

STATE OF MINNESOTA
OFFICE OF ADMINISTRATIVE HEARINGS

In the Matter of the Orderly Annexation
of Certain Real Property to the City of
Isanti from Isanti Township
{MBAU A-2457(OA)-32}

ORDER APPROVING ANNEXATION

This matter is pending before Chief Administrative Law Judge Tammy L. Pust.

Clark Joslin, Joslin & Moore Law Offices, P.A., appears on behalf of the Petitioner City of Isanti (City). Peter B. Tiede, Tiede Grabarski PLLC, appears on behalf of the Isanti Town Board (Township).

Based upon a review of the file and all proceedings herein, the Chief Administrative Law Judge makes the following:

FINDINGS OF FACT

1. In 1973, the City and the Township executed a Joint Resolution for Orderly Annexation (1973 OA Agreement).
2. On November 7, 2017, the City adopted Resolution No. 2017-270 whereby it sought to annex from the Township certain identified real property pursuant to the terms of the 1973 OA Agreement, as authorized by Minn. Stat. § 414.0325 (2016).
3. Resolution 2017-270 seeks annexation of approximately 93 acres of certain real property (Property) legally described as follows:

PID 05.029.0502: The south 175.00 feet of the north 350.00 feet of the east 340.00 feet of the Southwest Quarter of the Northeast Quarter of Section 29, Township 35 North, Range 23 West of the 5th Principal Meridian, Isanti County, Minnesota.

PID 05.029.0801: That part of the Southwest Quarter of the Northeast Quarter (SW 1/4 of NE 1/4) of Section Twenty-nine (29), Township Thirty-five (35), Range Twenty-three (23), described as follows:

Commencing at the southwest corner of said SW 1/4 of NE 1/4; thence along the south line thereof South 89 degrees, 59 minutes 25 seconds East, assumed basis of bearings, a distance of 216.67 feet to the point of beginning; thence North 01 degree 16 minutes 13 seconds West 560.00

feet; thence South 89 degrees 59 minutes 25 seconds East 262.00 feet; thence South 01 degree 16 minutes 13 seconds East 560.00 feet to the south line of said SW 1/4 of NE 1/4; thence along said south line North 89 degrees 59 minutes 25 seconds West 262.00 feet to the point of beginning.

Except that portion lying within the right of way of Heritage Boulevard NE.

PID 05.029.2300: The north 577.5 feet of the east 400 feet of the west 535 feet of the Northwest Quarter of the Southeast Quarter of Section 29, Township 35, Range 23, Isanti County, Minnesota.

Except that portion lying within the right of way of Heritage Boulevard NE.

PIDs 05.029.2400; 05.029.2500; 05.029.2700: The north 425 feet of the Southeast Quarter of the Northwest Quarter of Section 29, Township 35, Range 23, Isanti County, Minnesota, lying westerly of the west right of way line of Minnesota Trunk Highway 65 and lying east of the westerly 410 feet thereof.

AND

That part of the NE 1/4 of the NW 1/4 of Section 29, Township 35, Range 23, Isanti County, Minnesota, described as follows:

Commencing at the southwest corner of said NE 1/4 of the NW 1/4; thence on an assumed bearing of East along the south line of said NE 1/4 of the NW 1/4 a distance of 396.00 feet to the point of beginning; thence on a bearing of North a distance of 82.50 feet; thence on a bearing of East a distance of 99.00 feet; thence North 20 degrees 00 minutes 00 seconds East a distance of 528.00 feet; thence on a bearing of East a distance of 330.00 feet; thence South 20 degrees 00 minutes 00 seconds West a distance of 528.00 feet; thence on a bearing of South a distance of 82.50 feet to said south line; thence on a bearing of West a distance of 429.00 feet to said point of beginning.

PIDs 05.032.1000; 05.032.1700; 05.032.1200; 05.032.3100:

That part of the Northeast Quarter of the Northwest Quarter of Section 32, Township 35, Range 23, Isanti County, Minnesota, lying westerly of the west right of way line of Minnesota Trunk Highway 65 and lying southerly of the south right of way line of Palomino Road SE and lying northerly of the north right of way line of 283rd Avenue NE.

PIDs 05.031.3500; 05.031.3501; 05.031.3502; 05.031.3600; 05.031.4000; 05.031.3700; 05.031.3800; 05.031.3900: That part of the Southeast Quarter of the Northeast Quarter of Section 31, Township 35, Range 23, Isanti County, Minnesota, lying easterly of the Great Northern Railway.

Except that portion lying within the right of way of South Passage SE and within the right of way of Polk Street NE.

PID 05.031.3200: The north 570 feet of the Southwest Quarter of the Northeast Quarter of Section 31, Township 35, Range 23, Isanti County, Minnesota, lying easterly of the west 661.25 feet thereof and lying westerly of Whisper Ridge Second Addition, according to the recorded plat thereof, said Isanti County and lying northerly of Isanti Trails, according to the recorded plat thereof, said Isanti County.

PID 05.031.2600: The west 415 feet of the Southwest Quarter of the Northeast Quarter of Section 31, Township 35, Range 23, Isanti County, Minnesota, lying westerly of Isanti Trails, according to the recorded plat thereof, said Isanti County and lying northerly of South Park, according to the recorded plat thereof, said Isanti County, excepting therefrom the north 570 feet thereof.

