

ST. JOSEPH TOWNSHIP RESOLUTION 2018-_____
CITY OF ST. JOSEPH RESOLUTION 2018-_____

**JOINT RESOLUTION FOR DESIGNATION OF AN AREA FOR ORDERLY
ANNEXATION AND FOR DESIGNATION OF AN AREA FOR IMMEDIATE
ANNEXATION PURSUANT TO MINNESOTA STATUTES § 414.0325**

WHEREAS, in 2010, St. Joseph Township ("Town") and the City of St. Joseph ("City") adopted a Joint Resolution for Orderly Annexation in 2010 and amended in 2015 ("Prior Agreement") which revoked prior orderly annexation agreements between the parties;

WHEREAS, the parties desire to revoke the Prior Agreement and proceed with annexation as provided hereunder;

WHEREAS, the Board of Supervisors of St. Joseph Township passed this resolution on _____, 2018;

WHEREAS, the City Council of the City of St. Joseph (hereinafter referred to as the "City"), passed this resolution on _____, 2018; and

WHEREAS, the Town and the City agree to designate and request the immediate annexation of certain land located within St. Joseph Township to the City legally described in the attached Exhibit A and graphically depicted on attached Exhibit B (hereinafter the "Immediate Annexation Property"); and

WHEREAS, the City and the Town are in agreement as to approving the designation for orderly annexation to the City of St. Joseph certain land legally described in the attached Exhibit C and graphically depicted on attached Exhibit D (hereinafter the "Orderly Annexation Area" or "OAA") in accordance with the terms set forth herein; and

WHEREAS, Minnesota Statutes § 414.0325 provides a procedure whereby the City of St. Joseph and St. Joseph Township may agree on a process of orderly annexation of a designated area; and

WHEREAS, the City of St. Joseph and St. Joseph Township have agreed to all the terms and conditions for the annexation of the Property and the signatories hereto agree that no alteration of the designated area is appropriate and no consideration by the Chief Administrative Law Judge is necessary. The Chief Administrative Law Judge may review and comment, but shall within thirty (30) days, order the annexation in accordance with the terms of the resolution.

NOW, THEREFORE, BE IT RESOLVED, jointly by the City Council of the City of St. Joseph and the Township Board of St. Joseph Township as follows:

Section I. Immediate Annexation Property.

1. **Immediate Annexation Property.** The following described land is subject to orderly annexation pursuant to Minnesota Statutes § 414.0325, and that the parties hereto designate the area for orderly annexation; and agree that the land be immediately annexed:

See Exhibit A attached hereto and incorporated herein.

A boundary map showing the Immediate Annexation Property described in Exhibit A is attached hereto as Exhibit B and incorporated herein. The Immediate Annexation Property abuts City limits as shown on Exhibit B and is about to become urban in nature.

2. **Acreage/Population/Zoning.** The Immediate Annexation Property consists of approximately _____ acres, the population in the area is _____. Upon annexation, the Property shall be zoned as follows:

Commercial: See Exhibit C

Industrial: See Exhibit D

Rural Residential: all remaining parcels

3. **Jurisdiction.** The Town and the City, by submission of this joint resolution to the Municipal Boundary Adjustment Unit of the Office of Administrative Hearings, confers jurisdiction upon the Chief Administrative Law Judge so as to accomplish annexation of the Immediate Annexation Property in accordance with the terms of this resolution.

4. **Municipal Reimbursement.** The City and the Town agree pursuant to Minnesota Statutes § 414.036, reimbursement from the City to the Town shall occur for the taxes collected on land annexed into the City, according to the following schedules and thereafter all tax revenues will be the property of the City. All percentages are to be multiplied by the Township's share of property taxes from such annexed property in the year in which such property is annexed:

a. Property Taxes.

Commercial/Industrial Property:

2019 - 100% to Township

2020 - 90% to Township

2021 - 50% to Township

2022 - 40% to Township

2023 - 30% to Township

2024 - 20% to Township

If the City does not collect taxes from the annexed property in 2019, the City will have no obligation to reimburse the Township in 2019. In subsequent years the City will provide reimbursement to the Township in the percentages designated for each year as set forth in the above schedule.

