



**Request for City Council Committee Action  
From the Department of Public Works**

**Date:** September 30, 2003  
**To:** Honorable Sandra Colvin Roy, Chair, Transportation and Public Works Committee

**Subject: New Nicollet Mall (from Washington Avenue South to 11th Street South) Reconstruction Project: Adopt Assessment Roll for Service Charges to be Collected in 2004 for Special Service District**

**Recommendation:** Passage and summary publication of a Resolution adopting the assessment roll for the New Nicollet Mall service charges in the amount of \$888,191 for payable 2004 and directing the City Clerk to transmit a certified copy of the assessment roll to the Hennepin County Auditor.

**Prepared by:** Suzette R. Hjermsstad, Real Estate Investigator II, 673-2401  
**Approved by:**

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Klara A. Fabry, P.E., City Engineer, Director of Public Works

**Presenters::** Suzette R. Hjermsstad, Real Estate Investigator II

**Financial Impact** (Check those that apply)

- No financial impact - or - Action is within current department budget.  
(If checked, go directly to Background/Supporting Information)
- Action requires an appropriation increase to the Capital Budget
- Action requires an appropriation increase to the Operating Budget
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves
- Other financial impact (Explain): Revenue for debt service on bonds.
- Request provided to the Budget Office when provided to the Committee Coordinator

**Background/Supporting Information**

This is an on-going 20-year assessment that began in 1989 (payable in 1990) that is recalculated each year. The charge is based on the property's land and building value and is redistributed each year within the district to reflect changes that occur such as new building construction, property classification changes and updated property value appraisals, for example. This requires an annual certification to the County Auditor of the charge to be levied on each property within the district that is subject to a service charge. An assessment public hearing is not needed each year.

In 1989, the City Council established the Downtown Special Service District for the New Nicollet Mall (from Washington Avenue South to 11th Street South) Reconstruction Project with part of the costs of construction (42.5%) to be funded by service charges

over a period of 20 years against properties in the special service district. The amount established in Resolution 89R-412 passed by the City Council on September 29, 1989 to be charged to the district in each of the 20 years was \$888,191 (principal plus interest). This amount of \$888,191 has been charged to the district each year for payable 1990, 1991, 1992 and 1993 (4 years). In July, 1993, refunding bonds were issued for the project and structured with direction from the City Council to bring the interest savings forward. This was accomplished and the district's allocated share of the savings generated by the refunding bonds were used to reduce the amount charged to the district to \$680,000 each year for payable 1994, 1995 and 1996 (3 years). For payable 1997 through 2009 inclusive (13 years), the amount to be charged to the district each year is to return to \$888,191.

Attachment 1 - New Nicollet Mall Special Service District Zones Map

cc: Jack Qvale, Secretary, Board of Estimate and Taxation  
Mike Abeln, Minneapolis Finance Department

Bcc: Smith, Ogren, Kennedy, Wertjes, Hjermsstad