

**CITY OF STACY
TOWNSHIP OF LENT**

**CITY RESOLUTION NO. 22-____
TOWN RESOLUTION NO. 22-____**

A JOINT RESOLUTION FOR ORDERLY ANNEXATION

WHEREAS, the City of Stacy (“City”) of Chisago County, Minnesota, and the Township of Lent (“Township” or “Town”) of Chisago County, Minnesota, are in agreement as to the orderly annexation of certain lands described herein for the purpose of the creating orderly growth in the community; and

WHEREAS, the City and Township find that the Orderly Annexation Area (as described herein) is or is about to become urban or suburban in character and that the City is capable of and uniquely positioned to provide the requisite City services to the Township within a reasonable time; and

WHEREAS, the City is in the best position, relative to other, less enviable alternatives, to protect the public health, safety, and welfare of the Township’s residents going forward; and

WHEREAS, it is in the best interests of the City and Town that the Orderly Annexation Area be immediately and forthwith incorporated into the City of Stacy; and

WHEREAS, such annexation is of benefit to the City and the Township; and

WHEREAS, Minnesota Statutes 2021, section 414.0325, subdivision 1 (a) provides, in relevant part, that “[o]ne or more townships and one or more municipalities, by joint resolution, may designate an unincorporated area as in need of orderly annexation. . . .”

NOW THEREFORE, the City and Township desire to set forth such terms of orderly annexation by means of this resolution (“Agreement” or “Resolution”) as follows:

ARTICLE I: GENERAL

1. Orderly Annexation Area. All of the land presently situated in and located within the Township of Lent, Chisago County, Minnesota, as legally described on the attached Exhibit A, and graphically depicted on the attached Exhibit B, which exhibits are incorporated herein by this reference; the area so described and depicted on the exhibits is designated as an unincorporated area in need of immediate orderly annexation, pursuant to section 414.0325, as the same may hereafter be amended or supplemented from time to time. Said property described on Exhibit A and depicted on Exhibit B is herein referred to as the “Orderly Annexation Area”. It is the intention of the parties that the Orderly Annexation Area incorporate all of the lands presently located within the Town of Lent, such that upon completion of the annexation contemplated by this Agreement, the Town of Lent shall cease to exist as a separate entity but shall be fully incorporated within the City of Stacy. The Orderly Annexation Area is in need of City services, which the City of Stacy is uniquely capable of providing to the Orderly Annexation Area. All of the Orderly

Annexation Area is now or is about to become urban or suburban in character. Incorporation of the Orderly Annexation Area into the City of Stacy is in the Township's and City's best interests.

2. Exclusive Procedures. This Agreement provides the exclusive means and methods by which any land in Lent Township may be annexed to Stacy; Stacy will not attempt to annex any of the Orderly Annexation Area hereby designated by any other means or using any other methods. Minn. Stat. § 414.0325, subd. 6 (2021).
3. Immediate Annexation. The City and Township agree that the Orderly Annexation Area will be annexed into the City forthwith, upon confirmation by the Minnesota Office of Administrative Hearings – Municipal Boundary Adjustment Unit (“MBAU”). The parties to this Agreement hereby consent to said annexation as of the date of the request and grant the MBAU their approvals to accomplish the annexation in accordance with this Agreement. The City and Township agree they will not oppose said annexation. The MBAU is authorized and requested to take any and all such actions as may be necessary and appropriate to accomplish the annexation contemplated herein by the parties hereto.
4. Effective Date/Applicability. This Joint Resolution shall be effective upon adoption by the Town Board of Supervisors of Lent Township and the City Council of the City of Stacy and acceptance by the MBAU.
5. Requisite Election. Pursuant to section 414.031, subdivision 4a, an election shall be held between 45 and 60 days from the date this Agreement is approved and annexation ordered by the MBAU; the election shall be for the new City Council, Mayor, and any other elected City officials. The acting Clerk for the purposes of administering this ad hoc election is: _____ . The three appointed election judges from the new, combined city shall be: _____ , and _____. If any of these persons becomes unavailable to perform their duties, the an alternate shall be selected by mutual agreement of the Town Board and City Council.

ARTICLE II: JURISDICTION AND APPROVALS

1. Municipal Boundary Adjustment Unit of the Minnesota Office of Administrative Hearings. Upon approval by the Township Board and City Council, this joint Resolution shall confer jurisdiction upon the MBAU, or its designated successor, so as to accomplish the orderly annexation contemplated hereby, in accordance with the terms and conditions of this Joint Resolution.
2. MBAU Review, Comment. The Township and city mutually agree and state that this Agreement sets forth all the conditions for annexation, and that no further or separate consideration by the MBAU is necessary. The MBAU may review and comment on this Agreement, but shall, within 30 days, order the annexation as contemplated herein, in accordance with the terms of this Agreement.

