

DEPARTMENT OF ADMINISTRATION

STATE OF MINNESOTA

BEFORE THE DIRECTOR OF

STRATEGIC AND LONG RANGE PLANNING

IN THE MATTER OF THE ORDERLY ANNEXATION)
AGREEMENT BETWEEN THE CITY OF STEWARTVILLE)
AND THE TOWN OF HIGH FOREST PURSUANT TO) ORDER
MINNESOTA STATUTES 414)

WHEREAS, a joint resolution for orderly annexation was adopted by the City of
Stewartville and the Town of High Forest; and

WHEREAS, a resolution was received from the City of Stewartville indicating their
desire that certain property be annexed to the City of Stewartville pursuant to M.S. 414.0325; and

WHEREAS, M.S. 414.0325 states that in certain circumstances the Director 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 August 12, 2004, the Director has reviewed and accepted the resolution
for orderly annexation;

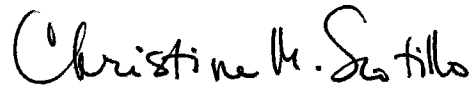
IT IS HEREBY ORDERED: That the following described property is hereby annexed in
accordance with the terms of the joint resolution to the City of Stewartville, Minnesota, the same
as if it had originally been made a part thereof:

The South Half of the Southeast Quarter of Section 22, and the North Half of the
Northwest Quarter of the Northeast Quarter of Section 27, Township 105 North, Range

14 West, Olmsted County, Minnesota, lying west of the east right-of-way line of Trunk Highway No. 63. Said tract contains 10.37 acres more or less.

Dated this 12th day of August, 2004.

For the Director
658 Cedar Street, Room 300
St. Paul, MN 55155

A handwritten signature in black ink that reads "Christine M. Scotillo". The signature is written in a cursive, flowing style.

Christine M. Scotillo
Executive Director
Municipal Boundary Adjustments

MEMORANDUM

In ordering the annexation contained in Docket No. OA-822-8, the Director of Strategic and Long Range Planning finds and makes the following comments:

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

Paragraph XI of the agreement provides for a division of tax revenue from an annexed area, based upon a ten year schedule. By making this order, no determination is made as to the effectiveness of such a schedule. Minnesota Statutes Section 414.036 allows for a reimbursement to the township of property taxes of substantially equal payments over a period of not less than two nor more than six years. Including such a provision in an order under Minnesota Statutes Section 414.0325 is discretionary with the Director.

Additionally, paragraph XIV states the agreement shall expire within five years unless an extension is requested by the parties. End dates or ending mechanisms are problematic in that they appear to run afoul of the act of conferring jurisdiction to the Director. (Paragraph VII). Once jurisdiction is conferred, it cannot be taken away by written consent of the parties. Jurisdiction ends when all the designated area is annexed. The issue whether jurisdiction could be "given back" by the Director upon written request of the parties to the agreement to mutually end their agreement has not been addressed.

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