

Effective Date: March 7, 2006
Amendments: 06-05-07 **340A** /

12.2.01. General Policy. It shall be the policy of the City to finance certain street and utility improvements by the methods prescribed in this Section. The apportionment of the cost between benefited property and the City at large and the method of levying assessments prescribed in those sections shall be followed in each case unless the Council, by resolution, finds that because of special circumstances, as provided for by Statute, a different policy shall be necessary or desirable. Any local improvement described in Minn. Stat., Chapter 429 and not specifically addressed by this Section shall be financed as the Council determines to be most feasible and equitable in each case.

12.2.02. Applicable State Statutes. All procedures for the construction and financing of local improvements, when at least part of the cost shall be defrayed by special assessments against benefited property, shall conform with the applicable regulations of this Section and Minn. Stat., Chapter 429 and the definitions as set forth in the statutes.

12.2.03. Method of Initiation.

Subd. 1. Petition. No petition for construction of sidewalks, curb and gutter, sanitary sewer and water or permanent street surfacing filed in compliance with State law shall be required to be accepted or acted upon by the Council unless it shall be filed with the City Administrator on or before August 1 of the year prior to the year of requested construction.

Subd. 2. Initiation Of Improvements Without Petitions. The City may initiate improvements covered by this Section without first receiving a petition from affected property owners; however, in order to do so, a 6/7ths vote of the City Council shall be required.

12.2.04. Establishment Of Assessment Districts For Street Improvements. For the purpose of determining special assessments associated with various street improvements covered by this Section, the City shall be divided into two separate assessment districts as specified in the following Subdivisions.

Subd. 1. Assessment District #1. Assessment District #1 for the purpose of this Section shall be the corporate limits of the City of Cloquet prior to the Knife Falls Township consolidation of 1975. It shall also include those properties of the consolidated Knife Falls area to which City sanitary sewer and water utilities have been extended to within four hundred feet.

Subd. 2. Assessment District #2. Assessment District #2 shall be that part of the Knife Falls Township which was consolidated with the City of Cloquet in 1975 and to which City sanitary sewer and water utilities have not been extended to within four hundred feet. (As a condition of the 1975 consolidation agreement, this area currently pays 1/4 of the City's property tax rate until such time that these utilities are extended to within four hundred feet). Once City sanitary sewer and water utilities are extended to properties within Assessment District #2, they shall then be reclassified into Assessment District #1 and any future special assessment made in conjunction with improvements covered by this Section shall follow the applicable regulations for Assessment District #1.

12.2.05. Classification of Street Improvement Projects. Street improvement projects shall be divided into two classifications as specified in the following subdivisions and to property specially served by the improvement. The project classification shall depend on the designation of the particular street as either part of Cloquet's Municipal State Aid (MSA) street system or part of Cloquet's local street system.

Subd. 1. Construction or Reconstruction of MSA Routes. MSA routes shall refer to those City streets, under the ownership and jurisdiction of Cloquet, which have been specifically designated, by resolution of the City Council, in accordance with the "Rules and Regulations for State Aid Operations" under Minn. Stat., Chapters 161 and 162.

Subd. 2. Construction or Reconstruction of Non-MSA Routes. Non-MSA routes shall refer to those City streets, under the ownership and jurisdiction of Cloquet, which have not been specifically designated MSA routes in accordance with Subdivision #1 above.

12.2.06. Improvement or Reconstruction of MSA Routes.

Subd. 1. In General. The regulations and requirements of this Section shall apply to the improvement or reconstruction of all MSA routes as designated by the City Council and established for public travel.

Subd. 2. Curb and Gutter. When curb and gutter shall be installed in either new construction or reconstruction, 50% of its cost shall be assessed to the adjacent property on the basis of frontage.

Subd. 3. Sidewalks. The cost of sidewalk construction or reconstruction shall be paid for by the City at the time the entire street is constructed to State Aid standards with the use of State Aid funds. The cost of any sidewalk improvements, whether construction or reconstruction, not associated with a State Aid street project, shall be assessed 100% against the adjacent property on the basis of frontage.

Subd. 4. Pavement. When a street shall be paved or repaved, the abutting property shall be assessed on the basis of frontage, for the cost of a ten foot wide strip of bituminous surface constructed to a three inch thickness. The cost of the pavement in excess of the assessed twenty foot width shall be paid for by the City. If the street shall be paved with concrete or to standards higher than those the City would use for a typical residential street, all costs in excess of the three inch bituminous design shall be paid for by the City.

