



Special Service District

Ordinance Presentation

What is an SSD?



“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.”

- Governed by MN Statute 428A.01-10
- Often used by downtowns to coordinate services like snow, trash, parking, marketing, events, banners & public art, landscaping, and many other things
- Either proportionate fees or assessments for services rendered, often saving money for building owners

Why an SSD?



- Consistent services
- Formal organizational structure
- Cost savings
- Less time spent by building owners coordinating core services individually

Steps to Establish an SSD



- ✓ Building owners petition the city and acceptance
 - ✓ September 9th – Council determined adequacy of petition & authorized a public hearing
 - ✓ This has been completed and no further consideration of this issue
- **City drafts ordinance to establish the district**
 - **Includes a public hearing (action tonight & relevant public hearing input specific to the ordinance)**
 - Hear from impacted property owners and individuals/organizations/entities impacted and general public interest
 - Inform consideration of future ordinance, resolutions to come back for future consideration
- Once ordinance establishes district, a resolution must be drafted and approved to set assessments for the district
 - Includes a **public hearing** and challenge opportunity
 - Six months maximum between ordinance adoption and resolution

Why an SSD in Northfield



- Sidewalk snow removal services are often expensive and inconsistent
- Lots of redundant trash dumpsters; lots of truck traffic
- These needs were identified in many places, including:
 - Connecting Business and Community Survey
 - Surveys from 2020 conducted by NDCC
 - "Anecdotal" collected by staff and stakeholders for many years

Comprehensive Plan Alignment



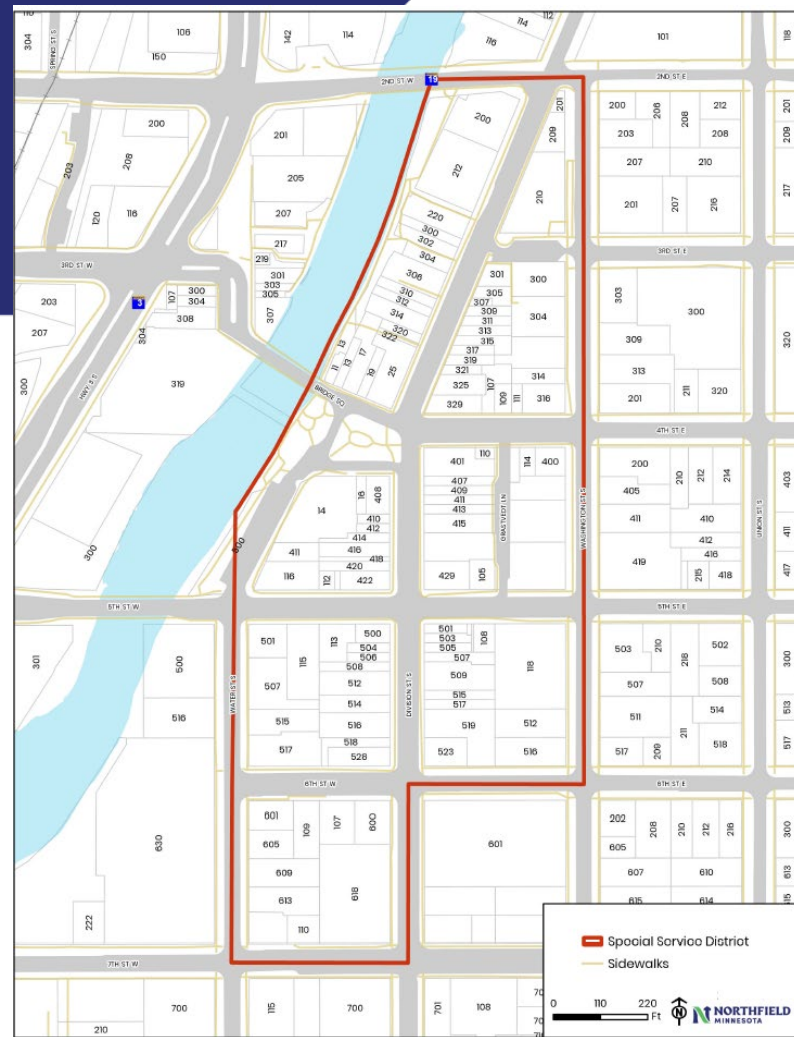
Northfield 2045 Comprehensive Plan's Sustainable Economic Future, Strategy 1:
Strengthening Northfield's Downtown Core Action #7:

“Consider creating a special service district to support a comprehensive and coordinated approach to refuse and recycling collection, snow and ice removal, street trees and municipal landscaping, parks and parklets, and on-and off- street public parking.”

