

STATE OF MINNESOTA  
OFFICE OF ADMINISTRATIVE HEARINGS  
FOR THE OFFICE OF STRATEGIC AND LONG RANGE PLANNING

In the Matter of the Petition of Brian and  
JoAnn Sprino for the Detachment of  
Certain Land from the City of Cambridge  
pursuant to Minn. Stat. Chapter 414

**FINDINGS OF FACT,  
CONCLUSIONS OF LAW  
AND ORDER**

The above-entitled matter came on for hearing before Administrative Law Judge George A. Beck at 9:30 a.m. on Monday, August 19, 2002 at the Isanti County Courthouse in the City of Cambridge, Minnesota. The hearing was concluded on that date. The parties filed initial written memoranda on September 11, 2002. Each party filed a reply memorandum on September 20, 2002 when the record closed.

Todd D. Donegan, Esq., of the firm of Parker, Satrom, O'Neil and Benjamin, P.A., 123 South Ashland, Cambridge, MN 55008-1593, appeared representing the Petitioners, Brian and JoAnn Sprino. Charles L. LeFevere, Esq., of the firm of Kennedy and Graven, Chtd., 470 Pillsbury Center, 200 South 6<sup>th</sup> Street, Minneapolis, MN 55402, represented the City of Cambridge.

**NOTICE**

This Order is the final administrative decision in this matter under Minn. Stat. § 414.12 and the delegation to the Office of Administrative Hearings by the Director of the Office of Strategic and Long Range Planning. Any person aggrieved by this Order may appeal to the Isanti County District Court by filing an application for review with the Court Administrator within 30 days of the date of this Order. An appeal does not stay the effect of this Order.<sup>1</sup>

Any party may submit a written request for an amendment of these Findings of Fact, Conclusions of Law and Order within seven (7) days from the date of the mailing of the Order.<sup>2</sup> However, no request for amendment shall extend the time of appeal from these Findings of Fact, Conclusions of Law and Order.

**STATEMENT OF ISSUE**

The issue in this proceeding is whether or not the Petitioners' request for detachment of land from the City of Cambridge should be granted or denied based upon the factors set out in statute.

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<sup>1</sup> Minn. Stat. § 414.07, subd. 2.

<sup>2</sup> Minn. R. pt. 6000.3100.

This decision grants the Petition and orders detachment of the land.

Based upon all of the testimony, exhibits and the record in this proceeding, the Administrative Law Judge makes the following:

### FINDINGS OF FACT

#### Procedural History

1. On July 2, 2001, the Petitioners filed a Petition for the detachment of their property from the City of Cambridge.<sup>3</sup> The property is approximately 20 acres and is described as follows:

That part of the Northwest Quarter of the Northeast Quarter of Section 6, Township 35, Range 23, Isanti County, Minnesota, described as follows to-wit: Commencing at the Southwest corner of said Northwest Quarter of Northeast Quarter thence North along the West line of said Northwest Quarter of Northeast Quarter a distance of 660 feet; thence East and parallel to the South line of said Northwest Quarter of Northeast Quarter a distance of 1,320 feet, more or less, to the East line of said Northwest Quarter of Northeast Quarter; thence South along said East line a distance of 660 feet, more or less, to the Southeast corner of said Northwest Quarter of Northeast Quarter thence West along the South line of said Northwest Quarter of Northeast Quarter a distance of 1,320 feet, more or less, to the point of beginning and there to terminate.

Should the Petition be granted the property would become a part of Isanti Township. The township does not oppose the Brian and JoAnn Sprino property becoming a part of Isanti township.<sup>4</sup>

2. The City of Cambridge opposed the Petition and the Office of Strategic and Long Range Planning (OSLRP) issued a Notice of Hearing in this matter on August 7, 2001, which set the hearing date for August 29, 2001, in Cambridge.

3. On August 17, 2001, the Director of OSLRP required the petitioners and the City to meet at least three times over the next 60 days to attempt settlement of this matter.

4. A notice of the hearing in this matter was published in the Isanti County News on August 15, 2001 and August 22, 2001.

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<sup>3</sup> Ex. 6.

<sup>4</sup> Ex. 1.

5. The August 29, 2001 hearing was opened and closed by OSLRP without evidence being taken.

6. On November 21, 2001, the parties advised OSLRP that they had had more than three discussions but were unable to find a mutually agreeable resolution.

