

STATE OF MINNESOTA
OFFICE OF ADMINISTRATIVE HEARINGS

In the Matter of the Orderly Annexation
of Certain Real Property to the City of
Stacy from Lent Township
(MBAU Docket OA-1863-1)

**ORDER APPROVING
ANNEXATION**

This matter is pending before Administrative Law Judge Jessica A. Palmer-Denig pursuant to the filing of City Resolution No. 2023-05-2/Town Resolution No. 2023-4 (Joint Resolution), adopted by the City of Stacy (City) and the Lent Town Board (Township) on May 23, 2023. The parties subsequently submitted a Joint Resolution Amending City Resolution No. 2023-05-2/Town Resolution No. 2023-4 (Amended Joint Resolution). This matter is now properly before the Administrative Law Judge for consideration under Minn. Stat. § 414.0325 (2022).

The area proposed for annexation is legally described as follows:

Township 34, Range 21, Chisago County, Minnesota: The entirety of Sections 1, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 17, 18, 19, 20, 21, 22, 27, 33, and 34.

AND

The South Half of the Southwest Quarter and the South Half of the Southeast Quarter of Section 2, Township 34, Range 21, Chisago County, Minnesota.

AND

The South Half of the Northwest Quarter, the Northwest Quarter of the Southwest Quarter, and the South Half of the Southwest Quarter of Section 3, Township 34, Range 21, Chisago County, Minnesota.

AND

Township 34, Range 21, Chisago County, Minnesota: The entirety of Section 4, excepting therefrom the Northeast Quarter of the Northeast Quarter and that part of the Northwest Quarter of the Northeast Quarter, described as follows:

Beginning at the Northeast corner of said Northwest Quarter of the Northeast Quarter; thence West 630 feet; thence South 350 feet; thence East, parallel with described first course, 630 feet to the East line of said Northwest Quarter of the Northeast Quarter; thence North 350 feet to the point of beginning.

AND

The northern one-half of Section 13, Township 34, Range 21, Chisago County, Minnesota.

AND

Township 34, Range 21: The entirety of Sections 28, 29, 30, 31, and 32, excluding those portions thereof that are already contained within the municipal boundaries of the City of Stacy, Chisago County, Minnesota.

Based upon a review of the record, the Administrative Law Judge makes the following:

ORDER

1. Pursuant to Minn. Stat. § 414.0325, the Joint Resolution, as amended by the Amended Joint Resolution, is deemed adequate in all legal respects and properly supports this Order.
2. Pursuant to the terms of the Joint Resolution and Amended Joint Resolution and this Order, the entire Township is **ANNEXED** to the City.
3. The annexation shall be effective on December 29, 2023.
4. An election shall be held on April 9, 2024, pursuant to the terms of the Amended Joint Resolution. The City's existing city council members shall remain in office until their successors are elected.

Dated: August 30, 2023


JESSICA A. PALMER-DENIG
Administrative Law Judge

NOTICE

This Order is the final administrative order in this case under Minn. Stat. §§ 414.0325, .07, .09, .12 (2022). Pursuant to Minn. Stat. § 414.07, subd. 2, any person aggrieved by this Order may appeal to Chisago County District Court by filing an Application for Review with the Court Administrator within 30 days of this Order. An appeal does not stay the effect of this Order.

Any party may submit a written request for an amendment of this Order within seven days from the date of the mailing of the Order pursuant to Minn. R. 6000.3100 (2023). However, no request for amendment shall extend the time of appeal from this Order.

MEMORANDUM

I. Agreements for Orderly Annexation

Minnesota law provides for the alteration of municipal boundaries based on certain legislative findings. The legislature has determined that “municipal government most efficiently provides governmental services in areas intensively developed for residential, commercial, industrial, and governmental purposes,” and that “annexation to existing municipalities of unincorporated areas unable to supply municipal services should be facilitated.”¹ The legislature also established goals for the promotion and regulation of municipal development. Among these goals, the municipal boundary adjustment process should provide for the extension of municipal government to those areas that are developed or in the process of developing for urban purposes, but should also protect the integrity of land use planning for both municipalities and unincorporated areas in order to recognize and serve the public interest in efficient local government.²

Local units of government in Minnesota are encouraged to work together to determine the best methods to comply with the legislature’s goals. To that end, Minn. Stat. § 414.01, subd. 1a(5) (2022), provides that joint resolutions for orderly annexation or other cooperative efforts among counties, cities, and towns should be encouraged. The legislature also provided a specific process through which cities and townships may agree to designate unincorporated areas as in need of orderly annexation.³ The parties to an orderly annexation agreement may negotiate terms and conditions governing the annexation, and the agreement is a contract that binds all parties.⁴

In deference to decision-making by local governments, the legislature also provided that parties to an orderly annexation agreement may limit review of the agreement by the Office of Administrative Hearings. Under Minn. Stat. § 414.0325, subd. 1(g), the parties may agree that no alteration of the boundaries of land designated in the agreement is appropriate, in which case an administrative law judge may review and comment, but may not alter the boundaries. Further, “[i]f a joint resolution designates an area as in need of orderly annexation, provides for the conditions for its annexation, and states that no consideration by the . . . judge is necessary, the . . . judge may review and comment, but shall, within 30 days, order the annexation in accordance with the terms of the resolution.”⁵

II. The Current Proceeding

The Township entered into resolutions with three surrounding cities providing for orderly annexation of land within its borders. In the first matter, 1,099 acres of land within

¹ Minn. Stat. § 414.01, subd. 1a(2), (4) (2022).

