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TO: Honorable County Commissioners
Scott Arneson, County Administrator

FROM: Greg Isakson, Public Works Director

RE: 17 Jan 23 County Board Meeting – CONSENT AGENDA
Set Public Hearing to Update Local Option Sales Tax Project List

Date: 17 Jan 23

Summary

It is requested that the County Board hold a public hearing to discuss updating the list of projects eligible to utilize the Local Option Sales Tax (LOST) funding at the regularly scheduled County Board Meeting on 07 Feb 23 in the Goodhue County Government Center at 9:00 AM.

Background

Back on 24 Jul 18, The County Board considered the needs for additional construction funding to bring the County State Aid Highway and County Road systems into a better and safer state of repair. They discussed and considered several options to raise additional funding, including:

- Asking the Federal and/or State Governments to raise their gas taxes and share with the County,
- Increasing the County's Wheelage Tax from \$10 to \$20 annually
- Increasing the County Property Taxes
- Issuing Construction Bonds
- Adopting the Local Option Sales Tax

After discussion comparing these options, the Board then held a public hearing regarding the Local Option Sales Tax, then adopted the Local Option Sales Tax and approved the 2018 Five-Year County Highway Construction program as the list of projects that are eligible to utilize these revenues.

The list of LOST eligible projects was later revised following a public hearing on 01 Feb 22.

Staff is requesting that the County Board set a public hearing to discuss updating the list of projects eligible to utilize proceeds collected through the Local Option Sales Tax, including projects recently added to the County's Five-Year County Highway Construction Program.

Alternatives

- Set a public hearing to discuss updating the LOST eligible project list.
- Seek funding from other sources.
- Take no action and drastically reduce the current and future Five-Year County Highway Construction Program.

Recommendations

It is the recommendation of staff that the County Board hold a public hearing to discuss updating the list of LOST eligible projects at the regularly scheduled County Board meeting on 07 Feb 23 in the Goodhue County Government Center at 9:00 AM.