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By: OAH on July 2, 2024

TOWN OF BELGRADE RESOLUTION NO. 202401
CITY OF NORTH MANKATO RESOLUTION NO. 56-24

STATE OF MINNESOTA
OFFICE OF ADMINISTRATIVE HEARINGS

IN THE MATTER OF THE JOINT RESOLUTION
OF THE CITY OF NORTH MANKATO AND THE
TOWN OF BELGRADE DESIGNATING CERTAIN
AREAS AS IN NEED OF ORDERLY ANNEXATION
PURSUANT TO MINNESOTA STATUTES § 414.0325

**JOINT RESOLUTION FOR
ORDERLY ANNEXATION**

WHEREAS, the City of North Mankato, Nicollet and Blue Earth Counties (hereinafter referred to as the “City”) and the Township of Belgrade, Nicollet County (hereinafter referred to as the “Town” or “Township”), desire to accommodate growth in the most orderly fashion, and have agreed that there is a clear need for a cooperative future planning effort for the land governed by the two jurisdictions; and

WHEREAS, the Town Board and City Council have expressed their desire to encourage future development of land near the City so as to avail such development of municipal services as much as is practical, while encouraging the retention of land in agricultural use; and

WHEREAS, a joint orderly annexation agreement between the parties hereto is beneficial to both parties from the standpoint of orderly planning and orderly transition of government within the area proposed to be annexed and provides the guidelines under which such annexation shall take place.

NOW, THEREFORE, BE IT RESOLVED, in consideration of the mutual terms and conditions that follow that the City and Town enter into this Joint Resolution for Orderly Annexation (the “Joint Resolution”) and that the property herein described is designated for possible future annexation by the City of North Mankato in accordance with and subject to the following terms and conditions:

1. **Designation of Orderly Annexation Area.** The Town and City hereby designate the following areas as in need of orderly annexation pursuant to Minnesota Statutes, Section 414.0325 (the “Orderly Annexation Area” or “OAA”). The OAA is legally described in Exhibit 1, and is shown on the Boundary Map as the shaded blue areas in Exhibit 2, both being attached hereto and incorporated herein by reference.
2. **Office of Administrative Hearings, Municipal Boundary Adjustments.** Upon approval by the Town Board and the City Council, this Joint Resolution shall be filed with and confer jurisdiction upon the Office of Administrative Hearings, Municipal Boundary Adjustments unit (hereinafter referred to as “the MBA”) or its successor, pursuant to Minnesota Statutes, Section 414.0325. Any property within the Annexation Area that becomes or is about to become isolated as a result of annexation proposed under paragraph 7 shall be submitted for consideration along with the proposed annexation to the MBA on the date of submission. In general, the creation of such

isolated parcel shall be avoided.

3. **No Alterations of Boundaries.** The Town and City mutually agree and state that no alterations by the MBA of the stated boundaries of the designated Orderly Annexation Area is appropriate. Any alterations of boundaries of the OAA may only be made upon the joint agreement of the Town and City, under the provisions of this Joint Resolution and as allowed under Minnesota Law.
4. **Review and Comment by Municipal Boundary Adjustments and Process for Annexations Within the OAA.** The Town and City mutually agree and state that this Joint Resolution sets forth all the conditions for annexation of the areas designated in the OAA and that no consideration by the MBA is necessary.

The process for subsequent annexations within the OAA shall be as follows: Pursuant to Minnesota Statutes, Section 414.0325, the Town and City agree that upon the occurrence of an event triggering annexation as provided in this Joint Resolution for any land located within the OAA, the City shall provide written notice of such occurrence to the Town Clerk along with such other information as required in this Joint Resolution, and a copy of the resolution of the City (referred to as the "Annexation Resolution") describing such area within the OAA to be annexed thereby. Pursuant to Minnesota Statutes, Section 414.0325, the Town and City agree that no alteration of the boundaries stated in the Annexation Resolution is appropriate, that all conditions for annexation of the portion of the Subject Area within the OAA legally described in the Annexation Resolution are contained in this Joint Resolution, and that no consideration by the MBA is necessary. Upon the execution and filing of such an Annexation Resolution by the City with MBA, the MBA may review and comment on the Annexation Resolution, but shall, within 30 days of receipt of the Annexation Resolution, order the annexation of the Subject Area legally described in the Annexation Resolution in accordance with the terms and conditions contained in this Joint Resolution.

