Special Services District

Information Overview and Q&A

October 4, 2019 (8am)
What is a Special Services District?

- Public finance tool cities may use to **fund enhanced improvements and services** in a defined area
- Property owners **define the area** to have improved services
- Property owners **petition the city** for the district to be created and to impose the fee
  - Only commercial, industrial or vacant land zoned for commercial or industrial use
- Property owners in the district **determine what enhanced services** the city will provide
Special Services District Cannot…

- Cannot be imposed by the city
- Cannot fund general improvements and services
- Cannot charge services fee to residential units in the district
- Cannot be created if at least 25% property owners don’t petition
What Can the District Fund?

- Streetscaping
- Landscaping/Beautification
- Entrance monument
- Public art
- Public gathering space
- Winter lighting
- Parking structure construction
- Operation/Mntnc of parking
- Snow and ice removal
Creating a Special Services District

PETITION

HEARING

VETO
Creating a Special Services District

Property owners define the district area and services to be provided

At least 25% property owners sign petition and submit to city

City holds a public hearing

Property owners may veto the establishment of the district and service charge
  - 35% property owners needed to file an objection for the veto to be sustained

City establishes the district via Ordinance
  - Defines district boundaries
  - Lists authorized services and improvements
  - Lists the service charge and duration

City Council adopts Resolution to impose the service charge
  - Lists the service charge and duration
  - Identifies collection method (property tax, direct bill)
  - Defines the maximum amount to be collected
How is the Service Fee Determined?

- Can be determined in any way acceptable to the property owners and the city.
- Similar to property tax (based on tax capacity values).
- Lot frontage or area.
- Building area.
What’s Next?

- As property and business owners, encourage discussion on whether you want to consider creating a special service district and if so, for what.
- City Council is exploring other public financing tools for funding a parking structure or perhaps other services
  - Local Option Sales Tax information overview
    Oct. 14, 5pm Council Chambers
  - Local Option Sales Tax public comment
    Oct. 17, 5:30pm Council Chambers
  - Funding strategies for downtown parking policy discussion and staff direction
    Dec. 16, 5pm Council Chambers
Thank You

Questions....