

**Lanesboro City Council
Special Meeting Agenda
Wednesday, January 28, 2026 at 5:00 p.m.
Lanesboro Community Center – City Council Chambers**

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<https://us02web.zoom.us/j/82565977945?pwd=iN2fqdEYaaOrNjtj6TucPQp8PGEHnE.1>

Meeting ID: 825 6597 7945 | Passcode: 685123

Council Member Joseph Cullen will participate remotely.

Call the Special Meeting to Order

A. Agenda Approval

Motion _____ Second _____

B. Consider Resolution 2026-20 – Indicating Approval of a General Local Sales and Use Tax to be Authorized by the Legislature of the State of Minnesota

Motion _____ Second _____

Adjourn Special Meeting

**CITY OF LANESBORO
RESOLUTION NO. 2026-20**

**A Resolution Indicating Approval of a General Local Sales and Use Tax to be Authorized
by the Legislature of the State of Minnesota to Fund Local Share of State-Mandated
Minnesota TH250 Regional Road Improvement Project and Improvements to
Sylvan Park Amenities**

WHEREAS, Minnesota Statute § 297A.99 authorizes municipalities to propose a local sales and use tax for specified capital projects, subject to approval through the required statutory process; and

WHEREAS, the City Council of the City of Lanesboro has engaged community residents and businesses and identified certain capital improvement needs that are essential to the continued economic vitality, safety, and quality of life of the community and surrounding region; and

WHEREAS, the City Council desires to initiate the process for authorization of a local sales and use tax to fund specific capital projects that will provide measurable economic benefit to residents, local and regional businesses, and visitors to the City; and

WHEREAS, the City Council is required to adopt a resolution specifying the proposed tax rate, the capital projects to be funded, estimated revenue to be raised for all projects, 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 the estimated duration of the tax.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY
OF LANESBORO, MINNESOTA AS FOLLOWS:**

1. The City Council hereby proposes a local sales and use tax at a rate of one-half percent (0.50 percent) on taxable sales and purchases within the City of Lanesboro, as authorized by state law.
2. The proposed local sales and use tax revenue shall be used for the following capital projects (collectively, the “Projects”).
 - a. **Project 1: Local share of the State-Mandated Minnesota Trunk Highway 250 Regional Road Improvement Project**
 - i. Description: The construction, rehabilitation, and improvement of the local share of State-mandated improvements to Minnesota Trunk Highway 250 in the City, including essential improvements to critical utility infrastructure serving local and regional businesses and residents and related design and engineering costs.
 - ii. Additional Project Information: The project includes the reconstruction, replacement, and permanent improvement of the City of Lanesboro’s publicly owned water distribution and sanitary sewer collection systems within the Minnesota Trunk Highway 250 corridor and adjacent areas,

undertaken in coordination with the Minnesota Department of Transportation's state-mandated roadway reconstruction project. Improvements include replacement of existing watermains, sanitary sewer mains, related appurtenances, and utility connections along Parkway Avenue from Minnesota Highway 16 to Ashburn Street, Ashburn Street from Parkway Avenue to the Root River bridge, and construction of a new watermain connection serving the area known as "Little Norway" and the Lanesboro Public Utilities Power Plant. The project further includes all necessary engineering, design, construction, roadway reconstruction, and surface restoration required to safely access, operate, and maintain the infrastructure. These improvements constitute permanent municipal utility assets with a multi-decade useful life, essential to the provision of core public services, and are classified as a municipal capital improvement.

- iii. Economic Benefit: This capital improvement project provides significant economic benefit to local and regional businesses, residences and visitors by ensuring safe, reliable, and modern water and sewer service and roadways to local and regional businesses, residences, commercial districts, public facilities, and school system serving the region. Lanesboro is a premier regional tourism destination, drawing visitors from across Minnesota and beyond to its historic downtown, Root River corridor, state trail system, and arts and cultural amenities, all of which depend on dependable public utility and roadway infrastructure. By coordinating utility replacement with MnDOT's roadway reconstruction, the City is making a fiscally responsible investment that minimizes future disruptions, protects public health, supports tourism-driven commerce, and strengthens the long-term economic vitality of the City, surrounding communities, and the state.
- iv. Project Cost and Duration: This project is expected to cost \$13,443,000 plus bonding and administrative costs. The City's share of the project cost is estimated to be \$8,902,000. The estimated local sales tax revenue and estimated time needed to raise that amount of revenue for this project are \$2,000,000 over 25 years.

b. Project 2: Sylvan Park Amenity Improvements

- i. Description: The construction, renovation, and improvement of recreational facilities and amenities within Sylvan Park in the City, which could include improvements to athletic courts, campground infrastructure, and other park recreation features.
- ii. Additional Project Information: The project includes construction, replacement, and modernization of recreational facilities and amenities within Sylvan Park, including improvements to existing athletic courts and other park recreation features. The project also includes upgrades to campground infrastructure, such as electrical and water service to support modernized camping units. These improvements constitute permanent, publicly owned park infrastructure with a long-term useful life and are properly classified as capital improvements within a single municipal park.

- iii. Economic Benefit: The Sylvan Park improvement project provides significant economic benefits to residents, local businesses, and visitors from outside the City. By modernizing athletic courts and recreational facilities, the project enhances opportunities for organized sports, community events, and outdoor recreation, directly improving the quality of life for residents and attracting regional visitors to the park. Upgrades to campground infrastructure, including electrical and water service, support increased overnight stays by tourists, recreational travelers, and regional visitors, generating additional spending at local businesses, including restaurants, lodging, retail shops, and service providers. These improvements also strengthen Lanesboro's appeal as a destination for cultural, recreational, and tourism-related activities, extending economic activity beyond the City limits to the surrounding region, and supporting the long-term vitality of the local economy.
- iv. Project Cost and Duration: This project is expected to cost \$500,000 plus related bonding and administrative costs. The estimated local sales tax revenue and estimated time needed to raise that amount of revenue for this project are \$500,000 over 5 years.

3. The estimated total amount of revenue needed from the proposed tax is \$2,500,000.
4. The estimated time the tax will be in effect if all proposed projects are approved is 30 years.

Passed by the City Council of Lanesboro, Minnesota this _____ day of Month, Year.

Alicia Pearson
Its: Mayor

Attested:

Mitchell Walbridge
Its: City Administrator/Clerk