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**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

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

- 52
- 53 2. Exclusive Procedures. This Agreement provides the exclusive means and methods by
54 which any land in Lent Township may be annexed to Stacy; Stacy will not attempt to annex
55 any of the Orderly Annexation Area hereby designated by any other means or using any
56 other methods. Minn. Stat. § 414.0325, subd. 6 (2021).
57
- 58 3. Immediate Annexation. The City and Township agree that the Orderly Annexation Area
59 will be annexed into the City forthwith, upon confirmation by the Minnesota Office of
60 Administrative Hearings – Municipal Boundary Adjustment Unit (“MBAU”). The parties
61 to this Agreement hereby consent to said annexation as of the date of the request and grant
62 the MBAU their approvals to accomplish the annexation in accordance with this
63 Agreement. The City and Township agree they will not oppose said annexation. The
64 MBAU is authorized and requested to take any and all such actions as may be necessary
65 and appropriate to accomplish the annexation contemplated herein by the parties hereto.
66
- 67 4. Effective Date/Applicability. This Joint Resolution shall be effective upon adoption by the
68 Town Board of Supervisors of Lent Township and the City Council of the City of Stacy
69 and acceptance by the MBAU.
70
- 71 5. Requisite Election. Pursuant to section 414.031, subdivision 4a, an election shall be held
72 between 45 and 60 days from the date this Agreement is approved and annexation ordered
73 by the MBAU; the election shall be for the new City Council, Mayor, and any other elected
74 City officials. The acting Clerk for the purposes of administering this ad hoc election is:
75 _____ . The three appointed election judges from the new,
76 combined city shall be: _____,
77 _____, and _____. If any
78 of these persons becomes unavailable to perform their duties, the an alternate shall be
79 selected by mutual agreement of the Town Board and City Council.
80

81 **ARTICLE II: JURISDICTION AND APPROVALS**

- 82
- 83 1. Municipal Boundary Adjustment Unit of the Minnesota Office of Administrative Hearings.
84 Upon approval by the Township Board and City Council, this joint Resolution shall confer
85 jurisdiction upon the MBAU, or its designated successor, so as to accomplish the orderly
86 annexation contemplated hereby, in accordance with the terms and conditions of this Joint
87 Resolution.
88
- 89 2. MBAU Review, Comment. The Township and city mutually agree and state that this
90 Agreement sets forth all the conditions for annexation, and that no further or separate
91 consideration by the MBAU is necessary. The MBAU may review and comment on this
92 Agreement, but shall, within 30 days, order the annexation as contemplated herein, in
93 accordance with the terms of this Agreement.
94

- 95 3. Alteration of Boundaries. The Township and City mutually agree and state that no
96 alterations by the MBAU of the stated boundaries of the area designated for orderly
97 annexation in this Agreement is necessary, permissible, or appropriate.
98
- 99 4. Authorization. The governing bodies of the Township and City, as well as the MBAU, are
100 hereby authorized and directed to give full force and effect to the terms of this Agreement.
101
- 102 5. Apportioned Assets and Obligations. Upon the effective date of this annexation, all money,
103 claims, or properties, including real estate owned, held, or possessed by the Township, and
104 any proceeds or taxes levied by the Township, collected or uncollected, shall be, and be
105 the property of the City, with full power and authority to use and dispose of the same for
106 public purposes as the council may deem appropriate, subject to the same restrictions and
107 limitations under which the Township held the money, claim, or property. The City shall
108 also succeed the Township as to any financial obligations owed by the Township, except
109 that any bonded debt of the Township shall be apportioned only to the properties in the
110 Orderly Annexation Area, in accordance with section 414.067. Notwithstanding the
111 foregoing, the Township and City shall maintain separate books and will immediately
112 begin working towards integrating all of the finances and obligations of each respective
113 government unit upon annexation, while anticipating that full integration shall only occur
114 after the new City Council is elected.
115

116 **ARTICLE III: STATUTORY CITY; AT-LARGE VOTING**

- 117
- 118 1. Statutory City. The City of Stacy is a statutory city under chapter 412, which uses at-large
119 voting, as opposed to a ward or district system found exclusively in Minnesota home-rule
120 charter cities. The parties have no desire to or intention of converting Stacy into a home-
121 rule charter city.
122

123 **ARTICLE IV: PROPERTY TAXES**

- 124
- 125 1. Rural Tax District. Prior to January 1, 2023, the City shall establish and maintain for ten
126 (10) years a rural service district, pursuant to section 272.67, to include at a minimum all
127 farm, open space, and rural-residential areas annexed to the City under this Agreement.
128 The rural taxing district, as of January 1, 2023, shall consist of the entire Orderly
129 Annexation Area.
130
- 131 2. Duration and Rate. The rural taxing district shall be maintained by the City for at least 10
132 years from the date of its inception and have a tax rate of fifty percent (50%) of the City's
133 tax rate. At the end of 10 years, or such later date as the City shall determine, the City shall
134 phase out the differential tax rate over a period of time not less than five years, in equal
135 increments, to those areas in which services are extended. The remainder of the Orderly
136 Annexation Area where city services have not become available will remain in the rural
137 service district until such time services become available to residents of those areas.
138
- 139 3. Moratorium. There shall be a moratorium on any new municipal taxes (property taxes,
140 sales tax, etc.) for a period of ten (10) years following the date of annexation contemplated
141 hereby, unless otherwise voted on and approved by vote at a general election.
142