7. On November 27, 2001, the Director of OSLRP directed the parties to engage in mediation. And on January 8, 2002 the agency referred the matter to the Office of Dispute Resolution. That office appointed a mediator. However, by letter dated April 19, 2002 the mediator reported that the parties remained at an impasse.

8. By a letter dated May 16, 2002 the Director of OSLRP referred this case to the Office of Administrative Hearings for appointment of an Administrative Law Judge. The matter was set for a hearing on August 9, 2002. At the request of the parties the hearing was reset for August 19, 2002 in Cambridge.

9. By an Order dated July 26, 2002, the Chief Administrative Law Judge determined that the cost of the hearing process will be borne in equal shares by the Petitioner and by the City of Cambridge.

10. Each party has consented to an extension of the deadline for a hearing and decision in this case with the understanding that a final decision would be issued by October 15, 2002.

#### Petitioner's Property

11. The Sprinos' 20 acre parcel of land is rectangular in shape and is located southwest of the Cambridge business district.<sup>5</sup> It is bounded on the east by County Road 70, a north-south paved road that is maintained by Isanti County.<sup>6</sup> The property is bounded on the north, the east and the south by Isanti Township. To the west of the property is land within the City of Cambridge that contains the municipal airport.<sup>7</sup> Approximately the western half of the Sprinos' property is wetlands and is unbuildable.

12. The Sprinos' property address is 32346 Jackson Road N.E., Cambridge, MN 55008. They reside in a single family dwelling with a detached garage located on the subject property.<sup>8</sup> The property is wooded. Due to the location of the dwelling, it

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<sup>5</sup> Ex. 11; Ex. B; see property marked with an "x" on Attachment A to this Order.

<sup>6</sup> Ex. 2b, 2c.

<sup>7</sup> Ex. 11.

<sup>8</sup> Ex. 2e.

would be difficult to add more than a few buildable lots on the property. The Sprinos' present intention is to reside on the property for perhaps 20 years and not to subdivide the property.

13. The Sprinos' property tax payable in 1999 totaled \$580.00 of which the City's portion was \$229.16. The property was classified as farm non-homestead with an estimated market value of \$27,000. The property tax payable in 2000 was \$862.00 of which the City portion was \$392.06.<sup>9</sup> The property was then classified as residential homestead with an estimated market value of \$54,500. The property tax payable in 2001 jumped to \$12,176.00 with the City portion being \$4,913.11.<sup>10</sup> The estimated market value was set at \$443,600 based on new improvements of \$399,100. In 2002 the property tax due was \$8,978.00 of which \$4,544.72 will go to the City.<sup>11</sup> The taxes payable in 2002 were based upon a estimated market value of \$450,200.

14. The parcel of land immediately to the south of the Sprinos' property is owned by JoAnn Sprino's brother, Robert L. Guetschoff. This property has a single family home and is located in Isanti Township.<sup>12</sup> Mr. Guetschoff's property tax payable in 2001 was \$6,122.00 of which \$1,014.63 went to the township. In 2002, the total property tax was \$4,428.00 with \$1,011.40 going to Isanti Township.<sup>13</sup> The 2002 taxes were based upon an estimated market value of \$432,000. The property is classified as farm homestead.

15. The Sprinos purchased their property in 1997 from JoAnn's father, Richard Geutschoff. Richard Geutschoff had submitted a petition for annexation of the property to the city in 1995. In his petition he alleged that the property was about to become urban or suburban in character and that it would be in the best interests of the petitioner and the City of Cambridge that it be annexed.<sup>14</sup> The City annexed the property by ordinance on September 18, 1995.<sup>15</sup>

16. The Sprinos do not have the benefit of municipal sewer or water services. Nor do they have city sidewalks, city streetlights or city streets on or near their property. City police and fire services are available to the Sprinos. Mr. Sprino had one occasion to use city police services when a dog wouldn't leave his property. When he called the police he was initially told that the was not located in the city. The police had difficulty finding his property and it took them about 40 minutes to arrive.

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<sup>9</sup> Ex. 3a.

<sup>10</sup> Ex. 3b.

<sup>11</sup> Ex. 3c.

<sup>12</sup> Ex. 4b.