Rural Residential Property:

2019 - 60% to Township
2020 - 50% to Township
2021 - 40% to Township
2022 - 30% to Township
2023 - 20% to Township

If the City does not collect taxes from the annexed property in 2019, the City will have no obligation to reimburse the Township in 2019. In subsequent years the City will provide reimbursement to the Township in the percentages designated for each year as set forth in the above schedule.

b. Assessments and Debt. Pursuant to Minnesota Statutes § 414.036 with respect to any special assessment assigned by the Town to property annexed under this Agreement, and any portion of debt incurred by the Town prior to the annexation and attributable to the property annexed under this Agreement, the City shall forward to the Township any such assessment or debt revenue paid to the City by the property owner or by the County Auditor.

The City shall pay the Township one-half of the amount due in each year within 30 days of the City's receipt of the first-half of the year tax settlement from the County (the June or July settlement) and shall pay the second half of such amount due within 30 days of the receipt of the second half of the year tax settlement (the November or December settlement) from the County.

5. **Rural Taxing District.** Within 30 days of the effective date of this Agreement, the City shall establish a rural/urban taxing district pursuant to Minn. Stat. 272.67 and shall include all Rural Residential properties (initially defined as non-commercial and non-industrial zoned properties) annexed to the City under Section I, paragraph 1 above, within the rural taxing district. The City shall establish a rural service district tax rate that will initially be set at a tax rate equal to the 2018 Town tax rate, but which will be subject to annual increases or decreases proportionate to the annual increase or decrease in the City's overall tax rate, with the City's 2018 tax rate as the base against which future increases or decreases are initially measured. For example:

The 2018 Tax Rates are as follows:

City Tax Rate	61.4627
Twp Tax Rate	21.9232

For the purpose of this example, if the City's overall tax rate increases to 63.4627, this would represent a 3.254% change (increase) in the City's overall tax rate from 2018 to 2019. The rural taxing district rate would change by the same percentage. Therefore, the prior year's rural tax rate (the 2018 Township tax rate) of 21.9232 would be multiplied by the 1.0325 (1 plus the 3.254% change in the City's overall tax rate) which would increase the rural tax rate to 22.6366 for 2019. If the City's 2020 overall tax rate then decreased to 62.2533, this would represent a 1.906% change (decrease) in the City's overall tax rate from 2019 to 2020. The rural taxing district 2019 tax rate of

22.6366 would then be multiplied by .98094 (1 minus the 1.906% change in the City's overall tax rate) which would decrease the rural tax rate to 22.2051 for 2020.

The only changes to the rural tax rate shall be those occurring as a result of the proportional increases or decreases in the City's overall tax rate pursuant the terms of this paragraph.

Such Rural Residential properties placed in the rural taxing district shall remain in the rural taxing district until such time as:

- i. The property is developed commercially or industrially; or
- ii. Municipal sewer and/or water services are readily available to serve the property.

Paving, repaving, or reconstruction of a street abutting a property shall not be deemed to be a sufficient improvement to cause unplattd or platted property to be transferred out of the rural taxing district.

6. Tax Rate Step Up. The tax rate for Commercial and Industrial properties annexed pursuant to Section I, Paragraph 1 above shall be stepped up from the Town tax rate to the City tax rate by equal increments over a six-year period.

7. Review and Comment. The City and the Town agree that upon receipt of this resolution, passed and adopted by each party, the Chief Administrative Law Judge may review and comment, but shall within thirty (30) days, order the immediate annexation of the Immediate Annexation Property in accordance with the terms of this resolution.

8. Provision of Utilities to Annexed Properties. In the event the City provides municipal sewer service to any Rural Residential zoned properties annexed under the terms of this Agreement, the City shall not require any such property to connect to the municipal sewer system for a period of seven years from the date of the most recent septic certification provided that the system does not fail within that seven-year period. Such properties shall be required to connect to City water services immediately in accordance with State law.