3. Alteration of Boundaries. The Township and City mutually agree and state that no alterations by the MBAU of the stated boundaries of the area designated for orderly annexation in this Agreement is necessary, permissible, or appropriate.
4. Authorization. The governing bodies of the Township and City, as well as the MBAU, are hereby authorized and directed to give full force and effect to the terms of this Agreement.
5. Apportioned Assets and Obligations. Upon the effective date of this annexation, all money, claims, or properties, including real estate owned, held, or possessed by the Township, and any proceeds or taxes levied by the Township, collected or uncollected, shall be, and be the property of the City, with full power and authority to use and dispose of the same for public purposes as the council may deem appropriate, subject to the same restrictions and limitations under which the Township held the money, claim, or property. The City shall also succeed the Township as to any financial obligations owed by the Township, except that any bonded debt of the Township shall be apportioned only to the properties in the Orderly Annexation Area, in accordance with section 414.067. Notwithstanding the foregoing, the Township and City shall maintain separate books and will immediately begin working towards integrating all of the finances and obligations of each respective government unit upon annexation, while anticipating that full integration shall only occur after the new City Council is elected.

ARTICLE III: STATUTORY CITY; AT-LARGE VOTING

1. Statutory City. The City of Stacy is a statutory city under chapter 412, which uses at-large voting, as opposed to a ward or district system found exclusively in Minnesota home-rule charter cities. The parties have no desire to or intention of converting Stacy into a home-rule charter city.

ARTICLE IV: PROPERTY TAXES

1. Rural Tax District. Prior to January 1, 2023, the City shall establish and maintain for ten (10) years a rural service district, pursuant to section 272.67, to include at a minimum all farm, open space, and rural-residential areas annexed to the City under this Agreement. The rural taxing district, as of January 1, 2023, shall consist of the entire Orderly Annexation Area.
2. Duration and Rate. The rural taxing district shall be maintained by the City for at least 10 years from the date of its inception and have a tax rate of fifty percent (50%) of the City's tax rate. At the end of 10 years, or such later date as the City shall determine, the City shall phase out the differential tax rate over a period of time not less than five years, in equal increments, to those areas in which services are extended. The remainder of the Orderly Annexation Area where city services have not become available will remain in the rural service district until such time services become available to residents of those areas.
3. Moratorium. There shall be a moratorium on any new municipal taxes (property taxes, sales tax, etc.) for a period of ten (10) years following the date of annexation contemplated hereby, unless otherwise voted on and approved by vote at a general election.

ARTICLE V: IMPROVEMENTS AND SPECIAL ASSESSMENTS

1. Deferral. The City agrees to defer any new water or sanitary sewer assessments levied against residential homes which exist as of the date of this Agreement, until the homes connect to city utilities. In no case would assessments for existing homes for provision of sanitary sewer and city water exceed \$15,000 per buildable lot. The interest rate on such assessments shall in no case exceed 3%, and in no case shall an assessment term be less than 10 years.
2. New Projects. Prior to January 1, 2023, public improvement projects within the Township may be undertaken by either the Township for the City or by the property owners/developers pursuant to an agreement with the City. Assessments on agricultural, open space, or non-platted areas must be deferred until platting or development.
3. Other Utility Charges. Availability, connection, or other charges imposed on areas serviced by these public improvements may not exceed the charges established for properties located within the City.
4. Required Connection to City Services. No property with a structure located on it at the time of execution of this Agreement by the City and Township will be forced to connect to city water or sewer services, except when (1) those services become available to a resident; AND (2) upon a determination by County or State personnel that a septic system servicing the property is failing, or that the water supply servicing the property is unfit for human consumption.

ARTICLE VI: FIRE SERVICE; MAINTENANCE/OFFICE; BUILDING PERMITS; ACCESS TO CITY FACILITIES AND PROGRAMS; CONTRACTS/FINANCES

1. Fire Service. Until January 1, 2023, the Stacy-Lent Fire Department shall continue to provide fire protection services to the Orderly Annexation Area at the same rate and extent such services are presently being provided for by the City, and thereafter to the same extent and character as provided to other property within the City.
2. Maintenance. Until January 1, 2023, the City maintenance and office staff shall continue providing maintenance and administration to areas within the City, and the Town maintenance and office staff shall continue to provide services within the Orderly Annexation Area. Thereafter, the City Council will determine how best to restructure provision of office administration and maintenance services.
3. Building Permits. A combined staff of former Township zoning and/or building personnel and City zoning and/or building personnel will administer permitting and inspections throughout the new municipal boundaries, until such time as the new City Council can provide for integrated permitting and administration.
4. Other City Services; Facilities; Programs. Upon execution of this Agreement, residents of the Orderly Annexation Area shall enjoy the same access and terms of use as the City residents to City services, recreational facilities and programs.

