

BEFORE THE MUNICIPAL BOARD  
OF THE STATE OF MINNESOTA

Kenneth F. Sette	Chair
Robert J. Ferderer	Vice Chair
John W. Carey	Commissioner
Mary Koep	Ex-Officio Member
Steve Sievek	Ex-Officio Member

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IN THE MATTER OF THE PETITION FOR )	<u>FINDINGS OF FACT</u>
THE ANNEXATION OF CERTAIN LAND TO )	<u>CONCLUSIONS OF LAW</u>
THE CITY OF PEQUOT LAKES PURSUANT )	<u>AND ORDER</u>
TO MINNESOTA STATUTES 414 )	<u>AND MEMORANDUM OPINION</u>

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The above-entitled matter came on for hearing before the Minnesota Municipal Board pursuant to Minnesota Statutes 414, as amended on February 19, 1992 at Pequot Lakes City Hall, Pequot Lakes, Minnesota. The hearing was conducted by Terrence A. Merritt, Executive Director, pursuant to Minnesota Statutes 414.01, Subdivision 12. Also in attendance were Kenneth F. Sette, Chair, and John W. Carey, Commissioner. The petitioners appeared by and through Don Babinski, spokesperson for the petitioners. The City of Pequot Lakes appeared by and through Donna Good, City Council Member. The Town of Sibley appeared by and through Greg Kvale, Town Board Supervisor. Testimony was heard and records and exhibits were received.

After due and careful consideration of all evidence, together with all records, files and proceedings, the Minnesota Municipal Board hereby makes and files the following Findings of Fact, Conclusions of Law, and Order.

**FINDINGS OF FACT**

1. On September 12, 1991, a copy of a petition for annexation by all of the property owners was filed with the Minnesota Municipal Board requesting the Board to order annexation. The petition contained all of the information required by statute, including a description of the property subject to annexation, hereinafter referred to as "subject area," which is as follows:

**PARCEL C**

The North half of the Northwest Quarter of the Southeast Quarter of Section 15, Township 136 North, Range 29 West, Crow Wing County, Minnesota.

Subject to that part thereof monumented in the plat of PEQUOT SHADY SHORES.

Containing 19.98 acres more or less.

Subject to and together with easements, restrictions and reservations of record.

**PARCEL D-1**

That part of the Northeast Quarter of the Southeast Quarter of Section 15, Township 136 North, Range 29 West, Crow Wing County, Minnesota lying Westerly of the Westerly right of way line of State Highway Number 371 and lying Northerly of the line described as follows: Beginning at the Southwest corner of the North Half of the Northeast Quarter of the Southeast Quarter of said Section 15; thence East along the South line thereof to its intersection with the Westerly line of that certain tract described in the recorded deed filed in Book 303 of Deeds, Page 1, extended Southeasterly; thence Northwesterly along said extended line to the Southwest corner of said tract; thence Northeasterly along the South line of said tract to the Westerly right of way line of State Highway Number 371 and there terminating. Except those parcels described in deeds recorded in the Office of the County

Recorder to wit:

Book 153 of Deeds, Page 406  
Book 274 of Deeds, Page 103  
Book 274 of Deeds, Page 105  
Book 3030 of Deeds, Page 1

Containing 7.34 acres more or less.

Subject to and together with easements, restrictions and reservations of record.

An objection to the proposed annexation was received by the Minnesota Municipal Board from Sibley Township, hereinafter referred to as "Town," on November 4, 1991.

The Municipal Board upon receipt of this objection, conducted further proceedings in accordance with M.S. 414.031, as required by M.S. 414.033, subdivision 5.

2. Due, timely and adequate legal notice of the hearing was published, served and filed.

3. The subject area is approximately 27.5 acres in size, and abuts the City of Pequot Lakes, hereinafter referred to as "City," by approximately 29% of the subject area's border.

4. The City is approximately 644 acres in size.

5. The Town is approximately 10,840 acres in size.

6. The City had a population of approximately 499 in 1970, approximately 681 in 1980, and has a current population of approximately 843.

7. The Town had a population of approximately 341 in 1970, approximately 553 in 1980, and has a current population of approximately 697.

8. The subject area is estimated to have had no population

in either 1970 or 1980, and its current population is zero.

9. The subject area consists primarily of mostly flat, level land with predominantly sand and gravel soils. Sibley Lake is approximately 900 feet west of the northwest corner of the subject area.

10. The City has land zoned for residential use, commercial use, industrial use, institutional use, and agricultural use.

The Town has land zoned for agricultural use, residential use, commercial use, institutional use and industrial use.

11. Presently the petitioners own the land immediately north of the subject area in the City. If the subject area is annexed to the City, it will be used along with the land north of it for a modular unit construction plant.

12. The City presently provides its residents with water, sanitary sewer and wastewater treatment, fire protection, police protection, street improvements and maintenance, administrative services and recreational facilities.

13. The City is willing to provide the subject area with water, if necessary, fire protection, police protection and administrative services.

