

**ORDINANCE NO. \_\_\_\_**

**AN ORDINANCE AMENDING NORTHFIELD CITY CODE, CHAPTER 70 – STREETS, SIDEWALKS AND OTHER PUBLIC PLACES, TO ADD ARTICLE V. – SPECIAL SERVICE DISTRICTS**

**THE CITY COUNCIL OF THE CITY OF NORTHFIELD DOES ORDAIN THAT** (new material is underlined; deleted material is lined out; sections which are not proposed to be amended are omitted; sections which are only proposed to be re-numbered are only set forth below as to their number and title):

SECTION 1. Northfield Code, Chapter 70 – Streets, Sidewalks and Other Public Places, Article IV. - Right-of-Way Management, is hereby amended as follows:

**Sec. 70-124 – 70-149. – Reserved.**

SECTION 2. Northfield Code, Chapter 70 – Streets, Sidewalks and Other Public Places, is hereby amended to add a new Article V. – Special Service Districts, Division 1. – Downtown Special Service District, as follows:

**ARTICLE V. – SPECIAL SERVICE DISTRICTS**

**DIVISION 1. – DOWNTOWN SPECIAL SERVICE DISTRICT**

**Sec. 70-150. - Establishment; purpose.**

Pursuant to the authority granted by Minn. Stat., Ch. 428A, sections 428A.01 to 428A.10, there is hereby established a Downtown Special Service District (hereinafter the "district") wherein services may be furnished of a kind or to a degree not required or performed elsewhere in the city.

**Sec. 70-151. - State law adopted.**

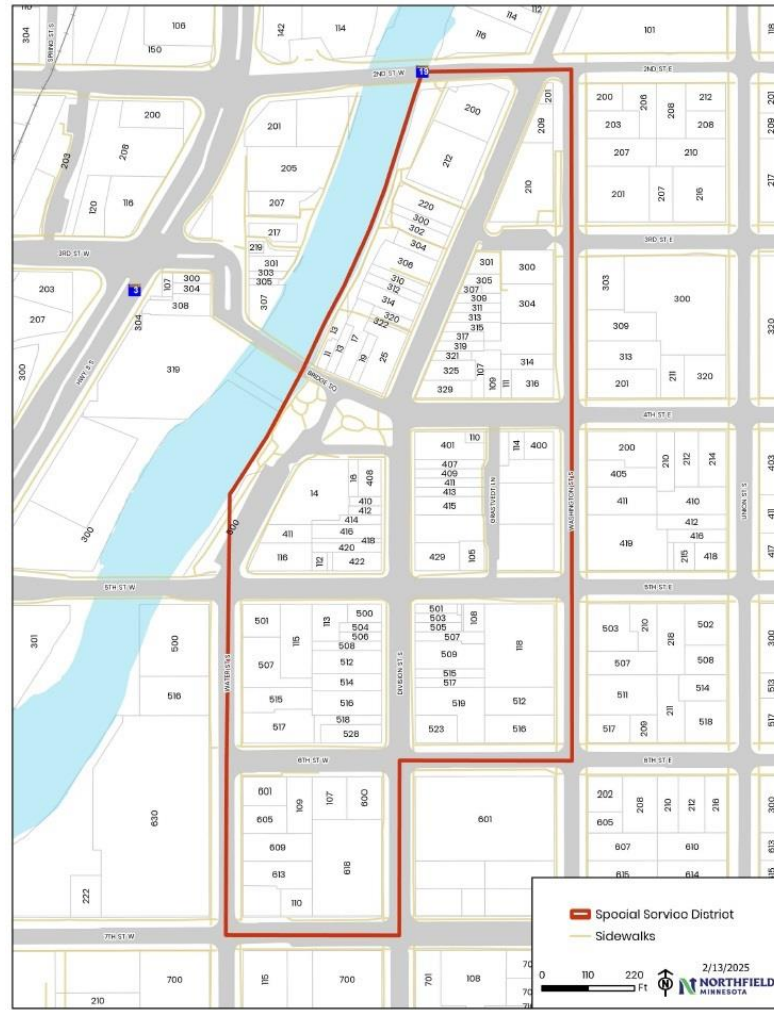
The provisions of Minn. Stat. §§ 428A.01 to 428A.10, relating to special service districts, are adopted and made a part of this division as if set out in full.