9. Building Inspection. Upon annexation of the Orderly Annexation Property described on Exhibit A, all new building permits shall be issued and administered by the City. All Building permits already issued as of the effective date of this Agreement to any such Orderly Annexation Properties shall continue to be administered by the Township's building inspector until a certificate of occupancy is issued. The Township shall provide building permits and site plans for annexed properties to the City.

Section II. Orderly Annexation Property.

1. Orderly Annexation Property. The following described land is subject to orderly annexation pursuant to Minnesota Statutes § 414.0325, and that the parties hereto designate the area for orderly annexation in accordance with the terms herein;

See Exhibit D

(the "OAA") A boundary map showing the OAA described in Exhibit D is attached hereto as Exhibit E and incorporated herein. All such land in the OAA shall remain in the Township until it is annexed pursuant to the terms of Section II, Paragraph 8 below.

2. **Acreage.** The OAA consists of approximately _____ acres.

3. **Jurisdiction.** That St. Joseph Township and the City of St. Joseph, by submission of this joint resolution to the Municipal Boundary Adjustment Unit of the Office of Administrative Hearings, confers jurisdiction upon the Chief Administrative Law Judge so as to accomplish annexation of the OAA in accordance with the terms contained in this Section II.

4. **Municipal Reimbursement.** The City of St. Joseph and St. Joseph Township agree pursuant to Minnesota Statutes § 414.036, reimbursement from the City to the Town shall occur for the taxes collected on land annexed into the City, according to the following schedule and thereafter all tax revenues will be the property of the City. All percentages are to be multiplied by the Township's share of property taxes from such annexed property in the year in which such property is annexed:

a. Property Taxes.

First year the City collects property taxes from the annexed property: 60% to Township.

Second year the City collects property taxes from the annexed property: 50% to Township.

Third year the City collects property taxes from the annexed property: 40% to Township.

Fourth year the City collects property taxes from the annexed property: 30% to Township.

Fifth year the City collects property taxes from the annexed property: 20% to Township.

b. Assessments and Debt. Pursuant to Minnesota Statutes § 414.036 with respect to any special assessment assigned by the Township to the annexed property and any portion of debt incurred by the Town prior to the annexation and attributable to the property annexed under this Agreement, the City shall forward to the Township any such assessment or debt revenue paid to the City by the property owner or by the County Auditor.

All such payments shall be made to the Township within 30 days of receipt of such funds by the City. The City shall pay the Township one-half of the amount due in each year within 30 days of the City's receipt of the first-half of the year tax settlement from the County (the June or July settlement) and shall pay the second half of such amount due within 30 days of the receipt of the second half of the year tax settlement (the November or December settlement) from the County.

5. Office of Administrative Hearings, Municipal Boundary Adjustments.

Upon approval by the Town Board and the City Council, this Joint Resolution shall confer jurisdiction upon the State of Minnesota Office of Administrative Hearings, Municipal Boundary Adjustments (hereinafter referred to as the "MBA") or its successor pursuant to Minnesota Statutes.

6. No Alterations of Boundaries. The Town and City mutually agree and state that the MBA may review and comment, but that no alterations by the MBA of the stated boundaries of the area designated for orderly annexation is appropriate. Any alterations of boundaries may only be made upon the joint agreement of the Town and City.

7. Planning and Land Use Control Authority. The Town and City mutually agree and state that the Joint Planning Board established under the Prior Agreement will continue to exercise planning and land use control authority within the OAA pursuant to Minnesota Statutes section 414.0325, Subdivision 5. The City and Township establish this resolution as their joint powers agreement under Minnesota Statutes Section 462.371, Section 471.59 and Section 414.0325, Subd. 5 to conduct regional planning under the Municipal Planning Act in accordance with the terms of this Section II. The process for planning is as follows:

7.1 The Joint Planning board is an eight-member board, consisting of four members appointed by the Town and four members appointed by the City and has final authority on all land use matters in the OAA.