Also aligns with the vision in the adopted Riverfront Enhancement Action Plan

Proposed District

- Includes much of the Division St. pedestrian area
- Brainstormed by the Friends of Downtown Northfield
- Includes 136 distinct parcels owned by 73 distinct entities
 - (the average #/owner = 1.6)



Building on Preexisting Work



- The Northfield Downtown Development Corporation (NDDC) conducted a 2020 survey with 21 downtown building owner respondents broadly supporting consistent sidewalk snow removal, slightly less but relevant support for refuse removal
- The Friends of Downtown Northfield continued engaging building owners in 2023
- 14 *Connecting Business and Community* participants (out of 52) were BOTH downtown building and businesses owners; vast majority voiced support for an SSD

Engagement Opportunities



- Friends of Downtown Northfield hosted open informational sessions on May 21st, June 4th, June 15th
- FODN reached more than 2/3 of the district in the petitioning efforts directly
- FODN mailer and city public hearing notice
- Building owner engagement event on Sep. 30th

Petition



COORDINATED SNOW AND TRASH REMOVAL

IN THE MATTER OF THE PETITION OF CERTAIN PROPERTY OWNERS FOR A HEARING TO ESTABLISH A SPECIAL SERVICE DISTRICT AND IMPOSE A SERVICE CHARGE UNDER MINN. STAT. CHAPTER 428A

TO THE CITY COUNCIL OF THE CITY OF NORTHFIELD, MINNESOTA:

We, the undersigned owner(s) of property, that would be subject to the service charge in the proposed Special Service District No. 1 for the area on the map attached hereto as Exhibit A, hereby request the City Council to conduct a public hearing for establishment of the District, and the imposition of service charges pursuant to *Minn. Stat. 428A.01-101*:

Owner(s) _____

(Print Name)

(Print Name)

Address(es): _____

PID No(s): _____

Owner(s): _____

(Signature)

(Signature)

COORDINATED SNOW AND TRASH REMOVAL

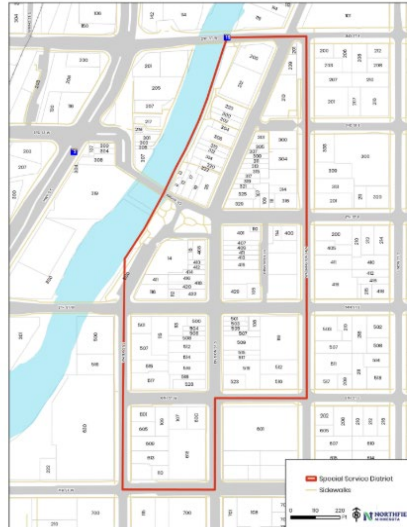


Exhibit A

Petitions



- City Clerk received 47 petitions
- Some property owners own multiple properties
- 3 petitions were determined invalid
- By statute, requirements to consider establishing a district are *not* based on the number of participating parcels, building owners, or business owners.

Statute Requirements



- Petition is valid if:
 - 25% of the land area of property subject to the service charge in the district
- And EITHER
 - Owners of 25% or more of the net tax capacity of property
 - Owners, individuals, and business organizations subject to 25% or more of a proposed service charge based on other than net tax capacity

Source: MN Statute 428A.08

The Validated Petitions Represent



- 56.2% of the land area (statute requires 25%)
- 32.1% of net tax capacity (statute requires 25%)
- Verification provided by the Finance Department and the City Clerk's office based on data directly from Rice County staff
- September 30th –

Building Owners Initial Feedback and Ordinance Drafting



- Advisory (steering) board of building owners to aid in governing key aspects of district (contracts, renewal)
- Concern over perpetual district, preference for having the district re-petitioned
- Limiting the scope of services
- Fee for service instead of assessment to property tax

Steering/Advisory Committee

Sec. 70-161.



- 7 Members, at least:
 - 4 building owners
 - 2 business owners
 - 1 resident
 - Nonvoting members: City staff, Chamber/CVB, FODN
- Designed to help find good contracts that meet the needs of the district, cost savings, high quality of service
- Recommends contracts, renewal, etc. to council
- Provides annual financial report to council

District Renewal

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."

- 5 year max term of current district; 3 year + 2 years (if steering committee advises)

Scope of services

Sec. 70-153



- Very limited in current ordinance draft as result of building owner wants
- No services can be initiated without additional public hearing and resolution
- **Services:**
 - Snow removal (with emphasis on sidewalks, and opportunity for lot clearing)
 - Trash/refuse removal (might take longer to get up and going)
 - Admin fees, which may not even be considered in a future resolution but this gives the city necessary flexibility to consider them

Timeline



- ✓ September 9, 2025: Resolution Declaring Adequacy of Petition and Set Public Hearing
- ✓ September 10, 2025: Publish notice of hearing in official newspaper (1st time)
- ✓ September 10, 2025: Notices sent to affected property owners
- ✓ September 24, 2025: Publish notice of hearing in official newspaper (2nd time)
- October 7, 2025: Public Hearing – Ordinance
- October 7, 2025 – April 7, 2026: Within 6 months of the public hearing 1st and 2nd readings of ordinance occur
- Ordinance takes effect: 45 days after publication of the ordinance
- To Be Determined Public Hearing Resolution on proposed services and fees (after ordinance adoption)