

**AN ORDINANCE
OF THE
CITY OF MINNEAPOLIS
By Colvin Roy**

Amending Title 17 of the Minneapolis Code of Ordinances relating to Streets and Sidewalks by adding a new Chapter 462 relating to East Lake Street Special Service District.

The City Council of The City of Minneapolis do ordain as follows:

Section 1. That the Minneapolis Code of Ordinances be amended by adding thereto a new Chapter 462 to read as follows:

CHAPTER 462. EAST LAKE STREET SPECIAL SERVICE DISTRICT

462.10. Establishment. Pursuant to the authority granted by Minnesota Statutes, Chapter 428A, Section 428A.01 through 428A.10, there is hereby established a special service district (otherwise referred to herein as the "district") wherein the city may provide or contract for public services to be provided of a kind or to a degree not required or performed elsewhere in the city. Said special service district shall consist of the following area, except for those portions thereof within those zoning districts in which business, commercial and industrial uses are not permitted under the Minneapolis Zoning Code:

Commencing at the centerline Lake Street East and Minnesota Trunk Highway 55, thence northerly on the centerline Minnesota Trunk Highway to a point 100 feet north of the centerline of Lake Street East, thence easterly on a line parallel to the centerline Lake Street East to its intersection with the centerline of West River Parkway, thence southerly along the centerline of West River Parkway to a point 100 feet south of the centerline of Lake Street East, thence westerly on a line parallel to the centerline of Lake Street East to a point 205 feet east of the centerline of 27th Avenue South extended, thence westerly to its intersection with the centerline Minnehaha Avenue, thence northwesterly on the centerline of Minnehaha Avenue to a point 100 feet south of the centerline of Lake Street East, thence westerly on a line parallel to Lake Street East to its intersection with the centerline of Minnesota Trunk Highway 55, thence northerly on the centerline of Minnesota Trunk Highway 55 to its intersection with the centerline of Lake Street East to the point of beginning and there terminating.

462.20. Special Services to be performed. Within the special service district, the city may perform any of the following services to the extent that such services are not ordinarily provided throughout the city from ordinary revenues of the city unless an increased level of the service is provided in the special service district:

- (1) Snow and ice removal and sanding of public areas.
- (2) Cleaning and scrubbing of sidewalks; cleaning of curbs, gutters, alleys, and streets.
- (3) Provision, installation, maintenance, removal, and replacement of banners and other decorative items for promotion of the commercial area of the district.
- (4) Poster and handbill removal.
- (5) Repair and maintenance of sidewalks.
- (6) Installation and maintenance of area-wide security systems.
- (7) Provision and coordination of security personnel to supplement regular city personnel.
- (8) Maintenance, repair, and cleaning of commercial area directories, kiosks, benches, bus shelters, newspaper stands, trash receptacles, information booths, bicycle racks and bicycle storage containers, sculptures, murals, and other public area art pieces.
- (9) Installation, maintenance, and removal of lighting on commercial area trees.
- (10) Cost of electrical services for pedestrian and tree lighting.
- (11) Repair of low-level pedestrian lights and poles.
- (12) Provision of comprehensive liability insurance for public space improvements.
- (13) Trash removal and recycling costs.
- (14) Provision, maintenance, and replacement of special signage relating to vehicle and bicycle parking, vehicle and pedestrian movement, and special events.
- (15) Watering, fertilizing, maintenance and replacement of trees and bushes on the public right-of-way.
- (16) Provide all management services for operation of a Special Service District.

462.30. Service charge. The city council hereby finds and determines that the annual costs of providing the services specified in section 462.20 hereof will provide benefits primarily to properties located within the district, rather than to the city as a whole, and that the costs of said services may be recovered by the city by the imposition of service charges to be assessed against properties located within the district pursuant to Minnesota Statutes, Chapter 428A, Section .01 through .10, and as authorized by any applicable charter, special law, or statutory authority including Minnesota Statutes Chapter 429 and Laws of Minnesota, 1969, Chapter 499.

462.40. Notice of veto power. Within five (5) days after adoption of this chapter the city clerk shall mail a summary of this chapter to the owner of each parcel included in the special service district and any individual or business organization subject to a service charge. The notice must meet the requirements of Minnesota Statutes Chapter 428A, Section.09.

