

# PROCEDURES FOR PUBLIC IMPROVEMENT

## INSTALLED BY THE CITY OF PRINCETON

This section set forth the methods and policies relating to local improvements and special assessments practiced in the City of Princeton. It is emphasized that the following summarization is general in nature and that certain circumstances may justify deviations from stated policy as determined by the City Council.

A local improvement involves one or more of the following types of improvements:

1. Roadway grading and base.
2. Bituminous surfacing.
3. Curb and gutter.
4. Sidewalks and driveways.
5. Water trunks and laterals.
6. Sanitary sewer trunks and laterals.
7. Service connections.
8. Storm sewer trunks and laterals.
9. All appropriate appurtenances associated with the above.

Improvements are classified as follows:

1. New Developments – The construction of improvements related to newly developed areas, normally made in conjunction with the plat approval process.
2. Rehabilitation – Complete or partial reconstruction of the above mentioned improvements including bituminous overlays. Rehabilitation does not include routine maintenance which does not improve the structural integrity of a roadway, such as sealcoating and crack sealing.

3. Extensions – Construction of improvements generally made to extend services to a certain area. Extensions normally pertain to water, sanitary sewer, and storm sewer trunks.

The following are general principles, policies, and procedures applicable to all types of improvement:

1. Project costs shall include the cost of all necessary construction work required to accomplish the improvement, plus engineering, legal, financing, and contingent costs.
2. Assessable costs are project costs minus the City share, County share, and/or other credits.
3. Special assessments will be levied as soon as practical. Normally this will be within one year after completion of the project.
4. Pursuant to M.S. Chapter 429.051, the City does not defer assessments to benefited areas outside of the City, but rather assumes any non-assessable cost as the City share. When property is annexed and served by the original improvement, the city can create a new assessment to be reimbursed for all or any portion of the prior assumed municipal costs, including interest, related to the improvement.
5. Publicly owned properties, including municipal building sites, schools, parks, State and Federal building sites, but not including public streets and alleys, are regarded as being assessable on the same basis as if such property were privately owned.

## **PROJECT INITIATION AND HEARING PROCESS**

This section intends to describe the initiation of improvement projects and the administration required to final County action, pursuant to the requirements of MSA 429.

### **A. Project Initiation**

1. **By Petition:** Petitions for initiating improvements will be prepared by City staff upon request. Such petitions, circulated by the affected owners, should bear the signatures of the property owners of at least 35% of the benefited property. Petitions may be requested and submitted at any time. The normal time required for receiving, processing, scheduling hearing, and preparing construction documents is six months. Projects for petitions received after February 1 will not be scheduled until the construction season of the following year.
2. **By council Action:** If the Council determines that an improvement is in the best interest of the City, it can, without petition, initiate the improvement.

3. **By 100% Signed Petition:** When a petition is signed by 100% of the property owners benefited by the improvement, and there is no City cost participation, the Council may order the improvement without holding an improvement hearing.
4. **By Developer's Agreement:** Improvement projects for new development will be considered upon execution of a Developer's Agreement signed by 100% of the benefited property owners. The Council may order the project without a public hearing.

**B. Hearing Process**

1. **Improvement Hearing:** After a petition is filed and its adequacy determined, or the Council initiates the project, the city engineer is directed to study and report as to the feasibility of the improvement. If after reviewing the report, the Council feels the project has merit, a public hearing is scheduled, notice published twice, and all persons benefited by the project notified in writing.

When an improvement project is to be financed by the sale of improvement bonds, there is a statutory requirement that at least 20% of the total costs of the project be assessed against the benefited property.

If after the improvement hearing, at which all persons are heard, the Council feels that the project still has merit, then the Council will authorize the preparation of necessary plans and specifications, and upon receipt and acceptance of those plans, will authorize by resolution the advertisement for bids.

**C. Final Hearing (Assessment)**

After the improvement is ordered and plans received, or the improvement is completed or nearing completion, a roll will be prepared and the affected property owners will be mailed a Notice of Assessment Hearing stating the time and date that an assessment hearing will be held. An assessment roll will be prepared and will be posted at the City Administrator's office for review prior to the assessment hearing. All interested parties shall have an opportunity to be heard regarding the assessment.

Necessary and proper adjustment to the assessment roll can be made by Council at the time the hearing is being held. If an appeal is to be made regarding the amount of the special assessment, written notice must be filed with the Council prior to or at the assessment hearing.

