

2011

Feasibility Study of a Special Service District in Cedar Riverside

A CHANCE Capstone Project



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Executive Summary

This report was created as part of a student-led community-based research project through the Humphrey School of Public Affairs at the University of Minnesota. This report is the product of a graduate level course taught through the Humphrey School's Cedar Humphrey Action for Neighborhood Collaborative Change (CHANCE) capstone course. This project was selected by stakeholders in the Cedar Riverside Neighborhood to closely examine whether the implementation of a special service district (SSD) is feasible in Cedar Riverside and if so, under what circumstances. This report used the principles of Community-Based Research (CBR) to engage neighborhood stakeholders in discussion on community issues with the goal of expanding knowledge and understanding of issues and ways to affect positive change and produce desired outcomes. This report is a summary of the feasibility study conducted describes the background work in preparing for the study, the methodology used in creating the district scenarios, the iterations of scenarios as they changed after community feedback, and finally concludes with recommendations and observations determined to aid in the advancement of a special service district in Cedar Riverside.

A special service district is a mechanism that can be used to provide services beyond what a municipality already provides. Commercial, industrial and utility properties are the only properties that are subject to assessment under the Minnesota State Statute, and the affected property owners must follow a formal petition process under Minneapolis City Ordinance in order to initiate the process of creating a SSD. Once the process has begun, affected properties that would be subject to assessments to pay for these services are given an opportunity to override the efforts. This process is explained in further detail in the section titled, *Methodology, Assumptions, and Approach*.

After conducting various methods including background research on existing special service districts in Minneapolis and the legal requirements involved in the implementation, this project moved forward through an iterative process whereby hypothetical SSD scenarios varying both in boundaries and bundles of services were presented and altered numerous times before arriving at a final scenario.

Ultimately, this report suggests that a special service district is feasible in the Cedar Riverside Neighborhood, but due to the makeup of the neighborhood in terms of land use and need for services, there are a number of limitations that would need to be addressed in order for a special service district to move forward and meet the needs and desires of the major stakeholders.

Introduction

Cedar Humphrey Action for Neighborhood Collaborative Engagement (CHANCE) is a program under the Center for Integrative Leadership at the University of Minnesota and housed within the Humphrey School of Public Affairs. At its core, CHANCE provides a forum through which graduate level students at the University of Minnesota's Humphrey School of Public Affairs, Carlson School of Management, and Law School can get involved with and engaged in the Cedar Riverside Neighborhood at a deeper level. This project was developed through the CHANCE capstone course - a two-semester course offered through the Humphrey School where students spend four months learning about the neighborhood, and four months working on projects designed to produce a useful outcome or product for a client in the Cedar Riverside Neighborhood. All projects are designed by students but are selected by residents and stakeholders in the neighborhood.

Projects developed through the CHANCE capstone course are based on the principals of Community-Based Research (CBR). CBR is defined as "collaborative, change-oriented research that engages faculty members, students, and community members in projects that address a community-identified need" (Cutforth, 5). Through collaboration, democratization of knowledge, and social change, CBR is governed by a number of principles: campus-community partnerships, research design and process, and teaching and learning (Cutforth, 6). Collaboration through engaged participation among academic and community partners breaks down the wall between the researcher and the researched, leading to the democratization of information. Democratization of knowledge is not just about the open communication of information between all parties but about "valuing equally the knowledge that each brings to that process - both the experiential, or "local" community knowledge and the more specialized knowledge of faculty and students" (Cutforth, 7). For this project, all parties had highly skilled knowledge and the democratization of knowledge was less of a barrier. To enhance social change, CBR assists in enhancing capacity to pursue community interests and desired change. These principals formed the basis for the research, design, and implementation the project.

During the first four months of the CHANCE capstone course students attended a number of community meetings where a potential Cedar Riverside special service district (SSD) was repeatedly discussed. After reflecting on the community meetings, potential projects were proposed internally. The issue of a special service district was determined to be a topic of high relevance among the majority of community partners and CHANCE course members. At first, the project proposed the idea of creating a guidebook for a client to use to create a special service district (*Appendix A*). As questions arose over potential scenarios of a SSD, the project morphed into a feasibility study to determine whether or not a SSD would be feasible for the neighborhood and what it may encompass. On November 16th, 2010, a community meeting was held at the African Development Center to evaluate proposed projects among community members. Projects were selected directly by stakeholders who were supportive of the project. On December 21st, 2010, the Cedar Riverside Partnership (CRP) officially endorsed the study.

Background

Goals

Originally, the project goal for this feasibility study was to conduct a stakeholder analysis, research the steps that need to be taken to implement a special service district in Minneapolis, and create a step by step guidebook for stakeholders to use to implement a special service district in the Cedar Riverside neighborhood. The initial goal was to determine what the estimated cost would be for those participating in a special service district relative to determined boundaries and services.

Upon taking first steps to conduct the feasibility study, the goals for the project had to be modified to better suit the project to the needs of the stakeholders and our client. That required assessing the level of possible participation of the large institutions in the area including Fairview Hospital, Augsburg College, the University of Minnesota, major property owners such as Sherman Associates, as well as the West Bank Business Association. Due to indicated interest on the part of most of these institutions and because they are not legally required to participate financially in a SSD, the goals required close examination of cost estimations and geographic borders that make sense for all stakeholders.

The goals of this project include: determining the feasibility of a special service district in Cedar Riverside based on the logistics of existing special service districts in Minneapolis, and defining the possible scenarios that could occur including given cost estimates and varying bundles of services.

Timeline

Preliminary research and project development took place during the fall of 2010. Much of this work consisted of community meetings, assessing of issues and community needs, and preparation of project proposals. The SSD feasibility study began as an independent project on December 21, 2010 after the endorsement of the Cedar Riverside Partnership. The timeline below provides a context for this project.

Fall 2010:

- September 7, 2010: Potential projects were presented to the CHANCE class as preliminary starting points for discussion
- October 5, 2010: Robin Garwood, Policy Aide to Councilmember Cam Gordon attended class for a discussion on neighborhood issues and discussed the potential uses and benefits of a special service district in Cedar Riverside
- October 13, 2010: Minneapolis Department of Community Planning and Economic Development conducts a Riverside Plaza Renovation community meeting and brought up the topic of a special service district, which was later incorporated into a Memorandum of Agreement whereby the owner of Riverside Plaza committed to participating in a special services district contingent upon equal participation by Augsburg College, the University of Minnesota, and Fairview Hospitals
- November 9, 2010: In-class development and vetting of potential final projects
- November 16, 2010: Community meeting with class and more than a dozen stakeholders at the African Development Center to discuss and select projects for spring semester

- November 23, 2010: Final selection of projects and selection of team members for each project (including Sasha Bergman, Andy Grewell, and Jacob Walls for the Cedar Riverside special service district project)
- December 8, 2010: Feasibility study of special service district team members meet with Minneapolis Public Works to learn background information on the logistics of implementing a special service district in Minneapolis
- December 21, 2010: Cedar Riverside Partnership meeting where the members formally endorse their support and willingness to partner for project (*Appendix L*)

Spring, 2011:

- March 3, 2011: Team presents Scenario 1 to the Cedar Riverside Partnership Implementation Meeting
- March 14, 2011: Team presents Scenarios 1 and 2 at the Cedar Riverside Partnership meeting
- April 5, 2011: Team meets with Cedar Riverside Partnership SSD/BID Work Group to present Scenario 3
- April 26, 2011: Team meets with Cedar Riverside Partnership SSD/BID Work Group to present Scenario 4
- May 13, 2011: Feasibility Study on Implementation of a Special Service District in Cedar Riverside final report submitted to Faith Cable, Smith Partners, PLLP
- May 17, 2011: Team attends Cedar Riverside Partnership SSD/BID Work Group meeting to present Scenario 5
- May 23, 2011: Team attends Cedar Riverside Partnership meeting

Methodology, Assumptions, and Approach

Research

As noted in the timeline, one of the first steps taken in order to understand the necessary background and logistical information in regard to the formation of a special service district in Minneapolis was to meet with the experts at the Minneapolis Public Works Department. On December 8, 2010, a meeting was conducted with Mike Kennedy from the Public Works Department and Michael McLaughlin, a consultant from UrbanWorks, Inc., both of them had been a part of the formulation of many special service districts throughout the City. They were able to provide the background information needed to proceed with the study, including the process through which a special service district is developed and information about the enabling legislation in Minnesota State Statutes. The full statute outlining the authority and steps necessary to create a special services district can be found in *Appendix B*, and a selection of this statute outlining the general purpose of SSDs is below.

State Statute (428.A)

“The governing body of a city may adopt an ordinance establishing a special service district. Only property that is classified under section 273.13 and used for commercial, industrial, or public utility purposes, or is vacant land zoned or designated on a land use plan for commercial or industrial use and located in the special service district, may be subject to the charges imposed by the city on the special service district.”

Given this information, owners of property not zoned or designated on a land use plan as commercial, industrial, or public utility use are therefore not obligated pay for these special services. These property owners may, however, *opt-in* to such a district through financial contributions so as to reduce cost burden on assessable properties. This arrangement has been made in Downtown Minneapolis, whereby local tax exempt government and nonprofit property owners have contributed to the Minneapolis Downtown Improvement District. This will be covered in further detail in the following sections.

Minneapolis City Ordinance (Minneapolis Code of Ordinances – Title 17)

Based on the Minneapolis City Ordinance governing the implementation of a special service district, there is a four part process necessary to formally implement a special service district. These four steps are outlined below:

I. Petition: Owners of 25 percent or more of the applicable land area that would be subject to the charges and either owners of 25 percent or more of the net tax capacity of property or owners, individuals, and business organizations that would be subject to 25 percent or more of a proposed charge, must formally petition for a SSD.

II. Ordinance: If a petition is filed, the city may prepare an ordinance that describes the specific area and lists the services to be provided. During this time, hearings and waiting periods for notification and/or objections may take place.

III. Objections: Affected property owners may object, resulting in property exclusions from the SSD, delay of the ordinance, and/or appeal to district court. If owners of 35 percent or more

of the relevant land area or owners, individuals, or business organizations subject to 35 percent or more of the charges file an objection before its effective date, the ordinance may be vetoed.

IV. Advisory Board: The city council creates an advisory board for each special service district in the city to advise the governing body in connection with the construction, maintenance, and operation of improvements, and the furnishing of special services in a district. This Advisory Board would also be responsible choosing for the assessment methods and budget for district services.

Existing Special Service Districts in Minneapolis

A special service district is a mechanism through which property owners can pay for additional services above and beyond those that are already provided by the city. Some of the more common SSD services include snow removal, streetscape improvements, and garbage removal. Aside from the DID model, Minneapolis SSDs do not assess the extra fees/taxes on all property owners - only property owners owning land with commercial, industrial, or utility land use are obligated to contribute.

There are currently 18 special service districts in the City of Minneapolis, however, not all SSDs are currently active. 17 are based on the traditional model, with one being a third-party managed model known as the Minneapolis Downtown Improvement District (DID). The DID is managed not by the Minneapolis Public Works Department, but by a nonprofit that organizes and manages the finances, hiring, service contracts, and marketing of the district. As discussed previously, many government and tax exempt properties also contribute to the DID on a voluntary basis.

Informational Interviews

As noted in the timeline, on December 21, 2010 the Cedar Riverside Partnership formally endorsed the special service district feasibility study. Informational interviews were then set up with individual partners of the CRP and other key informants. These meetings were designed to discuss each partner's interests, priorities and capacity for participation in a SSD in the Cedar Riverside neighborhood. Informational interviews were held with key staff at Fairview Hospital, Augsburg College, the University of Minnesota, the West Bank Business Association and City Ward 2 Councilmember's Office to help determine potential SSD boundaries, services, and relevant concerns about participation.

Additional informational interviews were held with existing special service districts and businesses participating in SSDs concerning management and participation. A meeting was also held with the Downtown Improvement District (DID) to discuss alternative management options, such as third party management, for a SSD. (See *Appendix C* for selected interview questions and responses)

Assumptions

1. Mixed-use properties whose land use was listed as primarily residential were not assumed to be assessed despite the fact that some of the mixed-use properties do also have commercial use. A deeper understanding of the practice of assessing mixed-use properties is required and is beyond the scope of this project.

2. All vacant-commercial land use designations were assumed to be paying into the special service district even though some of them are tax exempt and the requirement for such properties to pay into a special service district is unclear; this assumption allowed for uniform assessment based on introductory knowledge.
3. Three major institutions (UMN, Augsburg, and Fairview) as well as the ownership of the Riverside Plaza are interested in participating in some capacity in a special service district regardless of whether or not they would be obligated to under law based on the language of the Riverside Plaza Renovation Memorandum Of Understanding (*Appendix D*).
4. Assessment method would be based on the number of linear feet that a property has along a participating street within the special service district and not based on any other assessment method (net tax capacity, gross building area, and other methods). Linear feet pricing was the most straightforward and feasible way to create cost burden assumptions based on the information available.
5. Certain key roads would be included in the special service district and others would not; the creation of these boundaries was based on the location of the bulk of the commercial properties within Cedar Riverside, the location of the various institutions, and the fact that most of the streets chosen for the district serve as major thoroughfares to the neighborhood.
6. Costs would be similar to those that have been assessed in other special services districts or those that have been included in past estimates produced by UrbanWorks, Inc.; since these were some of the only cost estimates made available and they were used to estimate cost burdens for this report (*Appendix E*).
7. Only services selected for this report will be provided, and the selected services are based on popularity and frequency in existing special service districts as well as feedback provided by stakeholders in Cedar Riverside.
8. The state statute and city ordinance do not preclude *zoning* within a traditional special services district in spite of the fact that there are not examples of this in practice. This feature of the scenario creation was included at the request of the Cedar Riverside Partnership, based on the knowledge that the state statute and city ordinances do not explicitly prohibit the creation of zones within a special service district.

