



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

**Date:** June 8, 2009  
**To:** Honorable Paul Ostrow, Chair, Ways & Means/Budget Committee  
**Subject:** **Nicollet Mall 2010 Operating Budget**

### Recommendation:

1. Approve the 2010 Nicollet Mall operating budget in the amount of \$ 0 (zero dollars);
2. Passage of the accompanying Resolution amending the 2009 General Appropriation Resolution to set the 2009 Nicollet Mall Appropriation to equal the revised budget adopted by the Nicollet Mall Advisory Board;
3. Increase the Streets and Malls - Nicollet Mall 2009 Appropriation in the General Fund (0100 607 6130) by \$705,411.59.

**Previous Directives:** May 18, 2009: Ways & Means/Budget Committee sets public hearing for June 8, 2009.

Prepared by: Suzette Hjermstad, TP&E, Special Assessments 673-2401  
Michael D. Kennedy, Director, Transportation Maintenance & Repair 673-3759

Approved: \_\_\_\_\_  
Steven Kotke, P.E., City Engineer, Director of Public Works

Presenters in Committee: Michael D. Kennedy

### 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):
- Request provided to the Budget Office when provided to the Committee Coordinator

### Background/Supporting Information:

In connection with the improvement, operation and maintenance of the Nicollet Mall during the ensuing year, a procedure is set forth in Chapter 430, Minnesota Statutes (Elwell Law), whereby the cost of such improvement, operation and maintenance is to be partially charged against properties within the district and partially charged against the General Funds of the City.

The Nicollet Mall Advisory Board (NMAB), at its meeting of May 14, 2009, took action approving a 2010 operating budget of \$ 0 (zero dollars), contingent upon the successful establishment of the 2009 Downtown Improvement District budget, which occurred on May 17, 2009.

The Nicollet Mall Operations & Maintenance District (Mall District) falls within the boundaries of the new Minneapolis Downtown Business Improvement Special Service District (DID), enabled by the City council on 12/12/08. 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 and service charge assessments will be delivered via the DID, and the Mall District will be "dormant".

The attached letter to the Nicollet Mall property owners was sent by the Downtown Council during the establishment of the DID and its budget setting procedures. It outlines how the financial transition from the Mall District to the DID will occur. The intent of the procedures detailed is to ensure that there is no overlap in services or annual service charges.

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 and the final 2009 financial accounting reconciled, this remaining Mall District balance will be used as a credit against amounts due to the DID from Mall District properties.

Cc: Lisa Goodman, 7<sup>th</sup> Ward Council Member  
Heather Johnston, Budget Director  
Craig Troutman, Minneapolis Finance Department  
Robert Greenberg, Chair, Nicollet Mall Advisory Board  
Michael McLaughlin, Minneapolis Downtown Council/Nicollet Mall Advisory Board

Attachments: DID letter to Nicollet Mall District property owners

**W&M/Budget** - Your Committee recommends passage and summary publication of the accompanying resolution approving the 2010 Nicollet Mall Operating Budget, accepting an adjustment to the 2009 budget, and appropriating funds based on the revised 2009 budget.

## **Ostrow**

### **Approving the 2010 Nicollet Mall Operating Budget and accepting adjustments to the 2009 Nicollet Mall Operating Budget.**

Resolved by the City Council of the City of Minneapolis:

That in accordance with the provisions of the Minneapolis Downtown Business Improvement Special Service District, commonly called the Downtown Improvement District (DID), enabled by the City Council on December 12, 2008, and the Nicollet Mall Advisory Board having advised the City Council that it wishes to discontinue special service delivery and streetscape maintenance through the Nicollet Mall Operations & Maintenance District (Mall District) and start the provision of those services through the DID, the estimated cost for improving, operating and maintaining the Nicollet Mall for 2010, in accordance with Subd. 1, Section 420.1.2, Minnesota Statutes, be approved for \$0.00 (zero dollars).

Be It Further Resolved, that unspent funds from 2009 will be used as a credit against amounts due to the DID from Mall District properties in the same proportion as charges were assessed for 2009 services.

**Ostrow**

**Amending The 2009 General Appropriation Resolution.**

Resolved by the City Council of The City of Minneapolis:

That the above-entitled resolution, as amended, be further amended by decreasing the appropriation for the Streets and Malls - Nicollet Mall Agency in the General Fund (0100-607-6130) by \$705,411.59.