

CHAPTER 15
PUBLIC IMPROVEMENT FINANCING AND SPECIAL ASSESSMENTS
FOR LOCAL IMPROVEMENTS

15.01 LEGISLATIVE INTENT.

- (A) Intent. The policies contained herein establish a procedure for making public improvements, public financing policies and levying special assessments pursuant to the requirements of Minnesota Statutes. When an improvement conveys special benefit to properties in a definable area, the City intends to levy special assessments on the benefited properties to finance such improvements. It is the policy of the City that the amount of the assessment for public improvements should not exceed the special benefit to the property. The City has adopted this ordinance and will use the assessment policies adopted hereby to ensure that assessments have a reasonable relationship to benefits. Public improvements include, but are not limited to the construction or reconstruction of streets, sidewalks, storm sewers or ditches, sanitary sewers, water works, street lighting or any other public improvements allowed by State law.

15.02 FINANCING POLICIES.

- (A) General. The financing policies of the City are described in detail in the Public Improvement Financing Policy and Assessment Manual adopted by the City (hereinafter referred to as the "Assessment Policies") as modified or amended from time to time by the City Council of the City.
- (B) Required Public Improvements. The following is a non-exhaustive description of Public Improvements required to be completed for each development within the City and are described in more detail in the Assessment Policies:
1. Grading;
 2. Sanitary Sewer Facilities;
 3. Water Facilities;
 4. Storm Sewer;
 5. Streets;
 6. Street and Traffic Signs;
 7. Sidewalks; and
 8. Street Lights.
- (C) Trunk Sewer Area and Unit Charges. Area and unit charges as described in the Assessment Policies and in the amounts determined to be appropriate by the City Council from time to time shall be charged by the

City to finance trunk sewer facilities as described in the Assessment Policies.

- (D) Trunk Watermain Area and Unit Charges. Area and unit charges as described in the Assessment Policies and in the amounts determined to be appropriate by the City Council from time to time shall be charged by the City to finance trunk watermain facilities as described in the Assessment Policies.
- (E) Surface Water Management Planning and Storm Sewer Trunk Charges. The City may charge area and/or unit charges in amounts determined to be appropriate by the City to finance Surface Water Management Planning and Storm Sewer Trunk facilities as described in the Assessment Policies.

15.03 GENERAL ASSESSMENT POLICIES.

- (A) Initiation of Improvements. Improvements may be initiated by the City Council or by Petition of the owners of not less than thirty-five percent (35%) in frontage of the real property abutting on the streets named in the petition as the location of the improvement. Petitions requesting improvements must be substantially on a form as approved by the City Administrator and will be received by the City Council until November 15 of the year prior to the year of the requested construction. Petitions presented after this date will be received only upon special consent from the City Council. The City Council shall, by resolution, determine whether or not the petition has been signed by the required percentage of owners of the property affected by such petition.
- (B) Project Cost. The "project cost" of an improvement shall be deemed to include the cost of all necessary construction work required to accomplish the improvement plus expenses incurred or to be incurred in making the improvement including engineering, legal, administration, financing, right-of-way acquisition and other contingent costs.
- (C) City Cost. Where the project cost of an improvement is not entirely attributable to the need for service to the area served by said improvement, or where unusual conditions beyond the control of the property owners in the area served by the improvements would result in an inequitable distributions of special assessments, the City, through the use of other funds, may pay such "City Costs" which, in the opinion of the City Council, represents those costs not directly attributable to the area served.
- (D) Assessable Cost. The "Assessable Cost" of an improvement shall be defined as those costs which, in the opinion of the City Council, are attributable to the need for service in the area served by the improvement and are not in excess of the special benefit conveyed to the property by

the improvements. Said assessable cost shall be equal to the project cost of the current project as defined above, minus City Cost, as defined above, minus other financial assistance applied to the project.

- (E) City Property. City owned property, including building sites, parks and playgrounds, but not including public streets and alleys, shall be regarded as being assessable on the same basis as if such property was privately owned.
- (F) Distribution of Assessments. Several methods exist for assessing property benefited by local improvement projects. It is the policy of the City to use the method that most equitably distributes the project costs. The assessable costs of the improvement shall be distributed among the affected property owners as determined by one or more of the methods described in the City of Chisago City Assessment Policies adopted by this Ordinance.
- (G) Application of Policy. In the event the literal application of the provisions outlined herein would result in an inequitable distribution of special assessments, the City Council reserves the right to adjust the policy so as to achieve a more equitable distribution. Such adjustments may be based on current or anticipated land use.