Approach

Based on the assumptions outlined above, a first scenario was created, which assumed various boundaries of streets and properties that would be included in the special service district in Cedar Riverside. Additionally, a number of costs were calculated based on bundles of services provided in existing special service districts and the Minneapolis Public Works Department costs of particular services. The creation of the first scenario was critical in the approach to the feasibility study. By creating a baseline scenario, the progression of the feasibility study was driven by reactions to each scenario and requests for alterations of existing scenarios to create new ones. This iterative process allowed for feedback from stakeholders and directed the conversation toward aligning the various visions, priorities, and needs within the neighborhood.

Linear Footage (Lft)

The bulk of commercial properties in the Cedar Riverside neighborhood are located along Cedar Avenue and make up the largest share of “billable” properties in any potential special service district. The major institutions mostly face Riverside Avenue and merge with the business district between 21st and 19th avenues. As assumptions 4 and 5 state, linear footage was determined as the most straightforward and feasible way to create cost burden assumptions based on the information available.

To obtain the linear footage, a distance-measuring tool in Geographic Information Systems (GIS) was used. GIS is a spatial analysis tool that enables mapping and data analysis. The GIS data for this study was provided by the Center for Urban and Regional Affairs, and came from MetroGIS, which is a collaboration of government and non-profit entities in the seven-country metro area and provides a sharing forum for geospatial data (*Appendix F*).

Budget (Comparison / Unit)

Two methods were used to estimate costs for services. A budget comparison method and a unit cost method were used to determine both costs for bundles of services as extrapolated from existing SSD budgets and for specific services based on linear footage. Using existing linear-type SSDs (Chicago-Lake, Central Avenue, and Bloomington-Lake), a comparison method was used to determine the costs associated with a specific bundle of services. The total budgets for these three SSDs were taken and divided by linear footage to determine the cost per linear foot each district's bundle of services. That cost per linear foot was then applied to a series of hypothetical district boundaries in the Cedar Riverside neighborhood to determine an estimated cost for the same bundle of services in a Cedar Riverside SSD. The strength of this method was that it allowed for the study to get at the potential cost for services that are not associated with or could not easily be determined by linear footage. (*Appendix G* for original budget comparison estimate)

In order to provide alternative methods for estimations a unit cost method was used according to the same hypothetical scenarios and linear footage as the budget comparison method. This was done by taking costs for services from Public Works that were priced either by linear foot, square foot or unit and applying those costs directly to the same series of hypothetical district boundaries. (*Appendix H* for original unit cost estimate)

The cost spread between the two budget methods was approximately the same which demonstrated the strength of both of the estimation method's assumptions. Both the budget comparison method and the unit cost method were highly useful for providing our client with cost-service estimations and beginning the conversation on interests, priorities, and capacity for SSD participation in Cedar Riverside. After the second presentation to the CRP, the budget comparison method stopped being used, as the CRP's requests became more focused on specific bundles of services rather than comparative costs. The unit cost method was further developed to incorporate more services by unit and linear foot. (*Appendix I* for most recent budget)

Scenarios 1-5

(Note: The full budgets, maps, and appendices for each scenario (1-5) have been provided to Smith Partners, PLLP in digital form).

In total, there were five different scenarios developed throughout the duration of this project. The first scenario which will be described below was created based on a general understanding of what was desired as an outcome for the neighborhood. Ultimately, the four subsequent scenarios were created based on feedback and requests provided by the Cedar Riverside Partnership. The matrix in Table 1a provides an overview of all of the scenarios.

Table 1a – Overview of Scenarios

Date	Scenario	Lft	Cost Estimation Method	Streets	Zones	Cost	Description
3/3/2011	Scenario 1	20,000	Comparison Budget Method; Unit Cost Method (high/low)	Riverside Ave, Cedar Ave, 15th Ave, 16th Ave, 4th Street, 6th Street	no	\$74,600- \$394,600	bundle of services vary
3/14/2011	Scenario 2	27,700	Comparison Budget Method; Unit Cost Method (high/low)	Riverside Ave, Cedar Ave, 15th Ave, 16th Ave, 4th Street, 6th Street, 19th Ave, 3rd St, Washington Ave	no	\$97,920- \$549,440	bundle of services vary
4/5/2011	Scenario 3	27,700	Unit Cost (high/low)	Riverside Ave, Cedar Ave, 15th Ave, 16th Ave, 4th Street, 6th Street, 19th Ave, 3rd St, Washington Ave	yes	\$177,974- 584,510	ambassadors, snow removal, streetscape installations
4/26/2011	Scenario 4	27,700	Unit Cost (midpoint)	Riverside Ave, Cedar Ave, 15th Ave, 16th Ave, 4th Street, 6th Street, 19th Ave, 3rd St, Washington Ave	yes	\$503,252	ambassadors, snow removal, streetscape installations (in kind separated, midpoint cost)
May	Scenario 5	27,700	Unit Cost (midpoint)	Riverside Ave, Cedar Ave, 15th Ave, 16th Ave, 4th Street, 6th Street, 19th Ave, 3rd St, Washington Ave	yes	\$664,172	Green Medians, Ambassadors, Snow Removal

Scenario 1

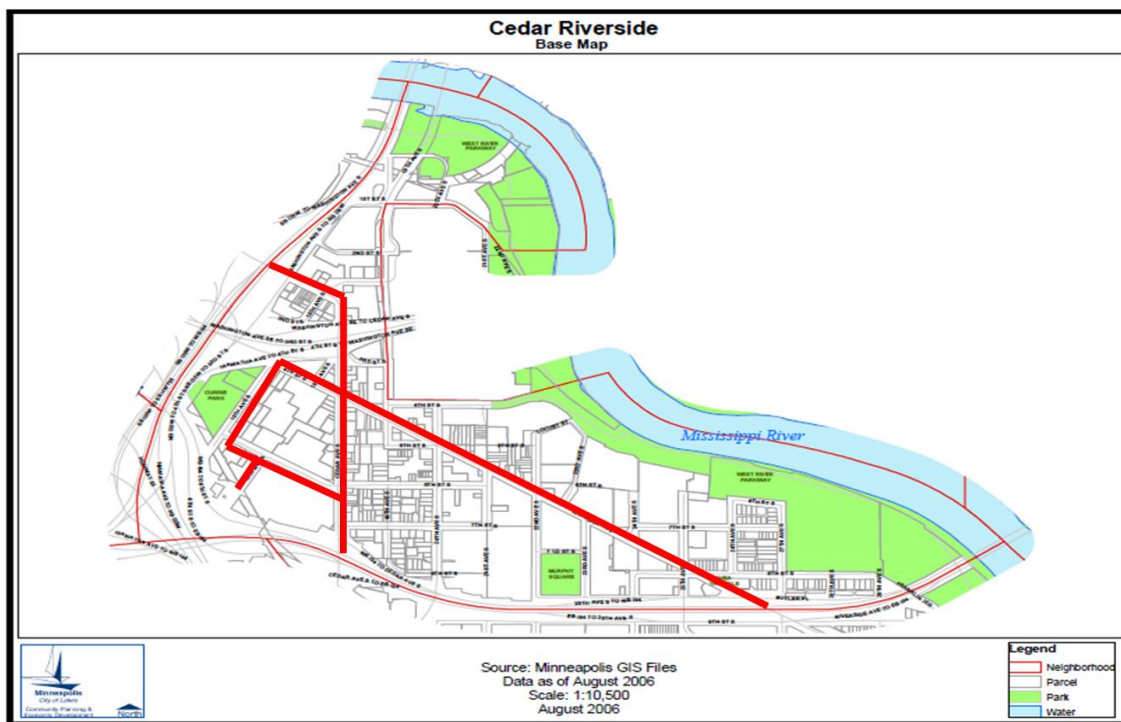
Scenario 1 was created as a base level scenario, with the aim to provide a framework for discussion. The goal was to present the scenario with basic assumptions, get input from the members of the Cedar Riverside Partnership and the Cedar Riverside Implementation Group in order to craft new scenarios that adequately represented varying perspectives and visions for a potential special service district. Scenario 1's streets included those surrounding Riverside Plaza, Cedar Avenue from Interstate 94 to Interstate 35W, and Riverside Avenue from Interstate 94 to Cedar Avenue. To determine the varying costs for the possible budget outcomes, two

different cost estimation methods were used including the comparison method, whereby the special service district budgets for the Chicago-Lake, Central Avenue, and Bloomington-Lake districts were calculated out by linear feet and then applied to the potential special services district boundaries in Cedar Riverside. Furthermore, a unit cost method was used based on the linear feet contained in the potential boundaries and calculated based on estimations of various services. According to UrbanWorks, Inc. estimates, there were high and low cost scenarios for some services such as snow removal, and so both the high and low cost scenarios were calculated into the scenario. Table 1b (below) provides an overview of the varying scenarios that were examined for comparison purposes; Figure 1 features a map of the boundaries in Scenario 1.

Table 1b – Cost Summary, Scenario 1 - 20,000 Lft

Comparison Method	Cost
Nicollet Ave So. SSD	\$90,000
Bloomington-Lake SSD	\$160,000
Central Ave SSD	\$320,000
Unit Cost Method	Cost
Unit Cost Low	\$70,700
Unit Cost High	\$396,700

Figure 1-Scenario 1 Map



Scenario 2

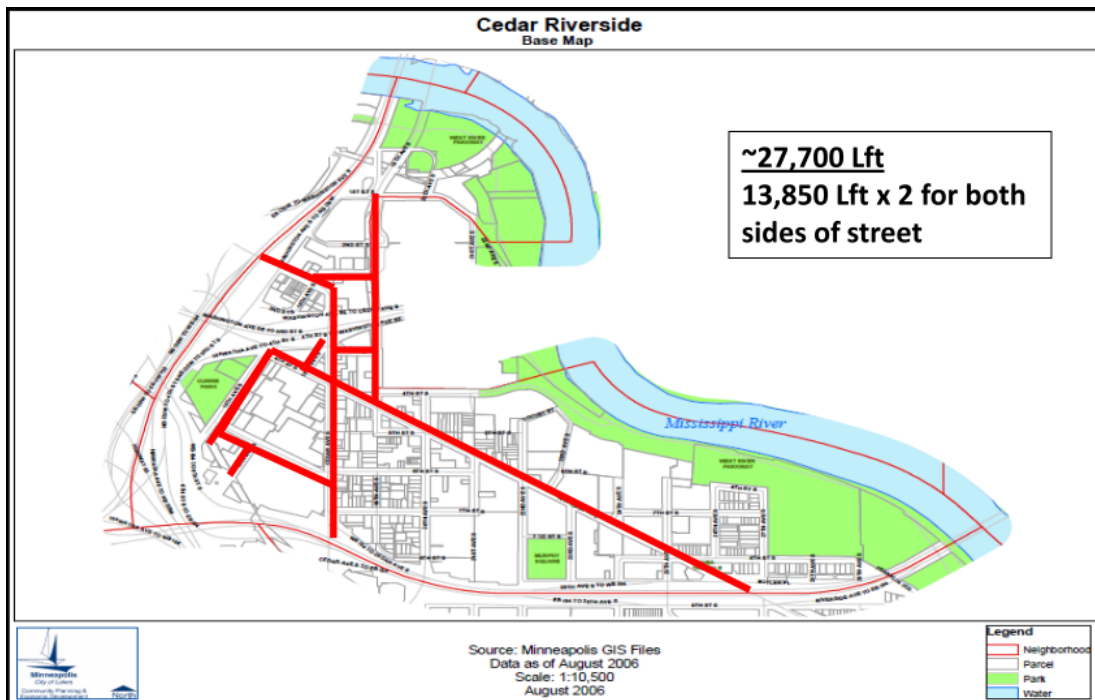
Based on feedback provided at the May 3rd Cedar Riverside Implementation meeting in reaction to presentation of Scenario 1, the one major request that was made was to extend the boundaries of the special service district. As such, the length of 19th Avenue from Riverside Avenue north to the Mississippi River were included, as well as 3rd Street, and Washington Avenue westbound from 19th Avenue. This change resulted in an additional 7,700 feet for Scenario 2, which corresponds to higher costs. The same cost estimation methods were used for Scenario 2 as for Scenario 1.

Table 2 – Cost Summary, Scenario 2 - 27,700 Lft.

Comparison Method	
Nicollet Ave So. SSD	\$124,650
Bloomington-Lake SSD	\$221,600
Central Ave SSD	\$443,200
Unit Cost Method	
Unit Cost Low	\$97,920
Unit Cost High	\$549,440

Below is a map that illustrates the boundaries for Scenario 2 as presented to the Cedar Riverside Partnership on March 14, 2011.

Figure 2-Scenario 2 Map



Scenario 3

After presenting Scenarios 1 and 2 to the stakeholders, a significant amount of feedback was provided. In examining the various costs that each service were estimated at and taking a closer look at the map, it became clear to the stakeholders that providing new services throughout the boundaries in either Scenario might result in the duplication of services, especially for the larger institutions that already do their own snow removal. As such, the idea of creating zones within a special service district was explored. Although the Downtown Improvement District in Downtown Minneapolis already employs the zoning concept to create various areas within the district that receive some services while other areas receive different services, it was not immediately clear whether or not a special service district that operated under the traditional city-managed model could employ this concept as well since there was no precedent. After some investigation, it appeared that moving forward under the assumption that zones could be formed within a special service district based on the fact that no language in state statute or city ordinance precluded it. Four zones were created based on the services that were needed as determined by the Cedar Riverside Partnership. Additionally, after some conversation at the March 14, 2011 meeting about what services might be able to be provided in the district that would address the idea of safety, the concept of providing ambassadors as a part of the services bundle was brought up and requested for a future scenario. Figure 3 illustrates the boundaries that were used for Scenario 3, while Tables 3a and 3b provide the abbreviated budgets for the high and low levels of service.