5. **Planning and Land Use Control Authority.** It is the intent of the Parties that the Orderly Annexation Area shall be subject to the zoning and subdivision controls of Nicollet County (hereinafter the "County"). Any request for zoning reclassification, conditional use permits, and variances within the Orderly Annexation Area shall be subject to the requirements and provisions of the County's ordinances and any other rules, statutes, laws, or ordinances in effect by the County on that date. The Parties agree that agricultural uses within the OAA are to be preserved, and that non-agricultural uses within the OAA should be prevented and prohibited, until annexation, if any, occurs under the mechanisms of this Joint Resolution. In the event that the County either: a) changes or alters the County's zoning, land use regulations, or other official controls ("official controls") that impact the OAA; or b) are considering a land use application or have approved a land use application, that conflicts or is inconsistent with terms, purpose and intent of this Joint Resolution, the Parties agree that they will work cooperatively to communicate the terms, purpose and intent, of this Joint Resolution to the County and advocate for decisions by the County that are in keeping with the terms, purpose and intent of this Joint Resolution. The City and Town hereby request that the County abide by the terms, purpose and intent of this Joint Resolution in all County land use planning decisions and official controls impacting the OAA, and agree that a copy of this Joint Resolution should be provided to the County. Following annexation, the annexed properties shall be subject to the zoning and subdivision controls of the City and the City shall serve as the "governing body".

6. **Tax Reimbursement.**

- a. *Tax Reimbursement.* When a lot or parcel is annexed, the City annexing the lot or parcel will reimburse the Township for the loss of taxes generated from the property annexed. If the annexation becomes effective on or before August 1 of the levy year, the City may levy on the annexed area beginning with the same levy year. If the annexation becomes effective after August 1, of the levy year, the Township may continue to levy on the annexed property for that levy year and the City may not levy on the annexed area until the following year. For the year following the last tax year that Belgrade Township last collects a levy, the City will reimburse the Township in the amount of taxes that were collected by the Township in year of annexation multiplied by the following declining scale of percentages: 90% in the first year; 80% in the second; 70% in the third; 60% in the fourth; 50% in the fifth; 40% in the sixth; 30% in the seventh; and 10% in the eighth and final year. Thereafter, the City will no longer reimburse the Township. If an annexation occurs before and within eight years of the termination of this agreement, payments will continue in conformance with the above beyond the termination date.

As an alternative to paying the above tax reimbursement over eight years, the City, at its option, may calculate and pay one lump sum in the year of annexation. The lump sum is to be calculated by applying the applicable Township tax rate at the time of the annexation to the land to be annexed at a full 100% rate, then multiplying that number by a factor of eight. The lump sum payment shall be in full satisfaction of the City's tax reimbursement obligation for the property annexed as designated in an applicable Annexation Resolution.

- b. *Delinquent Taxes.* The City agrees that it shall remit all delinquent taxes, charges and assessments collected from any portion of the Orderly Annexation Area so annexed after annexation of such property if such taxes or charges were originally payable while the delinquent property remained in the Township. Additionally, when a property no longer qualifies for special tax treatment through Green Acres or other applicable programs such as Ag Preserves, CRP, This Old House, and taxes that were deferred under one of these programs is paid to the City, the City shall remit to the Township the amount which was deferred during the time the property was in the Township.
- c. *Assumption of Liability for Public Improvements.* The City does not assume by virtue of any annexation accomplished pursuant to the Joint Resolution any liability or responsibility for the payment of any obligations issued to finance public improvements constructed by the Township or for which special assessments were levied by the Township. In the event that the City annexes land under this Agreement upon which outstanding special assessments levied by the Township remain at the time of annexation, the City shall forward to the Township upon receipt all special assessment payments which the City receives as a result of special assessments levied by the Township.

Other than the reimbursement outlined above, no other reimbursement or taxes shall be owed to the Township from the City.