143 **ARTICLE V: IMPROVEMENTS AND SPECIAL ASSESSMENTS**

- 144
- 145 1. Deferral. The City agrees to defer any new water or sanitary sewer assessments levied
- 146 against residential homes which exist as of the date of this Agreement, until the homes
- 147 connect to city utilities. In no case would assessments for existing homes for provision of
- 148 sanitary sewer and city water exceed \$15,000 per buildable lot. The interest rate on such
- 149 assessments shall in no case exceed 3%, and in no case shall an assessment term be less
- 150 than 10 years.
- 151
- 152 2. New Projects. Prior to January 1, 2023, public improvement projects within the Township
- 153 may be undertaken by either the Township for the City or by the property
- 154 owners/developers pursuant to an agreement with the City. Assessments on agricultural,
- 155 open space, or non-platted areas must be deferred until platting or development.
- 156
- 157 3. Other Utility Charges. Availability, connection, or other charges imposed on areas serviced
- 158 by these public improvements may not exceed the charges established for properties
- 159 located within the City.
- 160
- 161 4. Required Connection to City Services. No property with a structure located on it at the time
- 162 of execution of this Agreement by the City and Township will be forced to connect to city
- 163 water or sewer services, except when (1) those services become available to a resident;
- 164 AND (2) upon a determination by County or State personnel that a septic system servicing
- 165 the property is failing, or that the water supply servicing the property is unfit for human
- 166 consumption.
- 167

168 **ARTICLE VI: FIRE SERVICE; MAINTENANCE/OFFICE; BUILDING PERMITS;**

169 **ACCESS TO CITY FACILITIES AND PROGRAMS; CONTRACTS/FINANCES**

170

- 171 1. Fire Service. Until January 1, 2023, the Stacy-Lent Fire Department shall continue to
- 172 provide fire protection services to the Orderly Annexation Area at the same rate and extent
- 173 such services are presently being provided for by the City, and thereafter to the same extent
- 174 and character as provided to other property within the City.
- 175
- 176 2. Maintenance. Until January 1, 2023, the City maintenance and office staff shall continue
- 177 providing maintenance and administration to areas within the City, and the Town
- 178 maintenance and office staff shall continue to provide services within the Orderly
- 179 Annexation Area. Thereafter, the City Council will determine how best to restructure
- 180 provision of office administration and maintenance services.
- 181
- 182 3. Building Permits. A combined staff of former Township zoning and/or building personnel
- 183 and City zoning and/or building personnel will administer permitting and inspections
- 184 throughout the new municipal boundaries, until such time as the new City Council can
- 185 provide for integrated permitting and administration.
- 186
- 187 4. Other City Services; Facilities; Programs. Upon execution of this Agreement, residents of
- 188 the Orderly Annexation Area shall enjoy the same access and terms of use as the City
- 189 residents to City services, recreational facilities and programs.
- 190

- 191 5. Interim Road Maintenance. Should Chisago County turn any of the roads back in the
192 Orderly Annexation Area prior to January 1, 2023, the City shall assume responsibilities
193 for road maintenance and shall be considered the road authority for control and liability
194 purposes.
195
- 196 6. Land Use Moratorium. There shall be a moratorium on land-use regulation changes for a
197 period of ten (10) years following annexation by the City Council, unless such changes
198 occur by referendum vote at a general election.
199
- 200 7. Comprehensive Plans/Land Use (Zoning). Until such time that a new Council is seated and
201 has implemented a new comprehensive plan, land-use controls, and other administrative
202 measures, the plans and controls in place at the time prior to the annexation shall remain in
203 effect for the respective areas (City/Township).
204
- 205 8. Contracts/Finances. Notwithstanding Article II, Section 5, the City and Town shall
206 maintain separate finances and have separate legal liabilities/responsibilities/insurance
207 until such time as the new City Council is seated and can coordinate the administration of
208 the annexation, which shall be approved by the electorate at the next general election.
209
- 210 9. Rights and Privileges. The Orderly Annexation Area shall retain the rights and privileges
211 currently enjoyed by the voters, including, but not limited to:
212
- 213 a. Lawful outdoor burning; and
 - 214 b. Legal hunting, shooting, and trapping; and
 - 215 c. Legal use of all terrain vehicles (ATVs) snowmobiles, and other off-road vehicles
216 on private property; and
 - 217 d. Legal keeping of pets and livestock; and
 - 218 e. All other reasonable uses currently permitted under local and county ordinances,
219 state and federal laws.

220 **ARTICLE VII: MISCELLANEOUS**

- 221
- 222
- 223 1. Minnesota Law. The terms and conditions of this Agreement are created as an addition or
224 complement to the requirements for annexation, as required by Minnesota law. The
225 language herein contained shall in no way be deemed to circumvent or reduce the
226 requirements established by law. Nothing contained in this Agreement is intended to confer
227 or expand upon any power or authority that the MBAU does not have under Minnesota
228 law.
229
- 230 2. Severability and Repealer. A determination by a court or agency of competent jurisdiction
231 that a provision of this Agreement is unlawful or unenforceable shall not affect the validity
232 or enforceability of other provisions herein.
233
- 234 3. Optional Plan A. The City Council shall put to the voters the question of whether to select
235 the "Optional Plan A" form of government in section 412.541, subdivision 1, according to
236 the procedures found in section 412.551, at the next general election of the City following
237 annexation, with the following:
238

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

241 **ARTICLE VIII: ENFORCEMENT**

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

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250 **TOWNSHIP OF LENT:**

251

All those in favor:

All those opposed:

252 Adopted this __ day of _____, 2022

BY THE BOARD

253

254

255

Township Chairperson

256

Motion passes _____ or fails _____

257

258

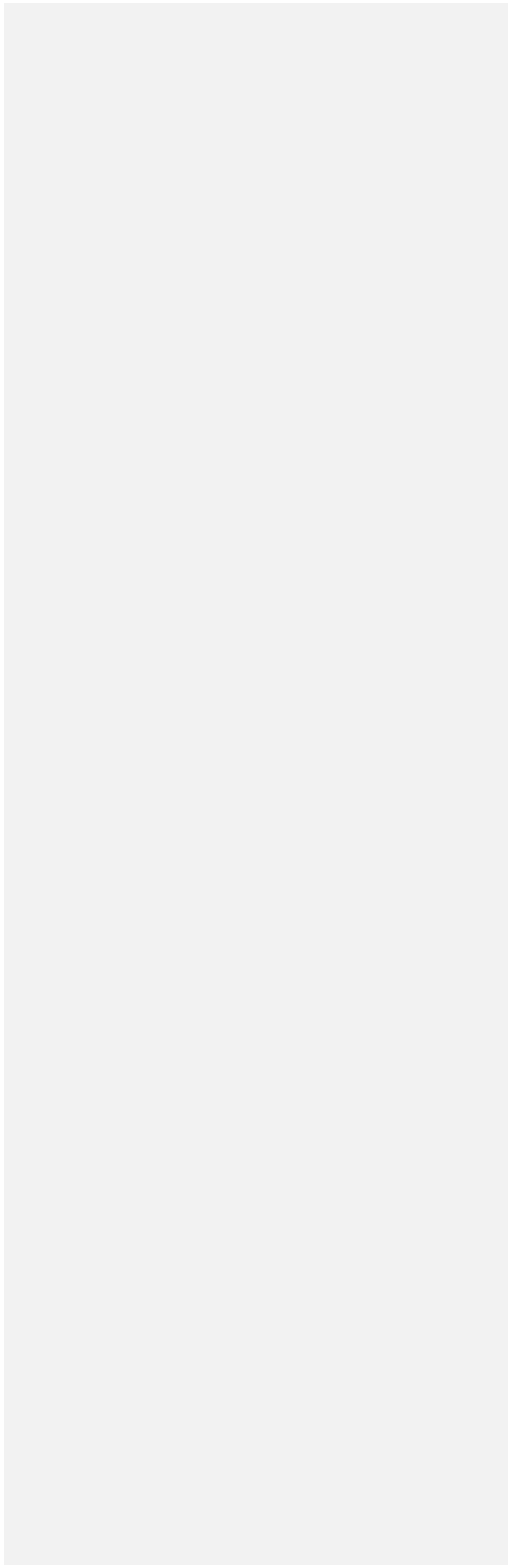
Attest: _____

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Township Clerk

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261 **CITY OF STACY:**

262

All those in favor:

All those opposed:

263 Adopted this __ day of _____, 2022

264

Mayor

265

266 Motion passes _____ or fails _____

267

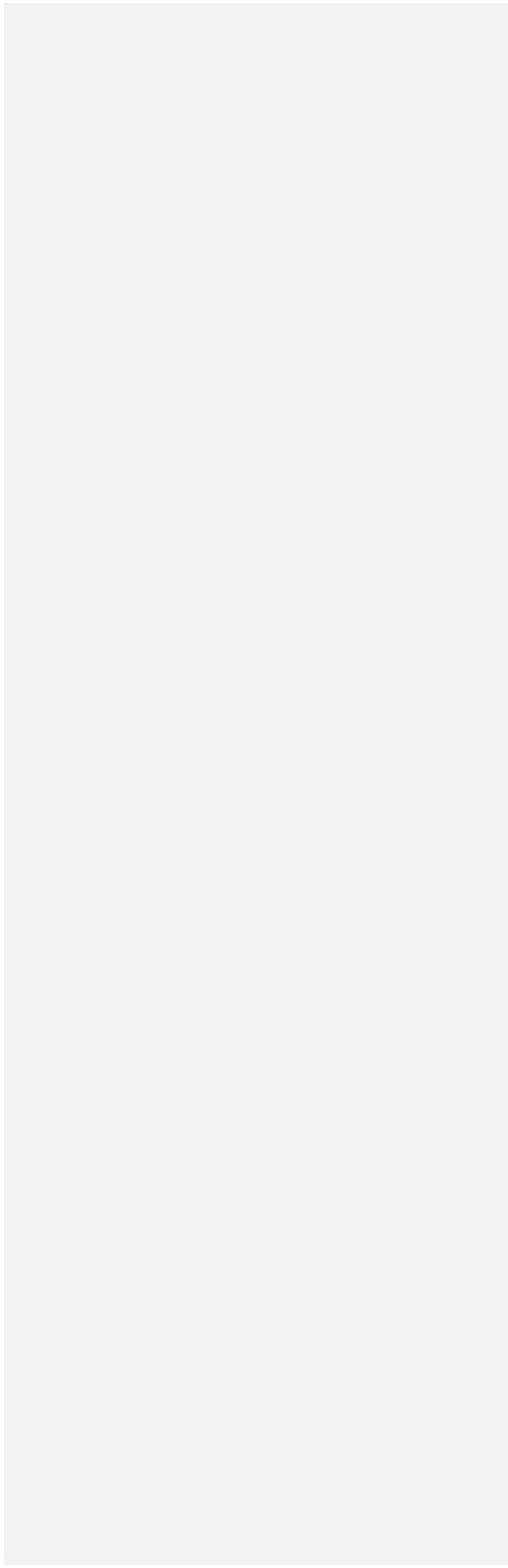
268 Attest: _____

269

City Clerk

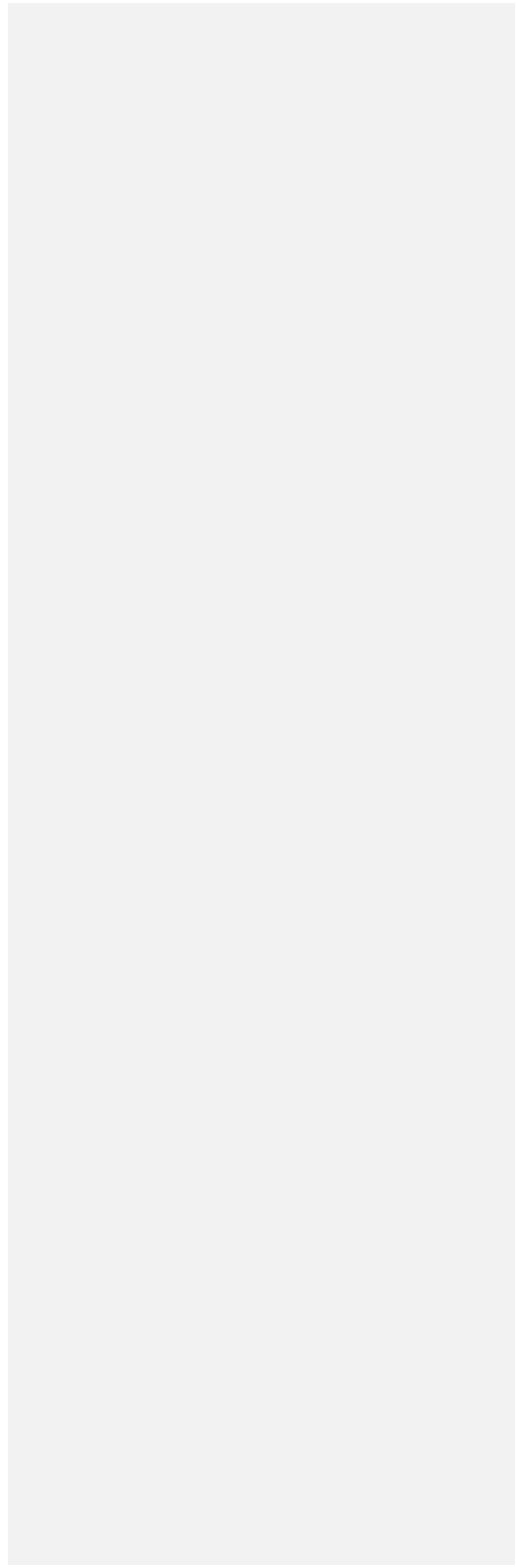
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271 Exhibits:
272
273
274 Exhibit A – Legal description of Orderly Annexation Area
275 Exhibit B – Map of Orderly Annexation Area
276 Exhibit B – Zoning Map
277
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OAH ____ - ____ - ____