**Sec. 70-152. – District boundaries.**

- (a) Description. The district shall consist of that part of Section 1, Township 3, Range 20 West, City of Northfield, Rice County, Minnesota, described as follows: Beginning at the intersection of the northwesterly right-of-way line of Minnesota State Highway 19 (known as 2nd Avenue) with the northwesterly right-of-way line of Division Street thence southwesterly along the eastern bank of the Cannon River to the centerline of 5th street, thence east to the intersection of the centerlines of 5th Street and Water street, then south to the intersection of the centerlines of Water Street and 7th Street, thence east along the centerline of 7th Street to the intersection of the centerlines of Division Street and

6th Street, thence north along the centerline of Washington Street South to the intersection of the centerlines of Washington Street South and Minnesota State Highway 19 (known as 2nd street) thence westerly along said centerline of 2<sup>nd</sup> Street to the point of beginning, and there terminating.

(b) Map. A map showing the district boundaries follows:



**Sec. 70-153. - Special services to be performed.**

(a) Within the district, the city may perform or contract for the performance of any of the following services to the extent that such services are not ordinarily provided throughout the city from ordinary revenues of the city:

- (1) Snow and ice removal and sanding of public areas;
- (2) Removal of refuse, including but not limited to trash, recycling and organic waste;
- (3) Management and administrative services for operation of the district.

**Sec. 70-154. - Special services operating plan; service provider(s) and service agreement(s).**

(a) Operating plan. Each year, prior to imposition of any service charge, the city council will adopt by resolution an operating plan that describes with particularity the special services to be performed within the district for the upcoming calendar year. Any physical enhancements related to the eligible

services to be installed by the district shall be maintained by the district, and to the extent they are not maintained, the city shall have the right to remove them. The district shall not be obligated to maintain any physical enhancements installed by parties other than the district unless and until said maintenance is included in the adopted operating plan. The special services to be furnished in the district may not include a service that is ordinarily provided throughout the city unless an increased level of the service is provided in the district.

- (b) Service(s) provider. Special services to be provided within the district may be provided using one (1) or more of the following:
- (1) The city may perform all or a portion of the services.
  - (2) The city may contract for all or a portion of the services.
  - (3) The City may enter into a service agreement with a district management entity or a district service agent, provided that such district agent is a legal business entity registered with the state and meets the city's indemnification and insurance requirements.

#### **Sec. 70-155. - Service charges.**

- (a) The city council hereby finds and determines that the services, and related expenses that would relate, specified in section 70-153 hereof will provide benefits primarily to properties located within the district, rather than to the city as a whole. In addition, the costs of said services may be recovered by the city by the imposition of service charges to be assessed against those nonresidential and multiunit residential properties as defined in Minn. Stat. § 428A.01 located within the district. Only property that is classified under Minn. Stat. § 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 district may be subject to the service charges imposed on the district pursuant to this division.
- (b) The city may impose service charges under Minn. Stat. §§ 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. Service charges may be imposed by the city within the district at a rate or amount sufficient to produce the revenues required to provide special services in the district.
- (c) The city may also seek, by agreement with individual property owners located within the district, such as residential and tax-exempt properties, which are not otherwise subject to a city imposed service charge as provided in this division, a voluntary fee for service for those services requested and provided to such properties as provided in section 70-153.
- (d) Before the imposition of service charges in the district, for each calendar year, a public hearing must be held under Minn. Stat. §§ 428A.02 and 428.03 and prior notice thereof must be given containing the information required, and must be mailed to any owner, individual, or business organization subject to a service charge, pursuant to Minn. Stat. § 428A.03, subd. 1.
- (e) Property exempt from taxation by Minn. Stat. § 272.02 is exempt from any service charges based on net tax capacity imposed under this division.
- (f) Pursuant to Minn. Stat. § 428A.10, the city may adopt a resolution imposing a service charge for more than one year. The city must not adopt such a resolution unless the notice and public hearing as provided in Minn. Stat. § 428A.03, and the notice mailed with the adopted resolution under Minn. Stat. § 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 imposing a charge for more than one year 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.

**Sec. 70-156. - Notice of veto power.**

- (a) Notice of right to file objections. Pursuant to Minn. Stat. § 428A.09, and except as provided in Minn. Stat. § 428A.10, the effective date of any ordinance or resolution adopted under Minn. Stat. §§ 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 Minn. Stat. § 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.
- (b) Any property owner petition for veto must meet the requirements contained in Minn. Stat. § 428A.09, subd. 2.

**Sec. 70-157. - Ad valorem property tax.**

- (a) The city may, in each calendar year, levy a tax on taxable property in the district based upon the assessed value of the property and such tax shall be assessed and collected in the same manner as other property taxes on property located within the district. The tax shall be levied at a rate that will raise an aggregate sum, which, when combined with any service charges levied in the district, will equal the total costs of the city in providing the services specified in this division for the next ensuing calendar year. Prior to the levy of such a tax a public hearing shall be held. The requirements for the public hearing and the notice of public hearing shall be the same as specified in this division with respect to the levy of special service charges, and the tax may be levied not later than six (6) months after the public hearing by a majority vote of all of the members of the city council. For purposes of determining the appropriate tax rate, taxable property or value shall be determined under Minnesota Statutes. Property exempt from taxation by Minnesota Statutes shall be exempt from such tax.
- (b) 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 district. 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 Minn. Stat. § 429.061, subdivision 3, for the annual certification of special assessment installments.
- (c) Other service charges imposed must be collected as provided by this article.

