

BEFORE THE MUNICIPAL BOARD
OF THE STATE OF MINNESOTA

Lea De Souza Speeter Chair
Paul B. Double Vice Chair
Robert J. Ferderer Vice Chair

IN THE MATTER OF THE PETITION FOR THE) AMENDED
DETACHMENT OF CERTAIN LAND FROM THE) FINDINGS OF FACT
CITY OF MINNETRISTA AND ANNEXATION TO) CONCLUSIONS OF LAW
THE CITY OF ST. BONIFACIUS PURSUANT TO) AND ORDER
MINNESOTA STATUTES 414) AND MEMORANDUM OPINION

The above-entitled matter came on for hearing before the Minnesota Municipal Board pursuant to Minnesota Statutes 414, as amended, on September 16 - 18, 1996, in the City of Minnetrista, County of Hennepin, State of Minnesota. The hearing was conducted by Lea De Souza Speeter, Municipal Board Chair, pursuant to Minnesota Statutes 414.01, Subdivision 12. Also in attendance were Robert J. Ferderer and Paul B. Double, Vice Chairs. The petitioner, Country West, L.L.C., appeared by and through Diane Schmidt Koebele and Christopher M. Hood, Attorneys at Law. The City of St. Bonifacius appeared by and through R. Lawrence Harris, Attorney at Law. The City of Minnetrista appeared by and through Thomas J. Radio and Karen R. Cole, Attorneys at Law. There were no other appearances of record. Testimony was heard and records and exhibits were received.

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 December 13, 1995, certain property owners in the City of Minnetrista, (hereinafter referred to as "Minnetrista,") including Petitioner, Country West, L.L.C., (hereinafter referred to as "Petitioner,") executed a property owner Petition entitled "In the Matter of the Petition by All of the Property Owners for the Concurrent Detachment and Annexation of Certain Land Pursuant to Minnesota Statutes, Section 414.061, subd. 5".

2. On December 14, 1995, the City Council of the City of St. Bonifacius, (hereinafter referred to as "St. Bonifacius,") unanimously adopted a resolution, Resolution 1995-45, entitled "Resolution of the City of St. Bonifacius in Support of a Property Owner Petition Seeking Concurrent Detachment and Annexation of Certain Lands from the City of Minnetrista to the City of St. Bonifacius".

3. On August 1, 1996, the Petitioner filed the above-referenced property owner Petition, along with the above-referenced supporting Resolution of St. Bonifacius with the Minnesota Municipal Board for concurrent detachment of 363 acres from Minnetrista and annexation of the same to St. Bonifacius pursuant to Minnesota Statutes, Section 414.061, subd. 5. The petition contained all of the information required by statute, including a description of the area proposed for concurrent detachment and annexation, (hereinafter referred to as the "subject area,") as follows:

Stanley E. And Theda B. Maas Property - Parcel 1:

Property Description

That part of the West One Half (W ½) of the Southeast Quarter (SE 1/4) of Section 31, Township 117 North, Range 24 West of the 5th Principal Meridian, lying North of the Northwesterly line of the Dakota Rail, Inc., formerly known as Great Northern Railroad, right-of-way, Hennepin County, Minnesota.

EXCEPT: That part of the West Half of the Southeast Quarter of Section 31, Township 117, Range 24, Hennepin County, Minnesota, described as follows:

Commencing at the southwest corner of said West half of the southeast Quarter; thence on an assumed bearing of North 00 degrees 09 minutes 55 seconds East along the west line of said West Half of the southeast Quarter, a distance of 1313.52 feet to the point of beginning; thence South 61 degrees 06 minutes 46 seconds East, a distance of 887.29 feet to the intersection of a line distant 66.00 feet northwesterly of, as measured at right angles to and parallel with, the Northwesterly right of way line of DAKOTA RAIL INC.; thence South 49 degrees 07 minutes 22 seconds West along said parallel line, a distance of 459.85 feet to the northerly right of way line of TOWNS EDGE ROAD, according to the recorded plat thereof; thence southeasterly along said right of way line to the northwesterly right of way line of said DAKOTA RAIL INC.; thence southwesterly along said line to the west line of said West Half of the Southeast Quarter; thence North 00 degrees 09 minutes 55 seconds East along said line a distance of 1191.33 feet to the point of beginning.