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**

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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.

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

297
298

FINDINGS

299
300

1. Agency Jurisdiction was properly conferred by the procedures set forth in Minnesota Statutes 2021, section 414.0325.

302
303

2. A hearing was duly held in accordance with the procedures of section 414.09.

304
305

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.

308
309

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):

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315

a. The Annexation Area is now, or is about to become, urban or suburban in character; and

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b. The City is capable of providing services required by the Annexation Area within a reasonable time, and

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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).

358 **ORDER**

359
360 1. Pursuant to chapter 414, the Joint Resolution is deemed adequate in all legal respects and
361 properly supports this Order and is incorporated herein by this reference.

362
363 2. Pursuant to the terms of the Joint Resolution and this Order, the Annexation Area is
364 hereby **ANNEXED** to the City as of the date of this Order.

365
366 3. Pursuant to section 272.67, subdivision 1, the Annexation Area shall be taxed at a
367 differential basis, as a "rural service district," which district shall be taxed at a rate of fifty percent
368 (50%) of the tax district found elsewhere in the City for a period of ten (10) years following the
369 date of this Order. After such ten-year period, the City shall begin phasing out such differential
370 tax treatment by ordinance based on availability of the City's services to residents in the
371 annexation area.

372
373 4. All money, claims, other properties, including real estate owned, held, or possessed by
374 the Township of Lent, and any proceeds or taxes levied by the Township, collected or uncollected,
375 shall be and are now the property of the City of Stacy, which has full power and authority to use
376 and dispose of the same for public purposes as the City Council shall deem necessary or
377 appropriate, subject to the same restrictions and limitations under which the Township held the
378 money, claim, or property. The City shall also succeed the Township as to any and all financial
379 obligations owed by the Township, except that any bonded debt of the Township shall be
380 apportioned only to the properties in the Annexation Area, in accordance with section 414.067.

381
382 5. Special assessments for provision of water and sanitary sewer services from the City shall
383 be deferred on each property until such time that a property is connected to water and sewer.
384 The City shall cap assessments for connection to water and sewer at \$15,000.00 per buildable
385 lot, assessed over a period of ten years at a rate of interest not to exceed 3% per annum.

386
387 6. Pursuant to section 414.031, subdivision 4a, election of new municipal officers shall occur
388 within 45 and 60 days from the date of this Order, which shall be _____, 2022. Minn.
389 Stat. § 414.031, subd. 4a (2021) (citing Minn. Stat. § 414.09, subd. 3(a)). The Agency hereby
390 appoints _____ as acting clerk for purposes of this ad hoc election.
391 _____, _____, and
392 _____ shall serve as election judges and shall designate polling places
393 within the new municipality. The clerk shall prepare an official ballot. Any person eligible to hold
394 municipal office may file an affidavit of candidacy not more than four weeks, nor less than two
395 weeks, before the date designated in the order for the election. The election shall be conducted
396 in conformity with the charter and laws for conducting municipal elections, insofar as are
397 applicable. Any person eligible to vote at a township or municipal election within the area of the
398 new municipality is eligible to vote at such election. Any excess in the expense of conducting the
399 election over receipts from filing fees shall be a charge against the new municipality; any excess
400 of receipts shall be deposited in the treasury of the new municipality.

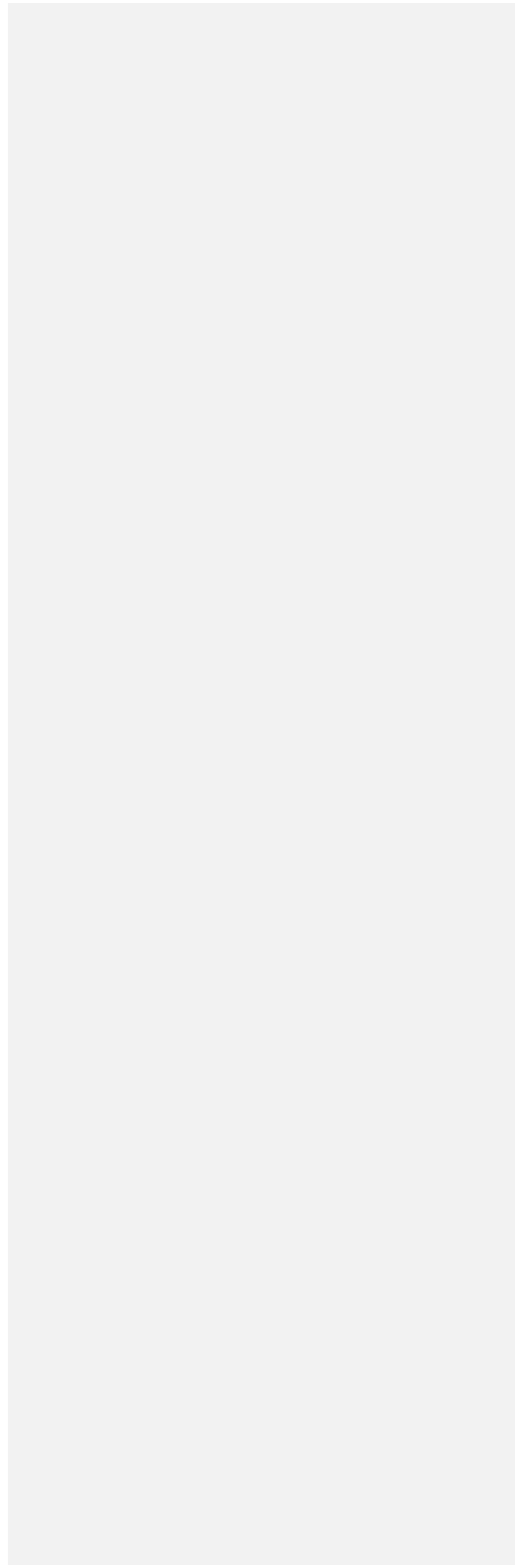
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Dated: _____, 2022

