

**JOINT RESOLUTION OF THE CITY OF CLEARWATER
AND THE TOWNSHIP OF CLEARWATER AS TO THE
ORDERLY ANNEXATION OF PROPERTY**

WHEREAS, the City of Clearwater ("City") and the Township of Clearwater ("Township") desire to enter into an agreement allowing for the orderly annexation of certain property, pursuant to Minnesota Statute § 414.0325, Subdivision 1; and

WHEREAS, the City and the Township are in agreement to the orderly annexation of certain lands described herein for the purpose of orderly, planned growth; and

WHEREAS, the City and Township intend that future growth and development occurring on lands annexed to the City after the date of this agreement be managed according to the terms of this document, and the parties intend that future annexations involve only the lands included in this orderly annexation agreement so long as this orderly annexation agreement is in force; and

WHEREAS, the parties contemplate that lands annexed into the City under this agreement will require extension of municipal utilities, including sanitary sewer and municipal water service; and

WHEREAS, the City will provide the necessary governmental services, including sanitary sewer service and municipal water service, to the portions of the Township annexed under this agreement; and

WHEREAS, it is in the best interest of the City, the Township and their respective residents to agree to an orderly annexation in furtherance of orderly growth and the protection of the public health, safety and welfare; and

WHEREAS, the parties hereto desire to set forth the terms and conditions of such orderly annexation by means of this Resolution;

NOW, THEREFORE, BE IT RESOLVED by the City of Clearwater, Wright County, Minnesota, and the Township of Clearwater, Wright County, Minnesota, as follows:

1. That upon approval by the respective governing bodies of the City and the Township, this joint resolution and agreement shall confer jurisdiction upon the Minnesota Municipal Board ("Municipal Board") so as to establish the orderly annexation area of the lands described in paragraph 2 below, and to provide for their orderly annexation in accordance with the terms of this joint resolution and agreement.

2. The following described lands will hereinafter be described as the Orderly Annexation Area ("OAA") and said property is properly subject to orderly annexation pursuant to Minnesota Statutes § 414.0325, Subd. 1. The parties hereto do hereby designate this area as in need of orderly annexation as provided by statute; this area consists of approximately 1,872 acres and is legally described as follows, to-wit:

All of Sections 1, 2, and 3, the north one-half of Section 10, the north one-half of Section 11, and the north one-half of section 12, all such properties being situated n Township 122 North, Range 27 West, Township of Clearwater, County of Wright, State of Minnesota; the west ½ of Section 6 and the west ½ of Section 7 lying north of Interstate 94, both of said properties being situated in Township 122 North, Range 26 West, in the Township of Clearwater, County of Wright, State of Minnesota.

All such lands within the OAA shall remain within the Township until annexed in accordance with the terms of this agreement.

3. The City and the Township mutually state that no alteration by the Municipal Board to the OAA boundaries as described in paragraph 2 above is appropriate or permitted.
4. As to all lands annexed pursuant to the terms of this agreement, the Township shall collect and retain all taxes on all types of annexed properties in the year of the annexation. In the years after the annexation, the City shall remit to the Township taxes according to the calculations detailed below for the following types of properties annexed into the City:
 - (A) Commercial, business and industrial property. For all property being used in a commercial, business or industrial manner at the time of annexation, the City shall remit taxes to the Township, upon collection of said taxes, in the following percentages for the following years:
 - (1) In the first year following the annexation, ninety percent of the property taxes paid to the Township in the year of annexation;
 - (2) In the second year following the annexation, eighty percent of the property taxes paid to the Township in the year of annexation;
 - (3) In the third year following the annexation, seventy percent of the property taxes paid to the Township in the year of annexation;
 - (4) In the fourth year following the annexation, sixty percent of the property taxes paid to the Township in the year of annexation;

- (5) In the fifth year following the annexation, fifty percent of the property taxes paid to the Township in the year of annexation;
 - (6) In the sixth year following the annexation, forty percent of the property taxes paid to the Township in the year of annexation;
 - (7) In the seventh year following the annexation, thirty percent of the property taxes paid to the Township in the year of annexation;
 - (8) In the eighth year following the annexation, twenty percent of the property taxes paid to the Township in the year of annexation;
 - (9) In the ninth year following the annexation, ten percent of the property taxes paid to the Township in the year of annexation;
- (B) Residential, agricultural and other non-commercial, non-business and non-industrial property. For all property being used in a manner other than a commercial, business or industrial manner at the time of annexation, the City shall remit taxes to the Township, upon collection of said taxes, in the following percentages for the following years:
- (1) In the first year following the annexation, ninety percent of the property taxes paid to the Township in the year of annexation;
 - (2) In the second year following the annexation, seventy percent of the property taxes paid to the Township in the year of annexation;
 - (3) In the third year following the annexation, fifty percent of the property taxes paid to the Township in the year of annexation;
 - (4) In the fourth year following the annexation, thirty percent of the property taxes paid to the Township in the year of annexation;
 - (5) In the fifth year following the annexation, ten percent of the property taxes paid to the Township in the year of annexation;