PIDs 05.031.0600; 05.031.0800; 05.031.0900; 05.031.1000; 05.031.1100; 05.031.1200; 05.031.1300; 05.031.1400; 05.031.1500; 05.091.0040; 05.091.0050: That part of the North Half of the Southeast Quarter of Section 31, Township 35, Range 23, Isanti County, Minnesota, lying westerly of the Great Northern Railway and lying southerly of South Passage SE and excepting therefrom the westerly 510 feet thereof.

AND

Lots 4 and 5, Block 1, The Oaks of Isanti, according to the recorded plat thereof, Isanti County, Minnesota.

4. On November 14, 2017, the City filed Resolution No. 2017-270 with the Office of Administrative Hearings and requested either immediate annexation of the Property or a hearing in the matter.

5. Pursuant to an Order Regarding Prehearing Conference and Hearing issued on November 17, 2017, a hearing was scheduled for January 4, 2018.

6. On December 12, 2017, by adoption of a Joint Resolution, also titled City of Isanti, MN Resolution 2017-306 (Joint Resolution), the Township adopted an Amendment to the 1973 OA Agreement and, on December 19, 2017, the City adopted the same Joint Resolution effecting the same amendment.

7. The Joint Resolution includes the following provisions relevant to the issues of taxing rates and reimbursement:

- 5) That pursuant to paragraph 3 of the Joint Resolution for Orderly Annexation between the City of Isanti and Isanti Township, the City of Isanti agrees to reimburse to the property owners whose

property has been annexed into the City through this Joint Resolution, a portion of the difference between what the Isanti Township portion of property taxes would have been if calculated at the applicable Isanti Township rate and the City of Isanti portion of the property taxes based on the applicable City of Isanti property tax rates, subject to the following:

a. If a property has immediate access to both city sewer and city water, then the City will pay no difference as described above to the property owner(s).

b. If a property has immediate access to either city sewer or city water, then the City will reimburse half (50 percent) the difference as described above to the property owner(s).

i. Reimbursement shall be made to the property owner(s) per the following schedule:

1. In the first year following the year the City of Isanti could first levy on the annexed area, an amount equal to 100 percent of the designated reimbursement.

2. In the second year, an amount equal to 80 percent of the designated reimbursement.

3. In the third year, an amount equal to 60 percent of the designated reimbursement.

4. In the fourth year, an amount equal to 40 percent of the designated reimbursement.

5. In the fifth year (being the final year any reimbursement is due), an amount equal to 20 percent of the designated reimbursement.

c. If a property has no immediate access to either city sewer or city water, then the City will reimburse the full (100 percent) difference as described above to the property owner(s).

i. Reimbursement shall be made to the property owner(s) per the following schedule:

1. In the first year following the year the City of Isanti could first levy on the annexed area, an amount equal to 100 percent of the designated reimbursement.

2. In the second year, an amount equal to 80 percent of the designated reimbursement.
 3. In the third year, an amount equal to 60 percent of the designated reimbursement.
 4. In the fourth year, an amount equal to 40 percent of the designated reimbursement.
 5. In the fifth year (being the final year any reimbursement is due), an amount equal to 20 percent of the designated reimbursement.
- 6) Reimbursement to Isanti Township for lost taxes on annexed property, pursuant to Minnesota Statute § 414.036, per the following schedule:
- i. In the first year following the year the City of Isanti could first levy on the annexed area, an amount equal to 100 percent of the total reimbursement.
 - ii. In the second year, an amount equal to 100 percent of the total reimbursement for said year.
 - iii. In the third year, an amount equal to 100 percent of the total reimbursement for said year.
 - iv. In the fourth year, an amount equal to 100 percent of the total reimbursement for said year.
 - v. In the fifth year (being the final year any reimbursement is due), an amount equal to 100 percent of the total reimbursement for said year.

8. The Joint Resolution specifically provides that the annexation of the Property will become legally effective on January 1, 2019.

9. On December 20, 2017, the parties filed the Joint Resolution with the Office of Administrative Hearings and requested immediate annexation of the Property.

Based upon these Findings of Fact, together with a review of the submissions of the parties and all files and proceedings herein, the Chief Administrative Law Judge makes the following:

ORDER

1. Pursuant to Minn. Stat. § 414.0325 (2016), the Joint Resolution setting forth the terms of the parties' amendments to the 1973 OA Agreement is found to properly support this Order.

2. Pursuant to the terms of the Joint Resolution, the Property is **ANNEXED** to the City **effective on January 1, 2019**.

3. Pursuant to the agreement of the parties as memorialized in the Joint Resolution and as allowed by Minn. Stat. § 414.036 (2016), the City will reimburse the Township as stated in the Joint Resolution and set out in this Order.

Dated: January 9, 2018



TAMMY L. PUST
Chief Administrative Law Judge

NOTICE

This Order is the final administrative order in this case under Minn. Stat. §§ 414.0325, .07, .09, .12 (2016). Pursuant to Minn. Stat. § 414.07, subd. 2, any person aggrieved by this Order may appeal to Isanti 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 (2017). However, no request for amendment shall extend the time of appeal from this Order.