Subject to a permanent easement for drainage and utility purposes, over, under and across that part of the above described parcel that lies northerly of the northerly right way line of said TOWNS EDGE ROAD and southeasterly of a line distant 100.00 feet northeasterly of, as measured at right angles to and parallel with the northwesterly right of way line of said DAKOTA RAIL, INC.

County West L.L.C. Parcel 1 and Parcel 2 (formally the Lemke Property):

Property Description

That part of Tract A, Registered Land Survey No. 1299 lying Northwesterly of the following described line; commencing at the most Northeasterly corner of said Tract A, Registered Land Survey No. 1299; thence North 75 degrees, 23 minutes 45 seconds West, a distance of

255.29 feet to the point hereinafter designated as Point "A"; thence North 80 degrees, 31 minutes West, a distance of 176.00 feet to a point; thence South 9 degrees, 29 minutes West, a distance of 135.50 feet to the actual point of beginning of the line to be described; thence Northeasterly to Point "A" and said line there terminating.

Trace B, Registered Land Survey No. 1299 and

That part of the Southerly 25.00 feet of Tract C, Registered Land Survey No. 1299 which lies Westerly of the Westerly line of Tract D in said Registered Land Survey and Easterly of a line described as follows: Commencing at the Southwest corner of said Tract C; thence on an assumed bearing of North 81 degrees, 40 minutes, 10 seconds East along the Southerly line of said Tract C, a distance of 725.18 feet to an angle point in the Southerly line of said Tract C, being the point of beginning of the line to be described thence North 6 degrees, 20 minutes, 00 seconds East, a distance of 25.00 feet and said line there terminating, the above described lands being situate in Hennepin County, Minnesota.

County West L.L.C. Parcel 1 and Parcel 2 (formally the Boll Property):

Property Description

Parcel 1:

The West One Half ($W \frac{1}{2}$) of the Northwest Quarter (NW $\frac{1}{4}$) of Section 31, Township 117, Range 24, Hennepin County, Minnesota, according to the Government Survey thereof;

And

That part of the Northeast Quarter (NE $\frac{1}{4}$) of the Northwest Quarter (NW $\frac{1}{4}$) of Section 31, Township 117, Range 24, Hennepin County, Minnesota, according to the Government Survey thereof: Commencing at a point on the north line of said Section 120 feet West of the northeast corner of the Northwest Quarter (NW $\frac{1}{4}$); thence South 875 feet; thence West 548 feet; thence North 875 feet to the north line of said section; thence East along the north line of said section to the point of beginning.

Parcel 2:

Tract C, Registered Land Survey No. 1299, except that part of the Southerly 25.00 feet thereof which lies Westerly of the Westerly line of

Tract D in said Registered Land Survey and Easterly of a line described as follows: Commencing at the Southwest corner of said Tract D; thence on an assumed bearing of North 81 degrees, 40 minutes, 10 second East along the Southerly line of Tract C, a distance of 725.18 feet to an angle point in the Southerly line of said Tract C being the point of beginning of the line to be described; thence North 6 degrees, 20 minutes, 00 seconds East, a distance of 25.00 feet and said line there terminating, files of the Registrar of Titles, Hennepin County, Minnesota.

Phillip J. Ditsch Property - Parcel 1:

Property Description

The West ½ of the East ½ of the Northwest 1/4, Section 31, Township 117, Range 24, except Minnesota Highway #7 right-of-way.

4. The Minnesota Municipal Board issued a Notice of Hearing, dated August 13, 1996, setting the date for hearing on this matter for September 16, 1996.

