

BEFORE THE DIRECTOR OF THE OFFICE  
OF STRATEGIC AND LONG RANGE PLANNING  
OF THE STATE OF MINNESOTA

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IN THE MATTER OF THE ORDERLY ANNEXATION )  
AGREEMENT BETWEEN THE CITY OF NORTHFIELD )  
AND THE TOWN OF BRIDGEWATER PURSUANT TO ) ORDER  
MINNESOTA STATUTES 414 )  
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WHEREAS, a joint resolution for orderly annexation was adopted by the City of Northfield and the Town of Bridgewater; and

WHEREAS, a joint resolution was received from the City of Northfield and the Town of Bridgewater indicating their desire that certain property be annexed to the City of Northfield pursuant to M.S. 414.0325, Subd. 1; and

WHEREAS, M.S. 414.0325, M.S. 414.11, and M.S. 414.12 states that in certain circumstances the Director of the Office of Strategic and Long Range Planning may review and comment, but shall within 30 days order the annexation of land pursuant to said subdivisions; and

WHEREAS, on November 9, 2001, the Director of the Office of Strategic and Long Range Planning has reviewed and accepted the resolution for orderly annexation;

IT IS HEREBY ORDERED: That the following described property is hereby annexed to the City of Northfield, Minnesota, the same as if it had originally been made

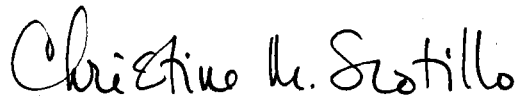
a part thereof:

Beginning at a point 408 feet South of the Northeast corner of Section 35, Township 112, Range 20 West, Rice County, Minnesota; thence West 160 feet, thence North 90 feet, thence East 160 feet; thence South 90 feet to the point of beginning; subject to County State Aid Highway #43 over and across the East side thereof (0.33 Bresnahan); TOGETHER WITH: All that part of the North Half of the Northeast Quarter of the Northeast Quarter of Section 35, Township 112 North, Range 20 West of the Fifth Principal Meridian, described as follows, to wit: beginning at a point on the East line of said tract of land 318 feet South of the Northeast corner thereof; thence West 160 feet; thence North 90 feet; thence East 160 feet; thence South 90 feet to the point of beginning; subject to County State Aid Highway #43 over and across the East side thereof. (0.33, Nieves)

IT IS FURTHER ORDERED: That the tax rate of the City of Northfield on the property herein ordered annexed shall be increased in substantially equal proportions over a period of six years to equality with the tax rate of the property already within the city.

Dated this 9<sup>th</sup> day of November, 2001.

For the Director of the Office of Strategic  
and Long Range Planning  
658 Cedar Street - Room 300  
St. Paul, MN 55155



Christine M. Scotillo  
Executive Director  
Municipal Boundary Adjustments

MEMORANDUM

In ordering the annexation contained in Docket No. OA-631-4, the Director of Strategic and Long Range Planning finds and makes the following comments:

The order herein specifically does not provide for a tax rate step up as referenced in the joint resolution Section XII (A). Although the Director is authorized, pursuant to Minnesota Statutes Section 414.035, to order a step up in tax rates, that statute states in part:

“...The board may provide that the tax rate of the annexing municipality on the area annexed shall be increased in substantially equal proportions over not more than six years to the equality with the tax rate on the property already within the municipality.”  
The appropriate period, if any, shall be based on the time reasonably required to effectively provide full municipal services to the annexed area.”

When ordered by the Director, this section establishes a fixed step up for the property annexed and that step is determined by the effective availability of services to the area annexed.

Section XII (A) of the joint resolution establishes one fixed rate for residential property regardless of the extension of services, and another rate for “other “ property that is not fixed, but subject to change immediately to the current municipal rate upon the “availability“ of services, not the effective provision of such. Accordingly, the Director has declined to order a tax rate step up. The Director makes no comment on whether this section complies with the statute.

Additionally, the order herein is silent as to any arrangement for reimbursement to the township from the city for all or part of the taxable property annexed "... as part of the board's order." Minn. Stat. Sec. 414.036. Any reimbursement authorized by the statute must be completed in equal payments over not less than two and not more than six years.

Section XII (A) of the joint resolution provides for some reimbursement to the township after a period in which the annexing city receives all of the local property taxes payable on the property. The section sets out a formula which treats single family residential properties differently and provides that the city receive any excess amounts. The Director makes no comment on whether this section complies with the statute.

Planning in the area designated for orderly annexation may be provided for by one of the three means set forth in Minnesota Statutes Section 414.0325, Subd. 5. Section XIII of the joint resolution still does not make reference to which of the three statutory provisions the parties to the joint resolution have elected to govern planning in the designated area.

The parties are encouraged to consider these comments in light of any further amendments that may be otherwise necessary to this agreement for orderly annexation.

*CMS*