

MN: Duluth may dig deep to lobby for train, sales tax extension

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Jan. 21—DULUTH — City councilors are expected to approve the expenditure of as much as \$107,000 Monday to lobby lawmakers in St. Paul this legislative session. The City Council's wish list includes a request to extend for another 30 years a local half-percent tax on hotel stays, as well as restaurant and bar tabs.

One resolution headed to the council Monday authorizes city staff to pay up to \$72,000 to the law firm of Fryberger, Buchanan, Smith and Frederick P.A. to push forward a number of city legislative priorities, including the sales tax. A second resolution approves spending an additional \$35,000 to advocate for the launch of a passenger rail service between the Twin Cities and the Twin Ports.

Both resolutions remain on the council's consent agenda, after a Thursday evening meeting, meaning that they are considered uncontroversial and likely will be approved unanimously, without debate, come Monday.

Duluth already has a half-percent sales tax that it has used to finance recreational improvements along the St. Louis River Corridor, in an effort to make the area more attractive to both tourists and prospective residents. The tax, approved in 2014, is slated to sunset once it has generated \$18 million, and it is quickly nearing that mark.

The city would need legislative approval to extend the tax and the resolution headed to the council Monday requests authority for the tax to remain in place another 30 years or until it generates up to \$36 million, with the proceeds earmarked for "capital improvements to parks-based public athletic facilities in support of sports tourism and quality of life in Northeast Minnesota."

If the Minnesota Legislature signs off on the sales tax extension, the City Council would simply need to pass an ordinance to tack up to an additional 30 years onto the life of the tax. The matter would not necessarily need to go to a public referendum vote.

A public referendum that would have raised local property taxes to support parks and trails, boosting dedicated funding from \$2.6 million to more than \$4.2 million this year, narrowly failed by 203 votes in November.

At large councilor Arik Forsman suggested some overlap between the two requests and suggested city administration may wish to clarify its position in regard to the difference.

Noah Schuchman, Duluth's chief administrative officer, responded: "I think this is a request we likely would have made even if the referendum had passed, because it's part of our recognition of real and significant long-term needs in this area. But we will figure out the best way to get more information to you."

At the request of St. Louis County Commissioner and former Duluth City Councilor Patrick Boyle, the city also will take up a resolution that could provide an additional \$35,000 to lobby for the proposed Northern Lights Express, a passenger rail service that has been nearly 20 years in the making.

In a letter to Mayor Emily Larson, Boyle suggests that with the governor's office, House and Senate all under Democratic-Farm-Labor Party control now, "We believe timing has never been better to access an \$88 million state match that is needed to access more than \$340 million in federal infrastructure dollars to complete the project."

When Schuchman was asked about the prospects of winning the needed state support for the project, he hesitated to prognosticate.

But he said: "I think this is probably the best opportunity that we have had to date."

"Without offering a prediction, I would say we're in the best possible shape, and this is putting the overall alliance in the best possible position to strongly advocate for the project," Schuchman said.

The city and county are part of the Northern Lights Express Alliance, a group of stakeholders that have been working to advance the proposed new rail service.

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