462.50. Imposition of service charge; levy. The service charges shall be levied annually prior to November thirtieth (30) upon properties within the district, in an aggregate sum, which, combined with any property tax levied under section 462.60 hereof, will equal the estimated total costs of the city in providing the services referred to in section 462.20 for the next ensuing calendar year. Prior to imposing the service charges, a public hearing shall be held with respect thereto at which all interested persons may appear and be heard. Notice of the public hearing shall be given in at least two (2) separate publications of the city's official newspaper two (2) weeks apart and the public hearing shall not be held less than three (3) days after the last publication. Not less than ten (10) days prior to the hearing, notice shall be mailed to the owner of each parcel of real estate within the area of the proposed district. For the purpose of giving such mailed notice, owners shall be those shown on the records of the county auditor. Other records may be used to supply the necessary information. Notices must be provided as required by the applicable notice provisions of Minnesota Statutes, Chapter 428A. For properties which are tax exempt or subject to taxation on a gross earnings basis in lieu of property tax and are not listed on the records of the county auditor, the owners shall be ascertained by any practical means, and mailed notice given them. The notice of public hearing shall include:

(1) a statement that all interested persons will be given an opportunity to be heard at the hearing regarding a proposed service charge;

(2) the proposed rate or amount of the proposed service charge to be imposed in the district during the calendar year and the nature and character of special services to be rendered in the district during the calendar year in which the service charge is to be collected;

(3) a statement that the petition requirements of Minnesota Statutes, section 428A.08 have either been met or do not apply to the proposed service charge; and

(4) a statement that an owner may appeal an assessment of the service charge to district court including the procedure for appeal.

Within six (6) months of the public hearing, the city may adopt a resolution imposing a service charge within the district not exceeding the amount or rate expressed in the notice issued under this section.

The service charge may be levied at any time not later than six (6) months after the public hearing by a vote of a majority of all members of the city council.

462.60. Assessment of service charges. Except as otherwise provided herein, the service charges imposed under sections 462.30 and 462.40 shall be assessed against parcels of real estate within the district in the manner and subject to the procedures provided in Minnesota Statutes, sections 429.061, 429.071 and 429.081, provided that each assessment shall be payable in a single tax year. Within thirty (30) days after the adoption of the assessment, any person aggrieved may appeal to the district court by serving a notice of appeal upon the mayor or city clerk; provided that no appeal may be taken unless the person appealing shall have filed a signed, written, objection with the city clerk prior to the assessment hearing or shall have presented it to the presiding officer at the hearing, unless a reasonable cause shall exist for such person's failure to do so.

462.70. Ad valorem property tax. The city may, in each calendar year, levy a tax on taxable property in the district based upon the assessed value of the property and such tax shall be assessed and collected in the same manner as other property taxes on property located within the district. The tax shall be levied at a rate that will raise an aggregate sum, which, when combined with any service charges levied in the district, will equal the total costs of the city in providing the services specified in this chapter for the next ensuing calendar year; provided, however, that taxes may be levied in the year 2009 for services rendered and to be rendered in the calendar years 2009 and 2010. Prior to the levy of such a tax a public hearing shall be held. The requirements for the public hearing and the notice of public hearing shall be the same as specified in section 462.40 with respect to the levy of special service charges, and the tax may be levied not later than six (6) months after the public hearing by a majority vote of all of the members of the city council.

For purposes of determining the appropriate tax rate, taxable property or value shall be determined under Minnesota Statutes. Property exempt from taxation by Minnesota Statute shall be exempt from such tax.

462.80. Revenue surplus or deficit. In the event that the cost of services rendered in the district in any calendar year exceed the total taxes and service charges levied and collected with respect to such calendar year, an amount necessary to recoup the excess costs shall be levied as taxes, service charges, or both in the next ensuing year; to the extent that the total taxes and service charges exceed the cost of services,

the next ensuing year's levy of taxes and service charges shall be decreased by a corresponding amount.

462.90. Limitation. Taxes and service charges may be levied pursuant to this chapter to finance special services ordinarily provided by the city only if the services are provided in the district at an increased level and, then, only in an amount sufficient to pay for the increase.

462.100. Petitions and notices. Petitions and notices required for hearings, petitions, or notices under this chapter, and for the resolution setting any service charges, fees, or rates, shall be in compliance with any applicable petition and notice requirements imposed pursuant to Minnesota Statutes, sections 428A.01 through 428A.10. Within five (5) days of adoption of the ordinance or any resolution setting rates or fees, in accordance with Minnesota Statutes, sections 428A.01 through 428A.10, a summary of the ordinance or resolution must be mailed to the owner of each parcel included in the special service district and any individual or business organization subject to a service charge in the same manner that notice is mailed under Minnesota Statutes, section 428A.02. The mailing must include notice that owners subject to the service charge have a right to veto the ordinance by filing the required number of objections with the city clerk before the effective date of the ordinance or resolution and that a copy of the ordinance or resolution is on file with the city clerk for public inspection.

