



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

Date: October 23, 2007
To: The Honorable Sandra Colvin Roy, Chair, Transportation and Public Works Committee
The Honorable Paul Ostrow, Chair, Ways & Means/Budget Committee

Subject: **Nicollet Mall Improvement, Maintenance and Operation Assessments
Payable in 2008: Assessment Public Hearing**

Recommendation:

- Adoption of a Committee Report adopting and levying assessments in the amount of \$1,172,705.89.
- Adopting an assessment roll and directing the City Clerk to transmit a certified copy of the adopted assessment roll to the Hennepin County Auditor.

Previous Directives: Approval of Nicollet Mall Improvement, Maintenance & Operation budget, Resolution 2007R-263, passed May 25, 2007

Prepared by: Suzette R. Hjermsstad, Real Estate Investigator II, 673-2401
Michael D. Kennedy, Director, Transportation Maintenance & Repair

Approved: _____
Steve A. Kotke, P.E., City Engineer, Director of Public Works

Presenter: Michael D. Kennedy, P.E., Director, Transportation Maintenance & Repair

Permanent Review Committee (PRC)	Approval _____	Not applicable	<u> X </u>
Policy Review Group	Approval _____	Not applicable	<u> X </u>

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): Special assessment against benefited properties
- Request provided to the Budget Office when provided to the Committee Coordinator

Community Impact

Neighborhood Notification Public hearing notices sent out.

City Goals: The city's infrastructure will be well-maintained; Streets will be destinations.

Comprehensive Plan: Consistent

Zoning Code: Not Applicable

Background/Supporting Information Attached

The Nicollet Mall Advisory Board recommended approval of a 2008 Nicollet Mall Operating Budget following its May 10, 2007 meeting and on May 25, 2007, the City Council approved a 2008 Nicollet Mall Operating Budget in the total amount of \$1,263,101. Of this amount, \$1,172,706 would be assessed against benefiting properties, including the Central Library, City-owned Peavey Plaza and Loring Greenway.

The Central Library is exempt from paying special assessments. In the mid-1990's, the City made the decision to recover the estimated share of costs and credit it to the Mall by deducting the annual proportionate amount from the Library share of LGA that came to the City. That arrangement has continued to this year. With the takeover of the City Library system by Hennepin County, the NMAB has asked how the Library share of assessments will be recovered in the future. It is our understanding that Hennepin County has agreed to be assessed for receiving Mall services.

The Peavey Plaza and Loring Greenway shares are assessed against the property and paid by the City.

The 2008 approved budget assumes continued assessments against the Central Library, Peavey Plaza and Loring Greenway. The 2008 budget also includes a credit, which relates to fees collected and costs incurred for the Municipal Market. The total amount of the 2007 budget was also \$1,263,101.

The amount proposed to be specially assessed for payable 2008 is \$1,172,706. This compares with special assessments approved in 2006 for payable 2007 in the amount of \$1,122,817. The increase in the proposed assessment is due to the Central Library being assessed instead of a deduction in their LGA funds. The rental income received from vendors and other use stays consistent from last year at \$21,000.

On September 20, 2007, the Nicollet Mall Advisory Board also reviewed and recommended approval of the proposed assessment spread as prepared by the City Engineer for payable 2008. This proposed assessment spread is in compliance with what had been previously recommended by the Advisory Board.

Public hearing notices with the proposed assessment amounts were mailed to individual property owners 2 weeks prior to today's meeting.

Cc: Council Member Lisa Goodman
Heather Johnston, Budget Director
Craig Troutman, Minneapolis Finance Department
Kit Hadley, Director, Minneapolis Public Library
Robert Greenberg, Chair, Nicollet Mall Advisory Board
Michael McLaughlin, Minneapolis Downtown Council/Nicollet Mall Advisory Board

October 23, 2007

ANNUAL NICOLLET MALL IMPROVEMENT, MAINTENANCE AND OPERATION

<u>DESCRIPTION</u>	<u>2006 BUDGET</u>	<u>2007 BUDGET</u>	<u>2008 BUDGET</u>
City General Fund	\$ 69,395	\$ 69,395	\$ 69,395
Central Library	\$ 46,495	\$ 49,889	\$ 49,889
Special Assessments	\$ 1,120,730	\$ 1,122,817	\$ 1,122,817
Rental Income	\$ 26,481	\$ 21,000	\$ 21,000
Credit for Prior Year Balance	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTALS	\$ 1,263,101	\$ 1,263,101	\$ 1,263,101

October 23, 2007

NICOLLET MALL FROM WASHINGTON AVENUE SOUTH TO GRANT STREET
HISTORY OF IMPROVEMENT, MAINTENANCE AND OPERATION ASSESSMENTS

<u>YEAR PAYABLE</u>	<u>AMOUNT ASSESSED</u>
2008	\$ 1,172,706 (Subject to approval at Fall, 2007 Public Hearing)
2007	\$ 1,122,817
2006	\$ 1,120,730
2005	\$ 1,126,945
2004	\$ 1,131,702
2003	\$ 1,117,825
2002	\$ 1,124,705
2001	\$ 1,130,175
2000	\$ 1,112,506
1999	\$ 1,093,245 (amount initially proposed was \$1,100,370)
1998	\$ 1,056,367
1997	\$ 1,064,494
1996	\$ 1,093,137
1995	\$ 1,134,903
1994	\$ 996,047
1993	\$ 1,057,089
1992	\$ 1,105,372
1991	\$ 221,090 (amount initially proposed was \$966,090)
1990	\$ 859,253
1989	\$ 768,959
1988	\$ 1,000,141
1987	\$ 1,003,839
1986	\$ 1,015,844
1985	\$ 1,248,916
1984	\$ 985,790
1983	\$ 940,180
1982	\$ 887,001