Figure 3-Scenario 3 Map

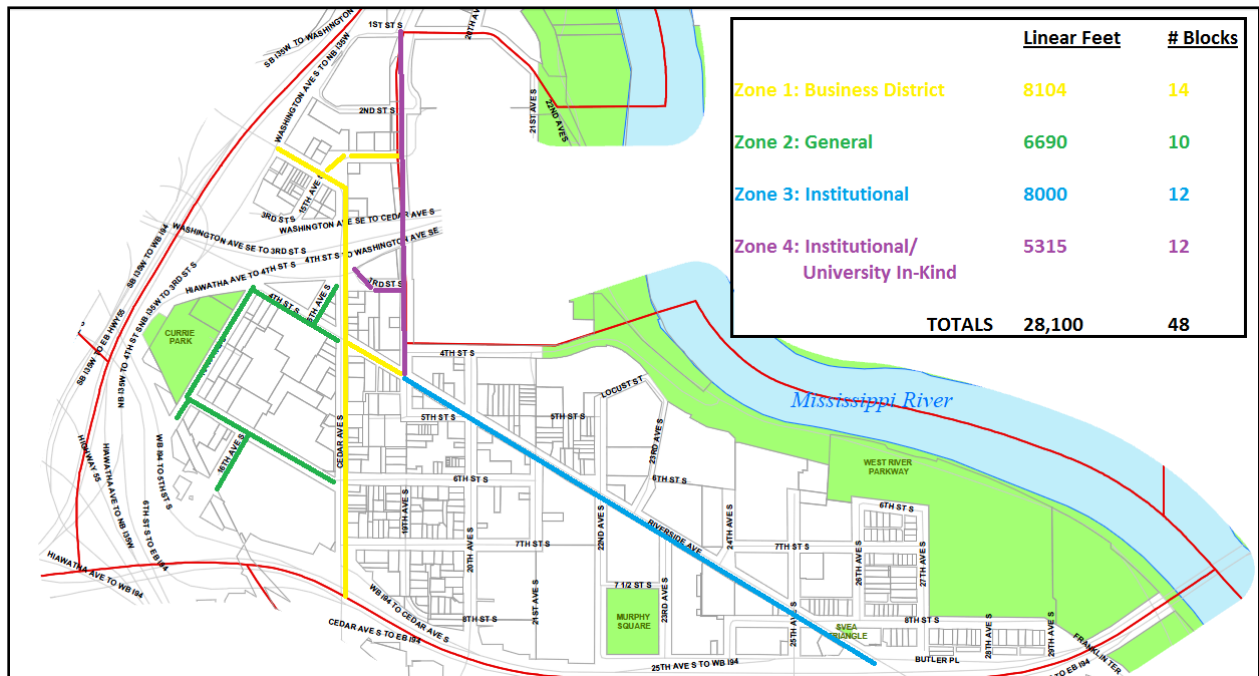


Table 3a - Scenario 3 - More Services Budget Summary

Scenario 3 – More Services (4-5-11)								
Zone 1: Business District Zone								
(Cedar Avenue, Washington Ave S, Riverside Avenue-Cedar-19th); 8,104 Lft; 14 Blocks								
Unit Cost (\$)	Unit	Freq.	Lft	# Per Block	Block	Cost		
							**Capital Cost Total	\$ 75,670
							*Ongoing Cost Total	\$ 61,092
							TOTAL	\$ 136,762
Zone 2: General Zone								
(4 th Street, 15 th Avenue, 6 th Street, 16th Avenue); 6,690 Lft; 10 Blocks								
Unit Cost (\$)	Unit	Freq.	Lft	# Per Block	Block	Cost		
							**Capital Cost Total	\$ -
							*Ongoing Cost Total	\$ 49,704
							TOTAL	\$ 49,704
Zone 3: Institutional Zone								
(Riverside Avenue from 19th Street to 94.); 8,000 Lft; 12 Blocks								
Unit Cost (\$)	Unit	Freq.	Lft	# Per Block	Block	Cost		
							**Capital Cost Total	\$ 64,860
							*Ongoing Cost Total	\$ 59,456
							TOTAL	\$ 124,316
Zone 4: Institutional Zone - University In-Kind								
(3rd Street, 19 th Avenue); 5,314 Lft; 12 Blocks								
Unit Cost (\$)	Unit	Freq.	Lft	# Per Block	Block	Cost		
							**Capital Cost Total (in kind)	\$ 64,860
							*Ongoing Cost Total (in kind)	\$ 41,379
							TOTAL (in kind)	\$ 106,239
All Zones (1-4)								
Unit Cost (\$)	Unit	Freq.	Lft	# Per Block	Block	Cost		
23.5	hour	2912		4		\$ 273,728		
<i>(7) Safety Ambassadors (4 ambassadors; 8 hrs/day; 7 days/week) *</i>								
<i>(does not include one-time capital costs related to ambassadors)</i>								
Bottom Line: High End Zone Scenario								
ZONES 1-3 TOTALS								
Subtotal (Capital Costs)							\$ 140,530	
Subtotal (Ongoing Costs)							\$ 170,252	
Subtotal (Ambassadors)							\$ 273,728	
Total (Zones 1-3)							\$ 584,510	
ZONE 4 (University In Kind) TOTALS								
Subtotal (Capital Costs, University In Kind)							\$ 64,860	
Subtotal (Ongoing Costs, University In Kind)							\$ 41,379	
Total (Zone 4)							\$ 106,239	
ALL ZONES GRAND TOTAL (value)								
GRAND TOTAL							\$ 690,749	

Table 3b - Scenario 3 - Fewer Services Budget Summary

Scenario 3 – Fewer Services (4-5-11)							
Zone 1: Business District Zone							
(Cedar Ave, Washington Ave S, Riverside Ave from Cedar-19th); 8,104 Lft; 14 Blocks	Unit Cost (\$)	Unit	Freq.	Lft	# Per Block	Block	Cost
							**Capital Cost Total \$ 5,880
							*Ongoing Cost Total \$ 24,312
							TOTAL \$ 30,192
Zone 2: General Zone							
(4 th Street, 15 th Avenue, 6 th Street, 16th Avenue); 6,690 Lft; 10 Blocks	Unit Cost (\$)	Unit	Freq.	Lft	# Per Block	Block	Cost
							**Capital Cost Total
							*Ongoing Cost Total see all zones item
							TOTAL \$ -
Zone 3: Institutional Zone							
(Riverside Avenue from 19th Street to 94,); 8,000 Lft; 12 Blocks	Unit Cost (\$)	Unit	Freq.	Lft	# Per Block	Block	Cost
							**Capital Cost Total \$ 5,040
							*Ongoing Cost Total \$ 24,000
							TOTAL \$ 29,040
Zone 4: Institutional Zone - University In-Kind							
(3rd Street, 19 th Avenue); 5,314 Lft; 12 Blocks	Unit Cost (\$)	Unit	Freq.	Lft	# Per Block	Block	Cost
							**Capital Cost Total \$ 5,040
							*Ongoing Cost Total \$ 15,942
							TOTAL \$ 20,982
All Zones (1-4)							
(7) Safety Ambassadors (2 ambassadors-8 hrs/day; 5 days/week)* (does not include one-time capital costs related to ambassadors)	23.5	per hour	2080		2		\$ 97,760
Bottom Line:							
ZONES 1-3 TOTALS							
							Subtotal (Capital Costs) \$ 10,920
							Subtotal (Ongoing Costs) \$ 48,312
							Subtotal (Ambassadors) \$ 97,760
							Total (Zones 1-3) \$ 156,992
ZONE 4 (University In Kind) TOTALS							
							Subtotal (Capital Costs, University In Kind) \$ 5,040
							Subtotal (Ongoing Costs, University In Kind) \$ 15,942
							Total (Zone 4) \$ 20,982
ALL ZONES GRAND TOTAL (value)							
							GRAND TOTAL \$ 177,974

Table 4 - Scenario 3 - Ambassador Costs

Ambassador Costs-4-5-11							
Labor Costs	Unit Cost (\$)	Unit	Frequency/year	Lft	Quantity Per Block	Block (doubled)	Cost
(7) Safety Ambassadors	23.5	hour	2912		4		\$273,728
(7) Safety Ambassadors	23.5	per hour	2080		2		\$97,760
One-Time Costs							
1 truck (dedicated to C	15,000	per truck		1			
4 walkie-talkies	1000	per walkie-talkie		1			
Cleaning Equipment	5000	total		1			
Operations Center	?			1			
Dumpster Fees (DID es	2,500	per year		1			

Scenario 4

After presenting Scenario 3 and the zones and new bundles of services, further direction was provided to collapse Zones 3 and 4, as they are both institutional zones in nature and would likely have the same needs in terms of which services they would want or the services they would not wish to receive based on the fact that they already provide those services.

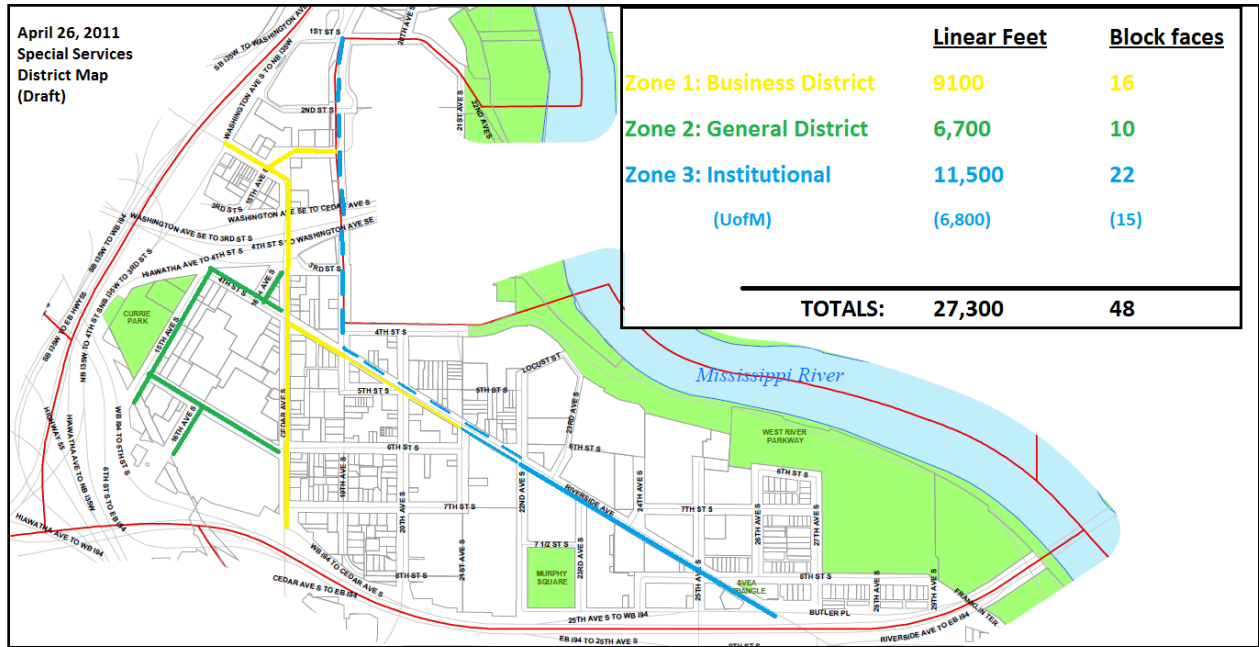
Additionally, instead of high and low cost estimates, the cost estimations for the services in each zone were calculated at a midpoint, with the exception of snow removal. Further, many of the original services in Scenario 3 were removed based on the inability to provide reliable estimations of the costs. Also prepared for the meeting was a quick breakdown of revenue and assessment cost burdens (*Appendix O*).