The City's obligation to remit taxes to the Township under this paragraph from land annexed into the City under the terms of this agreement shall survive the termination of this agreement, provided the land was annexed into the City while this agreement was in

effect. The City shall have no obligation to remit taxes to the Township under this paragraph from land annexed after the termination or expiration of this agreement.

5. Any property lying within the OAA and abutting the City may be annexed by the City upon the occurrence of any of the following events:
 - (A) Petition by one or more owners of the property to be annexed;
 - (B) Failure of the septic system serving the property to be annexed and the inability of the landowner to install a replacement septic system under then existing ordinances and state law;
 - (C) Contamination of the primary well on the property; or
 - (D) The property to be annexed is completely surrounded on all sides by property within the City borders.
6. For purposes of paragraph 5, "abutting" shall mean: 1) any property directly adjacent to property within the City's boundary (i.e. property that would otherwise be "touching" property within the City boundary but for separation by the width of a street, highway or railroad); or 2) any property not directly adjacent to property within the City's boundary, provided there are no more than three parcels of land ("Middle Land") between said property to be annexed and the City boundary and provided that the total acreage of all such Middle Land between the City's boundary and said property to be annexed does not exceed 20 acres in size. For purposes of this paragraph, acreage of Middle Land shall include all acres included within the property identification number assigned by the Wright County Auditor to such Middle Land. In the event a property qualifies as "abutting" property under this paragraph and qualifies for annexation pursuant to paragraph 5 above but does not directly abut the City boundary, the City shall annex the Middle Land between said property and the City boundary at the time said qualifying property is annexed to the City. For purposes of this paragraph, a parcel of land is defined as land containing one property identification number as assigned by the Wright County Auditor's office.
7. The City shall provide municipal water and municipal sanitary sewer service within three years of annexation to all properties annexed under the authority of paragraph 5(A), 5(B) or 5(C), except Middle Land, which may be sewerred at the City's discretion. Properties will be deemed to have been "served" with sanitary sewer and municipal water service at such time as said services abut the properties. In the event the City annexes surrounded land under paragraph 5(D) or Middle Land as described in paragraph 6 above and chooses to provide sewer and water service to said surrounded land or Middle Land, the City may

specially assess said surrounded land or Middle Land for the cost of the installation of sanitary sewer service and municipal water, but said assessments shall remain deferred no less than five years (with no accrual of interest during said deferred period), or until the earlier of :

- (A) Failure of the septic system serving the property to be annexed and the inability of the landowner to install a replacement septic system under then existing ordinances and state law;
- (B) Contamination of the primary well on the property such that the water from said well is no longer potable; or
- (C) Connection by the property owner to either the Municipal water or Municipal sanitary sewer system.
- (D) Sale of the property after special assessments have been levied on said property.

In the event surrounded land is annexed into the City pursuant to paragraph 5(D) above or Middle Land is annexed into the City pursuant to paragraph 6 above, the City shall not require such property owner(s) to connect to the City's municipal water system or the City's municipal sanitary sewer system for at least five years after the annexation unless either of the events described in subparagraphs (A) or (B) of this paragraph occurs within said five year period.

8. In the event the City annexes land but fails to provide sanitary sewer and water service within the time period required by this agreement, the City shall not be allowed to annex any additional land under this agreement until said sewer and water are provided to said annexed land, unless the Township provides its written consent to the additional land to be annexed. In the case of annexed land which is to be developed in phases, the City shall be deemed to have provided sewer and water service to such property when it has provided said services to at least 20% of the annexed parcel. The City need not provide sanitary sewer and water service to annexed properties in the following circumstances:
- A. Extension of sanitary sewer service or municipal water service to a particular parcel of property is rendered impossible due to a regulatory impossibility outside of the City's control. (e.g. MPCA will not allow the annexed property to be sewerred within said three year time period; the property in question is a protected wetland which cannot be developed, etc.).
 - B. Cemeteries and parcels used primarily for water towers or wastewater treatment

plants need not be provided with municipal sanitary sewer and municipal water service.

