



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

**Date:** January 27, 2009  
**To:** Honorable Sandra Colvin Roy, Chair, Transportation & Public Works Committee  
**Subject:** **Downtown Business Improvement Special Service District, Proposed Services and Service Charges for 2009: Set Public Hearing**

**Recommendation:**

- a. Set public hearing for the proposed services and services charges for 2009 for the Downtown Business Improvement Special Service District to be held before the Transportation and Public Works Committee on March 10, 2009 and staff be directed to give notice of the public hearing.
- b. The above subject to the expiration of the 45-day veto period required before the Ordinance is complete; establishing the Downtown Business Improvement Special Service District.

**Previous Directives:**

- a. Council Action December 12, 2008, Ordinance 2008-Or-102 to establish the Downtown Business Improvement Special Service District.

**Prepared by:** Suzette R. Hjermsstad, Public Works Special Assessment Office, 673-2401  
Michael D. Kennedy, P.E., Director, Transportation Maintenance & Repair

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

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

**Reviews**

Permanent Review Committee (PRC):	NA
Civil Rights Affirmative Action Plan	NA
Policy Review Group (PRG):	NA

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

Other financial impact: Special assessment against benefited properties

**Community Impact**

Neighborhood Notification: Public hearing notices to be 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:**

A Public hearing is required to approve the services and service charges for the Downtown Business Improvement Special Service District, commonly called the Downtown Improvement District or DID. The setting of a public hearing date will be conditional on the Ordinance passing the 45-day veto period on January 30th (the required percentage of vetoes not being met). All property owners will receive notice of public hearing including their proposed assessment amount for 2009 proposed services based on a proposed budget not to exceed \$3,500,000.

There are 2 existing special service districts that will go 'dormant' as the new Downtown Improvement District (DID) starts providing services and improvements. They are the Nicollet Mall Improvement, Maintenance and Operations Assessment District, and the Hennepin Theatre District, Special Service District. Both of these service districts have already levied assessments for services and charges for 2009. To provide a service delivery and financial transition from their respective districts to the DID in 2009, City staff and the Downtown Council staff will be working with both of these organizations such that credits or adjustments of the assessments could be made for the properties within these 2 existing districts so that assessments do not overlap and the properties are not assessed twice for the same services.

The assessments for the DID will be based on the following:

- b. Services that have a direct relationship to lineal footage, (e.g., sidewalk sweeping), will be based on the lineal frontage of a property; and
- c. Services that benefit the entire District without relationship to lineal frontage (e.g., security ambassadors) will be based on the property's Gross Building Area (or land area if vacant) per City Assessor records. This addresses the relationship between the quantity of people within a building and the use of the District services.
- d. The District will be divided into different service areas based on the needs of the District. In 2009, the District will have three service areas: core; standard plus; and standard. Property owners in the core area will receive a higher level of services than those in the standard plus area, which will in turn receive more than those in the standard area, and costs will be pro-rated accordingly.

Residential, government and certain non-profit properties are exempt from the assessment but may opt in to receive services.

The assessment method described above is the method proposed by the Downtown Council. As part of the City oversight process, City staff will be working very closely with the Downtown Council staff (eventually the "entity" that will be the contractual service provider and board of managers) to ensure that these assessment methods are adhered to.