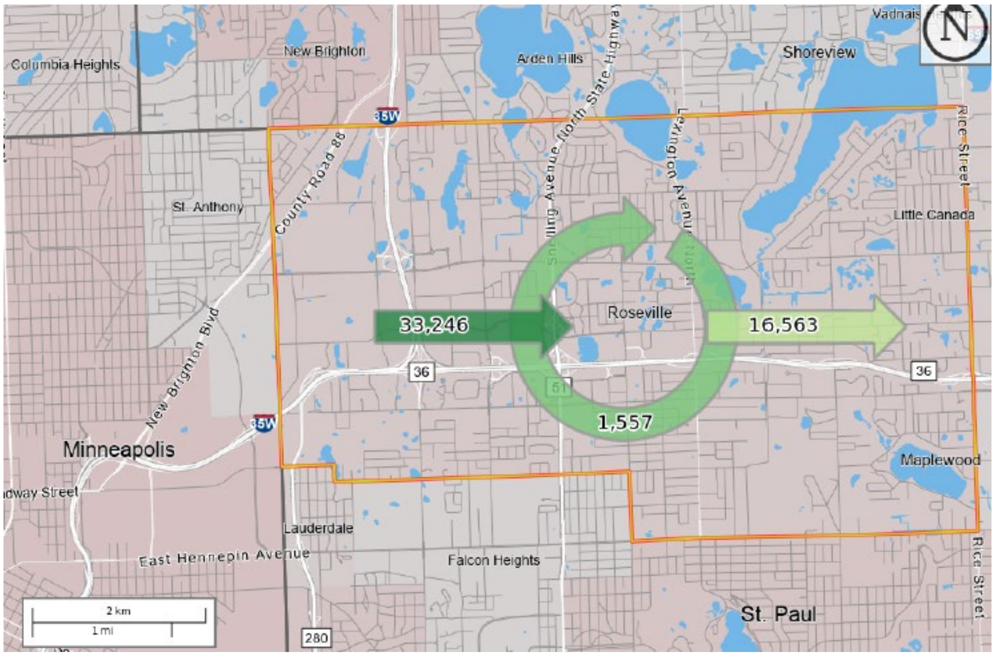

Due to the high concentration of jobs in Roseville, many persons that work in Roseville utilize the Roseville License and Passport Center services on a regular basis.

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Given the amount of shoppers and consumers that come to Roseville on a daily basis, many of these visitors utilize the Roseville License and Passport Center as part of their visit to Roseville.

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With the strong draw of Roseville's parks and facilities, many non-residents utilize the Roseville License and Passport Center when they visit Roseville.