<sup>13</sup> Ex. 4a.

<sup>14</sup> Ex. E.

<sup>15</sup> Ex. F.

17. Mr. Sprino is an independent insurance agent who maintains his office in the business district in the City of Cambridge. His business pays taxes to the City. Mr. Sprino uses city streets to travel to work. He and his family shop within the City, use the city parks and the regional library which is partially funded by the City of Cambridge. The Sprinos' children attend the Cambridge Elementary School located within the city.

18. Prior to moving to the property in question the Sprinos lived in the Rum River Oaks development, approximately one-half mile south of their present property and just west of County Rd. 70.<sup>16</sup> This subdivision is located within the City of Cambridge but has no municipal sewer or water. The Rum River Oaks subdivision has approximately 20 lots, has city street lights, and is somewhat farther from downtown than the petitioner's property. The Chief of Police and the Director of Public Works for the City reside in this subdivision.

### City Planning

19. The population of the City of Cambridge is approximately 6100. Its annual property tax revenue is 2.1 million dollars. Its total bonded indebtedness after the 2002 payments is approximately \$4,855,900.<sup>17</sup>

20. The comprehensive plan of the City of Cambridge was adopted by the City Council on April 16, 2001. The Sprino property is located within the West Rum River Sanitary Sewer district and is classified as a rural planning area (as opposed to a planned growth area) by the comprehensive plan.<sup>18</sup> The plan acknowledges that it is not practical or feasible to provide water or sewer services to the district within the next 20 years. The comprehensive plan indicates that the ability of the City to provide sewer and water services is a key factor in determining the growth directions for the City.<sup>19</sup>

21. Since the adoption of the comprehensive plan the City has had new residential development just east of the City. Additionally, residential developments have been added north of the Rum River Oaks subdivision and east of County Road 70. Recently, a developer has proposed a development of 170 lots adjacent to State Highway 95 on township land to the north of the Sprino property. The developer has stated his intention to petition the city for sewer and water.<sup>20</sup>

22. There are several parcels of land in the township to the south and west of the city that are fully or substantially developed and that are within the proposed USA 1

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<sup>16</sup> See Attachment A.

<sup>17</sup> Ex. G.

<sup>18</sup> See Attachment A.

<sup>19</sup> Ex. 5, Ex. D.

<sup>20</sup> Ex. A; Ex. B.

boundary. Property within the USA 1 boundary is area in which Isanti County has agreed to turn over jurisdiction to the city at some point.<sup>21</sup>

23. The Sprino's property is presently zoned as SSP, or Shoreland Special Protection District.<sup>22</sup> The minimum lot size allowed is 2 acres.

24. The detachment of the petitioner's property from the city would not result in any savings to the City of Cambridge. If all of the property within the City of Cambridge that does not have sewer and water service was detached, it would result in a loss of approximately \$74,000 in property tax revenue to the City.

25. In 1993 the City of Cambridge annexed a parcel of land south of the business district near Paul's Lake consisting of approximately 11 acres and 12 homes.<sup>23</sup> The annexation was based upon an estimate to the homeowners that the cost for water and sewer services would be approximately \$8,000 per lot. It was later determined that the actual cost would be \$14,000 to \$16,000 per lot. The homeowners then petitioned in 1996 to be detached from the City and the City of Cambridge did not oppose the petition.<sup>24</sup> The Minnesota Municipal Board then ordered detachment effective May 2, 1997 and made a finding that the area proposed for detachment was rural in character.<sup>25</sup> The Paul's Lake property is more developed than that of the Petitioner in this case.

Based upon the foregoing Findings of Fact, the Administrative Law Judge makes the following:

### CONCLUSIONS OF LAW

1. That the ALJ has jurisdiction in this matter under Minn. Stat. § § 414.06 and 414.12 and the delegation of the Director of the Office of Strategic and Long Range Planning to the Office of Administrative Hearings.
2. That proper notice of the hearing in this matter has been given.
3. That the petitioners have the burden of proof to show by a preponderance of the evidence that their property should be detached from the City of Cambridge.
4. Minn. Stat. § 414.06, subd. 3 provides, in part, as follows:

Upon completion of the hearing the board may order the detachment if it finds that the requisite number of property owners

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<sup>21</sup> Ex. B.