After the hearing, the assessment roll is adopted by the Council. The property owners have a 30-day period in which to pay their assessment in part or in full at the City Hall, interest free. After this period, the assessment begins to accumulate in-

terest from the date of approval of the assessment by the council. On or about October 10<sup>th</sup> of each year, the assessment roll is certified to the County Auditor's office where it is added to the tax roll for the following year.

The assessment shall be levied over a period to be established by the City Council, in equal annual installments on the principal with interest on the declining balance. The annual interest rate shall also be established by the City council upon the sale of the improvement bonds.

## **PUBLIC IMPROVEMENTS IN NEW DEVELOPMENTS**

### **A. General Procedures and Policies**

City code requires execution of a Developer's Agreement at the time of land platting whether City installed or developer installed improvements (see Appendix for sample). The Developer's Agreement normally references means and methods of providing for public improvement construction.

As a standard, the City of Princeton has pursued policies by which all costs of the improvement are directly attributed to and fully paid by cost allocation or assessments against the development, developer, or properties requiring and benefiting by the improvement. The policies are established with the intent that no developmental costs are incurred by existing lots or parcels, by the existing residents, or by the City in general. The exception is for improvements which are determined to have an area-wide benefit which exceeds the scope of the development.

At the time of platting, the cost responsibilities for any development for trunk improvements shall be defined. This responsibility includes trunk sanitary sewer facilities, trunk water facilities (including source, supply, storage, and distribution components), storm water drainage and control facilities, arterial street, park dedication, pedestrian walkway systems, and other public improvements, existing or proposed, of any area-wide benefit. Normally the City will require a cash payment by the developer for the development's share of improvements of an area-wide benefit. The amount to be determined by the City Council.

At the time of platting, the Development Agreement may provide details on construction and timing of local or lateral improvements of various nature for the benefit and improvement of the individual properties as required by the City Subdivision Ordinance.

**B. City Improvement Financing and Construction**

As a general policy, the City of Princeton will assist developers in the financing and construction of public improvements through authority granted to the City by Chapter 429 of Minnesota Statutes. Such assistance is granted by specific Council action for each development proposal based on perception by the Council of the project, viability, and development benefit to the City. The City may elect to sell bonds for such improvement and assess the costs of bond retirement against individual benefited land parcels for a period of repayment as seen appropriate.

Typically, the total project costs for improvements benefiting the development will be assessed on an equal basis against all buildable lots in the development.

For such City assessed developments and improvements, the City, through the Development Agreement, requires a 25% down payment, a bond, or letter of credit, to protect the City from potential project default, and requires assessment payment concurrent with building permit issuance. For such City assisted projects, the City Engineer provides design, construction supervision, and assessment certification services and other City staff provides legal, fiscal, and administrative input.

**C. Public Improvement Work by Private Developers**

No public improvements may take place before a Developer's Agreement has been executed.

A private developer may have this project designed and constructed by other than City forces under the following conditions:

1. All plans, drawings, specifications, and related documents required shall be prepared by the City engineer, in accordance with the laws of the State of Minnesota.
2. The developer must keep the City informed as to the timetable or development and design, the letting date of a construction contract, and the starting date of construction work.
3. In order to guarantee the construction, the City will require full-time inspection of all phases of construction by the City engineer and/or City maintenance staff.
4. The City of Princeton may perform construction surveys, staking, and other engineering services when requested, prearranged, and financed by the contractor or developer. The City will also assist the contractor in interpretation of the Developer's Agreement, City's Engineering Design Standards, ordinances, codes, and other items necessary to meet the criteria as established by the City of Princeton.

5. No public improvement work shall be performed by any developer or other private party in City right-of-way or easement unless a Developer's Agreement has been executed.
6. The City will require a surety deposit of 12 5% of the estimated project costs in the form of cash, escrow deposit, certified check, or irrevocable letter of credit. As construction progress payments are made and lien waivers are received, corresponding amounts can be withdrawn from this letter of credit.

The City and its representatives shall at all times have access to the work in order to complete the services as herein provided, and the developer shall give the City timely notice of his/her readiness for inspections or other work to be rendered. Permits, licenses, and easements for permanent changes in existing facilities shall be secured and paid for by the developer.

The developer shall be charged for these services, and the value of the services shall be determined by the City's most current hourly rate schedule. The fee for plan review, City administration, design, and inspections costs will be billed on an hourly basis.

Upon proper completion of sanitary sewers, storm sewers, watermains, curb and gutter, roadway base, surfacing, and sidewalk by the developer, the City will accept by resolution said improvements.

## **PUBLIC IMPROVEMENTS IN EXISTING DEVELOPMENTS**

### **A. Initiation**

Improvements may be initiated by petition or by Council.

