WHEREAS, The Municipal Commission of the State of Minnesota presently has before it for hearing and consideration the matter of annexing certain portions of Fergus Falls Township to the City of Fergus Falls; and

WHEREAS, The City of Fergus Falls (hereafter, "City") and the Township of Fergus Falls (hereafter "Town") are parties to said hearing; and

WHEREAS, There is a basis for agreement between the parties to this action upon which the matters presently before the Minnesota Municipal Commission can be settled;

NOW, THEREFORE, The City of Fergus Falls proposes to Fergus Falls Township that the following joint resolution as to orderly annexation be adopted:

Resolved by the City of Fergus Falls and the Township of Fergus Falls as follows:

1. That the following described area in Fergus Falls Township is properly subject to orderly annexation under and pursuant to Minnesota Statutes 414.032, and the parties hereto do hereby designate this area as in need of orderly annexation as provided by statute:

The Southeast Quarter (SE%) of Section Twenty (20); The South Half (S) of Sections Twenty-one (21), Twenty-two (22), Twenty-three (23) and Twenty-four (24); That portion of Sections Twenty-five (25), Twenty-six (26), Twenty-seven (27) and Twenty-eight (28) not presently within the corporate limits of the City of Fergus Falls; the East Half (E1) of Section Twenty-nine (29); the South Half of the Southwest Quarter (Sty of SWZ) of Section Twentynine (29); that portion of Section Thirty-one (31) lying easterly of the centerline of the Otter Tail River; all of Section Thirty-two (32); and that portion of Section Thirty-three (33) not presently within the corporate limits of the City of Fergus Falls, all in Fergus Falls Township (Township 133 North, Range 43 West).

That the Town does upon the passage of this resolution and its adoption by the council of the City confer jurisdiction (which jurisdiction is limited by and strictly within the terms of this resolution) upon the Minnesota Municipal Commission so as to accomplish said orderly annexation in accordance with the terms of this resolution.

2. The Town will not object to the annexation during 1974 of the tracts of land described as follows, to-wit:

Part of the Northeast Quarter (NEh) of Section Thirty-two (32), Township One Hundred Thirty-three (133), Range Forty-three (43), described as follows: Beginning at the Northeast corner of said Section 32; thence South 89 degrees 49 minutes West 2330.0 feet along the section line to the East right-of-way line of Interstate Highway Number 94; thence Southerly along said right-of-way line approximately 2730 feet to a point located 1648.3 feet West and 154.0 feet North from the Southeast corner of said Northeast Quarter of Section 32; thence East 543.3 feet; thence North 83.0 feet; thence East 305.2 feet; thence North 627.2 feet; thence East 811.1 feet to the East line of said Section 32; thence North 00 degrees 45 minutes East 1800.0 feet along the section line to the point of beginning. (Containing 114.1 acres, more or less.)

And that part of the Northwest Quarter (NW2) of Section Thirty-three (33), Township One Hundred Thirty-three (133), Range Forty-three (43), described as follows: Beginning at the Northwest corner of said Section 33; thence South 00 degrees 45 minutes West 1800.0 feet along the section line; thence South 89 degrees 52 minutes East 1321.8 feet; thence North 00 degrees 20 minutes East 462.2 feet; thence North 00 degrees 45 minutes East 466.5 feet; thence South 89 degrees 22 minutes East 1318.5 feet to the East line of said Northwest Quarter; thence North 00 degrees 45 minutes East 860.0 feet to the Northeast corner thereof; thence North 89 degrees 22 minutes West 2637.0 feet to the place of beginning. (Containing 80.5 acres, more or less.)

3. No annexation shall take place anywhere within the area designated in paragraph 1 except that portion thereof designated in paragraph 2 unless the area involved is or is about to become urban or suburban in character and unless the City has available and is capable of providing municipal services such as water, sanitary sewers and storm sewers, in accordance with the provisions of M.S.A. Chapter 414, and future amendments thereto.