Jenny Starr
Chief Administrative Law Judge

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**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

- 6. 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

455 Annexation Area is now or is about to become urban or suburban in character.
456 Incorporation of the Orderly Annexation Area into the City of Stacy is in the Township's
457 and City's best interests.
458

- 459 7. Exclusive Procedures. This Agreement provides the exclusive means and methods by
460 which any land in Lent Township may be annexed to Stacy; Stacy will not attempt to annex
461 any of the Orderly Annexation Area hereby designated by any other means or using any
462 other methods. Minn. Stat. § 414.0325, subd. 6 (2021).
463
- 464 8. Immediate Annexation. The City and Township agree that the Orderly Annexation Area
465 will be annexed into the City forthwith, upon confirmation by the Minnesota Office of
466 Administrative Hearings – Municipal Boundary Adjustment Unit (“MBAU”). The parties
467 to this Agreement hereby consent to said annexation as of the date of the request and grant
468 the MBAU their approvals to accomplish the annexation in accordance with this
469 Agreement. The City and Township agree they will not oppose said annexation. The
470 MBAU is authorized and requested to take any and all such actions as may be necessary
471 and appropriate to accomplish the annexation contemplated herein by the parties hereto.
472
- 473 9. Effective Date/Applicability. This Joint Resolution shall be effective upon adoption by the
474 Town Board of Supervisors of Lent Township and the City Council of the City of Stacy
475 and acceptance by the MBAU.
476
- 477 10. Requisite Election. Pursuant to section 414.031, subdivision 4a, an election shall be held
478 between 45 and 60 days from the date this Agreement is approved and annexation ordered
479 by the MBAU; the election shall be for the new City Council, Mayor, and any other elected
480 City officials. The acting Clerk for the purposes of administering this ad hoc election is:
481 _____ . The three appointed election judges from the new,
482 combined city shall be: _____,
483 _____, and _____. If any
484 of these persons becomes unavailable to perform their duties, the an alternate shall be
485 selected by mutual agreement of the Town Board and City Council.
486

487 **ARTICLE II: JURISDICTION AND APPROVALS**
488

- 489 6. Municipal Boundary Adjustment Unit of the Minnesota Office of Administrative Hearings.
490 Upon approval by the Township Board and City Council, this joint Resolution shall confer
491 jurisdiction upon the MBAU, or its designated successor, so as to accomplish the orderly
492 annexation contemplated hereby, in accordance with the terms and conditions of this Joint
493 Resolution.
494
- 495 7. MBAU Review, Comment. The Township and city mutually agree and state that this
496 Agreement sets forth all the conditions for annexation, and that no further or separate
497 consideration by the MBAU is necessary. The MBAU may review and comment on this
498 Agreement, but shall, within 30 days, order the annexation as contemplated herein, in
499 accordance with the terms of this Agreement.
500

- 501 8. Alteration of Boundaries. The Township and City mutually agree and state that no
502 alterations by the MBAU of the stated boundaries of the area designated for orderly
503 annexation in this Agreement is necessary, permissible, or appropriate.
504
- 505 9. Authorization. The governing bodies of the Township and City, as well as the MBAU, are
506 hereby authorized and directed to give full force and effect to the terms of this Agreement.
507
- 508 10. Apportioned Assets and Obligations. Upon the effective date of this annexation, all money,
509 claims, or properties, including real estate owned, held, or possessed by the Township, and
510 any proceeds or taxes levied by the Township, collected or uncollected, shall be, and be
511 the property of the City, with full power and authority to use and dispose of the same for
512 public purposes as the council may deem appropriate, subject to the same restrictions and
513 limitations under which the Township held the money, claim, or property. The City shall
514 also succeed the Township as to any financial obligations owed by the Township, except
515 that any bonded debt of the Township shall be apportioned only to the properties in the
516 Orderly Annexation Area, in accordance with section 414.067. Notwithstanding the
517 foregoing, the Township and City shall maintain separate books and will immediately
518 begin working towards integrating all of the finances and obligations of each respective
519 government unit upon annexation, while anticipating that full integration shall only occur
520 after the new City Council is elected.
521

522 **ARTICLE III: STATUTORY CITY; AT-LARGE VOTING**

- 523
- 524 2. Statutory City. The City of Stacy is a statutory city under chapter 412, which uses at-large
525 voting, as opposed to a ward or district system found exclusively in Minnesota home-rule
526 charter cities. The parties have no desire to or intention of converting Stacy into a home-
527 rule charter city.
528

529 **ARTICLE IV: PROPERTY TAXES**

- 530
- 531 4. Rural Tax District. Prior to January 1, 2023, the City shall establish and maintain for ten
532 (10) years a rural service district, pursuant to section 272.67, to include at a minimum all
533 farm, open space, and rural-residential areas annexed to the City under this Agreement.
534 The rural taxing district, as of January 1, 2023, shall consist of the entire Orderly
535 Annexation Area.
536
- 537 5. Duration and Rate. The rural taxing district shall be maintained by the City for at least 10
538 years from the date of its inception and have a tax rate of fifty percent (50%) of the City's
539 tax rate. At the end of 10 years, or such later date as the City shall determine, the City shall
540 phase out the differential tax rate over a period of time not less than five years, in equal
541 increments, to those areas in which services are extended. The remainder of the Orderly
542 Annexation Area where city services have not become available will remain in the rural
543 service district until such time services become available to residents of those areas.
544
- 545 6. Moratorium. There shall be a moratorium on any new municipal taxes (property taxes,
546 sales tax, etc.) for a period of ten (10) years following the date of annexation contemplated
547 hereby, unless otherwise voted on and approved by vote at a general election.
548

Commented [JM1]: Would the City Agree to this limitation?