7. **Conditions for Orderly Annexation for New Development.** Annexations under this Joint Resolution for new development within the OAA designated in an Annexation Resolution shall meet the following conditions:

- a. Except for a parcel of property that is located in the OAA, but a portion of which extends beyond the limits of the OAA (as described below), property designated in an Annexation Resolution must be located within the Orderly Annexation Area, legally described in Exhibit 1, and as depicted in the Boundary Map as shown in Exhibit 2.
- b. The property owner(s) must simultaneously submit a written petition signed by the property owner(s) identifying the property or properties sought for annexation to both the City Clerk and the Town Clerk.
- c. The petitioning property owner(s) shall submit as part of the petition a statement to the City and to the Town requesting municipal water, sanitary sewer or other City services for the property petitioned for annexation. Further, upon receipt by the City, the City shall forward to the Town Clerk all preliminary plat submissions or concept plans received by the City for any property petitioned to be annexed to the City under this Joint Resolution, should such plats or plans be available, and shall send the Town Clerk notice of any and all public meetings that may occur related to concept plan approval, preliminary plat approval and/or final plat approval for any property annexed to the City under this Joint Resolution.
- d. Following annexation, the City is responsible for providing City services to the annexed property, ready for use within two (2) years from the date of final plat for each phase of a platted development.
- e. Should a development agreement be needed, the City shall require in its developer's agreement regarding development of all lands annexed pursuant to this Agreement that the Developer meet the requirements of City Code and state law regarding Storm Water Management. Further, the City, through its developer's agreement, shall consider requiring that any functioning drain tile lines located during development of any parcel in the Orderly Annexation Area be connected to the City's storm sewer system.
- f. The Developer and/or Property Owner(s) shall submit concept plans to the City. The Developer and/or Property Owner(s) shall also submit and attend a Town Board meeting prior to submitting a petition for annexation to present their plan for development. The Clerk of the Town Board shall then submit written documentation stating the opinion of the Town Board for the development to the City Clerk. These comments will be forwarded to the City Planning Commission and City Council.
- g. The City agrees, as part of the process for mailing public hearing notices for zoning changes, to mail notice to Township property owners within a quarter mile of the proposed plat.

8. Conditions for Other Orderly Annexations.

- a. In limited circumstances, the City may annex property pursuant to the process stated in Paragraph 4 above when the City is ordered by a Minnesota State Agency, including the Minnesota Pollution Control Agency, Department of Health, or similar, to provide sewer or water service to a parcel(s) of land located within the Orderly Annexation Area for the protection of the public health, safety or welfare, abatement of pollution, and/or because of an immediate environmental threat; or

b. The City may also annex property pursuant to the process stated in Paragraph 4 above that is located within the Orderly Annexation Area under the following circumstances:

- i. A parcel(s) of land located within the OAA is owned by the City;
- ii. The City and Township otherwise mutually agree in writing; or
- iii. In the event of a proposed development that falls on the border of the OAA where a parcel is located within the OAA but extends outside the OAA, such parcel(s) of land shall be considered to have been included in the OAA should the property owner petition for annexation of the same.

9. **Joint Public Notice.** Pursuant to Minnesota Statutes, Section 414.0325, subd. 1b, at least ten days before the City or Town adopts an orderly annexation agreement, a notice of the intent to include property in an orderly annexation area must be published in a newspaper of general circulation in both the Town and City. The notice must clearly identify the boundaries of the area proposed to be included in the orderly annexation agreement. The cost of providing notice must be equally divided between the City and Town, unless otherwise agreed upon by the City and Town. This paragraph applies only to the initial designation to include property in the orderly annexation area designated in this Joint Resolution, or any expansion of said orderly annexation area designated in this Joint Resolution, and not to any subsequent annexation of any property from within the designated orderly annexation area. This subdivision also does not apply when the orderly annexation agreement only designates for immediate annexation property for which all of the property owners have petitioned to be annexed.

10. **Roads within area designated for orderly annexation.** The parties agree as follows with regard to the roads located within the Orderly Annexation Area:

- a. *Roads Serving New Plats.* The City shall require that all roadways abutting or serving new developments shall be constructed pursuant to applicable City standards by the developer and/or property owner from the access of the development to the nearest County, City or State road, unless the City otherwise determines to construct all or a portion thereof. The City shall, at the Township's request, annex the entire road (i.e., both sides of the road) where the City has annexed property abutting one side of the road and has approved a final plat for any portion of the annexed property. The length of road required to be annexed shall be limited to the length of road directly abutting the property annexed under this Joint Resolution unless otherwise agreed by the City and Township.
- b. *Maintenance of Roads.* Except as specifically set out herein or unless otherwise agreed by the parties, the Township shall maintain all roads in the Orderly Annexation Area not annexed to the City and the City shall maintain all roads annexed to the City.
- c. *Use of Township Roads.* For all new development properties annexed under this Joint Resolution, the City shall require that during development all construction traffic shall use State Trunk Highways, Nicollet County or Blue Earth County Highways or City of North Mankato city streets, and that Township roads be used only when no State Trunk Highway, Nicollet or Blue Earth County Highways or North Mankato city streets are available.

