

## Request for Committee Action

**To:** Transportation & Public Works  
**Date:** 9/13/2016  
**From:** Public Works Department  
**Prepared by:** Brette Hjelle, Director, Business Administration  
**Presented by:** Brette Hjelle, Director, Business Administration  
**File type:** Resolution  
**Subcategory:** Assessment

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**Subject:**

Downtown Business Improvement Special Service District: Proposed Services and Service Charges for 2017

**Description:**

Passage of Resolution:

1. Approving the operating plan which includes special services and budget cost estimates in the lump sum total amount of \$6,570,736 for 2017;
2. Approving services charges and the lists of services charges (assessments) in the lump sum total amount of \$6,570.736 for 2017;
3. Directing the transmittal of certified copies of the lists of service charges to the Hennepin County Auditor; and
4. Directing the City Engineer to proceed with the work.

**Previous Actions:**

[16-01028](#) Transportation and Public Works Committee directed staff to give notice of public hearing.

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**Ward/Neighborhood/Address:**

Ward 7

**Background/Analysis:**

A public hearing is required to approve the services and service charges for the Downtown Business Improvement Special Service District, commonly called the Downtown Improvement District (DID). All property owners located in the district that are subject to the service charges will receive notice of the public hearing including the proposed assessment amount for 2017 services.

**2017 Operating Plan (Proposed Services and budget)**

As described in the attached Operating Plan, the total proposed budget for 2017 is \$6,570,736 to provide services in the categories of Safe, Clean, Greening and Public Realm, Public Area Maintenance, Snow, Communications, Program Management, and Administration.

All services within the district are proposed to continue to be managed and delivered by Minneapolis Downtown Improvement District, Inc., a non-profit corporation, via a contract with the City. Effective January 1, 2013, the Minneapolis Downtown Improvement District, Inc. board of directors voted to become a fully controlled subsidiary of the Minneapolis Downtown Council and the boards of both entities are now composed of the same individuals.

This proposed Operating Plan and Budget was developed by Minneapolis Downtown Improvement District, Inc. and reviewed by staff from the City Attorney's Office, the City Coordinator's Office as well as the Public Works and Finance departments.

The Department of Public Works recommends that your committee approve the proposed 2017 Operating Plan and Budget.

2017 Service Charges (Assessments)

The total service charges for mandatory properties (as provided for in Minnesota Statute) for 2017 are proposed to be \$6,570,736, which is equal to the estimated cost of providing the services. The method for calculating service charges is based on the following:

- a) The estimated cost for services that have a direct relationship to lineal frontage (e.g., sidewalk sweeping) are pro-rated based on the lineal frontage of a property; and
- b) The estimated cost for services that benefit the entire District without a direct relationship to lineal frontage (e.g., greening) are pro-rated based on the property's gross building area (or land area if undeveloped) per City Assessor records. This addresses the relationship between the quantity of people within a building and the use of the District services.
- c) The District is divided into two service charge subareas: premium and standard. Property lineal frontage and gross building area (or land area if undeveloped) are weighted by a factor (1.0 for premium area parcels and .50 for standard) and costs are pro-rated accordingly.

The Department of Public Works recommends that your committee approve the proposed 2017 service charge methodology and service charges.

**Financial Review:**

**No financial impact.**