Table 4 - Scenario 4

Scenario C; 4-26-11							
Zone 1: Business District Zone (Partial Snow Removal, Capital Costs)	Unit Cost (\$)	Unit	Freq.	Lft	# Per Block	Block	Cost
TOTAL							\$ 122,024
Zone 2: General Zone (Partial Snow Removal)	Unit Cost (\$)	Unit	Freq.	Lft	# Per Block	Block	Cost
TOTAL							\$ 40,200
Zone 3: Institutional Zone (Capital Costs)	Unit Cost (\$)	Unit	Freq.	Lft	# Per Block	Block	Cost
TOTAL							\$ 92,708
Amassadors - All Zones (1-3) (Capital and Ongoing Costs)	Unit Cost (\$)	Unit	Freq.	Lft	# Per Block	Block	Cost
TOTAL							\$ 248,320
Bottom Line:							
	<i>Subtotal (Capital Costs)</i>	\$	184,132				
	<i>Subtotal (Ongoing Costs)</i>	\$	319,120				
	Total (Zones 1-3 & Ambassadors)	\$	503,252				

In Kind; 4-26-11	Unit Cost (\$)	Unit	Lft	Cost
Augsburg and Fairview Partial snow removal	6	\$ per Lft	4700	\$ 28,200
University Partial snow removal	6	\$ per Lft	6800	\$ 40,800
Total			11500	\$ 69,000

Figure 4 – Scenario 4 Map



Scenario 5

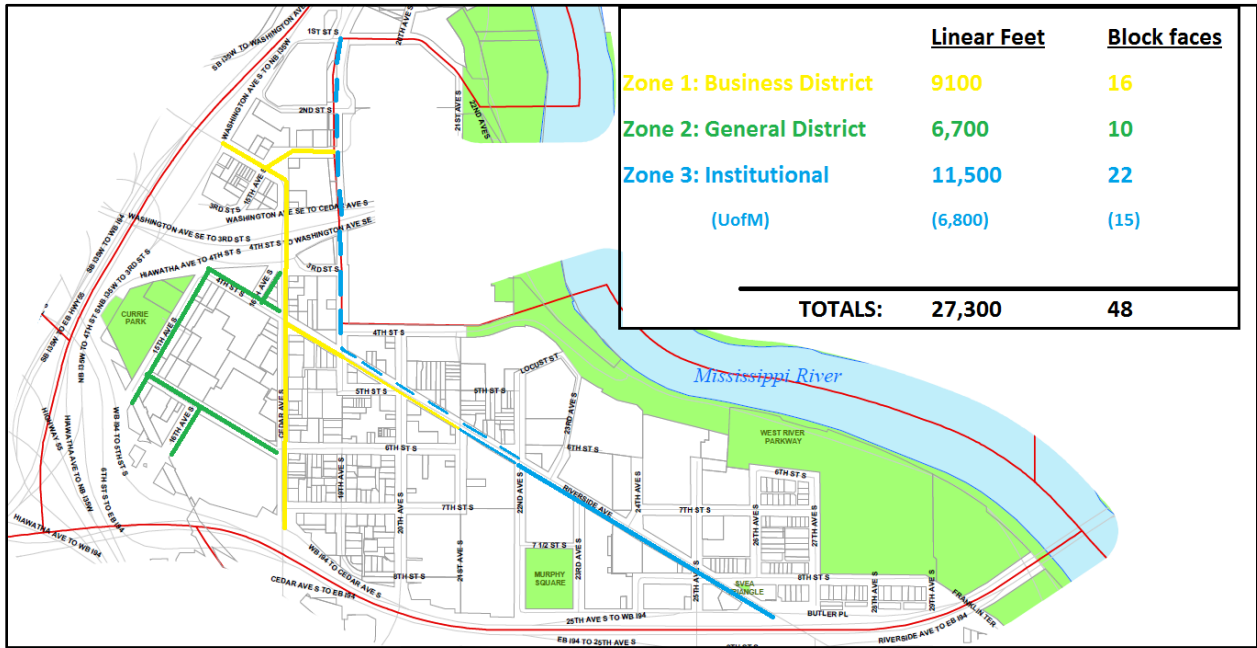
For the final scenario, Scenario 5, all of the provisions in Scenario 4 were included, and a line item for green medians were included for examination based on feedback from the Cedar Riverside Partnership. Table 5 outlines the new total including the addition of the green medians, and the color-coding corresponds to Figure 5. An additional Revenue & Assessment table of Scenario 5 was provided by Smith Partners PLLP to include the annualization of capital costs and the inclusion of residential and/or mixed-use areas (*Appendix N*).

Note: Although the capital costs for green medians is noteworthy (approx. \$100,000), there will likely be substantial financial support from the City of Minneapolis to assist with these costs. Planting and maintenance of the medians are the probable SSD costs associated with this item.

Table 5- Scenario 5

Scenario D; 5-13-11							
Zone 1: Business District Zone (Cedar Avenue, Washington Ave S, Riverside Avenue-Cedar-21st); 9,100 Lft; 16 Blocks	Unit Cost (\$)	Unit	Freq.	Lft	# Per Block	Block	Cost
							Capital Cost Total \$ 67,424
							Ongoing Cost Total \$ 54,600
							TOTAL \$ 122,024
Zone 2: General Zone (4 th Street, 15 th Avenue, 6 th Street, 16th Avenue); 6,700 Lft; 10 Blocks	Unit Cost (\$)	Unit	Freq.	Lft	# Per Block	Block	Cost
							Capital Cost Total \$ -
							Ongoing Cost Total \$ 40,200
							TOTAL \$ 40,200
Zone 3: Institutional Zone (Riverside Ave-94 to 21st on S side, to 19th on N side; 19th; 3rd); 11,500 Lft; 22 Blocks	Unit Cost (\$)	Unit	Freq.	Lft	# Per Block	Block	Cost
							Capital Cost Total \$ 138,628
							Ongoing Cost Total \$ -
							TOTAL \$ 138,628
Amabassadors - All Zones (1-3)	Unit Cost (\$)	Unit	Freq.	Lft	# Per Block	Block	Cost
							Capital Cost Total \$ 24,000
							Ongoing Cost Total \$ 224,320
							TOTAL \$ 248,320
Green Medians	Unit Cost (\$)	Unit	Freq.	Lft	# Per Block	Block	Cost
							Capital Cost Total \$ 100,000
							Ongoing Cost Total \$ 15,000
							TOTAL \$ 115,000
Bottom Line:							
							Subtotal (Capital Costs) \$ 206,052
							Subtotal (Ongoing Costs) \$ 94,800
							Subtotal (Ambassadors and Dumpster Fees) \$ 248,320
							Subtotal (Green Medians Capital and Ongoing) \$ 115,000
							Total \$ 664,172

Figure 5-Scenario 5 Map



Conclusions

Our conclusion is that a special service district in Cedar Riverside is ostensibly feasible, but may be made less difficult by utilizing the following recommendations and observations. The recommendations and observations listed in the following section may help to advance the vision, planning, and shared agreements of the neighborhood for higher service provisions in Cedar Riverside.

Recommendations

The following four steps are recommendations we put forth as steps to enacting a successful and long-term service district for Cedar Riverside:

- **Develop formal agreement to continue conversation** – The vision for a cleaner, greener, and safer Cedar Riverside is shared by all on the Cedar Riverside Partnership, yet efforts to contribute financially or in-kind on an ongoing basis must be confirmed. A Partnership resolution showing support is needed for a viable special services district to materialize.
- **Explore alternative funding sources to subsidize capital costs and/or annualization of required capital costs** – The final scenario for this paper has capital costs (aka “one-time” or “annual” costs) consisting of a large share of total costs. Alternative arrangements to pay for all or portions of these costs should be explored, as subsequent year costs associated with this scenario are far more cost efficient. This also provides a method of contribution to a district that would not set precedent for ongoing financial support from larger institutional partners. Annualization of capital costs may also defray concern over large lump-sum contributions.
- **Explore alternative revenue & assessment methods and legality for cost-sharing must be explored** - Since assessment methods vary and alter cost burdens, alternative cost-sharing for mixed-use parcels, high-rise properties, vacant land, and tax exempt institutions must be explored to provide the most equitable fee-for-usage scenario. Minnesota state statutes limit the assessable properties in Cedar Riverside to a very small geographic percentage, although the benefit received from the district would be far-reaching. In light of this fact, dividing the total costs incurred throughout the district evenly by linear foot may not be the most equitable method, as each zone’s service levels differ and require very different attention.
- **Alternative structures for financing the district are appropriate** - With the diversity of land use, land owner priorities, and financial capacities found in Cedar Riverside, an alternative arrangement (such as a third party-managed model) is likely to produce the results that are desired by all stakeholders. The flexibility and cost-effectiveness of an alternate type is imperative in such a diverse neighborhood. There are various organizations currently in Cedar Riverside which could, provided that necessary capacity and funding is given, manage a SSD with a similar flexibility and efficiency of the Minneapolis Downtown Improvement District.

Observations

The following three observations are issues that must be dealt with as the conversation progresses:

- **Cedar Riverside’s varied land use and zoning changes makes the big picture uncertain will change the neighborhood’s accessibility, resources, visibility, and inhabitants** - Any discussion of priorities for capital or maintenance services must take into account impending accessibility changes (Central Corridor LRT), major reconstruction projects (Riverside Ave and Cedar Ave reconstructions), and the resulting land use changes.
- **Institutional policies and overlap of services affect financial participation** - The complexity of various inhabitants and land owners currently residing in Cedar Riverside neighborhood makes absolute agreement on boundaries, budgets, and services of a special services district difficult, but not insurmountable. The menu of services has many items and services that may be provided in-kind or in conjunction with alternative programs. These avenues must be explored to avoid duplication of services.
- **Evaluation framework should be built into district** – It has been suggested by various stakeholders throughout this project that an evaluative element be added to measure the outcomes of the district and confirm and communicate its value to stakeholders. This is an important piece that should be built into the SSD framework in its early stages to facilitate future evaluations and demonstrate the progress and results of the district.
- **Residential property with mixed use plans may be liable for assessments** - Although many mixed use properties are residential (over 50%), many properties may be part of the required assessment if the assessment is by linear foot and street frontage. The method of assessment and structure type can affect the ways in which a store front with mixed use above may be assessed (*Appendix M*).

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Appendix

A. Original Special Services CHANCE Project Description, presented at community meeting November 16th, 2010 (Sasha Bergman and Angela Determan)

From: Sasha Bergman & Angela Determan
To: PA 5990 and Community Leaders
RE: Potential Cedar-Riverside Project Outline

Abstract/Summary: This memo seeks to define a project to be completed by CHANCE course students that will provide a planning guide for a Special Services District (SSD) in the Cedar-Riverside neighborhood including an assessment of alternatives and implementation strategies.

Issue Statement: With the reconstruction of Riverside Avenue many residents and community leaders have expressed the interest and desire to create a SSD in Cedar-Riverside to potentially provide green space and facilitate other improvements. Residents and community leaders are unsure how to go about this process as it has been done to other neighborhoods in Minneapolis. It is also unclear who would participate and pay for the upkeep of the green medians and neighborhood improvements.

Project Description

Potential Partners: Office of Councilmember Cam Gordon, WBBA, CR Partnership

Goals: Provide a guide to include assessment and implementation strategies of Special Services Districts in other areas of Minneapolis to provide a framework for implementation in Cedar Riverside by:

- Studying other Minneapolis SSD formed and the approach taken by neighborhoods to plan, implement, fund and maintain the SSD.
- Steps to be considered to implement a SSD in Minneapolis
- Determining partnerships and linkages for the Cedar-Riverside Neighborhood to make in establishing an SSD
- Determining potential boundaries of district within Cedar-Riverside, to facilitate an understanding of the potential participants and businesses that would be affected
- Estimating and summarizing the costs to organize and maintain the district and the partnerships that could be formed to accomplish tasks

Methods: By conducting a case study, key informant interviews, data assembly and analysis we would create a step by step guide for implementation strategies tailored to the Cedar-Riverside neighborhood.

Rationale/Benefit: Because creating a SSD in the Cedar-Riverside neighborhood has been discussed in the past but has not been successful, analysis of strategies that work specifically for the Cedar-Riverside neighborhood will help identify the key players, points of contention and mitigation tactics, and steps to implementation to ensure a comprehensive and successful approach. CR Partnership, WBBA and the Councilmember's Office will have information they need to work with neighborhood residents and businesses to determine the feasibility of an SSD in Cedar-Riverside. Additionally,

implementation in conjunction with the reconstruction of Riverside Avenue makes efforts toward a SSD especially timely.

Deliverables: Special Services District Background and Implementation Strategy Guide; community organizing efforts

Timeline: (pending discussion with potential partner)

- January- March: Begin data collection, analysis and key informant interviews, outreach to partners, stakeholders, and experts on other Special Services District implementation; conduct research and program evaluation of other Special Services District efforts in Minneapolis, mapping
- April -May: Completion of guide to tailor existing Special Services Districts in Minneapolis to the Cedar-Riverside neighborhood for step-by-step program implementation; present guide to potential partners/advocates of Special Services District for discussion of feasibility within Cedar Riverside

Costs: No known costs to be accrued.

Potential Limitations:

- Time:

Timing with reconstruction may present limitations. CHANCE students will be accountable for completing goals outlined above and producing said deliverable, however, this does not ensure the plan will move forward as scheduled due to dependency on outside factors

- Cooperation:

While our guide would be designed as a tool for the use of the Cedar-Riverside neighborhood generally, it is possible that the methods encompassed in the steps would be challenged or disregarded by individuals or businesses concerned about or opposed to a SSD in Cedar-Riverside.

B. Statute 428.A – Special Service Districts (State of Minnesota Legislature)

Accessible from: <https://www.revisor.mn.gov/statutes/?id=428A>

SPECIAL SERVICE DISTRICTS

428A.01 SPECIAL SERVICE DISTRICT PROCEDURES; DEFINITIONS.

Subdivision 1. Applicability.

As used in sections 428A.01 to 428A.10, the terms defined in this section have the meanings given them.

Subd. 2. City.

"City" means a home rule charter or statutory city.

Subd. 3. Special services.

"Special services" has the meaning given in the city's ordinance but special services may not include a service that is ordinarily provided throughout the city from general fund revenues of the city unless an increased level of the service is provided in the special service district.

Subd. 4. Special service district.

"Special service district" means a defined area within the city where special services are rendered and the costs of the special services are paid from revenues collected from service charges imposed within that area.

Subd. 5. Net tax capacity.

Except as provided in section 428A.05, "net tax capacity" means the net tax capacity most recently certified by the county auditor under section 428A.03, subdivision 1a, before the effective date of the ordinance or resolution adopted under section 428A.02 or 428A.03.

Subd. 6. Land area.

"Land area" means the land area in the district that is subject to property taxes.

History:

1988 c 719 art 5 s 84; art 14 s 1; 1989 c 329 art 13 s 20; 1995 c 264 art 16 s 16; 1996 c 471 art 8 s 3,4

428A.02 ESTABLISHMENT OF SPECIAL SERVICE DISTRICT.