Subd. 5. Grading and Base Construction. All grading and gravel base construction or reconstruction costs shall be paid for by the City.

Subd. 6. Storm Sewers. All storm sewer construction or reconstruction costs shall be paid for by the City.

Subd. 7. Project Development, Design and Administrative Fees. The City may assess the cost of applicable project development, design and administrative fees associated with any assessed improvements.

Subd. 8. Miscellaneous Construction Costs. All miscellaneous street construction costs not specifically addressed by this Section shall be paid for by the City

Subd. 9. Corner Lots. In any assessment made on the basis of frontage for curbs, sidewalks and pavement installations, where these improvements are installed on both sides of a platted corner lot, these corner lots shall be assessed for the frontage of their short side plus 1/3rd the frontage of their long side. This adjustment shall not apply to lots, who because of their size could be subdivided into two or more buildable lots.

Subd. 10. Double Frontage Lots. In the case of double frontage lots where assessable street improvements are made along both the front and backyards of a single lot, double-frontage lots shall be assessed for one side only. This adjustment shall not apply to lots who's backyards front on an alley, or to lots who because of their size and lot depth could be subdivided into two separate buildable lots.

Subd. 11. Adjusted Frontage - Irregular Shaped Lots. When the amount of an assessment shall be determined by frontage, in the case of pie-shaped or irregular shaped lots, an equivalent assessable front footage shall be determined by dividing the square footage of the lot by the general lot depth of the subdivision.

Subd. 12. Special Cases. In special cases, the City Council may, by resolution, exempt certain properties from special assessments if the property shall be considered unsuitable for residential, commercial or industrial development or would otherwise not be benefited or improved by the installation of sanitary sewer or water utilities. As an alternative to assessing the cost of certain utility extensions on the basis of frontage, the City Council may elect to assess these improvements on a per connection or on a per lot basis. Furthermore, as an alternative to assessing the cost of certain utility extensions at the time of construction, the City Council may elect to establish utility connection fees to be charged to certain properties at their time of connection.

Subd. 13. Federal, State And County Aid Use. If the City shall receive financial assistance from the federal government, the State or the County to defray a portion of the cost of a particular street improvement, the 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 formulas contained in this Section. If such aid shall be more than the amount of the improvement cost to be borne by the City, the remainder of the aid so received shall be credited to the City's Permanent Improvement Fund.

Subd. 14. Minimum Project Assessable Cost. If a portion of a particular improvement shall be financed through special assessments as shall be provided for by this Section, under no circumstances shall the total project assessable cost be less than twenty percent (20%) of the total improvement cost. If in the use of the formulas as established by this Section, the total assessable cost for a particular improvement shall be less than twenty percent, the front foot assessment for each benefited parcel shall be adjusted so that a minimum of twenty percent of the total project cost shall be assessed.

12.2.07. Improvement or Reconstruction of Non-MSA Routes.

Subd. 1. In General. The regulations and requirements of this Section shall apply to the improvement or reconstruction of all Non-MSA routes as designated by the City Council and established for public travel.

Subd. 2. Curb and Gutter. When curb and gutter shall be installed in either new construction or reconstruction, in Assessment District #1, 50% of its cost shall be assessed to the adjacent property on the basis of frontage. In Assessment District #2, 100% of its cost shall be assessed to the adjacent property on the basis of frontage.

Subd. 3. Sidewalks. The cost of sidewalk construction or reconstruction shall be assessed 100% against the adjacent property on the basis of frontage.

Subd. 4. Pavement. When a street shall be paved or repaved, the abutting property shall be assessed on the basis of frontage. In Assessment District #1, the abutting property shall be assessed for the cost of a ten foot wide strip of bituminous surface constructed to a three inch thickness. In Assessment District #2, the abutting property shall be assessed for the cost of a twelve foot wide strip of bituminous surface constructed to a three inch thickness. The cost of the pavement in excess of the assessed widths shall be paid for by the City. If the street shall be paved with concrete or to standards higher than those the City would use for a typical residential street, all costs in excess of the three inch bituminous design shall be paid for by the City.

Subd. 5. Grading and Base Construction. All grading and gravel base construction or reconstruction costs shall be paid for by the City.

Subd. 6. Storm Sewers. All storm sewer construction or reconstruction costs shall be paid for by the City.

Subd. 7. Driveway Culverts. All required driveway culverts for newly constructed driveways or new homes shall be furnished, installed and paid for by either the developer or property owner.