5. On August 23, 1996, Petitioner filed an Amendment to Petition with the Minnesota Municipal Board to clarify the legal property descriptions. The Amendment to Petition contained all of the information required by statute amending the legal description as follows:

Country West, LLC - Parcel 1, Parcel 2 and Parcel 3 (for ease of reference, formerly the Luedtke property):

Parcel 1:

That part of the East Half of the Southwest Quarter of Section 31, Township 117, Range 24, Hennepin County, Minnesota, that lies northwesterly of the northwesterly line of DAKOTA RAIL, INC. Excepting therefrom the following described parcel: That part of the East 820.00 feet of the East Half of the Southwest Quarter of Section 31, Township 117, Range 24, Hennepin County, Minnesota, that lies northerly of the northerly right of way line of Towns Edge Road, Plat 2 and south of a line described as follows:

Commencing at the Southeast corner of said East Half of the Southwest

Quarter; thence North along the east line of said East Half of the Southwest Quarter, a distance of 1393.60 feet to the point of beginning of the line to be described, thence West at right angles to said East line of the East Half of the Southwest Quarter, a distance of 820.00 feet to the West line of the East 820.00 feet of said East Half of the Southwest Quarter and said line there terminating.

Parcel 2:

That part of the East Half of the East Half of the Northwest Quarter of Section 31, Township 117, Range 24, Hennepin County, Minnesota, that lies South of the Southerly right of way line of Minnesota State Highway No. 7. Excepting therefrom the West 540.00 feet of the North 875.00 feet of said East Half of the East Half of the Northwest Quarter.

Parcel 3:

Tract A, Registered Land Survey No. 1299, Files of Registrar of Titles, County of Hennepin, except that part thereof, which lies Northwesterly of the following described line:

Commencing at the most Northeasterly corner of said Tract A, Registered Land Survey No. 1299; thence North 75 degrees 23 minutes 45 seconds West a distance of 255.29 feet to a point hereinafter designated as Point "A"; thence North 80 degrees 31 minutes West a distance of 176.00 feet to a point; thence South 09 degrees 29 minutes West a distance of 135.50 feet to the actual point of the beginning of the line to be described; thence Northeasterly to Point "A" and said line there terminating.

6. On August 29, 1996, the Minnesota Municipal Board issued an Amended Notice of Hearing to the parties containing the original description as set out in the Petition and the Amendment to Petition and more particularly describing the subject area as follows:

The West Half of the Southeast Quarter of Section 31, Township 117 North, Range 24 West, Hennepin County, Minnesota, that lies northwesterly of the northwesterly right-of-way line of the Dakota Rail, Inc.

Also, the West Half of Section 31, Township 117 North, Range 24 West, Hennepin County, Minnesota, that lies northwesterly of the northwesterly

right-of-way line of the Dakota Rail, Inc. excepting therefrom the following described parcel:

That part of the East 820 feet of the East Half of the Southwest Quarter of Section 31, Township 117 North, Range 24 West, Hennepin County, Minnesota, that lies northerly of the northerly right-of-way line of Towns Edge Road, Plat 2 and south of a line described as follows:

Commencing at the Southeast corner of said East Half of the Southwest Quarter; thence North along the East line of said East Half of the Southwest Quarter, a distance of 1393.60 feet to the point of beginning of the line to be described, thence West at right angles to the East line of the East Half of the Southwest Quarter, a distance of 820 feet to the West line of the East 820 feet of said East Half of the Southwest Quarter and said line there terminating.

Also excepting therefrom the following described parcel: Tract D, Registered Land Survey 1299, Hennepin County, Minnesota.

7. Due, timely and adequate legal notice of the hearing was published, served and filed.
8. The subject area is approximately 363 acres in size and is in the southwestern corner of Minnetrista abutting St. Bonifacius on the city's southwestern boundary. The perimeter of the subject area is approximately ~~22.5%~~ 22.2% bordered by St. Bonifacius and ~~77.5%~~ 43.5% bordered by Minnetrista; 23.2% bordered by Watertown Township, 11.1% bordered by Laketown Township, and bordered at a single point by Waconia Township. The subject area excludes two parcels that are not a part of the proposed detachment and annexation. Those Parcels are the Luedke property and a parcel owned by Minnetrista.
9. The Petitioner is a developer and wants to develop the land with 316 single family homes valued at approximately \$250,000 each, and an 18 hole public golf

course.

