



**Request for City Council Committee Action  
From the City Attorney's Office**

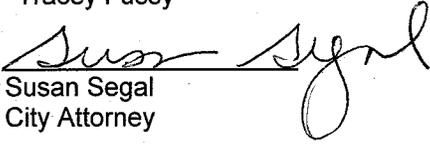
Date: December 5, 2008  
To: Ways & Means/Budget Committee  
Referral to:

**Subject:** Mount Olivet Lutheran Church v. City of Minneapolis

**Recommendation:** That the City Council approve the settlement of this case by reduction of the special assessment levied against Mount Olivet Lutheran Church to \$45,000, and authorize the City Attorney's Office to execute any documents necessary to effectuate settlement.

**Previous Directives:**

Prepared by: Tracey Fussy Phone: (612) 673-2254

Approved by:   
Susan Segal  
City Attorney

Presenter in Committee: Susan Segal, City Attorney

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

- No financial impact (If checked, go directly to Background/Supporting Information).  
 Action requires an appropriation increase to the \_\_\_\_\_ Capital Budget or \_\_\_\_\_ Operating Budget.  
 Action provides increased revenue for appropriation increase.  
 Action requires use of contingency or reserves.  
 Business Plan: \_\_\_\_\_ Action is within the plan. \_\_\_\_\_ Action requires a change to plan.  
 Other financial impact (Explain): Reduction of Special Assessment to \$45,000.  
 Request provided to department's finance contact when provided to the Committee Coordinator.

**Community Impact:** Other

**Background/Supporting Information:**

Mount Olivet appealed a special assessment levied against its property in connection with a street renovation project with which its property abuts. Mount Olivet was assessed \$75,000 for the project.

The Lynnhurst Renovation Project renovated sections of 50<sup>th</sup> Street, Logan Avenue and James Avenue. The Mount Olivet property abuts these three streets and therefore was assessed for the square footage abutting those streets. The City may levy a special assessment against a property as long as the property sees a benefit from the improvement and the special assessment does not exceed the value of the benefit. In this particular case, it was difficult to determine what benefit the property received in terms of market value because the property is zoned R-1 and not likely to be sold for commercial purposes.

Because it is difficult to demonstrate that this particular property received a benefit from the renovation project, a court could potentially decide in favor of Mount Olivet. Therefore settlement is advisable in this matter.

Mount Olivet demanded a reduction in the special assessment levied against its property to \$30,000. After negotiations, a proposed settlement was reached which would reduce Mount Olivet's assessment to \$45,000. The settlement amount has been reviewed and approved by the City Attorney Litigation Committee. Public Works has also had a chance to review the file and agrees to the settlement. Therefore, staff recommends approval of the settlement.