7.2 The City will act as the Zoning Administrator, reviewing and overseeing all relevant zoning related matters in the OAA. The City will review applications for sufficiency, determine the level of approval necessary for the application, collect application fees, and will provide recommendations to the Joint Planning Board for its consideration. The City shall provide copies of applications to the Town's designated land use official for review and comment. The City will set the public hearing for the Joint Planning Board by sending out property owner notifications on joint City/Township letterhead. The City will send the notification to the designated legal publication site. The Town and the City will post the public hearing in their respective jurisdictions. The City will administer and enforce all provisions of the Land Use Regulations.

7.3 The land use controls for the orderly annexation area shall be as set forth in Section 9.15 Urban Expansion District of the Stearns County Land Use and Zoning Ordinance in effect as of the date of this Resolution, except as otherwise modified in Attachment 1 attached hereto and incorporated herein. The Joint

Planning Board shall follow the procedural provisions of the City of St. Joseph Zoning Code.

7.4 The Joint Planning Board will utilize the City's building, fire, and electrical code inspection services in the orderly annexation area.

7.5 Except as otherwise specified in the Land Use Regulations, Stearns County regulations shall apply to the orderly annexation area.

7.6 No property within the OAA shall be rezoned prior to annexation.

7.7 No property within the OAA shall be subdivided in such a manner that will create more than 2 lots unless the property is first annexed to the City.

7.8 The Joint Planning Board shall be scheduled to meet bi-monthly on an as needed basis. The Town and the City shall establish fees for regular and special meetings of the Joint Planning Board.

7.9 The Joint Planning Board will serve as the board of Adjustment in the OAA area and shall hold the public hearings on all applications for conditional use/interim use permits, variances, text amendments to the Land Use Regulations, administrative subdivisions and administrative appeals. Except for text amendments, the Joint Planning Board will have final authority on all matters listed above except that any aggrieved person or persons shall have the right to appeal within thirty (30) days, after receipt of notice of the decision, to the Stearns County District Court. The Joint Planning Board shall serve as an advisory board and shall make recommendations on text amendments which shall be submitted to the Town and the City for final decision. Text amendments shall require the approval of both the Township and the City at a joint meeting.

7.10 The City will staff the Joint Planning Board meetings. The City will prepare agendas, take the minutes of the meetings, and handle the appropriate paper work associated with the meeting including notifying and recording the necessary permits associated with the action of the Joint Planning Board.

7.11 The City shall issue all building permits and site construction permits, conduct building inspections for each permit issued, and shall provide the Town with copies of permits and inspection reports for any permit issued therefore on a monthly basis, except that all Building permits already issued on the effective date of this Agreement to any properties within the OAA shall continue to be administered by the Township's building inspector until a certificate of occupancy is issued.

7.12. The parties shall obtain liability coverage for the activities to be conducted by the Joint Planning Board. The cost of such coverage shall be split equally by the City and the Town.

8. Conditions for Orderly Annexation.

The City and the Town mutually state and agree that properties in the OAA, or any portion thereof shall be annexed to the City by the MBA upon receipt of a resolution from the City requesting such annexation. The City may adopt such resolution only upon the occurrence of any one or more of the following, provided 30 days' notice of the City's intent to adopt such resolution has been sent to the Township:

- a. All of the property owners of a particular parcel submit a petition for annexation of that parcel or a portion thereof, or;
- b. The City has immediate ability to extend water and sewer services to the subject property and the property owner has a good faith intent to immediately plat the property for which annexation is sought. Platted lots existing at the time of the execution of this Agreement shall not be deemed to meet the "good faith intent to immediately plat the property" simply by virtue of the fact that they are platted at the time of execution of this Agreement.

9. Exclusivity. It is the intent of the parties that this Agreement sets forth the exclusive procedures under which property within the Town may be annexed from the Town to the City during the term of this Agreement. The City shall not annex any property from the Township except in conformity with the terms of this Agreement. The City shall not support an annexation proposed by a third party that is not consistent with the terms of this Orderly Annexation Agreement.