10. The total acreage of Minnetrista is 19,824 acres or approximately 31 square miles. The total acreage of St. Bonifacius is 650 acres or approximately one square mile. St. Bonifacius is entirely surrounded by Minnetrista. The subject area is more than half of St. Bonifacius' current size.

11. The subject area is bordered on its north by Trunk Highway (T.H.) 7, on its east by St. Bonifacius, and on its south and west by the Hennepin County line. Located less than a mile to the east of the subject area in Minnetrista are Mud Lake and Six-mile Creek and their surrounding wetlands. Located to the south in Carver County is Lake Waconia and located to the north in Minnetrista is an agricultural preserve. The subject area is characterized by wetlands and rolling hills.

12. In 1990, Minnetrista had a population of 3,439, and 1,195 households. Its current population is approximately 3,758. Minnetrista's population has grown from 2,878 in 1970 to 3,236 in 1980. Minnetrista's population is expected to grow to 4,500 in 2000; 5,450 in 2010; and 5,950 in 2020 respectively.

13. The subject area had a population of 16 in 1970, 12 in 1980, and a current population of 6. The projected population of the subject area in five years is 700.

14. In 1990 St. Bonifacius had a population of 1,180 and 398 households. Its current population is approximately 1,450. St. Bonifacius' population has grown from 685 in 1970 to 857 in 1980. St. Bonifacius' population is expected to exceed 1,400 in 2000; 1,550 in 2010; and 1,750 in 2020 respectively.

15. The subject area is gently rolling terrain. Drainage flows from the subject area either northwest to Trunk Highway 7 or east toward County Road 92. In either case, runoff flows toward Mud Lake, which lies less than a mile east of the subject property, and thence via Six Mile Creek to Halsted Bay of Lake Minnetonka.

16. The subject area includes wetlands, wooded areas and arable lands. The elevation of the arable land is gently rolling with elevations ranging from 970 to 1,005 mean sea level.

17. The subject area includes two major soil associations: a) marsh and peaty muck soils; and b) Lester soils. About 42% or 151 acres of the subject property is covered with soils in the marsh and peaty muck soil association. These soils have a seasonal water table within 0-24" of the surface. The balance of the property (58% or 209 acres) consists of soils in the Lester soil association. These soils are loams and clays with seasonal water tables 5-10 feet below the surface, and with percolation rates that vary from 20 to 100 minutes per inch.

18. Forty-two percent (42%) of the soils in the subject area have high seasonal water tables (within 24 inches of the surface). These soils have a moderate to high shrink-swell and frost-action potential, and generally provide a poor base for road and utility construction. High water tables in the subject area can be a major cause of clear water inflow and infiltration (I/I) to sanitary sewer systems. High rate of I/I increases the demand on sewage treatment capacity and may increase the cost of sewage treatment.

19. Pipe-bedding required in the Lester-Hayden soils can wick groundwater

away from the wetland areas and immerse the length of sanitary pipe in groundwater, further contributing to I/I. Additional costs will be incurred to reduce the likelihood of wicking and I/I.

20. High seasonal water tables in the subject area will require subsurface and perimeter drainage systems around basements. Attention to sump pump drainage and surface water runoff management, particularly during the winter months will add to development costs.

21. Minnetrista consists predominantly of rural residential and agricultural land uses. Minnetrista has residential land uses of 4,329.56 acres, agricultural land uses of 8,173.92 acres, institutional land uses of 531.81 acres; commercial land uses of 58.4 acres, industrial land uses of 19.0 acres and vacant land totaling 2,450.63 acres.

22. The subject area has 246 acres of rolling agricultural land, 29.3 acres are wooded land and 76.8 acres are wetland. There are three building sites in the subject area: a 3.7 acre farmstead on the north end of the Boll property, a 3.4 acre farmstead on the south end of the Maas property, and a 0.9 acre homestead on the east end of the Lemke property.