Subd. 8. Alleys. In the case of alley construction or reconstruction, the cost of all grading and gravel base construction shall be paid for by the City. When an alley shall be paved, the abutting property shall be assessed, on the basis of frontage, for the full width of a bituminous surface constructed to a three inch thickness.

Subd. 9. Bituminous Overlays In Assessment District #1. In Assessment District #1, the cost of all bituminous pavement overlays on existing paved streets shall be paid for by the City.

Subd. 10. Bituminous Overlays In Assessment District #2. In Assessment District #2, the cost of all bituminous overlays on existing paved streets shall be assessed, on the basis of frontage, for a twelve foot wide strip of bituminous surface constructed to a one and one-half inch thickness. The cost of the pavement overlay in excess of the assessed twenty-four foot width shall be paid for by the City. For the purpose of determining the assessable cost of the twelve foot wide strip, the cost of any tack coat material, if applicable, shall be included. For the purpose of the assessment of bituminous overlays within Assessment District #2, the City shall establish a maximum assessed frontage of 200 feet for large unplatted property owned by a single owner. However, if the property has been subdivided or platted into smaller individual lots conforming to applicable zoning requirements and all of the lots exist under single ownership, the 200 foot maximum assessment shall not apply and the full frontage shall be assessed.

Subd. 11. Project Development, Design and Administrative Fees. The City may assess the cost of applicable project development, design and administrative fees associated with any assessed improvements.

Subd. 12. Miscellaneous Construction Costs. All miscellaneous street construction costs not specifically addressed by this Section shall be paid for by the City.

Subd. 13. Corner Lots. In any assessment made on the basis of frontage for curbs, sidewalks and pavement installations, where these improvements are installed on both sides of a platted corner lot, these corner lots shall be assessed for the frontage of their short side plus $1/3^{\text{rd}}$ the frontage of their long side. This adjustment shall not apply to lots, who because of their size could be subdivided into two or more buildable lots.

Subd. 14. Double Frontage Lots. In the case of double frontage lots where assessable street improvements are made along both the front and backyards of a single lot, double-frontage lots shall be assessed for one side only. This adjustment shall not apply to lots whose backyards front on an alley, or to lots who because of their size and lot depth could be subdivided into two separate buildable lots.

Subd. 15. Adjusted Frontage - Irregular Shaped Lots. When the amount of an assessment shall be determined by frontage, in the case of pie-shaped or irregular shaped lots, an equivalent assessable front footage shall be determined by dividing the square footage of the lot by the general lot depth of the subdivision.

Subd. 16. Special Cases. In special cases, the City Council may, by resolution, exempt certain properties from special assessments if the property shall be considered unsuitable for residential, commercial or industrial development or would otherwise not be benefited or improved by the installation of sanitary sewer or water utilities. As an alternative to assessing the cost of certain utility extensions on the basis of frontage, the City Council may elect to assess these improvements on a per connection or on a per lot basis. Furthermore, as an alternative to assessing the cost of certain utility extensions at the time of construction, the City Council may elect to establish utility connection fees to be charged to certain properties at their time of connection.

Subd. 17. Federal, State And County Aid Use. If the City shall receive financial assistance from the federal government, the State or the County to defray a portion of the cost of a particular street improvement, the 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 formulas contained in this Section. If such aid shall be more than the amount of the improvement cost to be borne by the City, the remainder of the aid so received shall be credited to the City's Permanent Improvement Fund.

Subd. 18. Minimum Project Assessable Cost. If a portion of a particular improvement shall be financed through special assessments as shall be provided for by this Section, under no circumstances shall the total project assessable cost be less than twenty percent (20%) of the total improvement cost. If in the use of the formulas as established by this Section, the total assessable cost for a particular improvement shall be less than twenty percent, the front foot assessment for each benefited parcel shall be adjusted so that a minimum of twenty percent of the total project cost shall be assessed.

12.2.08. Establishment and Construction of Streets Within Newly Established Subdivisions.

Subd. 1. In General. The regulations and requirements of this Section shall apply to all street and infrastructure improvements within new subdivisions, which shall be platted and formally accepted by the City after the effective date of this ordinance and shall require that developers finance and complete certain minimum improvements prior to acceptance by the City.

Subd. 2. Developer's Agreement Required. As part of the subdivision approval process, the owner's and developers of all new subdivisions shall enter into a written Developer's Agreement with the City, which will outline the conditions of approval of the proposed subdivision and minimum improvements to be completed prior to final acceptance of any and all infrastructure improvements related to the new development. Prior to the execution of the Developer's Agreement, the final subdivision plat cannot be recorded with the County Records Office.

