

CITY OF NORTHFIELD, MINNESOTA  
CITY COUNCIL RESOLUTION 2020- 116  
ESTABLISHING A UTILITY FRANCHISE FEE REFUND PROGRAM

WHEREAS, the City of Northfield (the “City”) has adopted franchise fee ordinances for gas and electric utilities, respectively, within the City pursuant to City Ordinance Nos. 1017 and 1018 (the “Ordinances”) thereby imposing the respective franchise fees contained therein upon Northern States Power Company, a Minnesota corporation, D/B/A Xcel Energy, its successors and assigns (the “Company”); and

WHEREAS, the Ordinances, respectively, provide specific franchise fees applicable to certain classifications of properties within the City as outlined in Schedule A of each of the Ordinances; and

WHEREAS, the respective franchise fees applicable to the respective property classifications provided in Schedule A of the respective Ordinances are applicable per customer premise/per month based on metered service to customers of the Company within the City; and

WHEREAS, the City desires to use the respective franchise fee revenues collected from the Company pursuant to the respective Ordinances for eligible public improvement projects (the “Eligible Projects”); and

WHEREAS, one of the purposes of collection of franchise fees is to replace future special assessments for certain Eligible Projects, which may be funded partially with revenues collected from the respective franchise fees pursuant to the Ordinances; and

WHEREAS, in adopting the Ordinances, the City Council has recognized that there are existing and currently outstanding special assessments that have been levied on prior Eligible Properties and that the same have been or will continue to be paid by such original property owners until the levied special assessments are paid in full; and

WHEREAS, for either Eligible Properties, as defined herein below, with outstanding special assessments remaining to be paid, or for Eligible Properties for which a special assessment was levied, but was otherwise paid in full prior to the original maturity date by the original property owner (collectively the “Eligible Properties”), the payment of franchise fees under the Ordinances by such original property owners would be in addition to the payment of the identified levied special assessments; and

WHEREAS, based on the foregoing, payment of franchise fees by the above-identified original property owners of Eligible Properties would be duplicative of the corresponding

equal amount of special assessments also paid by the above-identified property owners of Eligible Properties; and

WHEREAS, the City Council desires to address this duplicative payment through the establishment of a franchise fee refund program whereby the duplicate amount of franchise fees paid would be refunded to the above-identified original property owners of Eligible Properties on an annual claims-made basis for the period until the original maturity date of the respective special assessments.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL THAT:

- 1. The franchise fee refund program described in the recitals hereto, which are made a part hereof, is hereby approved in the form attached hereto and incorporated herein by reference as Exhibit A.

PASSED by the City Council of the City of Northfield on this 1<sup>st</sup> day of December, 2020.

ATTEST

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

\_\_\_\_\_  
Mayor

VOTE: \_\_\_ POWNELL \_\_\_ DELONG \_\_\_ GRABAU \_\_\_ NAKASIAN  
\_\_\_ NESS \_\_\_ PETERSON WHITE \_\_\_ ZWEIFEL

## EXHIBIT A

### **Franchise Fee Refund Program**

Eligible Properties: The following properties are eligible to participate in the franchise fee refund program:

1. Properties within the City with current, levied and outstanding special assessments thereon for Eligible Projects where such special assessments have not been paid in full upon a respective Eligible Property by the original property owners of such property; and
2. Properties within the City for which special assessments were levied for Eligible Projects, but where such special assessments on respective Eligible Properties are not currently outstanding because the same have otherwise paid in full by the original property owners of such property prior to the original maturity date of such special assessment.

No property within the City shall remain an Eligible Property for purposes of an annual franchise fee refund under this program following the date upon which the special assessment levied upon a respective Eligible Property has been paid in full and the duration of the levied special assessment has expired; the original maturity date has passed.

Notice and Claim for Refund Payment: On an annual basis, for the duration of the refund program herein provided, the City Finance Department shall post notice on the City's website for Eligible Properties to make an annual claim for an annual refund of franchise fees paid on an Eligible Property in the Eligible Amount provided herein. The City Finance Department shall establish procedures for property owners of Eligible Properties to file claims for annual refunds of the Eligible Amount with the City Finance Department.

Eligible Amount of Refund: The amount of annual refund that the original property owner of an Eligible Property may claim shall not exceed the amount of franchise fees applicable to the Eligible Property for the prior calendar year and paid by the owner of the Eligible Property (the "Eligible Amount"). The Eligible Amount of an annual claim for refund of franchise fees shall also not exceed the amount of the special assessment paid during the same period for which refund is sought by the original property owner of an Eligible Property

Duration of Program: The franchise fee refund program hereby established shall terminate and be of no further force or effect at such time as there are no Eligible Properties remaining, or ten years from the date of this resolution, whichever occurs first. Notwithstanding the foregoing, the City Council may terminate this program at any time by resolution if the City Council determines that it is in the best interests of the City to so act.