9. This agreement shall be effective upon the approval of the City, Township and Municipal Board, and shall remain effective until the earlier of:

(A) Fifteen years from the date this agreement becomes effective; or

(B) Sixty days after such time as:

- (1) no more than 20 acres of vacant residentially zoned property or 10 acres of vacant commercially zoned property or 10 acres of vacant industrially zoned property remains within the City's border; and
- (2) no land within the Orderly Annexation Area qualifies for annexation under paragraph 5 above; and
- (3) either the City or the Township serves notice upon the other party of its intent to terminate this agreement pursuant to this paragraph.

Vacant land within the Clearwater Estates development shall not be included in the calculation of vacant residential, commercial or industrial land for purposes of this subparagraph (B).

10. Pursuant to Minn. Stat. § 414.0325, Subd. 5, the parties hereby establish a Joint Planning Board ("Board") to exercise planning and land use control authority within the orderly annexation area described in paragraph 2 above, said Board to operate in the manner prescribed by Minn. Stat. § 471.59, Subdivisions 2 to 8, inclusive. Said Board shall have all of the powers contained in sections 462.351 to 462.364, and shall have the authority to adopt and enforce the uniform fire code promulgated pursuant to section 299F.011. The Board shall have planning, zoning and subdivision jurisdiction in the entire orderly annexation area. The Wright County planning, zoning and subdivision controls and ordinances in effect on the date of this agreement are hereby adopted by reference and shall remain in effect for all land within the OAA until said controls are replaced, modified or amended by the Board. The Board shall serve as the "governing body," "planning commission" and "board of appeals and adjustments", for purposes of sections 462.357 and 462.358, within the orderly annexation area. The Wright County Zoning Administrator shall be the zoning administrator for the OAA. The annual cost of the Board shall be borne by the City and Township in proportion to their respective general fund expenditures in each year in which the Board operates. The Board shall consist of five members, two appointed by the Township Board, two appointed by the City Council, and one jointly appointed by both the City Council and the Township Board. In the event

the City and Township cannot agree on the joint appointment within 40 days of a vacancy of this position, the City and Township agree to allow the Wright County Board to appoint the fifth board member. All members shall serve for a three year period, and the terms shall be continuously staggered such that in year one, one City and one Township term shall expire; in year two, one City and one Township term shall expire; and in year three, the jointly appointed term shall expire. The City and Township may jointly adopt governing bylaws for the Board.

11. Prior to the processing of an annexation request, the requesting party must submit to the City a sketch plan detailing the proposed development of the land to be annexed into the City. The City shall refer all development proposals and plans (including said sketch plan) for land annexed pursuant to this agreement to the Township Board for review and comment at least 21 days prior to any City-held public hearing required for said development. The Township Board shall have no authority to approve or deny said proposals, but may submit comments regarding said proposals to the City staff and/or City officials.
12. The parties agree that no land, other than that land located within the Orderly Annexation Area, shall be annexed from the Township to the City so long as this agreement remains in effect, unless the City and Township agree to annex additional land via joint resolution, or unless the Minnesota Pollution Control Agency ("MPCA") orders the City to provide municipal sewer service to properties within the Township. In the event the MPCA so orders the City to provide municipal sewer service to properties within the Township, the City may annex said properties according to any then-existing law governing annexation of such properties, regardless of whether said properties lie within or without the OAA.
13. Upon request of either the City or the Township, The City and Township shall appoint committee members to meet and discuss proposed modifications to this agreement, including modifications to the orderly annexation area. This Joint Resolution may be amended from time to time by the City and the Township.
14. The City shall pay all Municipal Board fees associated with this resolution. In addition, the City agrees to pay all fees related to the mediation/drafting of this document (not to exceed \$5,000). The City and Township shall pay their own respective attorney's and planner's fees related to the review of this document.
15. It is the intent of the parties that the terms of this agreement act to prohibit annexation under any laws currently in force if annexation under such laws would be contrary to the annexation procedures set out in this agreement. It is also the intent of the parties that changes in the law subsequent to the date of this agreement not alter or affect the rights or obligations of the parties as set out in this agreement. In the event changes occur in

annexation-related laws subsequent to the date of this agreement, the parties shall meet to discuss the possibility of modifying this agreement to reflect some or all of the changes in said laws, but neither party to this agreement shall be required to modify this agreement as a result of changes in said laws.

ADOPTED BY THE CITY COUNCIL OF THE CITY OF CLEARWATER
THIS 18th DAY OF May, 1998.