5. Interim Road Maintenance. Should Chisago County turn any of the roads back in the Orderly Annexation Area prior to January 1, 2023, the City shall assume responsibilities for road maintenance and shall be considered the road authority for control and liability purposes.
6. Land Use Moratorium. There shall be a moratorium on land-use regulation changes for a period of ten (10) years following annexation by the City Council, unless such changes occur by referendum vote at a general election.
7. Comprehensive Plans/Land Use (Zoning). Until such time that a new Council is seated and has implemented a new comprehensive plan, land-use controls, and other administrative measures, the plans and controls in place at the time prior to the annexation shall remain in effect for the respective areas (City/Township).
8. Contracts/Finances. Notwithstanding Article II, Section 5, the City and Town shall maintain separate finances and have separate legal liabilities/responsibilities/insurance until such time as the new City Council is seated and can coordinate the administration of the annexation, which shall be approved by the electorate at the next general election.
9. Rights and Privileges. The Orderly Annexation Area shall retain the rights and privileges currently enjoyed by the voters, including, but not limited to:
 - a. Lawful outdoor burning; and
 - b. Legal hunting, shooting, and trapping; and
 - c. Legal use of all terrain vehicles (ATVs) snowmobiles, and other off-road vehicles on private property; and
 - d. Legal keeping of pets and livestock; and
 - e. All other reasonable uses currently permitted under local and county ordinances, state and federal laws.

ARTICLE VII: MISCELLANEOUS

1. Minnesota Law. The terms and conditions of this Agreement are created as an addition or complement to the requirements for annexation, as required by Minnesota law. The language herein contained shall in no way be deemed to circumvent or reduce the requirements established by law. Nothing contained in this Agreement is intended to confer or expand upon any power or authority that the MBAU does not have under Minnesota law.
2. Severability and Repealer. A determination by a court or agency of competent jurisdiction that a provision of this Agreement is unlawful or unenforceable shall not affect the validity or enforceability of other provisions herein.
3. Optional Plan A. The City Council shall put to the voters the question of whether to select the "Optional Plan A" form of government in section 412.541, subdivision 1, according to the procedures found in section 412.551, at the next general election of the City following annexation, with the following:

- a. A six (6)-member City Council, with a ‘weak’ Mayor voting as the seventh Council member;

ARTICLE VIII: ENFORCEMENT

1. Each voter located within the Orderly Annexation Area is a beneficiary of this Agreement and shall have standing to seek enforcement of this Agreement in District Court in Chisago County, Minnesota.

DRAFT

TOWNSHIP OF LENT:

All those in favor:

All those opposed:

Adopted this __ day of _____, 2022

BY THE BOARD

Township Chairperson

Motion passes _____ or fails _____

Attest: _____
Township Clerk

CITY OF STACY:

All those in favor:

All those opposed:

Adopted this __ day of _____, 2022

Mayor

Motion passes _____ or fails _____

Attest: _____
City Clerk

Exhibits:

- Exhibit A – Legal description of Orderly Annexation Area
- Exhibit B – Map of Orderly Annexation Area
- Exhibit B – Zoning Map

DRAFT

STATE OF MINNESOTA
OFFICE OF ADMINISTRATIVE HEARINGS

In the Matter of the Orderly Annexation of
Certain Real Property to the City of Stacy
from the Unincorporated Area of Lent
Township (MBAU Docket OA-_____-____)

[Proposed]
ORDER APPROVING
ANNEXATION

A joint resolution for orderly annexation ("Joint Resolution") was adopted by the City of Stacy ("City") on _____, 2022, and the Township of Lent ("Town") on _____, 2022, which Joint Resolution is attached hereto as Exhibit X, and requests the designation of all lands located within the Township as appropriate for orderly annexation, and annexation of all such land (the "Annexation Area") forthwith; the Annexation Area is legally described on and graphically depicted on the exhibits that are attached to the Joint Resolution. The Joint Resolution was submitted to the Minnesota Office of Administrative Hearings, Municipal Boundary Adjustment Unit (the "Agency") for review, comment, and approval.