<sup>22</sup> Ex. C.

<sup>23</sup> Ex. 7, Ex. 8.

<sup>24</sup> Ex. 9.

<sup>25</sup> Ex. 10.

have signed the petition if initiated by the property owners, that the property is rural in character and not developed for urban residential, commercial or industrial purposes, that the property is within the boundaries of the municipality and abuts a boundary, that the detachment would not unreasonably affect the symmetry of the detaching municipality, and that the land is not needed for reasonably anticipated future development. The board may deny the detachment if it finds that the remainder of the municipality cannot continue to carry on the functions of government without undue hardship.

5. That the Petitioners have shown by a preponderance of the evidence that their property is rural in character and not developed for urban residential, commercial or industrial purposes.

6. That the property owned by the Petitioners is within the boundaries of the City of Cambridge and abuts a boundary.

7. That the detachment of the Petitioners property would not unreasonably affect the symmetry of the detaching municipality.

8. That the Petitioners have proved by a preponderance of the evidence that their land is not needed for reasonably anticipated future development.

9. That the Petitioners have demonstrated by a preponderance of the evidence that the remainder of the City of Cambridge can continue to carry on the functions of government without undue hardship.

10. That citations to exhibits in these Findings of Fact do not mean that all evidentiary support in the record has been cited.

11. These Conclusions are arrived at for the reasons set out in the Memorandum which follows and which is incorporated into these Conclusions by reference.

Based upon the foregoing Conclusions, the Administrative Law Judge makes the following:

### ORDER

1. IT IS HEREBY ORDERED that the Petition of Brian and JoAnn Sprino for the detachment of their property from the City of Cambridge is GRANTED.

2. IT IS FURTHER ORDERED that the land described in Finding of Fact No. 1 is detached from the City of Cambridge and shall be acquired by Isanti Township.

3. IT IS FURTHER ORDERED that the detached area is relieved of the primary responsibility for existing indebtedness of the City of Cambridge and shall assume the responsibility for the indebtedness of Isanti Township.

4. IT IS FURTHER ORDERED that the effective date of this Order is September 26, 2002.

5. IT IS FURTHER ORDERED that the Executive Director of Municipal Boundary Adjustments shall cause copies of this Order to be mailed to all persons described in Minn. Stat. § 414.09, subd. 2.

Dated this 26<sup>th</sup> day of September 2002.



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GEORGE A. BECK  
Administrative Law Judge

Reported: Tape Recorded: 2 Tapes,  
No Transcript Prepared

#### MEMORANDUM

In order to prevail on their petition to detach their land from the City of Cambridge, the Petitioners must prove that they are in compliance with the six requirements set out in the detachment statute, which is quoted at Conclusion of Law No. 4. Two of the requirements are not in dispute. The requisite number of property owners have signed the petitions since the Petitioners are the only property owners. Additionally, it is clear that the Sprino property is located within the boundaries of the City of Cambridge and abuts a boundary. To the west of the property is the Cambridge airport also located within the City. To the north, south and east is Isanti Township.

The Petitioners must also prove that the detachment of their property from the City would not unreasonably effect the symmetry of the City. They argue that the property, marked with an X on the Attachment A to this Order, essentially stands as an island within township property. They suggest that granting the petition would make the City more symmetrical and that their property would fit nicely within any adjacent Isanti Township property. The City argues, however, that this apparent improvement in the symmetry of the City by granting the petition appears different if one looks instead at the western half of the city. It argues that there is land within the city boundaries to the northwest, west, southwest, south, southeast, east and northeast of the property in question, although that land is not adjacent to the subject property. The City also suggests that future development will change the symmetry picture. However, the prospect of future growth is speculative and may be far in the future. The granting of the petition will, at the present time, clearly not affect the symmetry of the City in a negative way. The city manager conceded this point during cross-examination at the hearing.



The Petitioners must demonstrate that the remainder of the City of Cambridge will be able to continue to carry on the functions of government without undue hardship if the petition is granted. The Sprinos point out that their 2002 property taxes of \$4,544.72 is a very small portion of the approximate 2.1 million dollars received in property taxes by the City. And the city manager conceded at the hearing that the detachment of this one property would not create an undue hardship. The City suggests, however, that the detachment of a single piece of property cannot be looked at in isolation and that developed City land south of the Sprinos and north of Rum River Oaks would have a similar argument for detachment and that detachment of these properties would result in a tax revenue loss of \$74,146.00 each year. The City states that this would be a substantial loss and that there would not be any meaningful opportunity to save expenses.