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

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ARTICLE V: IMPROVEMENTS AND SPECIAL ASSESSMENTS

- 5. 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.
- 6. 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.
- 7. 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.
- 8. 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.

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

- 10. 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.
- 11. 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.
- 12. 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.
- 13. 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.

Commented [JM5]: How would this work with MNSpect? Who does building inspections for the Township?

597 14. Interim Road Maintenance. Should Chisago County turn any of the roads back in the
598 Orderly Annexation Area prior to January 1, 2023, the City shall assume responsibilities
599 for road maintenance and shall be considered the road authority for control and liability
600 purposes.
601

602 15. Land Use Moratorium. There shall be a moratorium on land-use regulation changes for a
603 period of ten (10) years following annexation by the City Council, unless such changes
604 occur by referendum vote at a general election.
605

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

606 16. Comprehensive Plans/Land Use (Zoning). Until such time that a new Council is seated and
607 has implemented a new comprehensive plan, land-use controls, and other administrative
608 measures, the plans and controls in place at the time prior to the annexation shall remain in
609 effect for the respective areas (City/Township).
610

611 17. Contracts/Finances. Notwithstanding Article II, Section 5, the City and Town shall
612 maintain separate finances and have separate legal liabilities/responsibilities/insurance
613 until such time as the new City Council is seated and can coordinate the administration of
614 the annexation, which shall be approved by the electorate at the next general election.
615

616 18. Rights and Privileges. The Orderly Annexation Area shall retain the rights and privileges
617 currently enjoyed by the voters, including, but not limited to:

- 618 a. Lawful outdoor burning; and
- 619 b. Legal hunting, shooting, and trapping; and
- 620 c. Legal use of all terrain vehicles (ATVs) snowmobiles, and other off-road vehicles
621 on private property; and
- 622 d. Legal keeping of pets and livestock; and
- 623 e. All other reasonable uses currently permitted under local and county ordinances,
624 state and federal laws.
625

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."

626 **ARTICLE VII: MISCELLANEOUS**

627 4. Minnesota Law. The terms and conditions of this Agreement are created as an addition or
628 complement to the requirements for annexation, as required by Minnesota law. The
629 language herein contained shall in no way be deemed to circumvent or reduce the
630 requirements established by law. Nothing contained in this Agreement is intended to confer
631 or expand upon any power or authority that the MBAU does not have under Minnesota
632 law.
633

634 5. Severability and Repealer. A determination by a court or agency of competent jurisdiction
635 that a provision of this Agreement is unlawful or unenforceable shall not affect the validity
636 or enforceability of other provisions herein.
637

638 6. Optional Plan A. The City Council shall put to the voters the question of whether to select
639 the "Optional Plan A" form of government in section 412.541, subdivision 1, according to
640 the procedures found in section 412.551, at the next general election of the City following
641 annexation, with the following:
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- a. A six (6)-member City Council, with a ‘weak’ Mayor voting as the seventh Council member;

ARTICLE VIII: ENFORCEMENT

2. 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.

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656 **TOWNSHIP OF LENT:**

657

All those in favor:

All those opposed:

658 Adopted this __ day of _____, 2022

BY THE BOARD

659

660

661

Township Chairperson

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Motion passes _____ or fails _____

663

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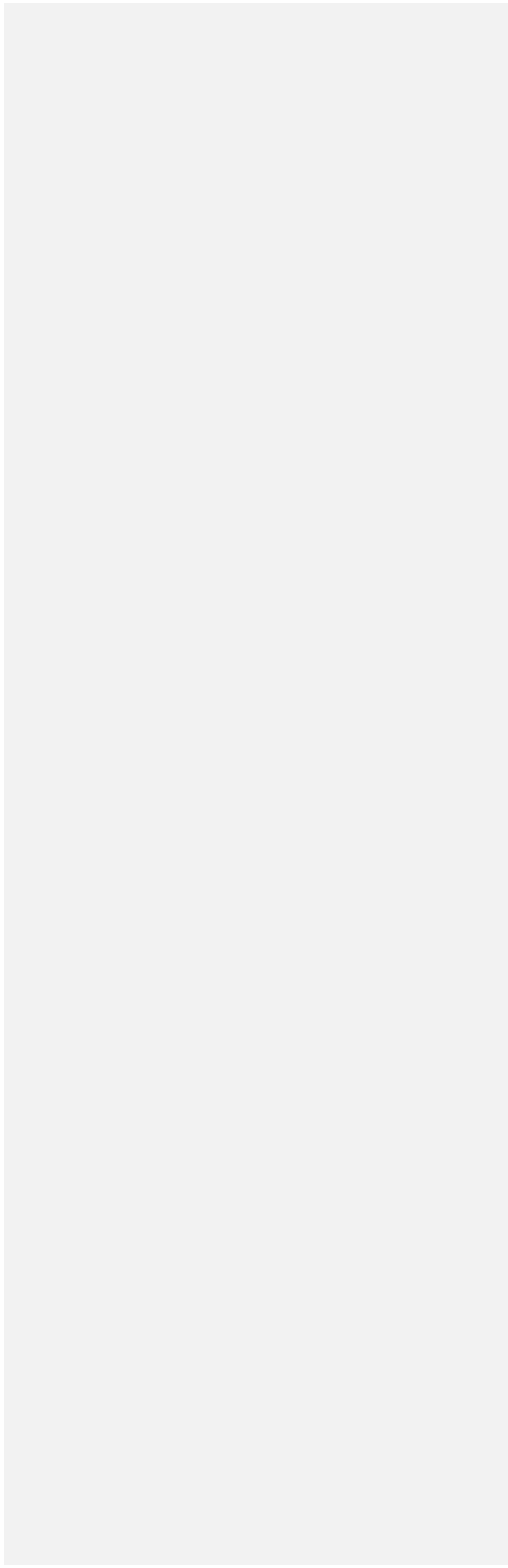
Attest: _____