15.04 CLASSIFICATION OF PROJECTS.

- (A) General. Public Improvements are divided into three classes specified in the following subdivisions according to their respective benefit to the whole City and to property specially served by the improvement and taking into account past City practices.
- (B) Class A Improvements. Class A Improvements are those which are of general benefit to the City at large, including: (1) Public buildings, except a building which is part of an improvement described in one of the following subdivisions; (2) any public park, playground or recreational facility; (3) the installation and maintenance of street lighting systems; and (4) any improvement not described in M.S. 429.021 Subd. 1 or M.S. 429.101 Subd. 1. Any such improvement shall be financed from general City funds and not from special assessments.
- (C) Class B Improvements. Class B Improvements are those which are of both general benefit and special benefit to abutting or nearby property. Class B Improvements include: (1) Trunk water mains ten inches (10") or larger in diameter; (2) trunk sanitary sewer mains eight inches (8") or larger in diameter; (3) permanently surfacing arterial-collector street; (4) storm sewers; and (5) the construction of off-street facilities.
- (D) Class C Improvements. Class C Improvements are those which are primarily, if not exclusively, a benefit to property abutting or in the area of

improvement or including: (1) the construction of sidewalks; (2) the construction of water mains no larger than eight inches (8"); (3) the construction of curbs and gutters; (4) grading, graveling, oiling and applying non-permanent surfacing to streets; (5) permanently surfacing residential streets; and (6) the abatement of nuisances and the draining of swamps, marshes and ponds on public or private property and filling the same.

15.05 FINANCING IMPROVEMENTS

- (A) Policy. It is the policy of the City to finance improvements by the methods described in the City of Chisago City Assessment Policies adopted by the City and as amended from time to time hereafter. The apportionment of the cost between benefited property and the City at large and the method of levying assessments prescribed in the manual shall be followed in each case unless the City Council, by resolution, finds that because of special circumstances stated in the resolution a different policy is necessary or desirable in the particular case. Any local improvement described in M.S. Sec. 429.02 and not meeting the requirements of Class A, B or C by section 8.10 shall be financed as the City Council determines to be most feasible and equitable in each case. In each case the City Council shall examine the assessment role before approval and adjust any assessment which exceeds the benefit received by the property assessed.

15.06 DISTRIBUTION OF ASSESSMENTS

- (A) Distribution. Distribution of assessments will be conducted according to the provisions outlined in the City of Chisago City Assessment Policies as adopted on the date hereof and as amended from time to time hereafter.

15.07 ASSESSMENT PROCEDURES

- (A) Procedures. Assessment procedures are explained in detail in the City of Chisago City Assessment Policies adopted on the date hereof and as amended from time to time hereafter.

15.08 FEDERAL, STATE AND COUNTY AID USE

- (A) Application of Aid. If the City receives financial assistance from the federal government, the State of Minnesota or Chisago County, to defray a portion of the cost of a public improvement project, such aid shall be used first to reduce the share of the project cost which would be met from general City funds according to the assessment procedures contained in this Ordinance and the City of Chisago City Assessment Policies. If such aid is more than the amount of the improvement cost to be borne by the City, the remainder of the aid so received shall be used to reduce assessments as deemed appropriate and equitable by the City Council.

15.09 WATER AND SEWER STUBS

- (A) Installation. Water and sewer service stubs shall be installed from the main to the property line of property to be served before any permanent street surfacing is constructed in the street. If any property owner fails to connect to such water and sewer service lines within one (1) year after notice from the City Engineer, the City Council shall proceed to have water and sewer service installed and to assess the cost against the property.

15.10 ASSESSMENT POLICIES

- (A) Adoption. The specific manner of applying the general policies as set forth in this Ordinance shall be detailed in a document entitled, “City of Chisago City Public Improvement Financing Policy And Assessment Manual” which may be adopted by the City Council by a resolution of such council.

The City of Chisago City Assessment Policies may be modified from time to time by further resolution of the City Council and all references to such City of Chisago City Assessment Policies in this Ordinance shall mean the City of Chisago City Assessment Policies as so modified.

15.11 EFFECTIVE DATE

- (A) Passage and Publication. This Ordinance shall take full effect and be in full force from and after its passage and publication according to law.