Subdivision 1.Ordinance.

The governing body of a city may adopt an ordinance establishing a special service district. Only property that is classified under section 273.13 and used for commercial, industrial, or public utility purposes, or is vacant land zoned or designated on a land use plan for commercial or industrial use and located in the special service district, may be subject to the charges imposed by the city on the special service district. Other types of property may be included within the boundaries of the special service district but are not subject to the levies or charges imposed by the city on the special service district. If 50 percent or more of the market value of a parcel of property is classified under section 273.13 as commercial, industrial, or vacant land zoned or designated on a land use plan for commercial or industrial use, or public utility for the current assessment year, then the entire market value of the property is subject to a service charge based on net tax capacity for purposes of sections 428A.01 to 428A.10. The ordinance shall describe with particularity the area within the city to be included in the district and the special services to be furnished in the district. The ordinance may not be adopted until after a public hearing has been held on the question. Notice of the hearing shall include the time and place of hearing, a map showing the boundaries of the proposed district, and a statement that all persons owning property in the proposed district that would be subject to a service charge will be given opportunity to be heard at the hearing. Within 30 days after adoption of the ordinance under this subdivision, the governing body shall send a copy of the ordinance to the commissioner of revenue.

Subd. 2.Notice.

Notice of the hearing must be given by publication in at least two issues of the official newspaper of the city. The two publications must be two weeks apart and the hearing must be held at least three days after the last publication. Not less than ten days before the hearing, notice must also be mailed to the owner of each parcel within the area proposed to be included in the district. For the purpose of giving mailed notice, owners are those shown on the records of the county auditor. Other records may be used to supply the necessary information. For properties that 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 must be ascertained by any practicable means and mailed notice given them. At the public hearing a person affected by the proposed district may testify on any issues relevant to the proposed district. The hearing may be adjourned from time to time and the ordinance establishing the district may be adopted at any time within six months after the date of the conclusion of the hearing by a vote of the majority of the governing body of the city.

Subd. 3.Charges; relationship to services.

The city may impose service charges under sections 428A.01 to 428A.10 that are reasonably related to the special services provided. Charges for service shall be as nearly as possible proportionate to the cost of furnishing the service, and may be fixed on the basis of the service directly rendered, or by reference to a reasonable classification of the types of premises to which service is furnished, or on any other equitable basis.

Subd. 4.Benefit; objection.

Before the ordinance is adopted or at the hearing at which it is to be adopted, any affected landowner may file a written objection with the city clerk asserting that the landowner's property should not be included in the district or should not be subjected to a service charge and objecting to:

(1) the inclusion of the landowner's property in the district, for the reason that the property would not receive services that are not provided throughout the city to the same degree;

(2) the levy of a service charge on the landowner's property, for the reason that the property is exempted under sections 428A.01 to 428A.10 or the special law under which the district was created; or

(3) the fact that neither the landowner's property nor its use is benefited by the proposed special service.

The governing body shall make a determination on the objection within 30 days of its filing. Pending its determination, the governing body may delay adoption of the ordinance or it may adopt the ordinance with a reservation that the landowner's property may be excluded from the district or district service charges when the determination is made.

Subd. 5. Appeal to district court.

Within 30 days after the determination of the objection, any person aggrieved, who is not precluded by failure to object before or at the hearing, or whose failure to object is due to a reasonable cause, may appeal to the district court by serving a notice upon the mayor or city clerk. The notice shall be filed with the court administrator of the district court within ten days after its service. The city clerk shall furnish the appellant a certified copy of the findings and determination of the governing body. The court may affirm the action objected to or, if the appellant's objections have merit, modify or cancel it. If the appellant does not prevail upon the appeal, the costs incurred shall be taxed to the appellant by the court and judgment entered for them. All objections shall be deemed waived unless presented on appeal.

History:

1988 c 719 art 5 s 84; art 14 s 2; 1989 c 329 art 13 s 20; 1996 c 471 art 8 s 5

428A.03 SERVICE CHARGE AUTHORITY; NOTICE, HEARING REQUIREMENT.

Subdivision 1. Hearing.

Service charges may be imposed by the city within the special service district at a rate or amount sufficient to produce the revenues required to provide special services in the district. To determine the appropriate rate for a service charge based on net tax capacity, taxable property or net tax capacity must be determined without regard to captured or original net tax capacity under section 469.177 or to the distribution or contribution value under section 473F.08. Service charges may not be imposed to finance a special service if the service is ordinarily provided by the city from its general fund revenues unless the service is provided in the district at an increased level. In that case, a service charge may be imposed only in the amount needed to pay for the increased level of service. A service charge may not be imposed on the receipts from the sale of intoxicating liquor, food, or lodging. Before the imposition of service charges in a district, for each calendar year, a hearing must be held under section 428A.02 and notice must be given and must be mailed to any owner, individual, or business organization subject to a service charge. For purposes of this section, the notice shall also 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 estimated cost of improvements to be paid for in whole or in part by service charges imposed under this section, the estimated cost of operating and maintaining the improvements during the first year and upon completion of the improvements, the proposed method and source of financing the improvements, and the annual cost of operating and maintaining the improvements;

(3) 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; and

(4) a statement that the petition requirements of section 428A.08 have either been met or do not apply to the proposed service charge.

Within six 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.

Subd. 1a.Certification of net tax capacity.

Upon a request of the city, the county auditor must certify the most recent net tax capacity of the taxable property subject to service charges within the special service district.

Subd. 2.Exemption of certain properties from taxes and service charges.

Property exempt from taxation by section 272.02 is exempt from any service charges based on net tax capacity imposed under sections 428A.01 to 428A.10.

Subd. 3.Levy limit.

Service charges imposed under sections 428A.01 to 428A.10 are not included in the calculation of levies or limits on levies imposed under law or charter.

History:

1988 c 719 art 5 s 84; art 14 s 3; 1989 c 329 art 13 s 20; 1995 c 264 art 16 s 17; 2009 c 88 art 6 s 8

428A.04 ENLARGEMENT OF SPECIAL SERVICE DISTRICTS.

Boundaries of a special service district may be enlarged only after hearing and notice as provided in sections 428A.02 and 428A.03. Notice must be served in the original district and in the area proposed to be added to the district. Property added to the district is subject to all service charges imposed within the district after the property becomes a part of the district if it is property of the type that is subject to service charges in the district. On the question of enlargement, the petition requirement in section 428A.08 and the veto power in section 428A.09 apply only to owners, individuals, and business organizations in the area proposed to be added to the district.

History:

1988 c 719 art 14 s 4

428A.05 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 429.061, subdivision 3, for the annual certification of special assessment installments. Other service charges imposed must be collected as provided by ordinance. Service charges based on net tax capacity collected under sections 428A.01 to 428A.10 are not included in computations under section 469.177, chapter 276A or 473F, or any other law that applies to general ad valorem levies. 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 section 275.08.

History:

1988 c 719 art 5 s 84; art 14 s 5; 1989 c 329 art 13 s 20; 1995 c 264 art 16 s 18; 1996 c 471 art 11 s 12

428A.06 BONDS.

At any time after a contract for the construction of all or part of an improvement authorized under sections 428A.01 to 428A.10 has been entered into or the work has been ordered done by day labor, the governing body of the city 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 428A.03, or from any other special assessments or nontax revenues available to be pledged for their payment under charter or statutory authority, or from two or more of those sources. The governing body 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 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.

History:

1988 c 719 art 5 s 84; art 14 s 6; 1989 c 329 art 13 s 20

428A.07 ADVISORY BOARD.

The governing body of the city may create and appoint an advisory board for each special service district in the city to advise the governing body in connection with the construction, maintenance, and operation of improvements, and the furnishing of special services in a district. The advisory board shall make recommendations to the governing body on the requests and complaints of owners, occupants, and users of property within the district and members of the public. Before the adoption of any proposal by the governing body to provide services or impose service charges within the district, the advisory board of the district shall have an opportunity to review and comment upon the proposal.

History:

1988 c 719 art 14 s 7

428A.08 PETITION REQUIRED.

No action may be taken under section 428A.02 or 428A.03, unless owners of 25 percent or more of the land area of property that would be subject to service charges in the proposed special service district and either: (1) owners of 25 percent or more of the net tax capacity of property that would be subject to a proposed service charge, based on net tax capacity; or (2) owners, individuals, and business organizations subject to 25 percent or more of a proposed service charge based on other than net tax capacity file a petition requesting a public hearing on the proposed action with the city clerk. If the boundaries of a proposed district are changed or the land area or net tax capacity subject to a service charge or the individuals or business organizations subject to a service charge are changed after the public hearing, a petition meeting the requirements of this section must be filed with the city clerk before the ordinance establishing the district or resolution imposing the service charge may become effective.

History:

1988 c 719 art 5 s 84; art 14 s 8; 1989 c 329 art 13 s 20; 2009 c 88 art 6 s 9

428A.09 VETO POWER OF OWNERS.

Subdivision 1. Notice of right to file objections.

Except as provided in section 428A.10, the effective date of any ordinance or resolution adopted under sections 428A.02 and 428A.03 must be at least 45 days after it is adopted. Within five days after adoption of the ordinance or resolution, 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 section 428A.02. The mailing must include a notice that owners subject to a service charge based on net tax capacity and owners, individuals, and business organizations subject to a service charge imposed on another basis have a right to veto the ordinance or resolution 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.

Subd. 2. Requirements for veto.

If owners of 35 percent or more of the land area in the district subject to the service charge based on net tax capacity or owners, individuals, and business organizations subject to 35 percent or more of the service charges to be imposed in the district, file an objection to the ordinance adopted by the city under section 428A.02 with the city clerk before the effective date of the ordinance, the ordinance does not become effective. If owners of 35 percent or more of the land area subject to the service charge based on net tax capacity or owners of 35 percent or more of the net tax capacity subject to the

service charge based on net tax capacity file an objection to the resolution adopted imposing a service charge based on net tax capacity under section 428A.03 with the city clerk before the effective date of the resolution, the resolution does not become effective. If owners, individuals, and business organizations subject to 35 percent or more of the service charges to be imposed in the district file an objection to the resolution adopted imposing a service charge on a basis other than net tax capacity under section 428A.03 with the city clerk before the effective date of the resolution, the resolution does not become effective. In the event of a veto, no district shall be established during the current calendar year and until a petition meeting the qualifications set forth in this subdivision for a veto has been filed.

History:

1988 c 719 art 5 s 84; art 14 s 9; 1989 c 329 art 13 s 20; 2009 c 88 art 6 s 10

428A.10 EXCLUSION FROM PETITION REQUIREMENTS AND VETO POWER.

The petition requirements of section 428A.08 do not apply to second or subsequent years' action to impose service charges under section 428A.03. The right of owners and those subject to a service charge to veto a resolution in section 428A.09 does not apply to second or subsequent years' applications of a service charge that is authorized to be in effect for more than one year under a resolution that has not been vetoed under section 428A.09 for the first year's application. A resolution imposing a service charge for more than one year must not be adopted unless the notice of public hearing required by section 428A.03 and the notice mailed with the adopted resolution under section 428A.09 include the following information:

(1) in the case of improvements, the maximum service charge to be imposed in any year and the maximum number of years the service charge is imposed to pay for the improvement; and

(2) in the case of operating and maintenance services, the maximum service charge to be imposed in any year and the maximum number of years, or a statement that the service charge will be imposed for an indefinite number of years, the service charges will be imposed to pay for operation and maintenance services.

The resolution may provide that the maximum service charge to be imposed in any year will increase or decrease from the maximum amount authorized in the preceding year based on an indicator of increased cost or a percentage amount established by the resolution.

History:

1988 c 719 art 14 s 10; 2009 c 88 art 6 s 11

428A.101 DEADLINE FOR SPECIAL SERVICE DISTRICT UNDER GENERAL LAW.

The establishment of a new special service district after June 30, 2013, requires enactment of a special law authorizing the establishment.

History:1996 c 471 art 8 s 6; 2000 c 493 s 4; 2005 c 152 art 1 s 10; 2009 c 88 art 2 s 27

C. Informational Interview Notes

February 8, 2011

In-person interview

Sarah Harris, C.O.O. - Minneapolis Downtown Improvement District

History:

- DID has been in the work for 15+ years, as the Downtown Council (?) had tried to get a larger program going for years in the 90's. Sarah and Michael McLaughlin both worked on the DID and eventually found a way to sell it to property owners and government (opt-in).
- Nicollet Mall and Hennepin Theater District were SSDs before DID, and have now been absorbed by DID. However, they are still on the books (ordinances) and if DID goes away, they will still have SSD power.
- Only contact with City is that once a year the City Council signs the Operating Plan to have the charges assessed. They do not actively work with CPED or Public Works.

Basics:

- DID only has 5 staff. They are able to support the wages/salaries/etc and extra services that normally are not provided through SSDs due to the efficiencies of hiring, contracting, expertise in bidding, etc.
- The Board of Directors is not appointed by City Council (as they are with other SSDs), it is chosen by DID staff and is comprised of major property owners, and private industry big-shots
(<http://www.minneapolisdid.com/page/show/241819-minneapolis-did-board-of-directors>)
- Charges are assessed based on a combination of methods from linear feet for street front services (graffiti/cleaning/trash removal/snow 'tidying'), to GBA (Gross building area) for general services that are part of the district that may not directly occur outside a given property (snow removal/green initiatives/communications/staff & program mgmt). For example, not every property will have an 'ambassador' providing outside their doors, but they still pay for it. DID can use whatever methods of assessment they like, and they have bidding/contract/vendor experts on the Board. See Operating Plan 2011:
(http://assets.ngin.com/attachments/document/0013/0806/2011_Operating_Plan_Consolidated_FINAL.pdf)
- Not all non-taxable properties pay into the SSD. All City/County does, but not necessarily to the extent that a taxable property would. Each contribution is made independently and to varying degrees.
- DID can/will extend its boundaries if it sees fit. For example, if the current Metrodome location is renovated, DID may extend its services to that area (currently does not). Current boundaries were drawn based on feasibility and property owner willingness.
- So far weather changes have not changed costs.