23. St. Bonifacius has residential land uses consisting of 215.6 acres, institutional land uses of 2.0 acres, commercial land uses of 19.2 acres, industrial land uses of 28.97 acres, and vacant land of 382 acres.

24. The main roads and highways serving St. Bonifacius and Minnetrista are T.H. 7 and County Road (C.R.) 92. T.H. 7 connects St. Bonifacius and Minnetrista to

the Metropolitan area. The intersection of T.H. 7 and C.R. 92 is located in St.

Bonifacius.

25. Minnetrista has approximately 73 miles of highways, streets and roads. The subject area has approximately ½ mile of streets and roads. St. Bonifacius has approximately 10 miles of highways, streets and roads.

26. Minnetrista and St. Bonifacius participated in the Trunk Highway 7 Corridor Study Committee, along with representatives of several communities, counties, Minnesota Department of Transportation and the Metropolitan Council. The study concluded, among other things, that as a result of land development, traffic volumes are growing with daily volumes increasing at a 2.6% rate per year and reaching almost 16,000 vehicle per day.

The high volume of traffic combined with numerous turning movements at the access points create operational and safety problems.

27. The projected population of 700 from the proposed development plus business traffic of the golf course will add to the increasing volume of traffic on T. H. 7.

28. The current level of service for portions of Trunk Highway 7 is level D. Level F is the worst level of service and involves traffic greater than the theoretical capacity of the roadway.

29. The final recommendations of the Trunk Highway 7 Corridor Study urged MnDOT and local units of government to consider implementing access restrictions to protect the corridor as much as possible.

30. The Petitioner's development plan provides for an access point from the

subject area onto Trunk Highway 7 which is one-quarter mile from the next nearest access point and is less than the recommended design for spacing access points.

Recommended access point spacing along Trunk Highway 7 in urban areas is one-half mile spacing and one mile spacing in rural areas, is one mile. The Trunk Highway 7 Corridor Study emphasized that access management should focus on limiting access to Trunk Highway 7 to one-half mile intervals in rural (and developing) areas between the urbanized areas.

31. Trunk Highway 7 has a functional classification as a principal arterial highway. Minnesota Department of Transportation and the Metropolitan Council transportation planning policies recommend against intersecting a principal arterial highway by a local street as proposed by the Petitioner's development plan.

32. The Trunk Highway 7 Corridor Study Committee concluded that Highway 7 should be reconstructed as a four lane divided expressway with little or no private access and limited public access. However, severe funding limitations makes this solution unlikely, particularly since regional metropolitan council policies discourage the addition of highway capacity which would support new suburban and exurban development.

33. Minnetrista has a full range of land use controls, including a comprehensive plan, subdivision and zoning ordinance, wetland conservation ordinance, shoreland ordinance, flood plain ordinance and municipal water ordinance. St. Bonifacius has a comprehensive plan, zoning ordinance, subdivision regulations and wetland conservation ordinances.

34. Minnetrista first adopted its Comprehensive Plan in 1972. The Plan was updated in 1982 and updated again in 1993. St. Bonifacius first adopted a comprehensive plan in 1980/1981. It did not update that plan until 1996, after adoption of the resolution in support of the developer's detachment/annexation petition.

35. On November 14, 1996, ~~the Metropolitan Council did not approve in approving the St. Bonifacius Comprehensive Plan revisions, the Metropolitan Council informed the city that it would not review that portion of the plan which pertained to land outside St. Bonifacius' corporate limits including the subject area. for areas outside the jurisdiction of St. Bonifacius, including the subject area.~~

36. The subject area is currently zoned for one unit per ten acre development. The Minnetrista Comprehensive Plan guides the subject area for agricultural preserve use.

37. The Minnetrista Comprehensive Plan reflects regional policies for the area set by the Metropolitan Council. Over the years, the Minnetrista City Council has modified its Comprehensive Plan and other land use controls to comply with regional policies and directives set by the Metropolitan Council.