Based upon a review of the Joint Resolution, the Agency makes the following:

FINDINGS

1. Agency Jurisdiction was properly conferred by the procedures set forth in Minnesota Statutes 2021, section 414.0325.
2. A hearing was duly held in accordance with the procedures of section 414.09.
3. The Joint Resolution provided that no alternation of stated boundaries of the designated area was appropriate or necessary; this Order is issued in accordance with the terms of the Joint Resolution. The Annexation Area is legally described in the Joint Resolution and its exhibits, which Joint Resolution is incorporated herein by reference.
4. Pursuant to section 414.0325, subdivision 3, the Agency has reviewed the relevant factors in section 414.031, subdivision 4 (a), and, based upon all of the submissions, reports, data, testimony, and other evidence submitted to it, makes the following findings, pursuant to section 414.0325, subdivision 3 (b):
 - a. The Annexation Area is now, or is about to become, urban or suburban in character; and

- b. The City is capable of providing services required by the Annexation Area within a reasonable time, and
- c. Annexation is in the best interests of the City and Township.

5. Stacy is a statutory city under chapter 412, which holds at-large elections under the Standard Option form of government, under section 412.541, subdivision 4. The parties have not requested that this Agency modify the organizational format of the City, nor does the Agency hereby purport to modify any of these respective aspects of the City government.

6. The Annexation Area is appropriate for differential property tax treatment as follows: none of the Annexation Area has been developed for commercial, industrial, or urban residential purposes; as such, it does not benefit to the same degree from general taxes as those areas presently being served by city services. The parties anticipate that over time circumstances will change, such that as existing water and sewer services become obsolete and are replaced with city services, the rural taxing district will shrink, as City water and sewer becomes available within the Annexation.

7. The City and Township desire that the City defer all new water and sanitary sewer assessments levied against residential homes as of the date of this Order, until such homes are connected to city utilities, and desire to set forth a cap on connection fees for water and sewer to \$15,000.00 per buildable lot, collected over a term of not less than ten years at a fixed rate of interest not to exceed three percent (3%) per annum.

8. The City agrees with the Township that it will defer assessments on agricultural, open space, and non-platted areas located in the Annexation Area until platting or development of those areas.

9. The City agrees with the Township that it will not impose charges on properties located within the Annexation Area in excess of charges established for other properties located within the City.

10. The Township and City agree that no property with a structure located on it as of the date of the Joint Resolution will be required to connect to city water or sewer infrastructure, except upon a determination by Chisago County or any Minnesota agency that the septic system is failing or that the water supply servicing the property is unfit for human consumption.

11. The remainder of the terms and conditions of the Joint Resolution between the City and Town are enforceable as a contract between the parties in district court. Minn. Stat. § 414.0325, subd. 6 (2021).

ORDER

1. Pursuant to chapter 414, the Joint Resolution is deemed adequate in all legal respects and properly supports this Order and is incorporated herein by this reference.

2. Pursuant to the terms of the Joint Resolution and this Order, the Annexation Area is hereby **ANNEXED** to the City as of the date of this Order.

3. Pursuant to section 272.67, subdivision 1, the Annexation Area shall be taxed at a differential basis, as a "rural service district," which district shall be taxed at a rate of fifty percent (50%) of the tax district found elsewhere in the City for a period of ten (10) years following the date of this Order. After such ten-year period, the City shall begin phasing out such differential tax treatment by ordinance based on availability of the City's services to residents in the annexation area.

4. All money, claims, other properties, including real estate owned, held, or possessed by the Township of Lent, and any proceeds or taxes levied by the Township, collected or uncollected, shall be and are now the property of the City of Stacy, which has full power and authority to use and dispose of the same for public purposes as the City Council shall deem necessary or appropriate, subject to the same restrictions and limitations under which the Township held the money, claim, or property. The City shall also succeed the Township as to any and all financial obligations owed by the Township, except that any bonded debt of the Township shall be apportioned only to the properties in the Annexation Area, in accordance with section 414.067.

5. Special assessments for provision of water and sanitary sewer services from the City shall be deferred on each property until such time that a property is connected to water and sewer. The City shall cap assessments for connection to water and sewer at \$15,000.00 per buildable lot, assessed over a period of ten years at a rate of interest not to exceed 3% per annum.

