



REQUEST FOR COUNCIL ACTION

AGENDA DATE: September 14, 2026

AGENDA ITEM: Consider adopting a resolution approving termination of the City of Grand Rapids .5% local option sales and use tax effective December 31, 2026.

PREPARED BY: Carl Babich

BACKGROUND:

On November 28, 2022 the Grand Rapids City Council adopted Ordinance #22-11-02 Local Option Sales and Use Tax with collection of .5% starting April 1, 2023 to fund the reconstruction, remodeling, and upgrades to the Grand Rapids IRA Civic Center now known as the Yanmar Arena.

Ordinance #22-11-02 states the local option sales and use tax shall terminate at the earlier of (1) seven years or (2) when the City Council determines that \$5,980,000 plus an amount sufficient to pay the costs related to issuing bonds and interest has been received from the local option sales and use tax imposed by this chapter to pay for all the capital and administrative costs directly related to completing the designated project.

Finance staff have determined the maximum allowed collection will be met as of December 31, 2026 and have received guidance from the State of MN to terminate collection.

RECOMMENDATION:

Make a motion adopting a resolution approving termination of the City of Grand Rapids .5% local option sales and use tax effective December 31, 2026.