The Sprinos point out, however, that there are substantial differences between their property and the ones cited by the City. Petitioners' property is a one family property of 20 acres. However, the properties cited by the City are connected to the main body of the City of Cambridge, have city streets and lights, and are developed into smaller sized properties. The Petitioners have established that the detachment would cause no undue hardship for the City. The City's concerns about what might occur are, of course, speculative. The statute appears to focus upon a Petitioners' property without incorporating a consideration of what else might happen in the future. And no evidence of any interest in detachment elsewhere in the City was submitted. There are sufficient differences between the Petitioners' property and the properties without sewer and water cited by the City, to minimize the concern about further loss of land from the City.

The Sprinos must also establish that their property is rural in character and not developed for urban-residential, commercial, or industrial purposes. They point out that their property is wooded, includes wetlands, and has wildlife. It is not currently used for commercial or industrial purposes. It is included within the "rural planning areas" as opposed to the "planned growth areas" within the comprehensive plan of the City of Cambridge. The comprehensive plan states that the land should be zoned as rural residential. The City points out that the land is not put to an agricultural use and that the surrounding area is for the most part divided and developed for residential use. It suggests that the fact that the property in question is not subdivided into smaller lots is purely a matter of personal choice of the Petitioners.

As the City concedes, many of the lots in the vicinity of the Petitioners land are divided into lots larger than that of those throughout the City. The Petitioners' "lot" is 20 acres. The land in question cannot reasonably be termed as developed for urban residential within the common meaning of the term. Neither is the fact that the land is not agricultural determinative under the statute. Additionally, the Petitioners point out that the Pauls Lake property that was recently detached from the City is less rural than the Petitioners' property.<sup>26</sup> Although the circumstances of that detachment relate to a mistaken estimate of taxes, it does support the rural characterization of the Petitioners'

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<sup>26</sup> Finding of Fact No. 25.

property. The Petitioners have demonstrated that their property is rural in character and not developed for urban residential at present.

The Petitioners must also show that their property is not needed for a reasonably anticipated future development. They point out that their property is not included within the planned growth areas described in the City's comprehensive plan. The plan suggests that the planned growth areas should provide more than adequate land for development over the next 20 years. It is not anticipated that City sewer and water would be extended to the Sprinos land within the next 20 years. The comprehensive plan seems to suggest that sewer and water should accompany annexation. The Petitioners argue that it stretches the definition of "reasonable" to argue that property which is not to be developed within a 20 year time frame is needed for reasonably anticipated future development.