Going Forward in CR

- Sarah said that CR needs 'champions' in each of the stakeholder groups (educational inst., non-profit, large business, small business, residential, etc) to make it work anywhere. There needs to be an outcome-based (not output-based) goal to start, such as 'pedestrian-friendly/safe/green/vibrant community.'
- She said that telling a non-taxable property how much they would pay for a given service is backwards – you need to find out what kinds of contributions are feasible and go from there.
- She also said that a special services district only works with a unified vision and that the needs/priorities/want of Riverside Ave, Cedar Ave, 7 corners, and Sherman's area are very different. It may not make sense to have all included in one SSD, and an SSD may not be the right way to get the services they seek.

February 23rd, 2011

In-person interview,

Chris Ferguson, Dairy Queen/Orange Julius franchisee (not property owner) and Stadium Village SSD advisory board member

- City contracts-out the services with private snow removal firms/, some years are better than others (i.e. city workers don't do it themselves)
- His property owner passes along the costs to his tenants (Chris and others) - even so, the cost per service is relatively cheap, and worth it.
- if there is a problem, like snow removal not done for a few days after a snow, Chris calls...guess who....Mr. McLaughlin
- As an Advisory board member, they pretty budget for and advance what they did last year - Chris said not much has changed (geography/services/etc) since he started on the board 7 years ago.
- City Council appoints each SSD board, with input from local orgs.

April 1st, 2011

Phone conversation notes

Beth Shogren, Vendor Operations - Minneapolis Downtown Improvement District

LABOR costs: "borrow" DID ambassadors for \$23.50/hr (DID manages/trains/etc)
(4 ambassadors/8 hours a day/7 days a week = 224 hours per week*52 weeks)
~\$270,000
(2 ambassadors/8 hours a day/5 days a week = 80 hours per week*52 weeks)
~\$98,000

Capital costs: 1 truck (dedicated to CR) = **~\$15,000**
4 walkie-talkies = **~\$4,000*****
Cleaning equipment = **~\$5,000*****
Operations center (break area, etc) = **???** ***
Dumpster Fees = **(DID pays about \$2K/month for their area)*****
(***could be provided in-kind?)
First year **TOTAL** (high): **~\$300,000 (Add'l years: ~\$270,000)**
First year **TOTAL** (low): **~\$122,000 (Add'l years:~98,000)**

Additional notes:

- \$11.66 is union wage for security/cleaning etc if you are hiring
- Mpls DID would be willing to provide these ambassadors

April 19th, 2011

Email correspondence

Beth Shogren, Operations Manager - Minneapolis Downtown Improvement District

(Beth's answers in **BOLD CAPS**)

“1. If Cedar Riverside were to 'hire' a few DID ambassadors - would the 'logo' of the ambassadors still read DID, or could their uniforms be changed in anyway to reflect the branding that CR desires? Possibly vests with a CR logo or an alternative, or would the uniforms have to be exactly as the current downtown ambassadors? **WE ACTUALLY WANT CR TO HAVE THEIR OWN UNIFORM, AS IT WOULD BE CONFUSING TO HAVE DID THAT FAR OUTSIDE THE DID BOUNDARIES. YOU SHOULD INCLUDE UNIFORMS AND A TRUCK, ALSO BRANDED CR, AS PART OF YOUR COSTS, AS ALL OF THE DID EQUIPMENT IS IN USE DOWNTOWN. I THINK BEFORE YOU GO TOO FAR DOWN THIS ROAD, THE GROUP NEEDS TO DECIDE ON WHAT THE SCOPE OF WORK IS THEY WANT, AND THEN WE CAN DETERMINE IF IT IS SOMETHING WE COULD DO IN PARTNERSHIP WITH YOU.**

2. How much of the trash pickup do ambassadors do? **A LOT**

Are they

constantly picking up trash when not performing other duties, or is

that a segment of each day? **BOTH. SAFETY AMBASSADORS PICK UP TRASH AS THEY GO, CLEANING AMBASSADORS DO IT ALL DAY, AS THEY PERFORM OTHER CLEANING DUTIES LIKE WIPING DOWN NEWS BOXES, CLEANING BUS SHELTERS ETC.**

CR wants to include trash pickup in

their budget for a business improvement district, but thinks the

ambassadors might take care of most of this anyways if they had

ambassadors **YES AMBASSADOR WOULD DO ALL THE PICKING UP OF LITTER, AND THEY COULD EMPTY THE GARBAGE CANS (ASSUMING THERE ARE GARBAGE CANS IN PLACE) AND THEN TAKE THE BAGS TO THE DUMPSTER, WHICH WOULD BE HAULED BY ANOTHER VENDOR** - they would just need to budget for

removal/dumpster service. Is this accurate?”

D. Riverside Plaza Project Memorandum Of Understanding, Section V (City of Minneapolis)

Accessible from: http://www.ci.minneapolis.mn.us/cped/riverside_plaza.asp

MEMORANDUM OF UNDERSTANDING

Riverside Plaza Project

This Memorandum of Understanding is made as of the 1st day of December, 2010, between the

City of Minneapolis, a Minnesota municipal corporation (the "City") and Cedar Riverside Limited Partnership, a Minnesota limited partnership (the "Owner").

RECITALS

A. The Owner intends to acquire and rehabilitate that certain multi-family residential apartment complex located in Minneapolis commonly known as Riverside Plaza.

B. The purposes of the \$122,000,000 acquisition and rehabilitation of Riverside Plaza (the "Project") are to enhance the quality of life for the residents of Riverside Plaza and significantly improve the functionality of Riverside Plaza by replacing failing mechanical systems, completing code-required upgrades, improving energy efficiency, and making other functional and aesthetic improvements.

C. The Owner has applied to the City for a \$1.9 million loan of Community Development Block Grant funds from the Affordable Housing Trust Fund to help finance the Project (the "CDBG Loan").

D. The Owner has also applied to the City for an allocation of up to \$80,000,000 of City of Minneapolis Housing Revenue Bonds, Series 2010 to help finance the Project (the "Bonds").

E. The City has approved the Owner's applications for the CDBG Loan and the Bonds, and the documents associated therewith will impose various federal, state and local requirements on the Owner and the Project.

F. In addition to such requirements, the City and the Owner will use all reasonable efforts to enhance the scope of work of and community benefits of the Project ("Additional

Requirements”).

G. The City and the Owner will formally document some of the Additional Requirements in the documents associated with the CDBG Loan and the Bonds but the parties wish to concurrently document their understanding of the Additional Requirements pursuant to this Memorandum of Understanding.

AGREEMENT

V. Special Service District

A. The Owner agrees to participate in a Cedar Riverside Special Service District conditioned upon (i) the District being created and functioning on or before January 1, 2012; and (ii) the Owner receiving written confirmation that Augsburg College, Fairview Health Services, and the University of Minnesota have committed to financially participate on an equivalent basis; and (iii) Owner's Investor Limited Partner's approval.

VII. Final Documentation and Conditions to this Memorandum of Understanding

A. The parties acknowledge that performance of the terms of this Memorandum of Understanding are contingent upon a successful closing on the Project, including but not limited to, the City Council awarding \$1,900,000 from the Affordable Housing Trust Fund Page 7 of 12 and upon MHFA awarding funds to the Project in its 2010 funding round. If, despite its best efforts, Owner is unable to obtain \$1.9 million in additional gap financing for the Project by December 31, 2011, Owner may request an amendment to this MOU reducing the scope of the MOU to reflect the shortfall, which amendment shall not be unreasonably withheld.

B. Some of the terms in this Memorandum of Understanding will be more formally memorialized in other City agreements including those related to the CDBG Funds and the Bonds.

C. All of the terms set forth herein are contingent upon compliance with Federal and State

historic tax credit limitations, the terms and conditions of the City's financing documents and other Project financing documents, and the existing Riverside Plaza PUD as amended.

CEDAR RIVERSIDE LIMITED
PARTNERSHIP,
a Minnesota limited partnership
Fed. I.D. # 27-3131790

By: Riverside Plaza GP LLC,
a Minnesota limited liability company

By:
George E. Sherman
President and Chief Manager

By
Its Finance Officer
Citywide Contracts Administrator
City Purchasing Agent

Department Head Responsible
For Monitoring Contract:

CPED Director

Approved as to form:

Assistant City Attorney
Knutson Construction Services

E. Special Service Districts List of Eligible Services and Estimated Costs (UrbanWorks)

Special Service District
November 2010

List of Eligible Services & Estimated Costs
Based on services and costs from Mpls SSDs in Italics

- 1) **Snow and ice removal and sanding of public areas.**
 - a) *Complete snow removal, which is clearing of snow from sidewalks to boulevards and removal of stored snow (windrows) along boulevards. Typically \$9 to \$10 per lineal foot of sidewalk per season (48" snow).*
 - b) *Partial snow services, which can be just snow clearing of sidewalks or just removal of windows. Snow clearing is typically \$3 to \$6 per lineal foot of sidewalk per season (48" snow).*
 - c) *Application of sand and/or de-icing chemicals. \$.30 to \$.60 per lineal foot of sidewalk per season assuming seven applications.*

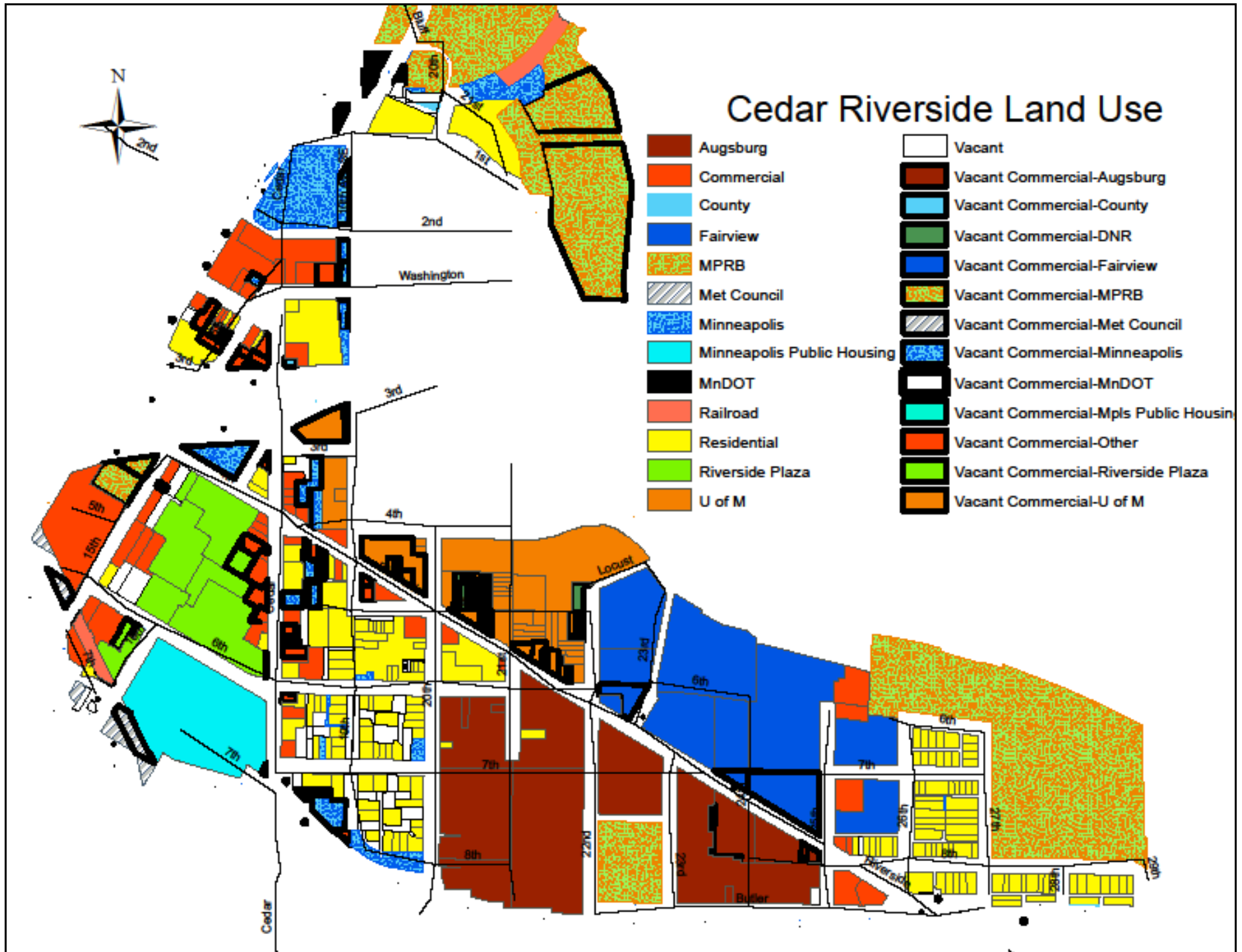
- 2) **Cleaning and scrubbing of sidewalks; cleaning of curbs, gutters, alleys, and streets.**
 - a) *Litter and debris removal, manually (pan and broom) or mechanically of all sidewalks, curb and gutters. Manual cleaning typically costs \$.02 per lineal foot of sidewalk per service. Mechanical cleaning typically costs \$.06 per lineal foot of sidewalk per service.*
 - b) *Seasonal cleaning (spring, summer, and/or fall) of sidewalks and streetscape elements (i.e. benches, bike racks, news corrals, trash receptacles, etc.). Typically \$.23 to \$.67 per lineal foot of sidewalk per service.*
 - c) *Pressure washing of sidewalks and/or streetscape elements. Typically \$35 to \$60 per crew person per hour.*
 - d) *Sidewalk gum removal. Cost varies per project scope.*
 - e) *Cigarette butt removal. Cost varies per project scope.*
 - f) *Scheduled frequency or on-demand.*

