

BEFORE THE MUNICIPAL BOARD  
OF THE STATE OF MINNESOTA

Paul B. Double	Chair
Andrew D. Hultgren	Vice Chair
Charles DeVore	Vice Chair
Frank Skaff	Ex-Officio Member
Donald Lindquist	Ex-Officio Member

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IN THE MATTER OF THE PETITION FOR	)	<u>FINDINGS OF FACT</u>
THE ANNEXATION OF CERTAIN LAND	)	<u>CONCLUSIONS OF LAW</u>
TO THE CITY OF PINE CITY PURSUANT	)	<u>AND ORDER</u>
TO MINNESOTA STATUTES 414	)	<u>AND MEMORANDUM OPINION</u>

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The above-entitled matter came on for hearing before the Minnesota Municipal Board pursuant to Minnesota Statutes 414, as amended, on January 5, 1998, and was continued to January 28, 1998 at Pine City, Minnesota. The hearing was conducted by Andrew D. Hultgren, Vice Chair, pursuant to Minnesota Statutes 414.01, Subdivision 12. Also in attendance were Paul B. Double, Chair, and County Commissioner John Wright, then Ex-Officio Member of the Board. Not in attendance, but also an Ex-Officio Member of the Board, is Frank Skaff, Pine County Commissioner.

The petitioner Robert Jones appeared personally. The City of Pine City appeared by and through Kevin A. Hofstad, Attorney at Law; and the Town of Pokegama appeared by and through Donna Strusinski, Attorney at Law. Testimony was heard and records and exhibits were received.

Since the hearing, County Commissioner John Wright resigned from the Municipal Board and Commissioner Donald Lindquist was appointed to fill Mr. Wright's position. In addition, Charles DeVore was appointed to fill a vacancy on the Municipal Board.

After due and careful consideration of all evidence, together with all records, files and proceedings, the Minnesota Municipal Board hereby makes and files the following Findings of Fact, Conclusions of Law, and Order.

#### FINDINGS OF FACT

1. On August 15, 1997, a copy of a petition for annexation by all of the property owners was filed with the Minnesota Municipal Board. The petition contained all of the information required by statute, including a description of the territory subject to annexation, hereinafter referred to as "subject area," which is as follows:

All that part of the Southeast Quarter of the Northwest Quarter and the North Half of the Southwest Quarter lying east of the right-of-way of Interstate Highway No. 35, and all that part of the North Half of the Southeast Quarter lying westerly of the center line of County Highway No. 61, all in Section 21, Township 39, Range 21, Pine County, Minnesota.

LESS THE FOLLOWING TWO TRACTS:

TRACT 1: That part of the Northwest Quarter of the Southeast Quarter of Section 21, Township 39, Range 21, Pine County, Minnesota, described as follows: Commencing at the southwest corner of said Northwest Quarter of the Southeast Quarter, thence northerly, along the west line of said Northwest Quarter of the Southeast Quarter, a distance of 100.01 feet to the north line of the south 100 feet of said Northwest Quarter of the Southeast Quarter; thence easterly, along the north line of said south 100 feet, a distance of 30.46 feet to the point of beginning of the property to be described; thence northerly, deflecting to the left 82°36'44", a distance of 723.35 feet; thence easterly, deflecting to the right 89°44'43", a distance of 618.84 feet, more or less, to the center line of County Highway No. 61;

thence southerly, along the said center line, 645.21 feet, more or less, to the north line of the south 100 feet of said Northwest Quarter of the Southeast Quarter, thence westerly, along the north line of said south 100 feet, a distance of 628.21 feet, more or less, to the point of beginning.

TRACT 2: The North 26 feet of that part of the Northwest Quarter of the Southeast Quarter of Section 21, Township 39, Range 21, Pine County, Minnesota, which lies west of the center line of County Highway No. 61 and lies east of the west 332.70 feet thereof.

Subject to an easement to Northwestern Bell Telephone Company for underground cable recorded as Microfilm No. 331068 in the Office of the County Recorder of Pine County, Minnesota, and subject to an easement for electric transmission lines granted to Rural Cooperative Power Association by an instrument recorded in Book 11 of Miscellaneous, page 285, in the Office of the County Recorder of Pine County, Minnesota, and subject to a mineral reservation to the State of Minnesota for the Southeast Quarter of Northwest Quarter (SE1/4 of NW1/4) of Section 21, Township 39, Range 21, recorded in Book 114 of Deeds, page 285, in the office of the County Recorder of Pine County, Minnesota.

An objection to the proposed annexation was received by the Minnesota Municipal Board from Pokegama Township, hereinafter referred to as "Town," on November 10, 1997. The Municipal Board, upon receipt of this objection, conducted further proceedings in accordance with Minnesota Statutes 414.031 as required by Minnesota Statute 414.033, Subd. 5.

2. Due, timely and adequate legal notice of the hearing was published, served and filed.

3. The subject area is unincorporated, approximately 36.26 acres in size, and abuts the City of Pine City, hereinafter referred to as "City," by approximately 16 percent of its border. The City is approximately 1,984.12 acres in size; and the Town is approximately 35,200 acres in size.

4. The City had a population of approximately 2,489 in 1980, a population of approximately 2,613 in 1990, and has a current population of approximately 2,775.

The Town had a population of approximately 1,611 in 1980, a population of approximately 1,847 in 1990, and has a current population of approximately 2,127.

The subject area has no population at this time.

5. In 1990, Pine City had approximately 1,097 households. In 1996, the City had approximately 1,172 households. Pokegama had approximately 663 households in 1990, and approximately 785 households in 1996.

6. There are no waterways in or adjacent to the subject area. However, there are wetland areas on the south side of the subject area. The proposed development of the subject area is not expected to impact these areas. The subject area is not within a flood plain zone.