6. Pursuant to section 414.031, subdivision 4a, election of new municipal officers shall occur within 45 and 60 days from the date of this Order, which shall be _____, 2022. Minn. Stat. § 414.031, subd. 4a (2021) (citing Minn. Stat. § 414.09, subd. 3(a)). The Agency hereby appoints _____ as acting clerk for purposes of this ad hoc election. _____ and _____ shall serve as election judges and shall designate polling places within the new municipality. The clerk shall prepare an official ballot. Any person eligible to hold municipal office may file an affidavit of candidacy not more than four weeks, nor less than two weeks, before the date designated in the order for the election. The election shall be conducted in conformity with the charter and laws for conducting municipal elections, insofar as are applicable. Any person eligible to vote at a township or municipal election within the area of the new municipality is eligible to vote at such election. Any excess in the expense of conducting the election over receipts from filing fees shall be a charge against the new municipality; any excess of receipts shall be deposited in the treasury of the new municipality.

Dated: _____, 2022

Jenny Starr
Chief Administrative Law Judge

NOTICE

This Order is the final administrative order in this case under Minnesota Statutes 2021, sections 414.0325, 414.07, and 414.12. Pursuant to Minnesota Statutes, section 414.07, subdivision 2, any person aggrieved by this Order may appeal to the Tenth Judicial District of Minnesota, Chisago County, by filing an Application for Review with the Court Administrator within thirty (30) days of the date of this Order. An appeal does not stay the effect of this Order.

Any party may submit a request for amendment of this Order within seven (7) days from the date of the mailing of this Order, pursuant to Minnesota Office of Administrative Rules, part 6000.3100 (2021). However, no request for amendment shall extend the time of appeal from this Order.

**CITY OF STACY
TOWNSHIP OF LENT**

**CITY RESOLUTION NO. 22-____
TOWN RESOLUTION NO. 22-____**

A JOINT RESOLUTION FOR ORDERLY ANNEXATION

WHEREAS, the City of Stacy ("City") of Chisago County, Minnesota, and the Township of Lent ("Township" or "Town") of Chisago County, Minnesota, are in agreement as to the orderly annexation of certain lands described herein for the purpose of the creating orderly growth in the community; and

WHEREAS, the City and Township find that the Orderly Annexation Area (as described herein) is or is about to become urban or suburban in character and that the City is capable of and uniquely positioned to provide the requisite City services to the Township within a reasonable time; and

WHEREAS, the City is in the best position, relative to other, less enviable alternatives, to protect the public health, safety, and welfare of the Township's residents going forward; and

WHEREAS, it is in the best interests of the City and Town that the Orderly Annexation Area be immediately and forthwith incorporated into the City of Stacy; and

WHEREAS, such annexation is of benefit to the City and the Township; and

WHEREAS, Minnesota Statutes 2021, section 414.0325, subdivision 1 (a) provides, in relevant part, that "[o]ne or more townships and one or more municipalities, by joint resolution, may designate an unincorporated area as in need of orderly annexation. . . ."

NOW THEREFORE, the City and Township desire to set forth such terms of orderly annexation by means of this resolution ("Agreement" or "Resolution") as follows:

ARTICLE I: GENERAL

1. Orderly Annexation Area. All of the land presently situated in and located within the Township of Lent, Chisago County, Minnesota, as legally described on the attached Exhibit A, and graphically depicted on the attached Exhibit B, which exhibits are incorporated herein by this reference; the area so described and depicted on the exhibits is designated as an unincorporated area in need of immediate orderly annexation, pursuant to section 414.0325, as the same may hereafter be amended or supplemented from time to time. Said property described on Exhibit A and depicted on Exhibit B is herein referred to as the "Orderly Annexation Area". It is the intention of the parties that the Orderly Annexation Area incorporate all of the lands presently located within the Town of Lent, such that upon completion of the annexation contemplated by this Agreement, the Town of Lent shall cease to exist as a separate entity but shall be fully incorporated within the City of Stacy. The Orderly Annexation Area is in need of City services, which the City of Stacy is uniquely capable of providing to the Orderly Annexation Area. All of the Orderly

Annexation Area is now or is about to become urban or suburban in character. Incorporation of the Orderly Annexation Area into the City of Stacy is in the Township's and City's best interests.