### **B. Computation of Assessable Costs**

1. If improvements were originally constructed to minimum design standards, costs may have the assessable amount prorated at the discretion of the City Council according to the life of the previous improvement and other circumstances involved in the current improvement.
2. If improvements were not originally constructed to design standards, the Council may prorate, but under no circumstances shall it be less than 50% assessed.

**PETITION FOR PUBLIC IMPROVEMENTS**

**WITH 100% OF PROPERTY OWNERS**

Date: \_\_\_\_\_

To the City Council of Princeton, Minnesota:

We, all owners of real property benefiting or abutting the improvement area as described below, hereby petition that this area be improved by (*detailed description of improvement desired*) \_\_\_\_\_

\_\_\_\_\_ pursuant to the Princeton Subdivision Ordinance and Minnesota Statutes, Chapter 429.

Description of improvement area: \_\_\_\_\_

<b>OWNER</b>	<b>ADDRESS</b>	<b>PROPERTY LEGAL DESCRIPTION</b>

Examined, checked, and found to be in proper form and to be signed by the required number of owners of property affected by the making of the improvement petitioned for.

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

Date: \_\_\_\_\_

**PETITION FOR PUBLIC IMPROVEMENTS**  
**WITH LESS THAN 100% OF PROPERTY OWNERS**

Date: \_\_\_\_\_

To the City Council of Princeton, Minnesota:

We, the undersigned, owners of not less than 35 percent in frontage of real property benefiting or abutting the improvement area as described below, hereby petition that this area be improved by (*detailed description of improvement desired*) \_\_\_\_\_

\_\_\_\_\_ pursuant to the Princeton Subdivision Ordinance and Minnesota Statutes, Chapter 429.

Description of improvement area: \_\_\_\_\_

<b>OWNER</b>	<b>ADDRESS</b>	<b>PROPERTY LEGAL DESCRIPTION</b>

Examined, checked, and found to be in proper form and to be signed by the required number of owners of property affected by the making of the improvement petitioned for.

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

Date: \_\_\_\_\_

**PROCEDURES FOR PUBLIC IMPROVEMENTS SUMMARY**

<b>IMPROVEMENT STEP</b>	<b>PROCEDURE</b>	<b>APPROXIMATE TIME REQUIRED</b>
Initiation of Feasibility Study	<p>Petitioned by at least 35% in number of the benefited property owners (one signature per owner, not parcel), followed by a majority vote of the City Council, or</p> <p>Where no adequate petition is received a 4/5 vote of the City Council.</p> <p>Developers or owners of proposed developments are required to escrow funds to cover City costs associated with preparation of the feasibility study.</p>	2 weeks to 1 month to verify adequacy of petition and to receive Council action.
Preparation of Feasibility Report	City Council resolution designates nature and scope of proposed improvement; report prepared by the designated City consultant or staff member.	1 to 2 months
Receipt of Feasibility Study; Set Public Hearing Date;	City Council establishes public hearing by resolution, publishes resolution at least 2 weeks prior to public hearing.	1 month
Public Hearing; Order Improvement	City presents project, assessment formula, and assessment income projections; testimony taken; project can be ordered after a 30-day wait for petition against project by majority of the owners proposed to be benefited, or more owners than the number of petitioners if it was a petitioned project, either of which can prohibit the Council from ordering the improvement; 30-day wait can be decreased to 10 days by petition of 100% of the benefited property owners if the project was initiated by a petition signed by 100% of the benefited property own-	2 weeks to 4 months

	ers.	
Public Hearing; Order Improvement (Continued)	If General City funds are proposed to finance more than 80% of the cost, an election shall be held and if a majority votes against the proposed use of City funds, the project cannot proceed as proposed. Developers are required to have a final plat prepared and Developer's Agreement executed (with letter of credit or cash escrow deposit for 25% of the estimated plat improvement costs) prior to City Council ordering improvement.	2 weeks to 4 months
Improvement Preparation of Plans and Specifi- cations	Project can be ordered 30 (or 10) days after hearing and up to one year after hearing; plan preparation and easement acquisition time dependent upon project complexity.	1 to 5 months
Plans and Specifi- cations Complete; Easement/Right- of-Entry Acquired; Bids Received	When all is in order, City Council authorizes Advertisement for Bids.	1 month
Bids Received; Order Project; Construction Begins	If the bid cost exceeds the estimate presented by the engineer at the public hearing by more than 10%, the Council has the right to reject all bids and the project may be rebid once. If the project is disallowed due to high cost or a reversed petition, the project cannot be voted on by the Council for at least one year after the public hearing date.	1 to 12 months