11. **Deferred Assessment Policy.** With respect to road, sewer and water improvements to be constructed within the Orderly Annexation Area, all such related assessments shall comply with

the City of North Mankato's Assessment Policy, as adopted on March 21, 2016, and specifically its provisions related to deferred assessments outside city limits as found in Section XVII of the Policy. The Policy provides that assessments for any improvements benefitting property outside city limits shall be deferred until annexation occurs, unless otherwise agreed to by the property owner.

12. **Existing Rural Uses.** The parties acknowledge that certain agricultural uses exist within the Orderly Annexation Area that may lead to conflict as residential properties are developed adjacent to these uses. The City and the Town acknowledge that Minnesota Statutes, Section 462.357, Subd. 1c provides that a municipality must not enact, amend, or enforce an ordinance providing for the elimination or termination of a use by amortization, which use was lawful at the time of its inception. In addition, the City and Town agree to work in good faith to address issues that may arise as anticipated property use conflicts arise.
13. **Periodic Review.** The City and Town mutually agree and state that a periodic review of this agreement is to be conducted beginning five (5) years after the effective date of this Joint Resolution and every five (5) years thereafter. The City's Community Development Director and Town Clerk shall meet to accomplish the foregoing and shall present a report of said review to both the City Council and Town Board for their consideration of any recommendations.
14. **Authorization.** The appropriate officers of the City and Town are hereby authorized to carry the terms of this Joint Resolution into effect.
15. **Severability and Repealer.** In the event that any provision of this Joint Resolution is determined and adjudged to be unconstitutional, invalid, illegal or unenforceable by a court of competent jurisdiction, the remaining provisions of this Joint Resolution shall remain in full force and effect. Should any element of paragraph 6 relating to "Taxation Reimbursement" be deemed unlawful or unenforceable, the Township and City shall work together to determine an alternative legal approach to accomplish the intent of such provision.
16. **Effective Date.** This Joint Resolution shall be effective following adoption by the governing bodies of the City and Town, and on the date that the last party hereto signs and dates this agreement. This Joint Resolution shall remain in full force and effect until one of the following conditions takes place, whichever comes first:
 - a. Termination by mutual written joint resolution of the City and Township;
 - b. Upon completion of annexation of the entire designated OAA and corresponding tax reimbursement to the Township as provided in this Joint Resolution; or
 - c. Ten years from the effective date of this Joint Resolution.
17. **Disputes and Remedies.** The City and Township agree as follows:
 - a. Negotiation. When a disagreement over interpretation of any provision of this Joint Resolution shall arise, the respective City and the Township will direct staff members as they deem appropriate to meet at least one (1) time at a mutually convenient time and place to attempt to resolve the dispute through negotiation. The City and Town may agree to enter into mediation to attempt to resolve disputes. Mediation services shall be provided by a state

agency.