² *Id.*, subd. 1b(1), (3) (2022).

³ Minn. Stat. § 414.0325.

⁴ *Id.*, subds. 1(b), (6).

⁵ *Id.*, subd. 1(h).

the Township was annexed to the City of North Branch (North Branch) on March 1, 2023.⁶ Next, the City of Chisago City (Chisago City) annexed 3,638.1 acres of land within the Township, as approved on April 27, 2023.⁷ This matter is the third and final proceeding in which Township land is to be annexed, this time to the City. In this case, all remaining land within the Township is annexed to the City, meaning that the Township will cease to exist.

The City and Township included the limiting language allowed by Minn. Stat. § 414.0325, subd. 1(g)-(h). As a result, the Administrative Law Judge may review and comment, but must approve the annexation according to the terms of the parties' agreement.⁸ The Administrative Law Judge exercises her discretion⁹ to review and comment on several points.

First, under Minn. Stat. § 414.0325, subd. 1(h), an order approving an orderly annexation will ordinarily be issued within 30 days after the parties' filing becomes complete. In this case, the parties stipulated to an extension of the time for issuance of the order until September 1, 2023.¹⁰ The parties determined that they needed additional time to address transition issues resulting from the annexation of the entire Township, as no Township government will exist after the annexation is effective.¹¹ Based upon the parties' agreement to waive the 30-day deadline, and consistent with the legislature's directive to effectuate cooperative action by local units of government,¹² the Administrative Law Judge approved the extension.¹³

The parties subsequently filed the Amended Joint Resolution, which addresses the procedure and timing for the City to hold an election for a mayor and members of the city council.¹⁴ This is particularly important given that citizens of the Township will no longer be represented by the Township officials they elected, and a special election will offer them a voice in selecting their representatives. The Amended Joint Resolution further provides that the current council members will remain in office in the meantime, ensuring that the City remains a functioning governmental entity until a new city council is seated. The Amended Joint Resolution also revised a term providing for immediate annexation of the designated area, in favor of an effective date of December 29, 2023.¹⁵ The later

⁶ *In re the Orderly Annexation of Certain Real Property to the City of North Branch*, OAH 71-0331-39032, ORDER APPROVING ANNEXATION (Minn. Office Admin. Hearings Mar. 1, 2023).

⁷ *In re the Orderly Annexation of Certain Real Property to the City of Chisago City*, OAH 71-0331-39187, ORDER APPROVING ANNEXATION (Minn. Office Admin. Hearings Apr. 27, 2023).

⁸ *Trails Truck & Travel Plaza, LLC v. Albert Lea Township*, -- N.W.2d --, 2023 WL 5340244 (Minn. Ct. App. 2023) (holding that the parties' agreement to the language in Minn. Stat. § 414.0325, subd. 1(g)-(h) triggers limited review by an administrative law judge).

⁹ *Id.* at *4 (confirming that the decision regarding whether to review and comment is within the administrative law judge's discretion).

¹⁰ Stipulation to Extend Deadline for Issuance of Annexation Order (June 23, 2023).

¹¹ *Id.*

¹² Minn. Stat. § 414.01, subd. 1b(5), .12, subd. 5 (2022).

¹³ Order Approving Extension of Statutory Deadline (June 26, 2023).

¹⁴ Amended Joint Resolution at 3.

¹⁵ *Id.* at 2-3.

effective date allows the Township to appropriately resolve any financial obligations before it ceases to exist.¹⁶ These terms are incorporated into the Order above.

Second, the Administrative Law Judge comments on this proceeding to commend the parties in this matter, as well as the cities of North Branch and Chisago City, for their willingness to engage in an orderly annexation process. By entering into orderly annexation agreements, the Township and its surrounding cities apportioned Township lands in the manner they believe best serves their communities. Their approach is consistent with the legislative findings and goals underlying the municipal boundary adjustment statutes. The process allowed these local units of government to exercise agency over their borders cooperatively, in the manner the legislature favors, and to avoid extensive and potentially divisive litigation.

Finally, the Administrative Law Judge notes that this annexation will have a substantial impact on the current residents of the Township. The Township was organized in 1870 and has continuously existed for over 150 years.¹⁷ Annexation to the City of all land within the Township will end the Township's history and alter the map of Minnesota. The Administrative Law Judge determined that review and comment was necessary to mark this important moment and to assure the Township's citizens that the Administrative Law Judge conducted a diligent review of this matter within the scope permitted by law.

J. P. D.

¹⁶ Telephone Conference Digital Recording (July 24, 2023) (on file with the Minn. Office Admin. Hearings).

¹⁷ See <https://www.lenttownship.com/township-government/> (last visited Aug. 29, 2023).