Mike Allen
Mayor

Debra Miller
City Administrator / Clerk / Treasurer

ADOPTED BY THE CLEARWATER TOWNSHIP BOARD THIS 17 DAY
OF June, 1998.

Daniel Mal
Chairman

Sharon R Lee
Clerk

ADOPTED BY THE WRIGHT COUNTY BOARD OF COMMISSIONERS
THIS 14th DAY OF July, 1998.

Judie Rose
Judie Rose, Chairperson

Richard Norman
Richard Norman, County Coordinator

REC'D. BY AUG 06 1998
M/AB



OAK REALTY, INC.

"On Main Street"

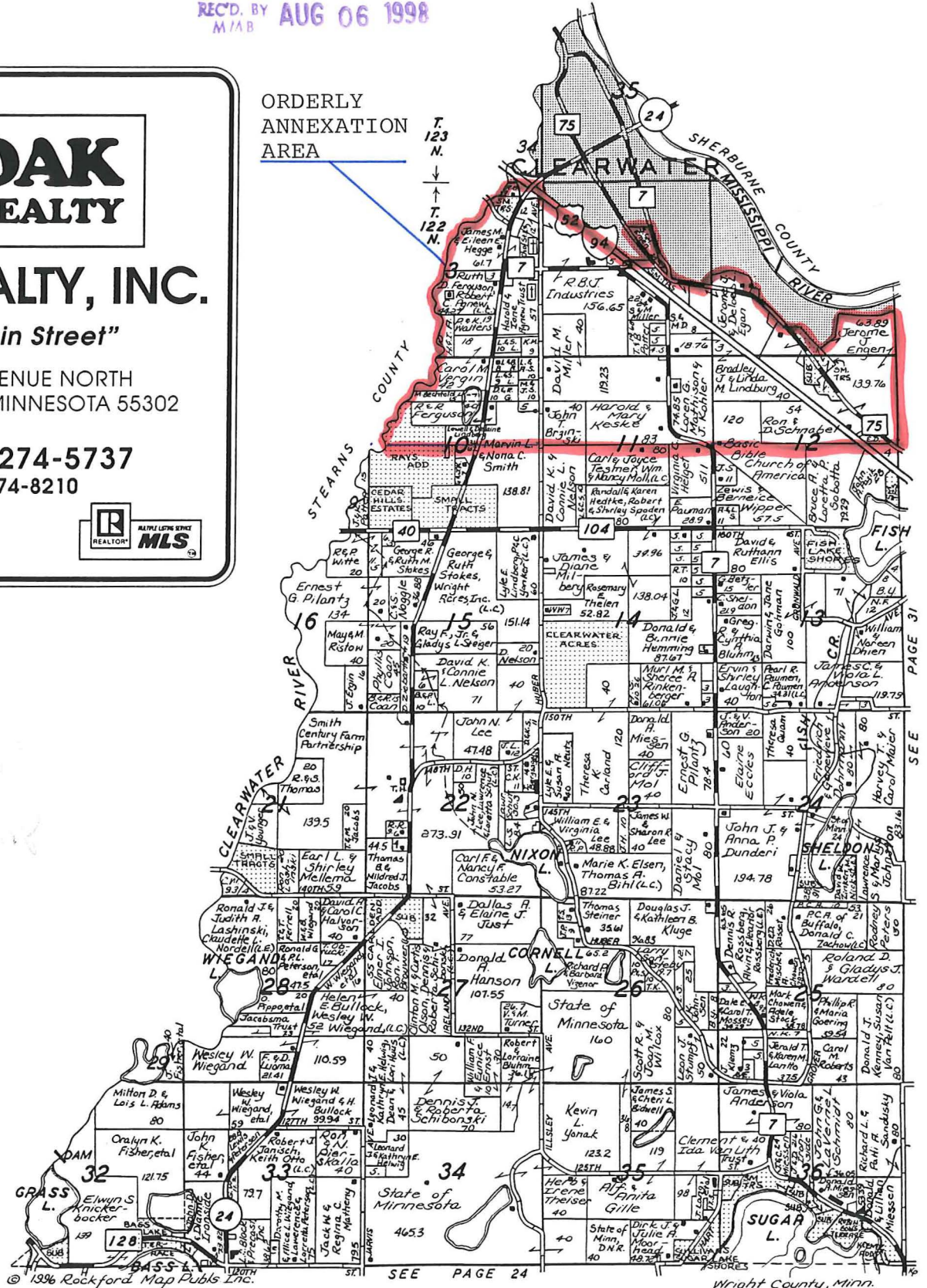
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ORDERLY
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AREA



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SEE

Wright County, Minn.

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