38. The proposed development for the subject area will require the extension of municipal services. The subject area is not within the Metropolitan Urban Service Area (MUSA) set by the Metropolitan Council. Any extension of the MUSA line will require the approval of the Metropolitan Council. The Metropolitan Council has been reluctant to grant MUSA line expansion requests particularly when made by communities such as St. Bonifacius which has a ten-year supply of developable land.

39. In the next two years, local governments in the metropolitan area will be required to update their comprehensive plans to reflect revised regional policies adopted by the Metropolitan Council. Comprehensive plans will be expected to show local jurisdictions' proposals for the timing and staging of future urbanization and protection of long-term rural service areas.

40. St. Bonifacius' sewer service is part of the regional sewer system. Its planned development must therefore be staged in accordance with Metropolitan Council guidelines.

41. The revised Regional Blueprint of the Metropolitan Council, adopted December 19, 1996, designates the subject area as "urban reserve" the majority of which lies within the urban reserve boundary line.

42. The urban reserve boundary line divides the region into two parts: (1) those areas that will eventually urbanize with a forty year supply of land and (2) those areas which will remain rural for a long term, at least 2040.

43. The Metropolitan Council will assist communities in establishing development density benchmarks to insure that land designated as urban reserve will last at least for the forty year forecast, or until 2040.

44. The proposed development of the subject area is inconsistent with existing local and regional land use controls: and is premature given the fact that the Metropolitan Council has recently redeveloped the planning focus for the entire metropolitan area which includes the subject area.

45. Minnetrista presently either provides directly or through service contracts,

municipal services to the subject area. Minnetrista has a city administrator, a city planner, a zoning administrator, a planning intern and two clerical staff members. The city also has a six-person public works department.

46. St. Bonifacius provides municipal services directly or through service contract within its corporate limits. St. Bonifacius has a full-time city clerk, a part-time assistant clerk and a part-time public works staff.

47. Both cities provide storm sewer, solid waste collection and disposal, street improvements and maintenance, administrative services and recreational facilities.

48. St. Bonifacius and Minnetrista both receive wastewater treatment services from the Blue Lake Wastewater Treatment Facility located in the City of Shakopee. The Blue Lake Wastewater Treatment Facility is part of the Metropolitan Sewage Disposal System which is operated and maintained by the Metropolitan Council Environmental Services (MCES).

49. The Blue Lake Wastewater Treatment Facility has adequate capacity to serve the subject area and other anticipated growth in Minnetrista and St. Bonifacius.

50. Minnetrista currently provides fire service to the subject area by contract with St. Bonifacius.

51. St. Bonifacius operates a fully equipped 20 member volunteer fire department serving the communities of Laketown Township, Watertown Township and a large portion of Minnetrista by contract. The fire insurance rating is 6.

52. Minnetrista has a municipal water system on its eastern border and

contracts with the City of Mound for additional water services. Minnetrista's remaining water needs are supplied by individual homeowner and municipal wells.

53. The subject area is currently served by individual homeowner wells.

54. St. Bonifacius has a municipal water system within its corporate limits.

55. Minnetrista has a sanitary sewer system on its eastern border and a small area to the east of St. Bonifacius along T.H. 7. Sewer service is supplied for the remaining areas of Minnetrista by individual on-site septic systems, including the subject area.

56. St. Bonifacius provides municipal sanitary sewer system within its corporate limits.

57. Minnetrista and St. Bonifacius provide police service and other public safety services to their residents through a joint powers agreement whereby the communities jointly own and operate the Minnetrista and St. Bonifacius Public Safety Department. The Joint Public Safety Department has 8 full-time officers and currently serves a total population of 5,300.

58. The subject area contains many wetland areas. The Petitioner's proposed residential development of 316 single family homes and an 18 hole public golf course creates the potential for wetland degradation through increased run-off and pollution.

59. The net tax capacity of Minnetrista is \$5,737,624. The net tax capacity of the subject area is \$18,223. The net tax capacity of St. Bonifacius is \$767,965.

