

## Request for Committee Action

**To:** Transportation & Public Works  
**Date:** 9/15/2015  
**From:** Public Works Department  
**Prepared by:** Maren Anderson  
**Presented by:** Brette Hjelle, Director, Public Works Administration  
**File type:** Resolution  
**Subcategory:** Assessment

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**Subject:**

Public Hearing: Downtown Business Improvement Special Service District, Proposed Services and Service Charges for 2016

**Description:**

Approving the Resolution for the Downtown Business Improvement Special Service District:

- A. Approve the operating plan which includes special services and budget cost estimates in the lump sum total amount of \$6,038,166 for 2016;
- B. Approve services charges and the lists of services charges (assessments) in the lump sum total amount of \$6,038,166 for 2016;
- C. Direct the City Clerk to transmit certified copies of the lists of service charges to the Hennepin County Auditor; and
- D. Direct the City Engineer to proceed with the work.

**Previous Actions:**

8/11/2015: Notice of public hearing.

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**Ward/Neighborhood/Address:**

Not Applicable

**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 2016 services.

**2016 Operating Plan (Proposed Services and budget)**

A public hearing is required for the City Council to review and approve the District's proposed services and service charges for 2016. As described in the attached Operating Plan, the total proposed budget for 2016 is \$6,038,166 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 2016 Operating Plan and Budget.

2016 Service Charges (Assessments)

The total service charges for mandatory properties (as provided for in Minnesota Statute) for 2016 are proposed to be \$6,038,166, 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 three service charge subareas: core, standard plus, and standard. Property lineal frontage and gross building area (or land area if undeveloped) are weighted by a factor (1.0 for core area parcels, .50 for standard plus, and .25 for standard) and costs are pro-rated accordingly.

The Department of Public Works recommends that your committee approve the proposed 2016 service charge methodology and service charges.

**Financial Review:**

**No financial impact.**