**Sec. 70-158. - Revenue surplus or deficit.**

- (a) Any annual revenue surplus or deficit shall be addressed in accordance with one (1) of the following procedures, as applicable:
- (1) If the total taxes and service charges levied and collected under this division, with respect to any calendar year, exceed the cost of services actually rendered in the district in such calendar year, then the next ensuing year's levy of taxes and service charges may be decreased by a corresponding amount;
  - (2) If the total taxes and service charges levied and collected under this division, with respect to any calendar year, exceed the cost of services actually rendered in the district in such calendar year, then the subsequent year's annual operating plan may be amended by the city council to incorporate the prior year's excess revenue;
  - (3) If the cost of services actually rendered in the district in any calendar year exceed the total taxes and service charges levied and collected under this division with respect to such calendar year, then an amount necessary to recoup the excess costs may be levied as taxes, service charges, or both within the next two (2) ensuing years; or
  - (4) If the cost of services actually rendered in the district in any calendar year exceed the total taxes and service charges levied and collected under this division with respect to such calendar year, then the subsequent year's annual operating plan may be amended by the city council to recoup the excess costs.

**Sec. 70-159. - Annual report.**

During the term of any service agreement(s) referenced in section 70-154, the district entity hereinafter entitled "Advisory Board" shall submit to the City Administrator and Finance Director as soon as practical after each calendar year end, but prior to adoption of the next year's operating plan budget, an annual report of services activity and an independent audit of financial activity for each calendar year in which services are performed in the district.

**Sec. 70-160. - Expiration of district.**

The district shall expire three (3) years after the effective date of this division unless it is renewed by following the procedures set forth in Minn. Stat. Ch. 428A or as permitted by applicable law. Renewal of the district initiated by the Advisory Board one year prior to actual expiration under this section shall be exempt from the petitioning requirements set out in Minn. Stat. § 428A.08. Initiating renewal means written notice of intent from the Advisory Board submitted to the finance director. Not more than one renewal of up to two additional years may be initiated by the Advisory Board before the petitioning requirements set out at Minn. Stat. § 428A.08 must be met.

**Sec. 70-161. - Advisory Board**

- (a) An advisory board to be known as the Downtown Special Service District Advisory Board (the "advisory board") is hereby established to advise the city council in connection with the construction, maintenance, and operation of improvements, and/or the furnishing of special services within the district. The advisory board shall make recommendations to the city council 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 city council to provide services or impose service charges within the district, the advisory board shall have 30 days to review and comment upon the proposal. If the advisory board does not meet, review, and submit written comments to the city council within the allotted review time, the advisory board shall be deemed to have waived the right to review and comment.
- (b) The advisory board shall consist of seven (7) members consisting of the following criteria:

- (1) At least four (4) building owners (or their representative) representing real property interests within the district;
- (2) At least two (2) business owners with establishments or offices located within the district;
- (3) At least one (1) resident of the district or owners (or their representative) of residential property within the district;
- (4) At least one non-voting member of the Chamber of Commerce; and
- (5) At least one non-voting member of the Friends of Downtown Northfield; and
- (6) One City non-voting representative as determined by the City Administrator to assist with administration, consultation, coordination, facilitation of the advisory board.
- (c) Members of the initial advisory board shall be appointed by the mayor with the approval of the council. After the initial appointment of the advisory board is appointed the advisory board shall refill open seats of voting members by a majority vote of the advisory board.
- (d) The term of an advisory board member is three (3) years beginning on January first of each even-numbered year, except that the first term may commence on a date other than January 1.

**Sec. 70-162. - Enlargement of district.**

Boundaries of the district may be enlarged as provided in Minn. Stat. § 428A.04.

**Sec. 70-163 – 70-169. – Reserved.**

SECTION 3. This Ordinance shall take effect 45 days after final adoption and its publication.

Passed by the City Council of the City of Northfield, Minnesota, this \_\_\_\_\_ day of \_\_\_\_\_, 2025.

ATTEST:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Mayor

VOTE:      \_\_\_\_ ZWEIFEL \_\_\_\_ BEUMER \_\_\_\_ DAHLEN \_\_\_\_ HOLMES  
             \_\_\_\_ NESS \_\_\_\_ PETERSON WHITE \_\_\_\_ SOKUP

First Reading:	
Second Reading:	
Published:	