60. Minnetrista's current local government levy is \$1,204,560 and St.

Bonifacius' is \$269,363.

61. Minnetrista's total bonded indebtedness is \$4,267,000. St. Bonifacius' is \$269,200.

62. Minnetrista's tax rate is 21.116, its county tax rate is 37.270, its school district tax rate is 75.589 and its tax rate for the special taxing district is 4.721.

63. St. Bonifacius' tax rate is 34.373, its county tax rate is 37.270, its school district tax rate is 75.589 and its tax rate for the special taxing district is 4.765.

64. Expenditures by Minnetrista have increased at an average rate of 5.3% over the last five years, which is a reasonable rate for a city that is experiencing some growth. Minnetrista's pattern of spending however has remained relatively stable over the last five years.

65. Minnetrista's property tax rate has remained relatively constant over the last five years, going from about 18% in 1992 to about 21% in 1996. Minnetrista has been able to fund increased expenditures without a significant increase in property taxes.

66. The unreserved general fund balance is one measure of a community's ability to absorb new growth. A benchmark level used by bond rating services is a 20-25% general fund balance as a ratio of annual general fund expenditures. Minnetrista has consistently exceeded that level in the last five years and its general fund balance is currently slightly under 40%.

67. St. Bonifacius' general fund balance is approximately 11%.

68. Municipal services such as police, fire, street maintenance, and parks not

funded by connection fees or special charges are typically paid for by property tax revenues in the cities of Minnetrista and St. Bonifacius.

69. Because there is an inherent lag between taxation and the collection of funds from property taxes, St. Bonifacius' reliance on property taxes to fund increased level of municipal services which will result from the new development is short sighted given its low general fund balance.

70. A city's bond rating is a measure of its financial condition. Minnetrista's "A" bond rating from Moody's Investor's Services was upgraded in 1994. Only 43 communities in the State have a bond rating higher than Minnetrista and none of those cities are smaller than Minnetrista.

71. St. Bonifacius does not have a bond rating.

72. St. Bonifacius' expenditures show relatively low expenditures for streets and highways. The proposed development will increase obligations for significant street maintenance given the projected population growth and traffic volume.

73. A \$250,000 home in the subject area would be subject to a 34% tax rate in St. Bonifacius or \$1,471 annually, as opposed to a 21% property tax rate in Minnetrista, or approximately \$904 annually.

74. Petitioner's development plan calls for 63 homes each year over a period of five years with an average of ~~3.8~~ 2.8 persons per household.

75. An analysis factor of .46 students per household would generate 29 new students a year for a total of 145 new students in five years for Independent School District No. 110. An analysis factor of .8 students per household would equal 50

additional students a year for a total of 253 students for five years. An analysis factor of 1.8 students per household would equal 113 students a year for a total of 565 additional students for five years for Independent School District No. 110.

76. If the proposed development were fully realized, the impact on Independent School District No. 110 could be significant, given that Independent School District No. 110 high school currently has capacity for an additional 200 students. No information regarding capacity of elementary or middle schools was presented.

77. Independent School District No. 110 had only 68 new students over the last six years.

78. New levies for the school district necessitated by an influx of new students from the subject area would be paid by all the property taxpayers in Independent School District No. 110, including taxpayers in Minnetrista.

79. Water service will be available to the subject area, either through the City of Minnetrista or through private wells. Minnetrista currently operates two community water systems. Minnetrista could provide water service to the subject area by extending a trunk watermain approximately three miles along Trunk Highway 7 from King's Point Road. There is ample reserve capacity in the Minnetrista water system that would be available to serve the subject area. In the alternative, Minnetrista could develop a third community water system in the area of the subject property.