Subd. 3. Storm Water Drainage and Erosion Control Plans. Prior to the acceptance of any newly dedicated streets within a new subdivision, the developers shall complete and pay for the cost of all required grading to provide for necessary storm water runoff in accordance with a written plan approved by the City. This shall include the furnishing and installation of any storm water treatment or detention ponds, necessary culverts and storm sewer related systems. Prior to the commencement of any site construction that would disturb more than one acre of land, the owner and contractor shall apply for and obtain the appropriate NPDES permits from the Minnesota Pollution Control Agency and provide a copy of the approved permits to the City. All storm water drainage systems and erosion control plans shall be developed and constructed in accordance with all other State and City rules.

Subd. 4. Street Grading and Base Construction. Prior to the acceptance of any newly dedicated streets, the developer shall complete and pay for the cost of all required street grading and gravel base construction in accordance with a written grading plan approved by the City.

Subd. 5. Street Signage. Prior to the acceptance of any newly dedicated streets, the developer shall complete and pay for the cost of all required street signage in accordance with a written sign plan approved by the City.

Subd. 6. Curb, Sidewalks and Pavement. In accordance with the Developer's Agreement, if curbs, sidewalks, pavement and other infrastructure improvements are not initially installed by the development, these improvements may take place at a later date upon the filing of a valid petition by the property owners residing within the subdivision. Upon approval of the City Council, the City will arrange for the completion of these improvements and the assessment of benefited properties in accordance with this Section and all other applicable State and City rules.

Subd. 7. Other Applicable Rules, Regulations and Ordinances. All development within new subdivisions shall be in conformance with the requirements of all other applicable State and City statutes, codes, rules regulations and/or ordinances, which are in effect at the time of development.

12.2.09. New Sanitary Sewer and Water Main Extensions.

Subd. 1. When new sanitary sewer and water mains are constructed or extended to properties previously unserved by these utilities, the cost of water mains not exceeding eight inches in diameter and of sanitary sewer mains not exceeding eight inches in diameter shall be assessed 100% against abutting property on the basis of frontage. The cost of water mains to be assessed shall include building water service lines if furnished, hydrants, valves and other related construction expenses. The cost of the sanitary sewer main to be assessed shall include all manholes, building sewer service lines and other related construction expenses. Assessments for both water and sanitary sewer extensions may also include related engineering design and construction costs.

Subd. 2. Intersections. In the case of new sanitary sewer and water main extensions, as covered under Subdivision 1 above, the cost of water and sewer improvements in street intersections shall be included as part of the total project cost in determining the assessable costs.

Subd. 3. New Sanitary Sewer Lift Station Installations. When a new sanitary sewer lift station shall be constructed to service an area previously unserved by sanitary sewer the cost of the lift station shall be assessed against the property actually benefited by the lift station.

Subd. 4. Corner Lots. In any assessment made on the basis of frontage for sanitary sewer and water extensions, where these improvements are installed on both sides of a platted corner lot, these corner lots shall be assessed for the frontage of their short side only or an equivalent front footage determined by dividing the square footage of the lot by the general lot depth of the subdivision where other rules do not apply. In no case shall the assessed frontage for corner lots be less than the average assessed frontage for other properties within the project.

Subd. 5. Double Frontage Lots. In the case of double frontage lots where assessable utility extension improvements are made along both the front and backyards of a single lot, double-frontage lots shall be assessed for one side only. This adjustment shall not apply to lots whose backyards front on an alley, or to lots who because of their size and lot depth could be subdivided into two separate buildable lots.

Subd. 6. Adjusted Frontage - Irregular Shaped Lots. When the amount of an assessment shall be determined by frontage, in the case of pie-shaped or irregular shaped lots, an equivalent assessable front footage shall be determined by dividing the square footage of the lot by the general lot depth of the subdivision.

Subd. 7. Project Development, Design and Administrative Fees. The City may assess the cost of applicable project development, design and administrative fees associated with any assessed improvements.

Subd. 8. Special Cases. In special cases, the City Council may, by resolution, exempt certain properties from special assessments if the property shall be considered unsuitable for residential, commercial or industrial development or would otherwise not be benefited or improved by the installation of sanitary sewer or water utilities. As an alternative to assessing the cost of certain utility extensions on the basis of frontage, the City Council may elect to assess these improvements on a per connection or on a per lot basis. Furthermore, as an alternative to assessing the cost of certain utility extensions at the time of construction, the City Council may elect to establish utility connection fees to be charged to certain properties at their time of connection.

