

February 12, 2009

Hennepin Theatre District Special Service 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 Hennepin Theatre District Special Service District (herein called the "Theatre Service District") falls within the boundaries of the DID. The Theatre Service District Advisory Board has advised the City Council that it wishes to discontinue special service delivery and streetscape maintenance through the Theatre Service District and start the provision of services through the DID. The Theatre Service District will remain as an ordinance, but in the future, as long as the DID is active, service provision or assessments via the Theatre Service 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.

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

1. The Theatre Service District services will phase out mid year so that only partial year charges will have been incurred.
2. The DID will undertake services for the remainder of 2009.
3. The Theatre Service District has carried a deficit from previous years when more costs were incurred than charged.
4. The Theatre Service District unspent funds from 2009 will be applied against the deficit, any surplus will then be allocated to Theatre Service District properties in the same proportion as charges were billed in 2009.
5. Theatre Service District property owners will receive a notice of 2009 service charges for the DID showing the amount due for the DID.
6. The DID notice will not reflect any remaining deficit or credit balance for the Theatre Service District.

What does this mean to you? You will receive a notice of 2009 service charges and public hearing for the New District that will not factor in the Theater Service District deficit or surplus. After the public hearing process, an invoice will be sent by the City for your property that will show your charges for the New District less any credit remaining from the Theatre Service District. Any deficit remaining from the Theatre Service District will continue to be charged to Hennepin Avenue Properties under a separate assessment until such time as the deficit has been eliminated.

Please note: the Hennepin Avenue Capital Assessments will remain unchanged by this transition.

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 Theatre Service 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).