

February 12, 2009

Nicollet Mall Operation and Maintenance District Property Owner:

The Downtown Business Improvement Special Service District, commonly called the Minneapolis Downtown Improvement District (DID) was enabled by the City Council on 12/12/08. The Nicollet Mall Operations and Maintenance District (herein called the "Mall District") falls within the boundaries of the DID. The Nicollet Mall Advisory Board has advised the City Council that it wishes to discontinue special service delivery and streetscape maintenance through the Mall District, and start the provision of those services through the DID. The Mall District will remain as an ordinance, but in the future, as long as the DID is active, service provision or assessments via the Mall District will "be dormant." This letter is to outline a plan for a smooth financial and service delivery transition. The intent is to ensure that there is no overlap in services or annual service charges: once a service begins under the DID, that service will end under the Mall District.

Because 2009 is a start up year for the DID, several steps are required to implement this transition:

1. The Mall District services will phase out at which time only partial year charges will have been incurred;
2. The Mall District has carried a contingency reserve, that, when coupled with the unspent funds from 2009, will result in a balance remaining in the Mall District of approximately \$922,000. Once the 2009 Mall District services are completed, the final accounting will adjust this balance.
3. The remaining Mall District balance will be used as a credit against amounts due to the DID from Mall District properties.
4. The remaining balance will be allocated to Mall District properties in the same proportion as charges were billed in 2009.
5. Mall District properties will receive a notice of 2009 service charges for the DID showing the amount due for DID.
6. The DID notice will not reflect the credit balance due for the Mall District, but the City's invoice for DID charges will show the credit balance as an offset to DID charges at the time of payment.

What does this mean to you? If you are a property paying into the DID, you will receive a notice of 2009 service charges and public hearing for the DID that will not factor in the Mall District credit. After the public hearing, an invoice will be sent by the City for your property that will show:

\$ _____ The 2009 DID charge
(_____) Less the Mall District credit
\$ _____ *Amount due*: Net DID charge (or credit balance for application against future DID charges if your Mall District credit balance is larger than your 2009 DID charge).

If you are property that does not pay into the DID (residential and exempt properties), you will not receive a credit from the Mall District in 2009. Rather, credits or deficits for these properties will be allocated only after the final accounting of all Mall District activities occurs in 2010.

OPEN HOUSE Q&A: There will be an Open House to discuss the DID services charge as well as any questions on the transition of services and fund balances from the Mall District. Please join us on March 5, 2009, 8:00 -9:00 at University of St. Thomas, Terrance Murphy Hall, 1000 LaSalle Avenue, Thornton Auditorium 2nd Floor, or call us with questions at: 612.366.7830 (Sarah Harris).