- b. Arbitration. When the parties to this Joint Resolution are unable to resolve disputes, claims or counterclaims, or are unable to negotiate an interpretation of any provision of this Joint Resolution, the parties may mutually agree in writing to seek relief by submitting their respective grievances to binding arbitration. The City and Town may also agree to enter into binding arbitration to resolve disputes under this Joint Resolution. Arbitration shall be conducted in accordance with Minnesota Statutes, Chapter 572A.
 - c. Adjudication. When the parties to this Joint Resolution are unable to resolve disputes, claims or counterclaims, are unable to negotiate an interpretation of any provision of this Joint Resolution or are unable to agree to submit their respective grievances to binding arbitration, either party may seek relief through initiation of an action in a court of competent jurisdiction. In addition to the remedies provided for in this Joint Resolution and any other available remedies at law or equity, in the case of a violation, default or breach of any provision of this Joint Resolution, the non-violating, non-defaulting, or non-breaching party may bring an action for specific performance to compel the performance of this Joint Resolution in accordance with its terms.
18. **Amendment.** Both parties reserve the right to initiate an amendment, modification, or revision to the Agreement at any time. Any amendment, modification, or revision must be made in writing, adopted by both parties, and filed with the Office of Administrative Hearings, Municipal Boundary Adjustments unit.
19. **No Further Annexation.** During the term of this Agreement, the City shall not annex any property from the Township except as set out in this Agreement. It is the intent of the parties that this Agreement set the exclusive geographical boundaries of land which may be annexed and set the exclusive procedures under which annexation from the Township to the City may occur during the term of this Agreement. The Parties agree that this provision shall not apply in the event the County makes a land use planning decision or changes its official controls within the Township, or the Township adopts official controls, that are detrimental to, in conflict with, or inconsistent with the terms, purpose or intent of this Joint Resolution in the City's judgment, and in such event and notwithstanding any provision hereof, the City may terminate this Joint Resolution by providing written notice thereof to the Township specifying the reason for such termination.
20. **Detachment Not Precluded.** The City and Township recognize and affirm that nothing in this agreement shall be construed to prevent individual property owners from seeking lawful detachment under the mechanisms of Minnesota Statutes section 414.06. Should annexation occur under the provisions of this agreement, and no development takes place changing the character of the property within 3 years, the City will not oppose the detachment should the process be initiated by an eligible property owner.
21. **Miscellaneous.**
- a. **Filing.** The City and Township agree that upon adoption and execution of this Joint Resolution, the City shall file the same with the Office of Administrative Hearings - Municipal Boundary Adjustments Unit and pay the filing fee.

- b. Governing Law. The City and Township agree that this Joint Resolution is made pursuant to, and shall be construed in accordance with the laws of the State of Minnesota.
- c. Headings and Captions. The Township and City agree that the headings and captions contained in this Joint Resolution are for convenience only and are not intended to alter any of the provisions of this Joint Resolution.
- d. Entire Agreement. The terms, covenants, conditions, and provisions of this Agreement shall constitute the entire agreement between the parties hereto superseding all prior agreements and negotiations between the parties.
- e. Severability. In the event that any provision of this Joint Resolution is determined and adjudged to be unconstitutional, invalid, illegal or unenforceable by a court of competent jurisdiction, the remaining provisions of this Joint Resolution shall remain in full force and effect.
- f. Recitals. The recitals hereto are made a part hereof.
- g. Legal Description and Mapping. The City and Township agree that in the event there are errors, omissions or any other problems with the legal description provided in Exhibit 1 or mapping provided in Exhibit 2, in the judgment of the MBA, the City and Township agree to make such corrections and file a new Exhibit 1 or Exhibit 2 making the corrections requested or required by the MBA in accordance with the terms of this Joint Resolution.
- h. Notice. Any notices required under the provisions of this Joint Resolution shall be in writing and sufficiently given if delivered in person or sent by mail, postage prepaid, as follows:

If to the City:

City Administrator
City of North Mankato
1001 Belgrade Avenue
North Mankato, MN 56003

If to the Township:

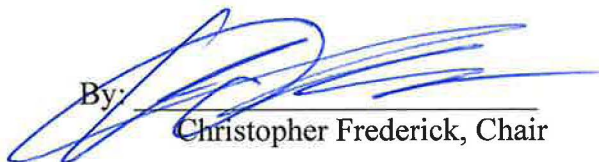
Town Clerk
Belgrade Township
P.O. Box 2075
North Mankato, MN 56002-2075

- i. Authorized Signatories. The parties each represent and warrant to the other that the persons signing this Agreement are authorized signatories for the entities represented; each party indemnifies and holds the other harmless against any breach of the foregoing representation and warranty.
- j. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, and which together shall constitute a single, integrated contract.

[Signature pages to follow.]

PASSED, ADOPTED AND APPROVED by the Belgrade Town Board of Supervisors, Nicollet County, Minnesota this 11 day of June, 2024.

BELGRADE TOWNSHIP

By: 
Christopher Frederick, Chair

By: 
Joan Untiedt, Township Clerk

PASSED, ADOPTED AND APPROVED by the North Mankato City Council, Nicollet and Blue Earth Counties, Minnesota this 18th day of July, 2024.