Subd. 9. Federal, State And County Aid Use. If the City shall receive financial assistance from the federal government, the State or the County to defray a portion of the cost of a particular utility improvement, the 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 formulas contained in this Section. If such aid shall be more than the amount of the improvement cost to be borne by the City, the remainder of the aid so received shall be credited to the City's Sewer and or Water Enterprise funds.

Subd. 10. Minimum Project Assessable Cost. If a portion of a particular improvement shall be financed through special assessments as provided for by this Section, under no circumstances shall the total project assessable cost be less than twenty percent (20%) of the total improvement cost. If in the use of the formulas as established by this Section, the total assessable cost for a particular improvement shall be less than twenty percent, the front foot assessment for each benefited parcel shall be adjusted so that a minimum of twenty percent of the total project cost shall be assessed.

12.2.10. Sanitary Sewer and Water Main Reconstruction Projects.

Subd. 1. When existing City owned sanitary sewer and water mains are reconstructed, replaced or rehabilitated as a result of system age or deterioration, in areas that have already been previously serviced, a portion of the reconstruction cost shall be assessed against benefited abutting property on the basis of frontage. After completion of the project, the City Engineer shall recommend, and the City Council shall adopt by resolution, a Front Foot Assessable Cost which shall apply to that project. This Front Foot Assessable Cost shall be calculated and established in accordance with the following "Typical Design Assessment Formula" utilizing current unit construction prices as experienced during that year. If numerous reconstruction contracts are let during that year, average unit prices shall be calculated. In calculating the Front Foot Assessment, 50% of the Total Construction Cost, as established by the Typical Design Assessment Formula, shall be assessed against an Assessable Frontage of 864 feet. The Front Foot Assessment shall then be applied to all benefited properties in accordance with other applicable rules.

Typical Design Assessment Formula

| Quantity | Item | Current Unit Price | Total |
|----------|----------------|--------------------|------------|
| 575 LF | 8" PVC Sewer | @ \$ = | \$ |
| 660 LF | 6" DIP Water | @ \$ = | \$ |
| 27 LF | 4' Manhole | @ \$ = | \$ |
| 2 EA | 6" Valves | @ \$ = | \$ |
| 1 EA | Hydrant | @ \$ = | \$ |
| 3 EA | MH Castings | @ \$ = | \$ |
| 75 CY | Rock Exc. | @ \$ = | \$ |
| 200 CY | Gr. Bedding | @ \$ = | \$ |
| 1 EA | Misc. Fittings | @ \$2,500 | = \$ 2,500 |

TOTAL CONSTRUCTION COST ----- = \$
(Summation of Above)

FRONT FOOT ASSESSMENT = (TOTAL CONSTRUCTION COST x 50%) ÷ 864'

Subd. 2. Trunk Sanitary Sewer and Water Mains in Excess of Eight Inches. When trunk sanitary sewer mains shall be constructed or replaced in excess of eight inches in diameter, or trunk water mains shall be constructed or replaced in excess of eight inches in diameter, the abutting property shall be assessed for only the cost of the eight-inch mains. All costs in excess of an eight-inch installation shall be paid for by the City.

Subd. 3. Corner Lots. In any assessment made on the basis of frontage for sanitary sewer and water reconstruction, where these improvements are installed on both sides of a platted corner lot, these corner lots shall be assessed for the frontage of their short side only or an equivalent front footage determined by dividing the square footage of the lot by the general lot depth of the subdivision where other rules do not apply. In no case shall the assessed frontage for corner lots be less than the average assessed frontage for other properties within the project.

Subd. 4. Double Frontage Lots. In the case of double frontage lots where assessable utility reconstruction improvements are made along both the front and backyards of a single lot, double-frontage lots shall be assessed for one side only. This adjustment shall not apply to lots who's backyards front on an alley, or to lots who because of their size and lot depth could be subdivided into two separate buildable lots.

Subd. 5. Sewer and Water Service Line Replacement. In the case of sewer and water main reconstruction projects, the cost of individual water and sewer building service line replacement from the mains to the property line shall be paid for by the City up to a maximum footage of sixty feet and all other building service line replacement costs shall be borne by the property owner.

Subd. 6. Sanitary Sewer Lift Station Replacement Or Reconstruction. When an existing sanitary sewer lift station shall be constructed or replaced as a result of system age, deterioration, or overload, the cost of the lift station replacement shall be paid for by the City.