665

Township Clerk

666

DRAFT



667 **CITY OF STACY:**

668

All those in favor:

All those opposed:

669 Adopted this __ day of _____, 2022

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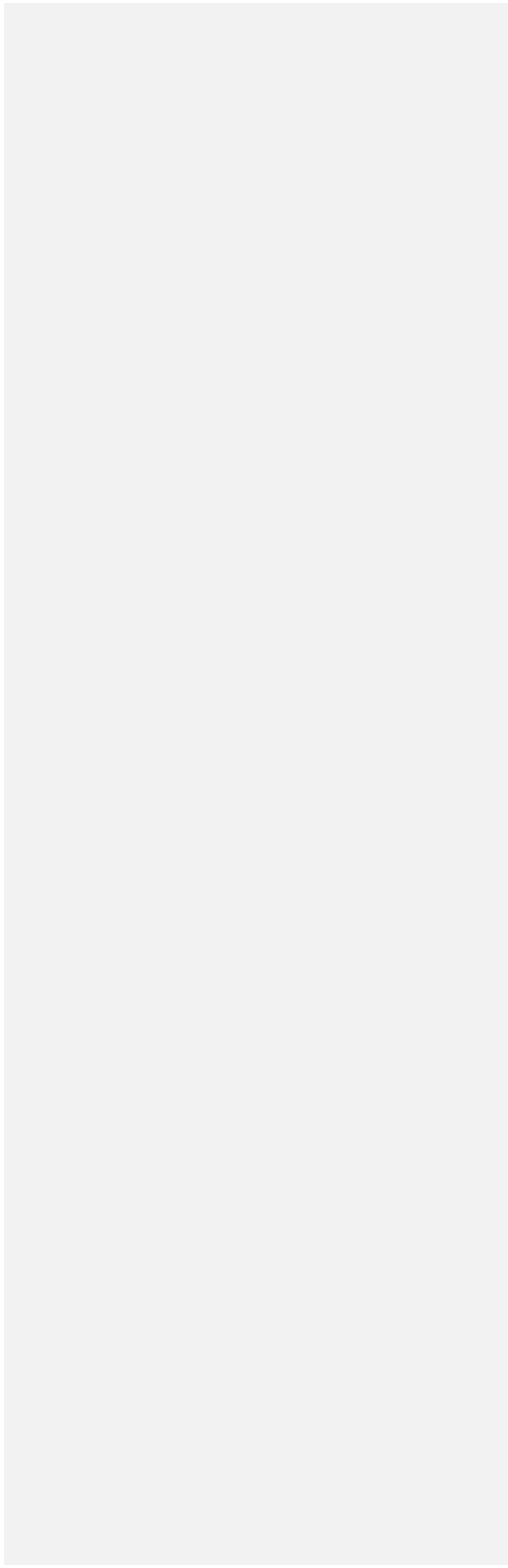
Mayor

Motion passes _____ or fails _____

Attest: _____

City Clerk

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677 Exhibits:

678

679

680 Exhibit A – Legal description of Orderly Annexation Area

681 Exhibit B – Map of Orderly Annexation Area

682 Exhibit B – Zoning Map

683

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686

OAH ____ - ____ - ____

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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**

692

693

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

702

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

704

705

FINDINGS

706

707 12. Agency Jurisdiction was properly conferred by the procedures set forth in Minnesota
708 Statutes 2021, section 414.0325.

709

710 13. A hearing was duly held in accordance with the procedures of section 414.09.

711

712 14. The Joint Resolution provided that no alternation of stated boundaries of the designated
713 area was appropriate or necessary; this Order is issued in accordance with the terms of the Joint
714 Resolution. The Annexation Area is legally described in the Joint Resolution and its exhibits, which
715 Joint Resolution is incorporated herein by reference.

716

717 15. Pursuant to section 414.0325, subdivision 3, the Agency has reviewed the relevant factors
718 in section 414.031, subdivision 4 (a), and, based upon all of the submissions, reports, data,
719 testimony, and other evidence submitted to it, makes the following findings, pursuant to section
720 414.0325, subdivision 3 (b):

721

722 a. The Annexation Area is now, or is about to become, urban or suburban in
723 character; and

724

725 b. The City is capable of providing services required by the Annexation Area within a
726 reasonable time, and

727

728 c. Annexation is in the best interests of the City and Township.

729

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

734

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

742

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

748

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

752

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

756

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

761

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

765 **ORDER**

766 7. Pursuant to chapter 414, the Joint Resolution is deemed adequate in all legal respects and
767 properly supports this Order and is incorporated herein by this reference.
768

769 8. Pursuant to the terms of the Joint Resolution and this Order, the Annexation Area is
770 hereby **ANNEXED** to the City as of the date of this Order.
771

772 9. Pursuant to section 272.67, subdivision 1, the Annexation Area shall be taxed at a
773 differential basis, as a "rural service district," which district shall be taxed at a rate of fifty percent
774 (50%) of the tax district found elsewhere in the City for a period of ten (10) years following the
775 date of this Order. After such ten-year period, the City shall begin phasing out such differential
776 tax treatment by ordinance based on availability of the City's services to residents in the
777 annexation area.
778