2. Exclusive Procedures. This Agreement provides the exclusive means and methods by which any land in Lent Township may be annexed to Stacy; Stacy will not attempt to annex any of the Orderly Annexation Area hereby designated by any other means or using any other methods. Minn. Stat. § 414.0325, subd. 6 (2021).
3. Immediate Annexation. The City and Township agree that the Orderly Annexation Area will be annexed into the City forthwith, upon confirmation by the Minnesota Office of Administrative Hearings – Municipal Boundary Adjustment Unit (“MBAU”). The parties to this Agreement hereby consent to said annexation as of the date of the request and grant the MBAU their approvals to accomplish the annexation in accordance with this Agreement. The City and Township agree they will not oppose said annexation. The MBAU is authorized and requested to take any and all such actions as may be necessary and appropriate to accomplish the annexation contemplated herein by the parties hereto.
4. Effective Date/Applicability. This Joint Resolution shall be effective upon adoption by the Town Board of Supervisors of Lent Township and the City Council of the City of Stacy and acceptance by the MBAU.
5. Requisite Election. Pursuant to section 414.031, subdivision 4a, an election shall be held between 45 and 60 days from the date this Agreement is approved and annexation ordered by the MBAU; the election shall be for the new City Council, Mayor, and any other elected City officials. The acting Clerk for the purposes of administering this ad hoc election is: _____, The three appointed election judges from the new, combined city shall be: _____, and _____. If any of these persons becomes unavailable to perform their duties, the an alternate shall be selected by mutual agreement of the Town Board and City Council.

ARTICLE II: JURISDICTION AND APPROVALS

1. Municipal Boundary Adjustment Unit of the Minnesota Office of Administrative Hearings. Upon approval by the Township Board and City Council, this joint Resolution shall confer jurisdiction upon the MBAU, or its designated successor, so as to accomplish the orderly annexation contemplated hereby, in accordance with the terms and conditions of this Joint Resolution.
2. MBUA Review, Comment. The Township and city mutually agree and state that this Agreement sets forth all the conditions for annexation, and that no further or separate consideration by the MBAU is necessary. The MBAU may review and comment on this Agreement, but shall, within 30 days, order the annexation as contemplated herein, in accordance with the terms of this Agreement.

3. Alteration of Boundaries. The Township and City mutually agree and state that no alterations by the MBAU of the stated boundaries of the area designated for orderly annexation in this Agreement is necessary, permissible, or appropriate.
4. Authorization. The governing bodies of the Township and City, as well as the MBAU, are hereby authorized and directed to give full force and effect to the terms of this Agreement.
5. Apportioned Assets and Obligations. Upon the effective date of this annexation, all money, claims, or properties, including real estate owned, held, or possessed by the Township, and any proceeds or taxes levied by the Township, collected or uncollected, shall be, and be the property of the City, with full power and authority to use and dispose of the same for public purposes as the council may deem appropriate, subject to the same restrictions and limitations under which the Township held the money, claim, or property. The City shall also succeed the Township as to any financial obligations owed by the Township, except that any bonded debt of the Township shall be apportioned only to the properties in the Orderly Annexation Area, in accordance with section 414.067. Notwithstanding the foregoing, the Township and City shall maintain separate books and will immediately begin working towards integrating all of the finances and obligations of each respective government unit upon annexation, while anticipating that full integration shall only occur after the new City Council is elected.

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ARTICLE IV: PROPERTY TAXES

1. Rural Tax District. Prior to January 1, 2023, the City shall establish and maintain for ten (10) years a rural service district, pursuant to section 272.67, to include at a minimum all farm, open space, and rural-residential areas annexed to the City under this Agreement. The rural taxing district, as of January 1, 2023, shall consist of the entire Orderly Annexation Area.
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Commented [JM1]: Would the City Agree to this limitation?

Commented [JM2]: Would the City agree to this limitation?

ARTICLE V: IMPROVEMENTS AND SPECIAL ASSESSMENTS

1. Deferral. The City agrees to defer any new water or sanitary sewer assessments levied against residential homes which exist as of the date of this Agreement, until the homes connect to city utilities. In no case would assessments for existing homes for provision of sanitary sewer and city water exceed \$15,000 per buildable lot. The interest rate on such assessments shall in no case exceed 3%, and in no case shall an assessment term be less than 10 years.
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Commented [JM3]: Would the City agree to this limitation?

Commented [JM4]: Would the City agree to this limitation?

ARTICLE VI: FIRE SERVICE; MAINTENANCE/OFFICE; BUILDING PERMITS; ACCESS TO CITY FACILITIES AND PROGRAMS; CONTRACTS/FINANCES

1. Fire Service. Until January 1, 2023, the Stacy-Lent Fire Department shall continue to provide fire protection services to the Orderly Annexation Area at the same rate and extent such services are presently being provided for by the City, and thereafter to the same extent and character as provided to other property within the City.
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Commented [JM5]: How would this work with MNSpect? Who does building inspections for the Township?

5. Interim Road Maintenance. Should Chisago County turn any of the roads back in the Orderly Annexation Area prior to January 1, 2023, the City shall assume responsibilities for road maintenance and shall be considered the road authority for control and liability purposes.
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 - c. Legal use of all terrain vehicles (ATVs) snowmobiles, and other off-road vehicles on private property; and
 - d. Legal keeping of pets and livestock; and
 - e. All other reasonable uses currently permitted under local and county ordinances, state and federal laws.