Subd. 7. Adjusted Frontage - Irregular Shaped Lots. When the amount of an assessment shall be determined by frontage, in the case of pie-shaped or irregular shaped lots, an equivalent assessable front footage shall be determined by dividing the square footage of the lot by the general lot depth of the subdivision.

Subd. 8. Project Development, Design and Administrative Fees. The City may assess the cost of applicable project development, design and administrative fees associated with any assessed improvements.

Subd. 9. Special Cases. In special cases, the City Council may, by resolution, exempt certain properties from special assessments if the property shall be considered unsuitable for residential, commercial or industrial development or would otherwise not be benefited or improved by the reconstruction of sanitary sewer or water utilities. As an alternative to assessing the cost of certain utility reconstruction projects extensions on the basis of frontage, the City Council may elect to assess these improvements on a per connection or on a per lot basis.

12.2.11. Deferral of Special Assessments for Seniors and Retired, Disabled Homeowners.

Subd. 1. Legislative Authority. Pursuant to Minnesota Statutes Section 435.193, the City Council may defer special assessments levied against the homestead property of a senior citizen or retired, disabled homeowner for whom it would be a hardship to make the annual payments. The City Council will act on all deferral requests once an application, as adopted by the City, has been completed.

Subd. 2. Eligibility For Deferral; Application: Any person sixty-five (65) years of age or older or retired due to total or permanent disability may apply for a deferral of special assessments, provided the following conditions are met:

- a. Homestead: The property being assessed must be the applicant's principal place of domicile. The Classification of the property as homestead on the County's tax rolls combined with the applicant's name being shown as owner shall be considered adequate proof that the property is the applicant's homestead.
- b. Annual Gross Income: The annual gross income of the applicant and spouse, according to their previous year's federal income tax return, plus their tax exempt income, does not exceed 110% of the federal poverty line as defined for Carlton County. If no such return was made, the City Administrator shall require the applicant to submit other pertinent information to show that this qualification is met.
- c. The average annual payment due, principal and interest for the assessments levied against the property exceeds three percent (3%) of the applicant's annual income as thus calculated. (i.e. \$10,000 income x 0.03 = \$300).
- d. The special assessments to be deferred exceed five thousand dollars (\$5,000).
- e. The total assets of the applicant and spouse, exclusive of the homestead, do not exceed thirty thousand dollars (\$30,000).
- f. The County Assessors market value of the applicant's homestead parcel shall not exceed one hundred thousand dollars (\$100,000)
- g. Parcels located within the F-R, Farm Residential, Zoning District must be five (5) acres or less in size. Parcels located within all other zoning districts must be less than one (1) acre in size.

- h. The applicant shall not have signed a petition for the improvement for which the assessment is proposed.
- i. The application, in a form prescribed by the City, shall be completed and filed annually with the City Administrator not later than August 31 of each year. The City Administrator will verify that the applicant meets the above conditions. Any additional forms required by the County for recording the deferral shall also be completed.
- j. Exceptional and Unusual Circumstances. Notwithstanding the foregoing provisions of this subsection, the City Council may consider exceptional and unusual circumstances pertaining to an applicant not covered by the above standards; but any determination shall be made in a nondiscriminatory manner and shall not give the applicant an unreasonable preference or advantage over other applicants.

Subd. 3. Interest on Deferred Assessments: All deferred assessments shall be subject to and charged simple interest at the rate established by the City Council in the resolution adopting the assessment roll. This interest shall accrue over the life of the assessment. No interest shall accrue past the date at which the assessment would have been fully paid if not deferred.

Subd. 4. Termination of Deferral Status: It shall be the duty of the applicant, his/her heirs or legal representative to notify the City Administrator of any changes in status which affect the eligibility for the deferral. Special assessments deferred pursuant to the eligibility requirements set forth herein shall terminate and become payable, together with accumulated interest, upon the occurrence of any one of the following events:

- a. Transfer of Ownership: The property is sold, transferred, subdivided or in any way conveyed to another by the individual for whom the deferral was granted.
- b. Death of Owner: The death of the owner qualified for the deferral, unless a surviving joint tenant or tenant in common is eligible for the deferral benefit provided herein.
- c. Loss of Homestead Status: The property loses its homestead status for any reason.
- d. No Hardship: The City Council determines that there would be no hardship to require an immediate or partial payment.

Subd. 5. Disability: Retirement by reason of permanent and total disability shall be deemed prima facie to exist when the applicant presents a sworn affidavit by a licensed medical doctor attesting that the applicant is unable to be gainfully employed because of a permanent and total disability in any occupation for which he/she may be qualified.