



## Request for City Council Committee Action from the Department of Public Works

**Date:** May 19, 2015

**To:** Honorable Kevin Reich, Chair Transportation & Public Works Committee

**Referral to:** Honorable John Quincy, Chair Ways and Means Committee

**Subject:** **Nicollet Mall Redesign and Reconstruction Project: Assessment Contract**

### Recommendation:

Authorize the appropriate city officials to negotiate and enter into a contract with Shenehon for assessment calculation for the Nicollet Mall reconstruction project in an amount not to exceed \$150,000.

### Previous Directives:

- October 31, 2015 - Authorize the appropriate city officials to negotiate and enter into a contract with Shenehon for assessment calculation for the Nicollet Mall reconstruction project in an amount not to exceed \$60,000.
- August 15, 2014 - Authorize staff to issue a Request for Proposal to solicit proposals from qualified vendors for a construction manager for the Nicollet Mall Redesign and Reconstruction Project.
- June 27, 2014 – Authorize staff to initiate a process to select a construction manager for the Nicollet Mall.

### Department Information:

Prepared by: Jennifer Swanson, Public Works Interagency Coordinator 673-2529  
Don Elwood, Director of Transportation Planning and Engineering 673-3622

Approved by: \_\_\_\_\_  
Steven A. Kotke, P.E., Director of Public Works

Presenters in Committee: David Frank, Director of Economic Policy and Development, CPED  
Don Elwood, Director of Transportation Planning and Engineering

### Reviews

Permanent Review Committee (PRC):	Approval	<input checked="" type="checkbox"/>	Date	<u>7/31/14, 10/16/14</u>
Civil Rights Approval	Approval	<input type="checkbox"/>	Date	_____
Policy Review Group (PRG):	Approval	<input type="checkbox"/>	Date	_____

## **Financial Impact**

Action is within current appropriation.

## **Community Impact**

- Neighborhood Notification – RFP published on City of Minneapolis Procurement website
- City Goals: A hub of economic activity and innovation: Businesses – big and small – start, move, stay and grow here.

## **Supporting Information**

The City entered into an agreement with Shenehon in June 2014 to provide an estimate of the benefit to Downtown properties resulting from the Nicollet Mall redesign and reconstruction project. In September, as described in the contract for their first phase of work, Shenehon provided the City of Minneapolis the relevant data to develop a proposed zone map identifying and grouping various classes and tiers of Downtown properties that will benefit from the project. They also provided a proposed methodology to be used for calculating special assessments against appropriate benefit properties and selected a representative sample of properties by property type and location.

The assessment method was established using Market Value. Shenehon Company independently and uniformly calculated the special assessments for the properties that receive a special benefit from the Nicollet Mall renovation project. Some of the special benefits identified by Shenehon Company are improved mobility/access, aesthetics, character and vitality, destination, public safety, tenant and employee recruitment, economic enhancement and expanded visitorship.

The special benefits were used to create a map to identify the geographic area that benefits from the project. Four tiers were created. Shenehon selected eight property types: office, hotel, retail, parking, industrial, institutional, residential, and land. Each property was classified into one of the eight property types. Not all properties and locations benefit the same. The benefit decreases as the property is farther away from the mall; also, the benefit decreases as the intensity of use lessens (from office to land). Shenehon Company determined a benefit rate for each property type within each tier. A total of 32 benefit rates were determined.

The Nicollet Mall team was granted Council approval in October 2014 to contract with Shenehon to complete the final stage of assessment work on behalf of the project. In this phase, Shenehon utilized specific property data from the City Assessor's office to allocate the total Nicollet Mall assessment for each of the benefitted properties. The prior approval and contract amount was based on an estimate of 3,000 properties in the benefit area. However, the final number of properties was just over 7,100 which created a significant increase in work load and time spent on the assessment calculations. Since the City had not yet executed the contract with Shenehon that was approved by Council last fall, this action will adjust the total contract amount from \$60,000 to \$150,000 due to the increase in the number of property assessment calculations.

cc: CM Goodman – Ward 7  
CM Frey – Ward 3  
Jack Qvale, Secretary, Board of Estimation and Taxation