CITY OF NORTH MANKATO

By: 
Scott Carlson, Mayor

By: 
April Van Genderen, City Clerk

EXHIBIT 1
Legal Description

The OAA designated in the attached Joint Resolution is legally described as follows:

All of the land shown in the color Blue on the attached Exhibit A that are located in part of the following described sections:

Section 25, T109N-R27W. SW $\frac{1}{4}$ of the SW $\frac{1}{4}$ lying westerly of US Highway No. 169

Section 26, T109N-R27W. S $\frac{1}{2}$ of the S $\frac{1}{2}$, except Thorn's Addition No. 2

Section 27, T109N-R27W. SE $\frac{1}{4}$ of the SE $\frac{1}{4}$, except a 5.7 acre parcel in the northwesterly corner.

Section 32, T109N-R27W. NE $\frac{1}{4}$ of the NE $\frac{1}{4}$; SE $\frac{1}{4}$ of the NE $\frac{1}{4}$; E $\frac{1}{2}$ of the SE $\frac{1}{4}$, lying northerly of US Highway No. 14

Section 33, T109N-R27W. NE $\frac{1}{4}$; NW $\frac{1}{4}$; SE $\frac{1}{4}$; SW $\frac{1}{4}$, lying northerly of US Highway No. 14

Section 34, T109N-R27W. NE $\frac{1}{4}$; NW $\frac{1}{4}$; SE $\frac{1}{4}$; SW $\frac{1}{4}$

Section 35, T109N-R27W. NW $\frac{1}{4}$ of the NW $\frac{1}{4}$; SE $\frac{1}{4}$ of the NW $\frac{1}{4}$; NE $\frac{1}{4}$; N $\frac{1}{2}$ of the SE $\frac{1}{4}$; SW $\frac{1}{4}$

Section 36, T109N-R27W. NW $\frac{1}{4}$, lying westerly of US Highway No. 169; SW $\frac{1}{4}$, lying westerly of US Highway No. 169

Section 1, T108N-R27W. the 300 feet x 420 feet (2.9 Acre) parcel in the northwesterly corner

Section 3, T108N-R27W. NW $\frac{1}{4}$; NE $\frac{1}{4}$; SW $\frac{1}{4}$; SE $\frac{1}{4}$

Section 4, T108N-R27W. NE $\frac{1}{4}$, except the plat of Oak Grove Subdivision; W $\frac{1}{2}$ of the NW $\frac{1}{4}$, except for the plats of Oak Grove Subdivision, Oak Grove Subdivision No. 2, and Oak Grove Subdivision No. 3; SE $\frac{1}{4}$; N $\frac{1}{2}$ of the NE $\frac{1}{4}$ of SW $\frac{1}{4}$, except for a 8.17 acre parcel beginning at the SE corner of Lot 7, Block 1, Oak Grove Subdivision No. 2, thence W340', W257.37', S218.76' to the point of beginning, thence E200', S150', SE 268.79', E125', S85', SE105', SE30', SW60', SE60', SE65', SW40', SW110', SE51.94', W607.58', N658.87', N114.83' to the point of beginning

Section 9, T108N-R27W. NE $\frac{1}{4}$; SE $\frac{1}{4}$, lying northerly of the Judson Bottom Road (C.S.A.H No. 41); SW $\frac{1}{4}$, lying northerly of the Judson Bottom Road (C.S.A.H No. 41) and lying southeasterly of Rockford Road.

Section 10, T108N-R27W. SW $\frac{1}{4}$; SW $\frac{1}{4}$ of the SE $\frac{1}{4}$, NW $\frac{1}{4}$

Section 14, T108N-R27W. NW $\frac{1}{4}$, lying westerly of the Minnesota River; SW $\frac{1}{4}$, lying northwesterly of the Minnesota River

Section 15, T108N-R27W. NE $\frac{1}{4}$; NW $\frac{1}{4}$, lying easterly of the Minnesota River and lying northerly of Judson Bottom Road (C.S.A.H No. 41); SE $\frac{1}{4}$, lying northerly of the Minnesota River

Section 16, T108N-R27W. NE $\frac{1}{4}$ of the NE $\frac{1}{4}$, lying northerly of the Judson Bottom Road (C.S.A.H No. 41)

EXHIBIT 2
Boundary Map

The municipal boundary map referenced in the attached Joint Resolution, showing the current City of North Mankato and its relation to the OAA, legally described in Exhibit 1, is attached hereto.