Any persons owning lands annexed to the City pursuant to this agreement shall receive a "tax break" consisting of a staged, graduated increase in mill rates from the Township rate to the City rate over a four (4) year period in

the following manner:

First year following annexation 25% of City rate Second year following annexation 50% of City rate Third year following annexation 75% of City rate Fourth year following annexation 100% of City rate

Notwithstanding the foregoing, any lands annexed to the City which are classified as agricultural lands shall be classified by the City as agricultural lands and shall be taxed only at the tax rate provided by law for such agricultural lands and not at the full City tax rate for as long as said lands retain their classification as agricultural lands as herein otherwise provided.

- 4. Any persons owning lands annexed to the City pursuant to this agreement shall have the following rights with regard to the payment of assessments or projects previously completed by City which may be assessable against said annexed property:
 - (a) The property owner may elect to pay, within thirty (30) days after the effective date of such assessments, the entire principal balance of said assessments, assessable against the annexed property, without interest, as though said assessment had been paid within the statutory grace period for payment of similar assessments as of the date at which the first assessment for said project was made; or
 - (b) The property owner so annexed may elect to pay the entire principal balance plus interest accrued to the date of assessment, in ten (10) equal annual installments plus interest on said installments at the rate established for that assessable project for all other property owners thereby assessed.
- 5. No assessments for improvements or other assessable projects shall be made against any lands included in this resolution, until such time as said lands are annexed. After annexation, the owners of said lands shall have the same rights with respect to payment of taxes and assessments as provided in paragraph 3 and 4 above, together with any other rights that are afforded to property owners under the City's public improvement assessment policy.
- 6. There shall be no apportionment of real estate tax income for the year in which any annexation takes place. The Township shall receive all such income. State per

capita aids and federal revenue sharing aids shall likewise not be apportioned and the Township shall receive all such income for the year in which annexation takes place unless apportionment is required with respect to federal revenue sharing aids pursuant to 31 CFR Sec. 51.23. Any accounts receivable for dedicated roads to be collected in the future, as special road assessments, and any accounts receivable to be collected in the future for any purpose will be forwarded by the City to the Township. The City agrees not to apply for any division of the Township's general funds or other assets.

7. Subject only to the two exceptions provided in paragraph 8, below, there will be no annexation of any land within the following described tracts prior to the date designated with respect to each tract and thereafter, there shall be annexation only under the conditions specified in this agreement.

a. No annexation prior to January 1, 1978:

The Northeast Quarter (NE_{4}^{1}) of Section Thirty-two (32); that portion of the Southeast Quarter (SE_{4}^{1}) of Section Thirty-two (32) lying east of the centerline of Interstate Highway No. 94; and the West Half (W_{2}^{1}) of Section Thirty-three (33), all in Fergus Falls Township (Township 133 North, Range 43 West).

except that portion of the above-described tract designated by paragraph 2 of this resolution for annexation during 197_4 .

b. No annexation prior to January 1, 1981:

The following described areas in Fergus Falls Township (Township 133 North, Range 43 West):

- A. The Southeast Quarter of the Southwest Quarter $(SE_{\frac{1}{4}}^{\frac{1}{4}} \text{ of } SW_{\frac{1}{4}}^{\frac{1}{4}})$ of Section Twenty-five (25); and that portion of the East Half $(E_{\frac{1}{2}}^{\frac{1}{2}})$ of Section Twenty-five (25) not presently within the corporate limits of the City of Fergus Falls.
- B. The South Half of the Southwest Quarter $(S_{\frac{1}{2}})$ of $SW_{\frac{1}{4}}^{\frac{1}{4}}$) of Section Twenty-nine (29); the Northwest Quarter $(NW_{\frac{1}{4}})$ of Section Thirty-two (32); and that portion of the South Half $(S_{\frac{1}{2}})$ of Section Thirty-two (32) lying north of the centerline of the Burlington Northern railroad track and west of the centerline of Interstate Highway No. 94.

c. No annexation prior to January 1, 1985:

That portion of the West Half (W_2^1) and the West Half of the East Half (W_2^1) of the E_2^1 of Section Twenty-six (26) not presently within the corporate limits of the City of Fergus Falls, in Fergus Falls Township (Township 133 North, Range 43 West).

d. No annexation prior to January 1, 1990:

The Southeast Quarter ($SE_{\frac{1}{4}}$) of Section Twenty (20); The South Half $(S_{\frac{1}{2}})$ of Sections Twenty-one (21), Twenty-two (22), Twenty-three (23) and Twenty-four (24); the Northwest Quarter $(\tilde{N}W_{4}^1)$ and the North Half of the Southwest Quarter (N_2^1) of SW_4^1) of Section Twenty-five (25); that portion of the East Half of the East Half $(E_{\frac{1}{2}} \text{ of } E_{\frac{1}{2}})$ of Section Twenty-six (26) not presently within the corporate limits of the City of Fergus Falls; that portion of Sections Twenty-seven (27) and Twenty-eight (28) not presently within the corporate limits of the City of Fergus Falls, the East Half $(E_{\frac{1}{2}})$ of Section Twenty-nine (29); that portion of Section Thirtyone (31) lying easterly of the centerline of the Otter Tail River; and that portion of the South Half $(S_{\frac{1}{2}})$ of Section Thirty-two (32) lying south of the centerline of the Burlington Northern railroad track and west of the centerline of Interstate Highway No. 94, all in Fergus Falls Township (Township 133 North, Range 43 West).

8. Exceptions to Time Limitations of Paragraph 7:

- a. If sanitary sewer collection systems must be constructed within the above-described orderly annexation area because of orders from the Minnesota Pollution Control Agency or other agency of federal or state government, the time limitations of the preceding paragraph shall be inapplicable with respect to the area required to be served by such sanitary sewer collection systems and such areas may be annexed pursuant to the other provisions of this agreement and as soon as the area qualifies for annexation pursuant thereto. This exception is granted only in order that the City be enabled to lay any necessary water pipes or storm sewers at the same time that the sanitary sewer collection systems is constructed.
- b. If 100% of the land owners of any tract abutting upon the City boundary petition for annexation of such tract and if such tract contains 10 or more acres of land,

such tract may be annexed pursuant to the other provisions of this agreement and as soon as the tract qualifies for annexation pursuant thereto without regard to the time limitation specified by paragraph 7 for the area containing such tract.

- 9. Notwithstanding any other provision of this resolution, if an election would be held in connection with annexation proceedings commenced in the absence of this resolution, that election proceeding shall be held in exactly the same manner with respect to any annexation provided for in this resolution. The election shall be held in accordance with the law of Minnesota governing such annexation elections in effect at the time and if there is no legal requirement for an election, then this agreement shall not be deemed to create one. If the outcome of any election held pursuant to this agreement would prevent annexation in the absence of this resolution and in accordance with the law then in effect, it shall also prevent annexation pursuant to this resolution. the intention of the parties to this resolution that no citizen of the town shall be deprived of his right to vote with respect to annexation on account of the adoption of this resolution, if he would be given such right under the law in effect at the future time the annexation might occur, had this resolution not been agreed to and adopted. not the intention of the parties to this resolution to create any right to an election if such right would not exist under the law in effect in the future in the absence of this resolution.
- The Town agrees to exclude the area designated as in need of orderly annexation from its zoning and subdivision ordinances in order that the City may extend the application of its zoning and subdivision regulations thereto pursuant to M.S.A. 462.357-9; provided, however, that the County agree to exclude the area from its zoning regulations, where applicable, and futher provided that there be established by the parties a joint planning and zoning committee to exercise the City's regulatory power over such areas and to serve as the "governing body" and "board of appeals and adjustment" for purposes of Minnesota Statutes 462.357, within the orderly annexation area, until such time as said areas are actually annexed to the Said committee will consist of three (3) members, one appointed by the Town Board, one appointed by the City Council and one appointed by the Otter Tail County Board of Commissioners.

- 11. If the effect of annexations on population statistics for revenue purposes is not provided for by applicable laws, such effect shall be resolved wherever possible by agreement of the parties. If there is a failure to reach such an agreement, the question shall be resolved by the Minnesota Municipal Commission at a hearing and the determination shall be included in the commission order.
- 12. Both parties agree to dismiss the pending annexation petition (Minnesota Municipal Commission File No. A-2453).

CITY OF FERGUS FALLS

Passed and adopted by the City of Fergus Falls this day of July, 1974.

ger U. Hermann BY Barbara B. Donopo City Administrator

TOWNSHIP OF FERGUS FALLS

Passed and adopted by the Township of Fergus Falls this 8th day of JULY, 1974.

Township Clerk (ATTEST: Walter