- 3) **Provision, installation, maintenance, removal, and replacement of banners and other decorative items for promotion of the commercial area of the district.**
 - a) *Streetpole banners.*
 - (a) *Fabrication: \$50 to \$100 per banner depending on quantity.*
 - (b) *Hardware: \$75 to \$100 per banner depending on quantity.*
 - (c) *Installation: \$15 to \$35 per banner depending on quantity.*
 - b) *Identity signage. Fabrication \$50 to \$250 per sign depending on quantity. Installation, \$15 to \$50 per sign depending on quantity.*
 - c) *Seasonal lighting decorations (i.e. snowflakes or other). Cost varies per project scope.*
 - d) *Wreaths / winter spruce tips. Cost varies per project scope.*

- 4) **Poster and handbill removal.**
 - a) *Abatement via removal or painting in public right-of-way. Typically \$35 to \$60 per crew person per hour.*
 - b) *Graffiti abatement (removal or painting) in public right-of-way. Typically \$35 to \$60 per crew person per hour.*
 - c) *Scheduled frequency or on-demand.*
- 5) **Repair and maintenance of sidewalks.**
 - a) *Cost varies per project scope.*
- 6) **Installation and maintenance of area-wide security systems.**
 - a) *Public-realm monitored cameras (e.g. Downtown Safezone). Cost varies per project scope.*
 - b) *Emergency call boxes. Cost varies per project scope.*
- 7) **Provision and coordination of security personnel to supplement regular city personnel.**
 - a) *Safety ambassador programs to serve as additional "eyes and ears." Cost varies per project scope.*
 - b) *Private security guard patrols. Cost varies per project scope.*
 - c) *Policing buyback programs for supplemental patrols. Cost varies per project scope.*
- 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.**
 - a) *General repair, installation, replacement of fixtures. Varies per project scope. Benches typically \$1,500 to \$2,000 each installed. Trash receptacles typically \$1,250 to \$1,500 each installed. Bike loops typically \$100 to \$250 each installed.*
- 9) **Installation, maintenance, and removal of lighting on commercial area trees.**
 - a) *Seasonal "Tivoli" lighting. Incandescent Tivoli lights: \$100 per tree per season for a medium-sized tree; LED Tivoli lights: \$150 per tree per season for a medium-sized tree.*
- 10) **Cost of electrical services for pedestrian and tree lighting.**
 - a) *Utility costs. Incandescent Tivoli lights: \$20 per tree per season for a medium-sized tree; LED Tivoli lights: \$2 per tree per season for a medium-sized tree.*
 - b) *Maintenance and repair of systems (outlets solely for SSD). Cost varies per project scope.*

- 11) **Repair of low-level pedestrian lights and poles.**
 - a) *Maintenance and repair of fixtures and systems. Varies per project scope. Often incorporated into a "Lighting Operations & Maintenance Assessment District" rather than a special service district.*
- 12) **Provision of comprehensive liability insurance for public space improvements.**
- 13) **Trash removal and recycling costs.**
 - a) *Servicing of trash receptacles. \$3 per container per servicing.*
- 14) **Provision, maintenance, and replacement of special signage relating to vehicle and bicycle parking, vehicle and pedestrian movement, and special events.**
 - a) *Sidewalk stencils indicating "No bicycling on sidewalks." Cost varies per project scope.*
- 15) **Watering, fertilizing, maintenance and replacement of trees and bushes on the public right-of-way.**
 - a) *Planted areas including mulching.*
 - b) *Planting Bed Maintenance (monthly): \$.51 per square foot per season.*
 - c) *Turf boulevard areas, including mowing and sod replacement.*
 - (a) *Turf Mowing: \$.25 per square foot per season (25 mowings).*
 - (b) *Turf Watering: \$.25 per square foot per season (25 waterings).*
 - (c) *Turf Fertilizing: \$.10 per square foot per season (3 applications).*
 - d) *Tree watering: \$5 per tree per watering.*
 - e) *Hanging flower baskets. Cost varies per project scope.*
 - f) *Weed and debris removal. Cost varies per project scope.*

F. Cedar Riverside Map showing land use and zoning variety (MetroGIS data)



G. Original Budget Comparison Method (March 2011)

Comparison Budget Estimation Method	%age of total cost burden	Nicollet Ave Scenario	Bloomington-Lake Scenario	Central Ave Scenario
Cost per Lft		\$4.50	\$8	\$16
Cedar Riverside Budget (same services @ 20,000 Lft)		\$90,000	\$160,000	\$320,000
UMN	13.1%	\$11,760	\$20,960	\$41,920
DRAFT Augsburg	16.8%	\$15,120	\$26,880	\$53,760
Fairview	13.6%	\$12,240	\$21,760	\$43,520
Riverside Plaza	15.9%	\$14,310	\$25,440	\$50,880
Commercial properties	40.5%	\$36,450	\$64,800	\$129,600
TOTALS:	100%	\$90,000	\$160,000	\$320,000

H. Original Budget Unit Cost Method (March 2011)

Unit Cost Pricing Estimation Method				
(prices supplied by Mpls Public Works)	Cost per (Low/high)	Cost for 20,000 Lft	A (low)	B (high)
Complete snow removal	\$9-\$10 per Lft	\$180K-200K		\$200,000
Partial snow services	\$3-\$6 per Lft	\$60K-\$120K	\$60,000	
Sand/de-icing chemicals	\$.30-\$.60 per Lft	\$6K-\$12K	\$6,000	\$12,000
Garbage removal (Manual/Mechanical)	\$.02-\$.06 per Lft	\$400-\$1,200	\$400	\$1,200
Seasonal Cleaning	\$.23-\$.67 per Lft	\$4,600-\$13,400	\$4,600	\$13,400
<u>Subtotals:</u>			<u>\$74,600</u>	<u>\$236,600</u>
Tree lighting (install/annual)	\$120- \$152 each	???		
Service Trash receptacles	\$3 each time	???		
Benches	\$1500-\$2000 each	???		\$64,000*
Bike Loops	\$100-\$250	???		\$20,000*
Street pole Banners	\$140-\$235	???		
Trash Receptacles	\$1250-\$1500	???		\$84,000*
<u>TOTALS:</u>			<u>\$74,600</u>	<u>\$394,600</u>

DRAFT

*Based on South Lyndale Project unit/Lft proportions

I. Most Recent Budget (May 2011)

Scenario D: 5-13-11

Zone 1: Business District Zone							
(Cedar Avenue, Washington Ave S, Riverside Avenue-Cedar-21st); 9,100 Lft; 16 Blocks							
	Unit Cost (\$)	Unit	Freq.	Lft	# Per Block	Block	Cost
Ongoing Costs (annual)							
Partial snow removal (high)	6	\$ per Lft		9100			\$ 54,600
Safety Ambassadors (4 ambassadors; 8 hrs/day; 5 days/week)							
All Zones							
Capital Costs (one time)							
Banners (assume 3 per block face)	188	banner			3	16	\$ 9,024
Street furniture installation & maintenance							
bench	1,750	bench			1	16	\$ 28,000
trash receptacle	1,375	bin			1	16	\$ 22,000
bike loop	175	loop			3	16	\$ 8,400
Capital Cost Total							\$ 67,424
Ongoing Cost Total							\$ 54,600
TOTAL							\$ 122,024

Zone 2: General Zone							
(4 th Street, 15 th Avenue, 6 th Street, 16th Avenue); 6,700 Lft; 10 Blocks							
	Unit Cost (\$)	Unit	Freq.	Lft	# Per Block	Block	Cost
Ongoing Costs (annual)							
Partial snow removal (high)	6	\$ per Lft		6700			\$ 40,200
Safety Ambassadors (4 ambassadors; 8 hrs/day; 5 days/week)							
All Zones							
Capital Cost Total							\$ -
Ongoing Cost Total							\$ 40,200
TOTAL							\$ 40,200

Zone 3: Institutional Zone							
(Riverside Ave-94 to 21st on S side, to 19th on N side; 19th; 3rd); 11,500 Lft; 22 Blocks							
	Unit Cost (\$)	Unit	Freq.	Lft	# Per Block	Block	Cost
Capital Costs (one time)							
Banners (assume 3 per block face)	188	banner			3	22	\$ 12,408
Street furniture installation & maintenance							
bench	1,750	bench			1	22	\$ 38,500
trash receptacle	1,375	bin			1	22	\$ 30,250
bike loop	175	loop			3	22	\$ 11,550
Sidewalk Deepening	1.4	sq ft	32,800				\$ 45,920
Ongoing Costs (annual)							
Safety Ambassadors (4 ambassadors; 8 hrs/day; 5 days/week)							
All Zones							
Capital Cost Total							\$ 138,628
Ongoing Cost Total							\$ -
TOTAL							\$ 138,628

Amabassadors - All Zones (1-3)							
	Unit Cost (\$)	Unit	Freq.	Lft	# Per Block	Block	Cost
Ongoing Costs (annual)							
Safety Ambassador Labor (4 ambassadors; 8 hrs/day; 5 days/week) **	23.5	hour	2080		4		\$ 195,520
Dumpster Fees (possible in kind?)	50	month	12			48	\$ 28,800
Capital Costs (one-time)							
1 truck (dedicated to Cedar Riverside)	15,000	per truck	1				\$ 15,000
4 walkie-talkies	1000	per walkie-	4				\$ 4,000
Cleaning Equipment	5000	total	1				\$ 5,000

Operations Center (possible in kind?)							
Capital Cost Total							\$ 24,000
Ongoing Cost Total							\$ 224,320
TOTAL							\$ 248,320

Green Medians							
	Unit Cost (\$)	Unit	Freq.	Lft	# Per Block	Block	Cost
Capital Costs (one time)							
Green Median Construction	50,000		2				\$ 100,000
Ongoing Costs (annual)							
Green Median Planting							
maintenance	1500		2				\$ 3,000
shrubs	3000		2				\$ 6,000
flowers (annuals)	3000		2				\$ 6,000
Capital Cost Total							\$ 100,000
Ongoing Cost Total							\$ 15,000
TOTAL							\$ 115,000

Bottom Line:							
	Subtotal (Capital Costs)	\$ 206,052					
	Subtotal (Ongoing Costs)	\$ 94,800					
	Subtotal (Ambassadors and Dumpster Fees)	\$ 248,320					**Safety Ambassadors may perform services including trash removal, seasonal/mechanical cleaning
	Subtotal (Green Medians Capital and Ongoing)	\$ 115,000					
	Total	\$ 664,172					

J. Minnesota Cities with SSDs

City	# of Districts	Year First and Most Recent Districts Established	Services Provided
Brookington	1	1984	Provide street furniture, sidewalks, plowing, sweeping, irrigation, and plants
Crookston	2	1991, 1997	Fund downtown storefront improvements (1991) and citywide flood control (1997)
Duluth	1	2005	Fund enhanced services and programs, with the goal of improving the safety, cleanliness, and economic vitality of the downtown waterfront
Eagan	1	1995	Provide signage, sign maintenance, and turf maintenance for the Cedarvale Shopping Center
Lakeville	1	1998	Provide flowerpots, marketing, programs, festivals and events, cleaning, maintenance, signage, and public art
Little Falls*	1	2003	Fund improvements to LeBourget Park, possibly including a multipurpose farmer's market
Mankato	1	1998	Provide and maintain free parking facilities for customers of businesses in district
Minneapolis	15	1985, 2008	Provide decorative lighting, banners, security, cleaning, snow and ice removal, and landscaping (varies by district)
New Ulm	1	1985	Provide free on-street and off-street parking
Rochester	1	2005	Fund marketing, physical enhancements, and promotion of special events within the district
Roseville	1	1995	Fund parking lot improvements, driveway relocation, curb installation, landscaping, sprinkler systems, lighting replacement, and improvements
Saint Louis Park	6	1996, 2009	Provide general upkeep, snow removal, landscaping, lighting, banners, and waste removal
White Bear Lake	1	1992	Promote and manage district as a shopping and trade area
Worthington*	1	1999	Fund improvements to streets, curbs and gutters, sidewalks, traffic control, storm water management, and wastewater collection

* SSD is currently inactive.

K. Signed Memorandum Of Agreement – CHANCE Capstone

**Memorandum of Agreement
CHANCE Capstone Workshop**

**University of Minnesota
Humphrey Institute of Public Affairs**

Date: 1/17/2011

Project: Implementing a Special Services District in the Cedar Riverside Neighborhood

Clients:

Faith Cable
Partnership Manager
Smith Partners, PLLP; Cedar Riverside Partnership

Student Consultants:

Sasha Bergman, berg1218@umn.edu
Master of Urban and Regional Planning (MURP) Candidate, (Primary Consultant Contact)

Andy Grewell, grew0017@umn.edu
Master of Public Policy (MPP) Candidate

Jacob Walls, wall0647@umn.edu
Master of Public Policy (MPP) Candidate

Instructor:

Greg Lindsey, Associate Dean
Humphrey Institute of Public Affairs
University of Minnesota
300 Humphrey Center
301 19th Ave S
Minneapolis, MN 55455
linds301@umn.edu

Project Purpose and Goals:

Purpose: The purpose of this project is to make information available concerning the possible creation of a special services district (SSD) in the Cedar Riverside neighborhood. If the project plan were to be adopted, an SSD could improve the infrastructural quality of the Cedar Riverside neighborhood, provide necessary services for the maintenance of the neighborhood and facilitate improvements that positively affect the economic vitality of Cedar Riverside businesses.