Commented [JM6]: Would the City agree to this?

Commented [JM7]: Does the City want to put some limitation on this like "until such time land in the Orderly Annexation Area is included in the urban service district."

ARTICLE VII: MISCELLANEOUS

1. Minnesota Law. The terms and conditions of this Agreement are created as an addition or complement to the requirements for annexation, as required by Minnesota law. The language herein contained shall in no way be deemed to circumvent or reduce the requirements established by law. Nothing contained in this Agreement is intended to confer or expand upon any power or authority that the MBAU does not have under Minnesota law.
2. Severability and Repealer. A determination by a court or agency of competent jurisdiction that a provision of this Agreement is unlawful or unenforceable shall not affect the validity or enforceability of other provisions herein.
3. Optional Plan A. The City Council shall put to the voters the question of whether to select the "Optional Plan A" form of government in section 412.541, subdivision 1, according to the procedures found in section 412.551, at the next general election of the City following annexation, with the following:

- a. A six (6)-member City Council, with a 'weak' Mayor voting as the seventh Council member;

ARTICLE VIII: ENFORCEMENT

1. Each voter located within the Orderly Annexation Area is a beneficiary of this Agreement and shall have standing to seek enforcement of this Agreement in District Court in Chisago County, Minnesota.

Commented [JM8]: I don't think we'd want to do an election to adopt a Plan A form of government. The City is already a Plan A City.

Commented [JM9]: I don't think we'd need to increase the size of the Council. The population increase would only be 3,000. The City would still be a City of the Fourth Class in population.

TOWNSHIP OF LENT:

All those in favor:

All those opposed:

Adopted this __ day of _____, 2022

BY THE BOARD

Motion passes ____ or fails ____

Township Chairperson

Attest:

Township Clerk

CITY OF STACY:

All those in favor:

All those opposed:

Adopted this __ day of _____, 2022

Mayor

Motion passes _____ or fails _____

Attest: _____
City Clerk

Exhibits:

- Exhibit A – Legal description of Orderly Annexation Area
- Exhibit B – Map of Orderly Annexation Area
- Exhibit B – Zoning Map

DRAFT

STATE OF MINNESOTA
OFFICE OF ADMINISTRATIVE HEARINGS

In the Matter of the Orderly Annexation of
Certain Real Property to the City of Stacy
from the Unincorporated Area of Lent
Township (MBAU Docket OA-_____-____)

[Proposed]
ORDER APPROVING
ANNEXATION

A joint resolution for orderly annexation ("Joint Resolution") was adopted by the City of Stacy ("City") on _____, 2022, and the Township of Lent ("Town") on _____, 2022, which Joint Resolution is attached hereto as Exhibit X, and requests the designation of all lands located within the Township as appropriate for orderly annexation, and annexation of all such land (the "Annexation Area") forthwith; the Annexation Area is legally described on and graphically depicted on the exhibits that are attached to the Joint Resolution. The Joint Resolution was submitted to the Minnesota Office of Administrative Hearings, Municipal Boundary Adjustment Unit (the "Agency") for review, comment, and approval.

Based upon a review of the Joint Resolution, the Agency makes the following:

FINDINGS

1. Agency Jurisdiction was properly conferred by the procedures set forth in Minnesota Statutes 2021, section 414.0325.
2. A hearing was duly held in accordance with the procedures of section 414.09.
3. The Joint Resolution provided that no alternation of stated boundaries of the designated area was appropriate or necessary; this Order is issued in accordance with the terms of the Joint Resolution. The Annexation Area is legally described in the Joint Resolution and its exhibits, which Joint Resolution is incorporated herein by reference.
4. Pursuant to section 414.0325, subdivision 3, the Agency has reviewed the relevant factors in section 414.031, subdivision 4 (a), and, based upon all of the submissions, reports, data, testimony, and other evidence submitted to it, makes the following findings, pursuant to section 414.0325, subdivision 3 (b):
 - a. The Annexation Area is now, or is about to become, urban or suburban in character; and

- b. The City is capable of providing services required by the Annexation Area within a reasonable time, and
- c. Annexation is in the best interests of the City and Township.

5. Stacy is a statutory city under chapter 412, which holds at-large elections under the Standard Plan A Option form of government, under section 412.541, subdivision 4~~1~~. The parties have not requested that this Agency modify the organizational format of the City, nor does the Agency hereby purport to modify any of these respective aspects of the City government.

