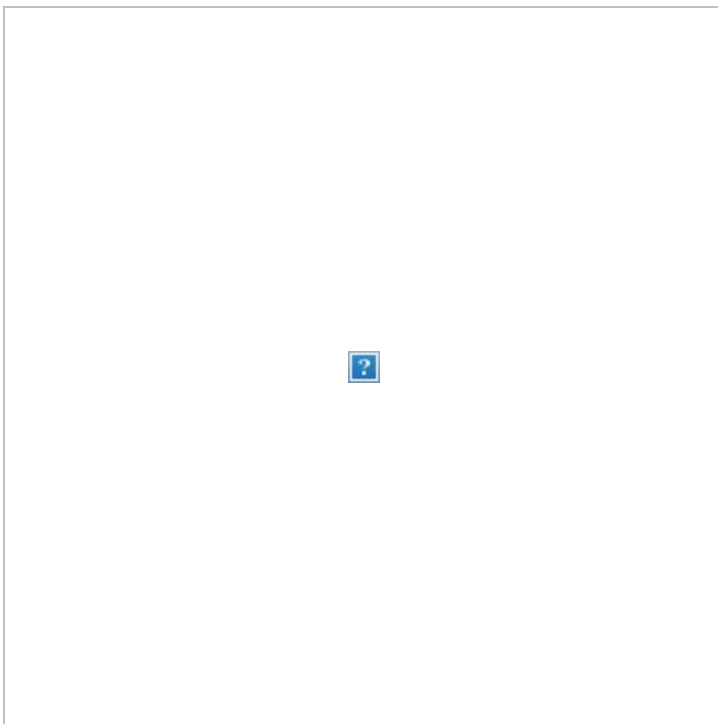


From: [Amanda Duerr](#)
To: [*CI-StPaul_Contact-Council](#)
Subject: SPAC Comments on Local Sales Tax
Date: Tuesday, January 3, 2023 1:59:39 PM
Attachments: [01.03.23 Local Sales Tax SPAC.pdf](#)

Hello Council President Brendmoen and City Councilmembers,

Attached please find a letter from the St. Paul Area Chamber regarding tomorrow's discussion surrounding Res. 23-33, the imposition of a local sales tax.

Thank you,



ST PAUL

AREA CHAMBER

401 N Robert Street, Suite 150
St. Paul, MN 55101

MAKING CONNECTIONS THAT COUNT

January 3, 2023

via email

Council President Amy Brendmoen
Councilmember Rebecca Noecker
Councilmember Chris Tolbert
Councilmember Mitra Jalali

Councilmember Nelsie Yang
Councilmember Jane Prince
Councilmember Russel Balenger

Re: Resolution 23-33 (Local Sales Tax)

Council President Brendmoen and Councilmembers:

On behalf of the 1700+ members and affiliates of the St. Paul Area Chamber, who together represent more than 3 million employees and their families, thank you for the opportunity to comment on Resolution 23-33, regarding the imposition of a local sales tax to fund capital improvements.

We understand that the City of St. Paul is facing real and unique budget challenges, from needed infrastructure improvements to public safety solutions. After the 14.7 percent levy increase was adopted for 2023, nearly all councilmembers commented on the need for additional state funding support. At its December 20 meeting, the City Council adopted a legislative agenda with a "top priority" of seeking additional Local Government Aid (LGA) program appropriations. We agree that St. Paul has historically been underfunded by the LGA program and formula modifications are needed to recognize the unmet needs of Minnesota's capital city. We also believe that the City's strongest legislative push, and most immediate solution to its budget challenges, ought to be first through additional LGA funding.

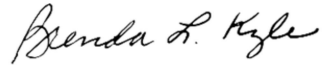
Given that Mayor Carter announced the one percent local sales tax proposal on December 27, 2022, the St. Paul Area Chamber has not yet adopted a formal position on the sales tax, nor do we fully understand how this proposal interplays with the legislative push for more LGA. Before taking an "official" position, we intend to survey our members for their feedback and engage in discussions with St. Paul business community partners. That work is underway.

We understand the process for instituting a local-option sales tax is long and complicated, requiring Council support, legislative authority and, ultimately, voter approval by referendum. Historically, it can be demonstrated that the most successful local sales tax efforts are those that begin this process with broad community buy-in and support. In this situation, we're concerned



that the stakeholder outreach and community conversations didn't occur as this proposal was being developed. We do look forward to future conversations on this very real challenge.

Respectfully,



B Kyle
President & CEO
St. Paul Area Chamber