779 10. All money, claims, other properties, including real estate owned, held, or possessed by
780 the Township of Lent, and any proceeds or taxes levied by the Township, collected or uncollected,
781 shall be and are now the property of the City of Stacy, which has full power and authority to use
782 and dispose of the same for public purposes as the City Council shall deem necessary or
783 appropriate, subject to the same restrictions and limitations under which the Township held the
784 money, claim, or property. The City shall also succeed the Township as to any and all financial
785 obligations owed by the Township, except that any bonded debt of the Township shall be
786 apportioned only to the properties in the Annexation Area, in accordance with section 414.067.
787

788 11. Special assessments for provision of water and sanitary sewer services from the City shall
789 be deferred on each property until such time that a property is connected to water and sewer.
790 The City shall cap assessments for connection to water and sewer at \$15,000.00 per buildable
791 lot, assessed over a period of ten years at a rate of interest not to exceed 3% per annum.
792

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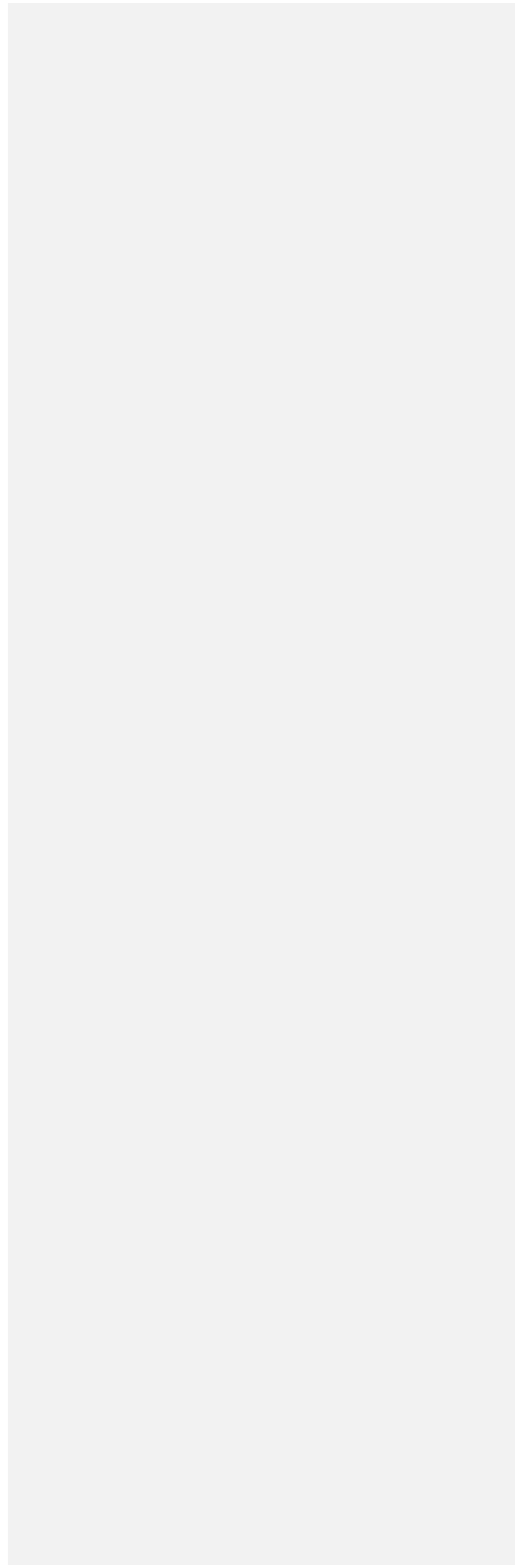
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Dated: _____, 2022

Jenny Starr
Chief Administrative Law Judge

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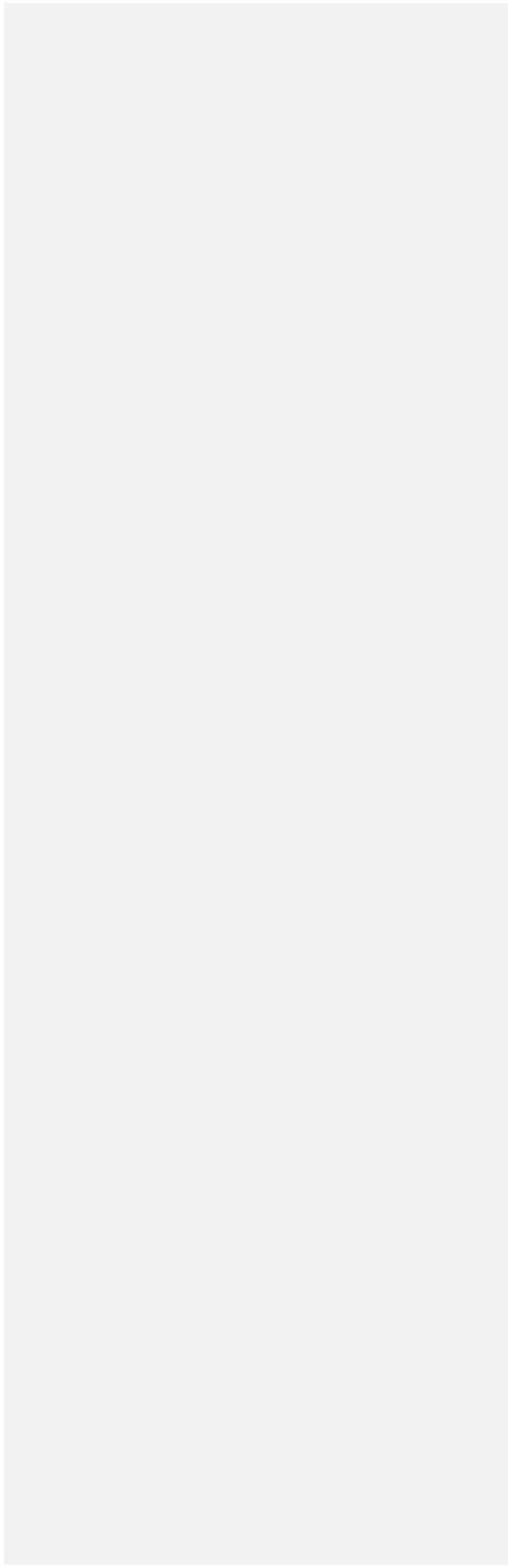
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NOTICE

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.

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