462.110. Advisory board. (a) An advisory board to be known as the East Lake Street Special Service District Advisory Board consisting of nine (9) members, who are residents of the district, owners of property within the district, owners or operators of a business located within the district or their designated representative may be appointed by the city council for terms of two (2) years beginning on January first of each odd-numbered year, the first term to commence January 1, 2009. All board members shall be appointed in conformance with the city's open appointments ordinance. Any vacancy in an unexpired term shall be filled in the same manner as the original appointment was made and shall be for the unexpired term. Board members shall serve until their successors are appointed.

(b) The advisory board shall advise the city council in connection with the construction, maintenance, and operation of improvements and the furnishing of special services in the district. It shall make recommendations to the city council on requests and complaints of owners, occupants, and users of property within the district and members of the public.

(c) Before the adoption of any proposal by the city council to provide services or service charges within the district, the advisory board of the district must have an opportunity to review and comment upon the proposal.

(d) Upon or after the effective date of this chapter, the city council may appoint a temporary advisory board consisting of nine (9) members who shall be required to have

the qualifications specified in paragraph (a) of this section. Said temporary advisory board shall have all of the powers, duties and responsibilities of, and shall be known as, the East Lake Street Special Service District Advisory Board from its date of appointment through December 31, 2008. In appointing the temporary advisory board members, the city council shall not be bound by the provisions of Minneapolis Code of Ordinances, Section 14.180.

462.120. Definitions and construction. The terms used herein shall be defined as provided in Minnesota Statutes, Chapter 428A Sections 428A.01 through 428A.10. and said Statute shall in all respects govern the creation, existence and operation of the district and the manner imposing service charges therein and this chapter shall be construed consistently therewith.

462.130. Bonds. At any time after a contract for the construction of all or part of an improvement authorized under Minnesota Statutes, Chapter 442 to 442.170 has been entered into or the work has been ordered done by day labor, the city council may issue obligations in the amount it deems necessary to defray in whole or in part the expense incurred and estimated to be incurred in making the improvement, including every item of cost from inception to completion and all fees and expenses incurred in connection with the improvement or the financing. The obligations are payable primarily out of the proceeds of the service charge based on net tax capacity imposed under section 462.50 and 462.150 or from any other special assessments or nontax revenues available to be pledged for their payment under charter or statutory authority, or from two (2) or more of those sources.

The City Council may, by resolution adopted prior to the sale of obligations, pledge the full faith, credit, and taxing power of the city to assure payment of the principal and interest if the proceeds of the service charge in the district are insufficient to pay the principal and interest. The obligations must be issued in accordance with Minnesota Statutes, Chapter 475, except that an election is not required, and the amount of the obligations need not be included in determining the net debt of the city under the provisions of any law or charter limiting debt.

462.140. Notice to Commissioner of Revenue. Within thirty (30) days after adoption of this chapter, the city clerk shall send a copy of this chapter to the Commissioner of Revenue.

462.150. Exemption of certain properties from taxes and service charges. Property exempt from taxation by section 462.10 is exempt from any service charges based on net tax capacity imposed under sections 462 to 462.70.

462.160. Collection of service charges. Service charges may be imposed on the basis of the net tax capacity of the property on which the service charge is imposed but must be spread only upon the net tax capacity of the taxable property located in the geographic area described in the ordinance. Service charges based on net tax capacity may be payable and collected at the same time and in the same manner as provided for

payment and collection of ad valorem taxes. When made payable in the same manner as ad valorem taxes, service charges not paid on or before the applicable due date shall be subject to the same penalty and interest as in the case of ad valorem tax amounts not paid by the respective due date. The due date for a service charge payable in the same manner as ad valorem taxes is the due date given in law for the real or personal property tax for the property on which the service charge is imposed. Service charges imposed on net tax capacity which are to become payable in the following year must be certified to the county auditor by the date provided in section 462.50 for the annual certification of special assessment installments. Other service charges imposed must be collected as provided by ordinance. For the purpose of this section, "net tax capacity" means the net tax capacity most recently determined at the time that tax rates are determined under Minnesota Statutes, Chapter 275, section 08.

462.180. Effective date. This ordinance shall become effective forty-five (45) days from and after its date of publication in the official newspaper of the City of Minneapolis.