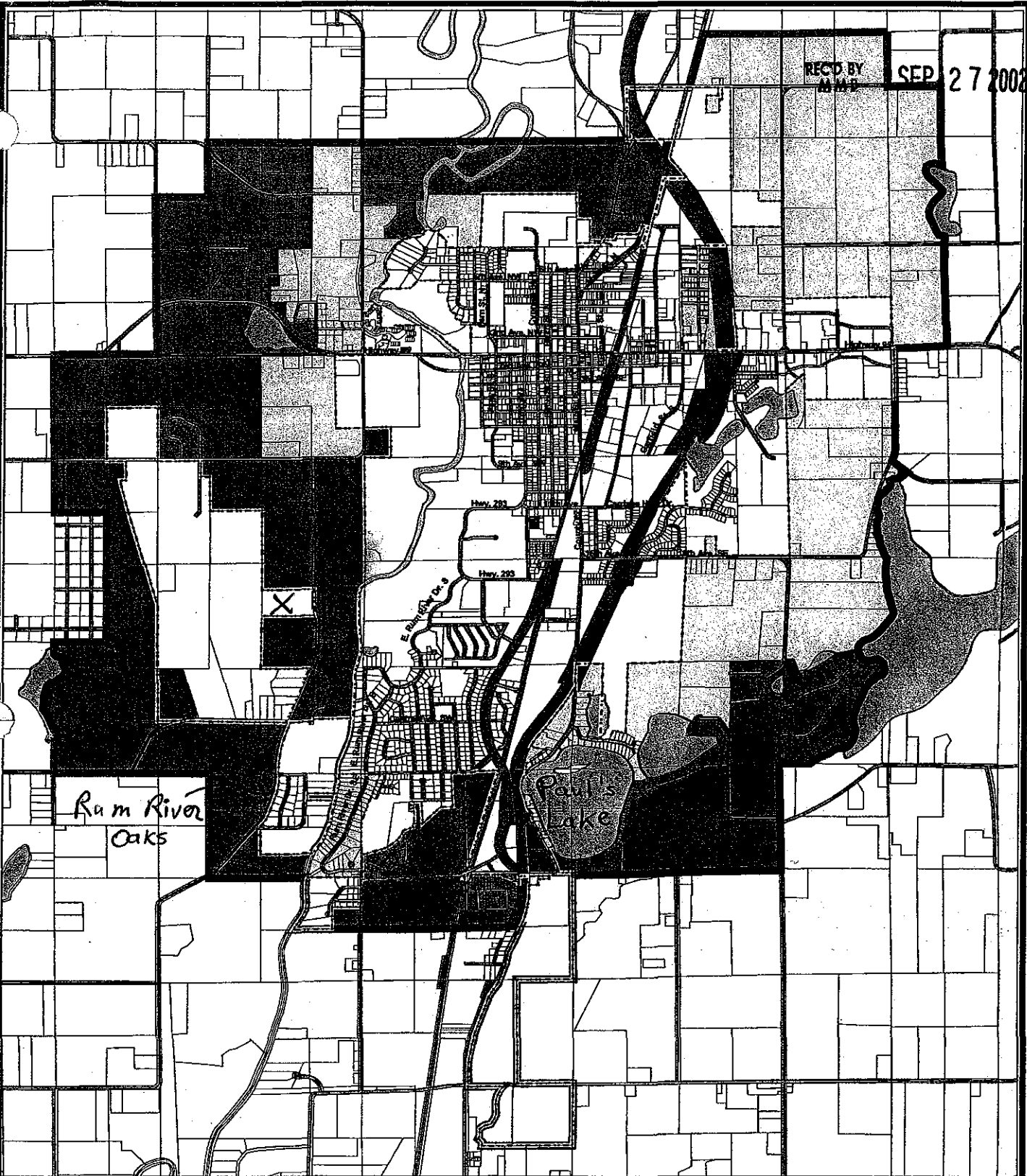
The City acknowledges that the Petitioners property is not likely to be an early candidate for sewer extension but argues, however, that sewer and water are not a prerequisite for annexation into the City. The City also suggests that the comprehensive plan seriously underestimated the growth rate of the City. It points out that areas in the vicinity of the Petitioners' land are already developed for large lot single family residential use. Additionally, the City has recently received a concept plan for large single family residential development north of the Petitioners property and outside of the current City boundaries.

The Sprinos have proved that their land is not needed for reasonably anticipated future development. The statutory requirement seems to prohibit detachment of land which will shortly be needed for future development. In this case the City's own planning does not anticipate either sewer or water or planned development within the next 20 years. According to the testimony there have been no official City acts in relation to the proposed developments cited by the City. They are concepts only. Although growth in the City may have been underestimated, the comprehensive plan was adopted only 18 months ago and is entitled to weight as the official planning document for the City as against any contradictory oral testimony. It appears from the record that it will be a significant period of time before the Petitioners' land is needed for future development of the City.

The Petitioners have established the factors necessary for detachment. As the Petitioners point out there is an element of fairness involved here which suggests that the Sprinos should be treated similarly to their township neighbors. Since they have established that their property is rural in character and will not be needed for future development for over 20 years, this Order grants their petition and detaches their land from the City of Cambridge. The land is acquired by Isanti Township, which does not oppose the addition of the land to the township.







**G.A.B.**

REC'D BY  
MWB  
SEP 27 2002



**Figure 20.**  
**Planned Growth Areas**  
**and Rural Planning Areas**  
 Cambridge, Minnesota

*Attachment A*

-  Planned Growth Area
-  Rural Planning Area
-  Open Water
-  Right-of-Way
-  Proposed USA I Boundary
-  Corporate Limit

3500 0 3500 Feet

Prepared by  
 Daligren, Steward and Uban, Inc.  
 February 28, 2001