10. Review and Comment. The City and the Town mutually agree and state that this Joint Resolution and Agreement sets forth all the conditions for annexation of the areas designated and that no consideration by the MBA is necessary. At such time as the conditions for annexation of the areas or a portion thereof as described in this Agreement have been met, and upon receipt of a Resolution for Annexation from the City of St. Joseph, the MBA may review and comment, but shall, within 30 days, order the annexation in accordance with the terms of the Resolution.

11. Termination of Prior Agreements. Any prior agreements or joint resolutions existing between the parties pertaining to annexation of property from the Town to the City shall be considered terminated upon the effective date of this Joint Resolution.

12. Effective Date/Applicability. This Joint Resolution is effective on the date it is adopted by the City and the Town; whichever is the second to act on this resolution. Annexations occurring as provided in this Joint Resolution shall be effective upon the issuance of the order by the MBA. The provisions of this Joint Resolution shall be binding unless otherwise modified by a joint resolution of both the City and Town.

Adopted by affirmative vote of all the members of the St. Joseph Township Board of Supervisors this _____ day of _____ 2018.

ST. JOSEPH TOWNSHIP

ATTEST:

By: _____
Chairperson
Board of Supervisor

By: _____
Ann Reischl, Township Clerk

Adopted by affirmative vote of the City Council of St. Joseph this _____ day of
_____ 2018.

CITY OF ST. JOSEPH

By: _____
Rick Schulz, Mayor

ATTEST:

By: _____
Judy Weyrens, City Administrator

EXHIBIT A
IMMEDIATELY ANNEXED PROPERTY

EXHIBIT B
MAP OF IMMEDIATELY ANNEXED PROPERTY

EXHIBIT C
COMMERCIAL PIDS

EXHIBIT D
INDUSTRIAL PIDS

EXHIBIT D
OAA PROPERTY

EXHIBIT E
MAP OF OAA PROPERTY

ATTACHMENT 1

Land Use and Zoning Ordinance Provisions

1. Residential accessory buildings shall meet the road setbacks and in no case shall they be located closer to the road than the residential dwelling.

2. No residential accessory building shall be located on a lot prior to the location of a residential dwelling on the same lot.

3. Any manufactured home to be used as a residential dwelling unit and located within the Urban Expansion Zone shall be no less than 24 feet in width and shall bear the Seal of Compliance issued by the State of Minnesota. Residential dwelling units shall be no less than 24 feet in width.

4. The transfer of residential development rights within the Township is prohibited in the OAA.

5. The transfer of residential development rights from another Township into St. Joseph Township is prohibited in the OAA.

6. The transfer of residential development rights from St. Joseph Township into another Township is prohibited in the OAA.

7. The following uses (as such are defined in the Stearns County Land Use and Zoning Ordinance) shall require a conditional use permit in the OAA:

- a. Antennas – TV/Radio Receiving, Short Wave/Private Transmitting
- b. Essential Services, Transmission Services and Utility Substations
- c. Animal Feedlot expansions
- d. Bed and Breakfast Inns
- e. Government administrative and service buildings
- f. Home extended businesses
- g. Home occupations
- h. Outdoor recreational facilities
- i. Accessory agricultural buildings that are accessory to an Agricultural Operation
- j. Kennels – private
- k. Solar systems
- l. Contractor yards, provided they are setback a minimum 650 feet from the center of the road and meets the performance standards required by the Stearns County Land Use and Zoning Ordinance.
- m. Structures related to public airports

8. The following uses as such are defined in the Stearns County Land Use and Zoning Ordinance) which are permitted or provisional uses in the Urban Expansion District shall require an interim use permit in the OAA:

- a. Temporary uses/Special Events
- b. All uses under Section 9.15.7 of the Stearns County Land Use and Zoning Ordinance
- c. Any other uses determined by the Joint Planning Board to be similar in nature and impact to the conditional or interim uses enumerated herein and which are in harmony with the City of St. Joseph Comprehensive Plan.