



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

Date: September 9, 2014

To: Honorable Kevin Reich, Chair, Transportation and Public Works Committee

Subject: **Public Hearing: West Broadway Improvement Special Service District, Proposed Services and Service Charges for 2015**

Recommendation:

Passage and summary publication of a Resolution for the West Broadway Improvement Special Service District:

- A. Approve the proposed operating plan which includes special services and budget cost estimates in the lump sum total amount of \$135,440 for 2015;
- B. Approve service charges and the lists of service charges (assessments) in the lump sum total amount of \$103,796 for 2015;
- C. Direct the City Clerk to transmit certified copies of the lists of service charges to the Hennepin County Auditor;
- D. Direct the City Engineer to proceed with the work; and
- E. Approve terms for a Professional Services Agreement with the West Broadway Business and Area Coalition to serve as the District Management Entity.

Previous Directives:

- March 29, 2013: City Council approved the Self-Managed Special Service District Policy.
- May 9, 2014: City Council approved the business plan for the West Broadway Improvement Special Service District.
- May 9, 2014: City Council authorized the proper City Officials to negotiate and execute a professional services agreement with the West Broadway Business and Area Coalition to serve as the District Management Entity for the West Broadway Improvement Special Service District.
- August 5, 2014: Transportation and Public Works Committee directed staff to give notice of public hearing.

Department Information:

Prepared by: Suzette R. Hjermstad, Public Works Special Assessment Office
Andrew Carlson, Project Manager, Special Service Districts

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

Presenters in Committee: Andrew Carlson, Public Works Project Manager

Financial Impact

Other financial impact: This action will specify special assessments against benefited properties.

Community Impact

- Neighborhood Notification: All property owners subject to the service charges within the district received notice of the public hearing including the proposed assessment amount for 2015 services.
- City Goal: A hub of economic activity and innovation: Businesses – big and small – start, move, stay and grow here.

Supporting Information

District Establishment

On May 9, 2014, City Council adopted an ordinance that amended the Minneapolis Code of Ordinances by adding a new Chapter 434 that established the West Broadway Improvement Special Service District.

2015 Proposed Operating Plan

A public hearing is required for the City Council to review and approve the District's proposed services and service charges for 2015 as described in the proposed Operating Plan. The Operating Plan was submitted by the West Broadway Area Coalition and reviewed by City staff.

As described in more detail in the attached Operating Plan, the total budget for 2015 is \$135,440 to provide services within the categories of Streetscape maintenance & repair, streetscape beautification, communications, professional fees, program management, and administration.

The actual amount of service charges to be collected in 2015 is \$103,796. If approved, the 2015 service charges of \$103,796 would be collected on the 2015 real estate tax statements in the same manner as special assessments. There is no interest charge applied. As a new district, there were no service charges previously collected.

The service charges for 2015 have been calculated based on the street frontage (lineal) method for the costs for the streets receiving services. The proposed services would be provided along West Broadway from Sheridan Avenue N to West River Road N.

In addition to the service charges for properties the proposed budget includes \$31,644 in non-service charge revenue from other sources as well as in-kind services.

Professional Services Agreement

All services within the District are proposed to be managed and implemented by the West Broadway Business and Area Coalition (WBC) as the District Management Entity via a Professional Services Agreement in accordance with the City of Minneapolis Self-Managed Special Service District Policy.

The Professional Services Agreement with the WBC negotiated by City staff includes, but is not limited to, the following terms:

- WBC shall submit for City review and approval a proposed operating plan each year;
- WBC shall provide and manage all services described in City-approved annual operating plans in a manner consistent with the City-approved Business Plan;

- The provision of services shall comply with the ordinance that established the District as well as the City of Minneapolis Self-Managed Special Service District Policy; and
- The agreement shall be in effect from January 1, 2015 through December 31, 2019, unless terminated earlier pursuant to the terms of the agreement.

Staff recommends that your committee:

- Approve the proposed Operating Plan and service charges for 2015 for the West Broadway Improvement Special Service District.
- Approve the terms of a Professional Services Agreement with the West Broadway Business and Area Coalition to serve as the District Management Entity for the West Broadway Improvement Special Service District.

Attachment:

2015 Proposed Operating Plan and Budget