7. The subject area has been under cultivation for an extensive period of time. According to the owner, there is surface clay and mottled soils in the area which affect water runoff and soil absorption. The subject area also contains Greenwood-Loxley-Beseman Association; nearly level, very poorly drained peat and muck soils.

8. The City has approximately 54 percent of its land in residential use, approximately 14 percent in commercial use, approximately 19 percent in industrial use, and approximately 13 percent in agricultural use.

Based on tax capacity values, the Town has approximately 80 percent of its tax valuation from residential use, 0 percent of its land in institutional use, approximately 8 percent from commercial use, and approximately 12 percent from

agricultural use.

The subject area is presently undeveloped except for a commercial project which the petitioners have commenced during the pendency of this proceeding.

9. Additional development in the subject area is anticipated to be commercial and retail highway/business.

10. The City has approximately 17.57 miles of highways, streets, and roads.

The Town has approximately 60 miles of highways, streets, and roads.

The subject area has no roads, streets, or highways except that it is bordered on the west by Interstate 35 and on the east by Highway 61.

11. The City has had comprehensive plans since 1968 with the most recent version dating from 1992. The comprehensive plan is currently under revision. At the time of the hearing, the Town did not have a comprehensive plan but was working with the East Central Development Commission to develop one. The Township Planning Commission was expected to finalize the Town's comprehensive plan at a public hearing on the plan scheduled for January 29, 1998.

12. The City has a zoning ordinance, subdivision regulations, an official map, capital improvements and budget, shoreland ordinance, wetlands ordinance and has appointed the Pine County Soil and Water Conservation Service as its Local Government Unit for purposes of implementing wetland protection activities. The City also has adopted the Minnesota Uniform Fire Code, the Minnesota Uniform Building Code, a flood plain ordinance, and has a sewer ordinance.

The Town has, or will have within a reasonable time, a zoning ordinance,

subdivision regulations, an official map, fire code, shoreland ordinance via Pine County, flood plain ordinance, sanitation ordinance and a sewer ordinance.

13. The subject area is not currently zoned. Other than the county subdivision regulations of one unit per two and a half acres, there are no land use controls thereon. The Town's comprehensive plan indicates a proposed commercial and retail highway/ business use for the subject area.

14. If the subject area remains in the Town, it is anticipated that the subject area will be zoned commercial, or highway/freeway business.

15. No portion of the subject area is in Green Acres or in a rural service tax district.

16. The City presently provides its residents with water, sanitary sewer, waste-water treatment, storm sewer, solid waste collection and disposal, fire protection, police protection (by special contract with the Pine County Sheriff's Department), street improvements and maintenance, administrative services, and recreational facilities.

The Town presently provides limited sanitary sewer service to its residents around Pokegama Lake and the east side of Cross Lake, street improvements and street maintenance, and fire protection by contract with the City of Pine City. The Town receives police protection from Pine County.

The subject area currently is served with private wells and mound septic systems.

17. The Town has the ability to provide sewer and water to the subject area within the next two years.

18. The City has a 1997 assessed value of approximately \$1,494,159. The City's tax rate is 24.722, its tax rate for the county is 53.068, its tax rate for the school district is 52.600, and its tax rate for the special taxing district is .220. The City has a fire insurance rating of 5, and the City's total bonded indebtedness is \$1,804,145.

The Town had a 1997 assessed value of approximately \$1,261,207. The Town tax rate is 10.503, and its tax rate for the County is believed to be 53.068. The tax rate for School District #578 is 52.600, the tax rate for School District #314 is 59.194, and its tax rate for the special taxing district is .220. The Town has no bonded indebtedness.

The subject area had a 1997 assessed valuation of approximately \$13,000.00. The subject area paid approximately \$300.00 in taxes.

19. It is not anticipated that the annexation would have any impact on the area school districts or adjacent communities.

#### CONCLUSIONS OF LAW

1. The Minnesota Municipal Board duly acquired and now has jurisdiction of the within proceeding.

2. The subject area is not now or about to become urban or suburban in character, and the Township is capable of providing whatever services are needed in the subject area within a reasonable time.

3. Municipal government is not presently required to protect the public health, safety, and welfare of the subject area.

4. The existing township form of government is adequate to protect the

public health, safety, and welfare of the subject area.

5. An order should be issued by the Minnesota Municipal Board denying the request for annexation of the subject area.

ORDER

1. IT IS HEREBY ORDERED: That the request for the annexation of the property described in Findings of Fact 1 herein, be and the same hereby is denied.

2. IT IS FURTHER ORDERED: That the effective date of this order is July 10, 1998.

Dated this 10<sup>th</sup> day of July, 1998.

MINNESOTA MUNICIPAL BOARD  
Suite 225 Bandana Square  
1021 Bandana Boulevard East  
St. Paul, Minnesota 55108



Christine M. Scotillo  
Executive Director



## MEMORANDUM

The Municipal Board makes note that the population evidence presented at the hearing in this matter indicates the populations of the City of Pine City and the Town of Pokegama are not that far apart. It is conceivable that if the current growth patterns continue, the two jurisdictions have approximately equal populations in the not too distant future.

The Municipal Board also makes note that the two jurisdictions have in the past and are currently engaged in a number of joint ventures, some of which are designed to deliver municipal services to residents of the area.

Accordingly, the Municipal Board, together with the two Pine County Commissioners, strongly urge Pine City and Pokegama Township to investigate merging or consolidating into a single entity, or to work cooperatively together to avoid duplication of public investment in costly infrastructure which will be required ultimately to maintain a level of service to a growing population of the area.

CMP  
7/10/98