6. The Annexation Area is appropriate for differential property tax treatment as follows: none of the Annexation Area has been developed for commercial, industrial, or urban residential purposes; as such, it does not benefit to the same degree from general taxes as those areas presently being served by city services. The parties anticipate that over time circumstances will change, such that as existing water and sewer services become obsolete and are replaced with city services, the rural taxing district will shrink, as City water and sewer becomes available within the Annexation.

7. The City and Township desire that the City defer all new water and sanitary sewer assessments levied against residential homes as of the date of this Order, until such homes are connected to city utilities, and desire to set forth a cap on connection fees for water and sewer to \$15,000.00 per buildable lot, collected over a term of not less than ten years at a fixed rate of interest not to exceed three percent (3%) per annum.

8. The City agrees with the Township that it will defer assessments on agricultural, open space, and non-platted areas located in the Annexation Area until platting or development of those areas.

9. The City agrees with the Township that it will not impose charges on properties located within the Annexation Area in excess of charges established for other properties located within the City.

10. The Township and City agree that no property with a structure located on it as of the date of the Joint Resolution will be required to connect to city water or sewer infrastructure, except upon a determination by Chisago County or any Minnesota agency that the septic system is failing or that the water supply servicing the property is unfit for human consumption.

11. The remainder of the terms and conditions of the Joint Resolution between the City and Town are enforceable as a contract between the parties in district court. Minn. Stat. § 414.0325, subd. 6 (2021).

ORDER

1. Pursuant to chapter 414, the Joint Resolution is deemed adequate in all legal respects and properly supports this Order and is incorporated herein by this reference.

2. Pursuant to the terms of the Joint Resolution and this Order, the Annexation Area is hereby **ANNEXED** to the City as of the date of this Order.

3. Pursuant to section 272.67, subdivision 1, the Annexation Area shall be taxed at a differential basis, as a "rural service district," which district shall be taxed at a rate of fifty percent (50%) of the tax district found elsewhere in the City for a period of ten (10) years following the date of this Order. After such ten-year period, the City shall begin phasing out such differential tax treatment by ordinance based on availability of the City's services to residents in the annexation area.

4. All money, claims, other properties, including real estate owned, held, or possessed by the Township of Lent, and any proceeds or taxes levied by the Township, collected or uncollected, shall be and are now the property of the City of Stacy, which has full power and authority to use and dispose of the same for public purposes as the City Council shall deem necessary or appropriate, subject to the same restrictions and limitations under which the Township held the money, claim, or property. The City shall also succeed the Township as to any and all financial obligations owed by the Township, except that any bonded debt of the Township shall be apportioned only to the properties in the Annexation Area, in accordance with section 414.067.

5. Special assessments for provision of water and sanitary sewer services from the City shall be deferred on each property until such time that a property is connected to water and sewer. The City shall cap assessments for connection to water and sewer at \$15,000.00 per buildable lot, assessed over a period of ten years at a rate of interest not to exceed 3% per annum.

6. Pursuant to section 414.031, subdivision 4a, election of new municipal officers shall occur within 45 and 60 days from the date of this Order, which shall be _____, 2022. Minn. Stat. § 414.031, subd. 4a (2021) (citing Minn. Stat. § 414.09, subd. 3(a)). The Agency hereby appoints _____ as acting clerk for purposes of this ad hoc election. _____, _____, and _____ shall serve as election judges and shall designate polling places within the new municipality. The clerk shall prepare an official ballot. Any person eligible to hold municipal office may file an affidavit of candidacy not more than four weeks, nor less than two weeks, before the date designated in the order for the election. The election shall be conducted in conformity with the charter and laws for conducting municipal elections, insofar as are applicable. Any person eligible to vote at a township or municipal election within the area of the new municipality is eligible to vote at such election. Any excess in the expense of conducting the election over receipts from filing fees shall be a charge against the new municipality; any excess of receipts shall be deposited in the treasury of the new municipality.

Dated: _____, 2022

Jenny Starr
Chief Administrative Law Judge

NOTICE

This Order is the final administrative order in this case under Minnesota Statutes 2021, sections 414.0325, 414.07, and 414.12. Pursuant to Minnesota Statutes, section 414.07, subdivision 2, any person aggrieved by this Order may appeal to the Tenth Judicial District of Minnesota, Chisago County, by filing an Application for Review with the Court Administrator within thirty (30) days of the date of this Order. An appeal does not stay the effect of this Order.

Any party may submit a request for amendment of this Order within seven (7) days from the date of the mailing of this Order, pursuant to Minnesota Office of Administrative Rules, part 6000.3100 (2021). However, no request for amendment shall extend the time of appeal from this Order.