Goals: Provide a guide that includes (1) an assessment of implementation strategies of Special Services Districts in other areas of Minneapolis (2) a framework for SSD implementation in Cedar Riverside. Goals also include examining and outlining possible scenarios for implementation.

Approach and Methods:

- **Background Research:** Studying how other Minneapolis SSDs have formed and the approach taken by neighborhoods to plan, implement, fund and maintain the SSD.
 - **Methods:** Key informant interviews, web-based research, literature review, and other secondary data
- **Determine Partnerships:** Determining partnerships and linkages for the Cedar-Riverside Neighborhood to make in establishing an SSD
 - **Methods:** Stake holder analysis, focus groups, key informant interviews
- **Determine Boundaries:** Determining potential boundaries of district within Cedar-Riverside, to facilitate an understanding of the potential participants and businesses that would be affected
 - **Methods:** Key informant interviews, focus groups, GIS analysis
- **Cost/Service Analysis:** Determine preferred services among participating businesses and partners. Estimating and summarizing the costs to organize and maintain the district as those costs relate to specified services.
 - **Methods:** Focus groups, key informant interviews, creation of a price schedule for relevant services based on City information
- **Outlining steps to be considered to implement a SSD in Cedar Riverside:** Create a systematic guide for execution strategies tailored to the Cedar-Riverside neighborhood and possible scenarios of implementation.

Rationale/Benefit:

Cedar Riverside Partnership (CRP), the West Bank Business Association (WBBA), and the Council Member's Office have all expressed interest in supporting this project. Analysis of strategies that work specifically for the Cedar-Riverside neighborhood will help identify the key players, points of contention and mitigation tactics, and steps to implementation to ensure a comprehensive and successful approach. CRP, WBBA, and the Council Member's Office will have information they need to work with neighborhood residents and businesses to determine the feasibility of an SSD in Cedar-Riverside. Additionally, implementation in conjunction with the reconstruction of Riverside Avenue, which is scheduled to occur between 2010 and 2012, makes efforts toward a SSD especially timely.

Project Start Date: January 2011

- January- March: Begin data collection, analysis and key informant interviews, outreach to partners, stakeholders, and experts on other Special Services District implementation; conduct research and program evaluation of other Special Services District efforts in Minneapolis, mapping; initial presentation of finding to CRP quarterly meeting
- April -May: Completion of guide to tailor existing Special Services Districts in Minneapolis to the Cedar-Riverside neighborhood for step-by-step program implementation; present guide to potential partners/advocates of Special Services District for discussion of feasibility within Cedar Riverside

Project End Date: May 2011

Deliverables:

1) Implementation Strategy Guide

The Implementation Strategy Guide is currently open for community input and modification but based on approach and methodology should include the following:

- Background on existing Special Services Districts
 - Cost/Service Analysis including possible SSD boundaries and price schedule of alternative scenarios and options for service.
 - Logistic steps included in the implementation process of SSD in Cedar Riverside
- 2) Presentation to client and identified community and organizational partners. (Time, date, format and location will be determined)**

Client Responsibilities:

By participating in the program, the Client agrees to:

- Designate **Sasha Bergman** as the primary client contact
- Provide clear instructions for and expectations of the students, and
- Attend meetings with students as needed
- Encourage flexibility in scheduling and share pertinent information and honest feedback with the students
- Contact the students if you have not heard from them in one week; return communication attempts from students within one week
- Attend final presentation to class and instructor in May 2011
- Complete an evaluation form (including the client evaluation of processes, deliverables, and project presentation)

Joint Responsibilities:

- Be professional: the clients will treat the students as professionals; the students too will treat the project as a professional business engagement

Use of Project Materials

Unless the Student Consultants and the Client otherwise agree in writing:

- (i) The Client has permission to use the materials prepared under the Project in its business activities and to reproduce or publicly display (e.g. post on the internet) the materials in connection with such activities.
- (ii) The Student Consultants shall jointly own the intellectual property rights, including copyright, in the materials and any other intellectual property developed as a part of the Project, subject to the policies of the University.

Acceptance

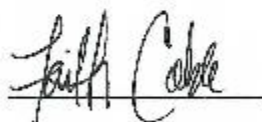
By signing below, the following individuals agree to the terms of this Agreement:

Students:

Date:

Client(s):

Date:



1-24-11

**L. RESOLUTION TO ENDORSE PARTNERSHIP FOCUS ON RIVERSIDE AVENUE
STREETSCAPE AND CHANCE SPECIAL SERVICE DISTRICT STUDY (Cedar Riverside
Partnership)**



CEDAR RIVERSIDE PARTNERSHIP

**RESOLUTION TO ENDORSE PARTNERSHIP FOCUS ON RIVERSIDE
AVENUE STREETSCAPE AND CHANCE SPECIAL SERVICE DISTRICT
STUDY**

WHEREAS, the Cedar Riverside Partnership has committed to focus on initiatives that have identifiable support through neighborhood and community planning (as expressed in such plans as the Cedar Riverside Small Area Plan and the Cedar Riverside NRP Action Plan), including safety, transit and transportation infrastructure, economic development, and youth;

WHEREAS, the Resolution to Endorse an Integrated Framework to Infrastructure Investments and Land Use Planning, passed by the Partnership on July 15, 2009, identified a coordinated vision for Riverside Avenue as a priority for the Partnership and recommended working with Augsburg, Fairview and University of Minnesota to identify a list of common goals for future development along Riverside, including recommendations regarding building and parking placement, streetscape or landscape enhancements, and other amenities;

WHEREAS, at the Cedar Riverside Partnership on September 2, 2010, there was interest expressed in further discussing the long-term goals for Riverside Avenue and exploring the possibility of a Special Service District;

WHEREAS, after further discussion about Riverside Avenue, Augsburg, Fairview and University of Minnesota expressed common concerns about Riverside Avenue and Council Member Gordon facilitated additional discussion about Riverside Avenue and helped address layout issues;

WHEREAS, all non-layout elements of Riverside Avenue are expected to be designed in early 2011 to prepare for the 2011 construction season;

WHEREAS, a CHANCE student team, recognizing the number of infrastructure projects occurring in the short term, proposed a project to evaluate the possibility of a Special Service District in Cedar Riverside and identified the Cedar Riverside Partnership as a potential partner;

NOW THEREFORE BE IT RESOLVED that the Partnership hereby directs Counsel to continue engagement on Riverside Avenue through the streetscape design process pursuant to the Partnership's common goals regarding issues such as property access during construction, stormwater treatment, sidewalk width and depth, street trees, a planted median, utilities and other streetscape amenities;

BE IT FURTHER RESOLVED that the Partnership hereby directs Counsel to work with City planning staff to develop a timeline that identifies the most appropriate times to provide feedback during the design process;

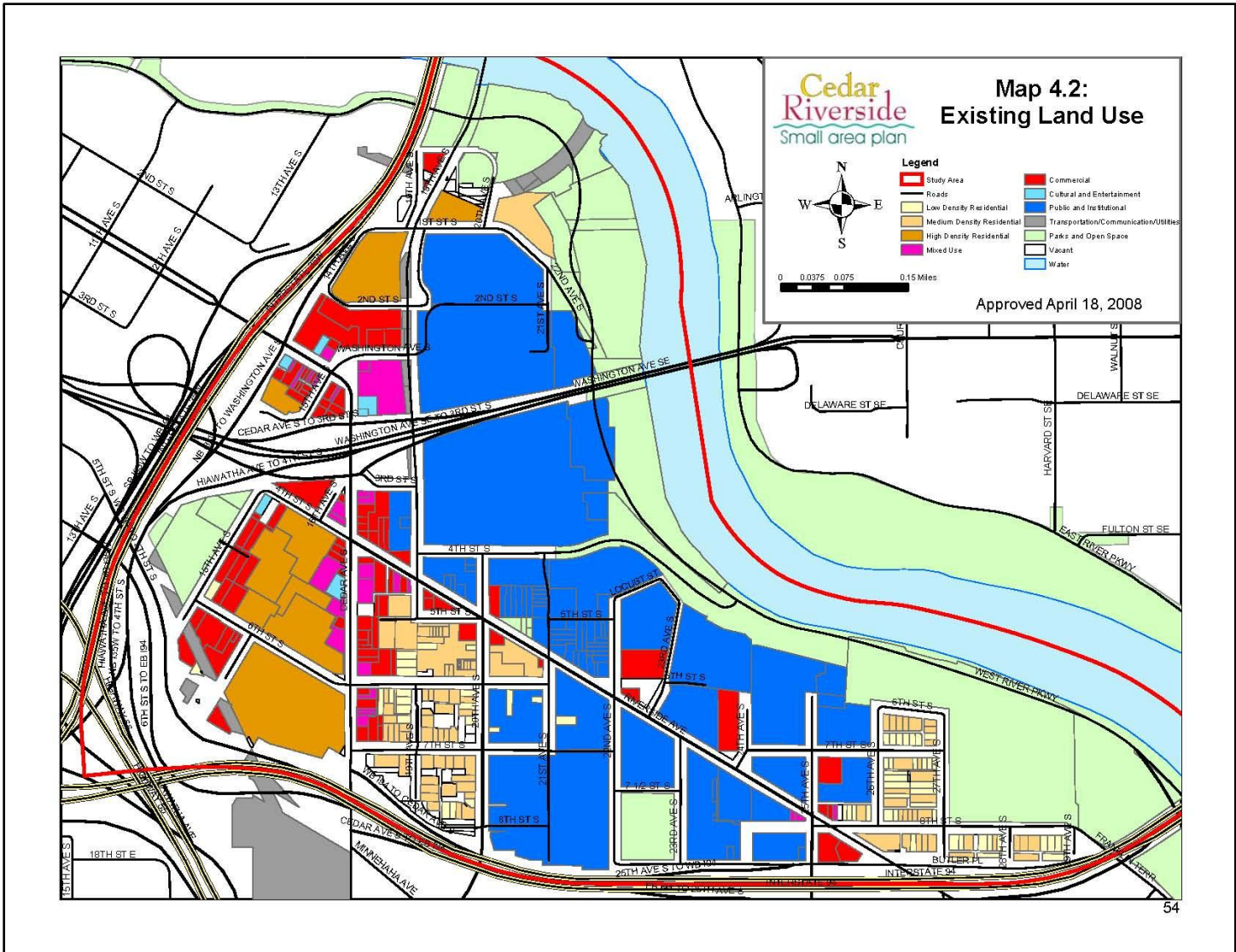
BE IT FURTHER RESOLVED that the Partnership endorses the CHANCE Special Service District project proposal and directs Counsel to work with the CHANCE Neighborhood Business Fellows & Carlson Consulting Enterprise to coordinate this work with other managing team partners, and bring recommendations to the Partnership.

Attest: _____
Paul Pribbenow, Chair

Date: December ____, 2010

M. Cedar Riverside Small Area Plan: Existing Land Use (City of Minneapolis)

Accessible from: <http://www.ci.minneapolis.mn.us/cped/cedar-riverside.asp>



O. Scenario 4 Revenue and assessment cost burdens

Cedar Riverside Partnership

SSD Scenario C: Revenue & Assessment Scenarios

April 26, 2011

	Lft	percentage of total Lft	percentage burden (if all opt-in)	Cost per payer	Capital	Ongoing
UMN*	4,215	15.20%	22.90%	\$115,245	\$42,166	\$73,079
Augsburg*	1,800	6.50%	9.80%	\$49,319	\$18,045	\$31,274
Fairview*	1,450	5.20%	7.80%	\$39,254	\$14,362	\$24,892
Riverside Plaza	1,700	6.10%	9.20%	\$46,299	\$16,940	\$29,359
City*	2,375	8.50%	12.90%	\$64,920	\$23,753	\$41,167
County*	145	0.50%	0.78%	\$3,925	\$1,436	\$2,489
MPHA*	1,420	5.10%	7.70%	\$38,750	\$14,178	\$24,572
Commercial	5,280	19%	28.70%	\$144,433	\$52,845	\$91,588
Residential/No charge*	8,915	34.90%	0%	-	-	-
TOTAL:	27,300	100.00%	100%	\$503,252	\$184,130	\$319,122

**Exempt from assessment (MN Statute 428A)*

	Cost	Lft	Cost/Lft
Zone 1*	\$122,024	9,100	\$13.41
Zone 2*	\$40,200	6,700	\$6.00
Zone 3*	\$92,708	11,500	\$8.06
Ambassadors	\$248,320	27,300	\$9.10
subtotal (capital)	\$184,132	27,300	\$6.74
subtotal (ongoing)	\$319,120	27,300	\$11.69
TOTALS:	\$503,252	27,300	\$18.43
<i>*Zones 1-3 (combined)</i>	<i>\$254,932</i>	<i>27,300</i>	<i>\$9.34</i>
<i>*Zone 3 (No UofM)</i>	<i>\$29,498</i>	<i>4,700</i>	<i>\$6.28</i>
<i>For reference:</i>			
<i>Nicollet Ave SSD</i>			<i>\$4.50</i>
<i>Bloomington-Lake SSD</i>			<i>\$8.00</i>
<i>Central Ave SSD</i>			<i>\$16.00</i>
<i>Cost for 50Lft</i>		<i>50</i>	<i>\$921.71</i>
<i>Cost for 100Lft</i>		<i>100</i>	<i>\$1,843.41</i>