80. Depending on the density of development in the subject area, ^WWastewater

services could be provided by Minnetrista or by on-site wastewater treatment systems. Minnetrista currently operates a municipal wastewater collection system which serves 650 individual users plus three school properties. The Metropolitan Council Environmental Services (MCES) Division provides treatment via trunk interceptors which transport the wastewater to the Blue Lake Wastewater Treatment Plant. Minnetrista could provide service to the subject area via the MCES interceptor located on County Road 92. The interceptor is within one-half mile of the subject property. There is sufficient capacity in the interceptor and at the Blue Lake Wastewater Treatment Plan to serve the subject area. ~~Wastewater could also be processed through on-site systems.~~

81. Minnetrista currently provides or arranges for the provision of all other services to the subject area, and could continue to do so economically.

82. A comparison of the interconnection costs of providing municipal water and sewer services shows that Minnetrista and St. Bonifacius could provide services to the subject area for a golf course and residential development for approximately the same cost: per acre based on a density of two units per acre.

83. The Petitioner has not proven that the proposed development is in the best interest of the subject area at this time given the existing soil conditions, transportation issues, and revised regional planning policies.

84. Minnetrista can provide municipal services for development in the subject area.

~~83-~~ 85. The Metropolitan Council has indicated that adjoining local communities should plan their future cooperatively so that the result serves both local and regional interests. This is particularly true in the case of St. Bonifacius and Minnetrista where one jurisdiction (Minnetrista) completely surrounds the other (St. Bonifacius). The Metropolitan Council has indicated that it is imperative that these communities cooperate and jointly plan the entire community which they share. St. Bonifacius' attempt to annex part of Minnetrista's jurisdiction is counterproductive to these efforts and disregards the policies of the Metropolitan Council that govern these communities.

CONCLUSIONS OF LAW

1. The Minnesota Municipal Board duly acquired and now has jurisdiction of the within proceeding.
2. The City of St. Bonifacius does not have the authority to provide the subject area with the necessary governmental services.
3. Notwithstanding the proximity of the subject area to St. Bonifacius and existing MUSA line service, there is no guarantee that the Metropolitan Council will grant an expansion of the regional system to serve the proposed development.
4. Minnetrista is in the best position to continue to plan for and guide the growth of the subject area to protect the public health, safety and welfare.
5. It is in the best interests of Minnetrista, St. Bonifacius and the petitioning property owner to adhere to local and regional planning policies.
6. The proposed development will have a negative impact on existing transportation systems in the area.

7. The proposed development jeopardizes the fiscal resources of both the Petitioner and St. Bonifacius given the impact of environmental issues on development costs and the reliance on property tax revenue to fund a development half the size of the city itself.

8. The proposed concurrent detachment and annexation is not in the best interests of the property owner, St. Bonifacius or Minnetrista.

9. The Minnesota Municipal Board should issue an order denying the petition for concurrent detachment and annexation.

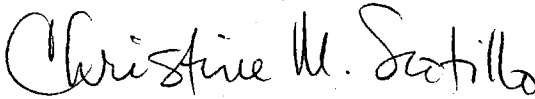
ORDER

1. IT IS HEREBY ORDERED: That the petition for concurrent detachment and annexation be and the same hereby is denied.

2. IT IS FURTHER ORDERED: That the effective date of this order is April 23, 1997.


Dated this 25th day of April, 1997.

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


Christine M. Scotillo
Executive Director

Amended Order dated this 20th day of May, 1997.

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


Christine M. Scotillo
Executive Director

MEMORANDUM

The Municipal Board encourages the parties to this proceeding to continue their efforts towards settlement thus avoiding further costs. In particular, the petitioner is urged to pursue further discussions with the City of Minnetrista regarding its proposed development.

The Cities of Minnetrista and St. Bonifacius should also continue their efforts to explore avenues of continued cooperation regarding issues of mutual concern for their entire community. To facilitate those discussions for cooperative long range land use planning, the Municipal Board by separate action pursuant to Minnesota Statutes Section 414.041 has initiated consolidation proceedings between the cities of Minnetrista and St. Bonifacius. *cms*

Commissioner Speeter dissenting:

While I agree with the sentiments expressed in the Memorandum, it is my position that the Petitioner has met its statutory burden of proof as set out in Minnesota Statute Section 414.061 and the petition should have been granted. *WSS*