Presently the portion of the City located west of the subject area has individual sewage treatment systems. The City waste water treatment system does not extend to that area, and would not be available for service to the subject area. It is anticipated that there will be minimal if any need for waste water

treatment from the Modular Unit Plant.

14. The Town presently provides its residents with administrative services and fire protection through a contract with the City.

15. The City has approximately 7 miles of highways, streets, and roads.

16. The Town has approximately 21.13 miles of township roads.

17. The subject area is immediately adjacent to Highway 371, and has no internal roads.

18. The property owner is willing to donate a portion of the southern part of the subject area for the construction of an east-west road.

The property owners' willingness to donate land for a road right-of-way is joined by the City's willingness to enter into a joint road project that will primarily serve township residents west of the subject area.

19. The City has a comprehensive plan enacted in November, 1989 and a zoning ordinance.

20. The Town has no comprehensive plan, but adopted a joint plan with the City in December, 1989 to act as a guide for recommendations to the county. The township has a zoning ordinance adopted in 1989.

21. The County of Crow Wing is in the process of developing a new comprehensive plan. The county has a zoning ordinance, an official map, and a sanitation ordinance.

22. Presently a portion of the subject area is zoned agricultural and the remainder of it is zoned future development.

23. It is anticipated that if the subject area is annexed it will be zoned light industrial.

24. The City has a 1992 assessed valuation of approximately \$508,034. It's local tax rate is 31.917; its tax rate for the county is 30.731; its tax rate for the school district is 39.914; and its tax rate for the Special Taxing District is .166. As of 1991, its total bonded indebtedness is approximately \$298,000.

25. The Town has a 1992 assessed valuation of approximately \$486,163 for real estate. The tax rate for the Town is 11.517; the county tax rate in the Town is 30.731; the school district tax rate is 39.914; and the Special Taxing District is .166. The Town has no bonded indebtedness.

26. In 1992, the subject area has an assessed value of approximately \$218.00 with a market value of approximately \$13,600. The tax rates levied on the subject area are the same as those levied on real estate within the town.

27. The City has a fire insurance rating of 7.

28. It is not anticipated that the annexation would have any impact on area school districts or adjacent communities.

29. The remainder of the Town can continue to carry on the functions of government without the subject area without undue hardship.

CONCLUSIONS OF LAW

1. The Minnesota Municipal Board duly acquired and now has jurisdiction of the within proceeding.

2. The subject area is now or is about to become urban or suburban in nature, in need of or will be in need of municipal services, and the annexing municipality is capable of providing the services required by the subject area within a reasonable time.

3. The existing township form of government is not adequate to protect the public health, safety, and welfare of the subject area.

4. The annexation would be in the best interests of the subject area.

5. The Town can carry on the functions of government without undue hardship.

6. This Minnesota Municipal Board proceeding is not subject to an annexation election, since the petition was initiated by a majority of the property owners.

7. An order should be issued by the Minnesota Municipal Board annexing the subject area described herein.

O R D E R

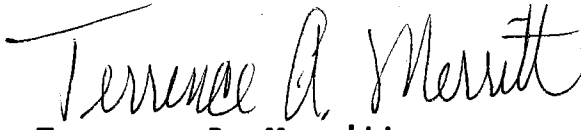
1. IT IS HEREBY ORDERED: That the property described in Finding of Fact 1 herein, be and the same hereby is annexed to the City of Pequot Lakes, Minnesota, the same as if it had been

originally a part thereof.

2. IT IS FURTHER ORDERED: That the effective date of this order is May 21, 1992.

Dated this 21st day of May, 1992.

MINNESOTA MUNICIPAL BOARD  
475 McColl Building  
St. Paul, MN 55101

A handwritten signature in cursive script that reads "Terrence A. Merritt". The signature is written in dark ink and is positioned above the printed name and title.

Terrence A. Merritt  
Executive Director



M E M O R A N D U M

The Board urges the City of Pequot Lakes and the Town of Sibley to build on their history of cooperation. In a spirit of cooperation the City should look at the issue of compensation to the township raised by the Town at the hearing. While the City will look at it from its perspective, the Town, must temper its desire for compensation with the understanding that a joint road effort between the Town and the City will aid access for Town residents west of the subject area more than it will aid City residents. The donation of right-of-way by the property owner will assist in bringing this joint road to fruition. This is a form of compensation. Additionally, while the township will be receiving benefit from this joint road construction, it will still need to address its shrinking tax base, resulting from annexations. Thus some compensation from the City based perhaps on a review of the total benefit derived from the subject area will result in monetary payment to the township in addition to the road.

The county is confident that the City and Town will develop the road to proper specifications so that at some later date, the Town and the City are not before the county board seeking future assistance for the road.

Finally, the Board urges the parties to consider orderly annexation to address those issues that have previously not been dealt with. Orderly annexation will allow the City and the Town to plan together for the future development of the community. The

board commends the parties for their cooperation in the past and is confident that this spirit of cooperation will continue and expand in the future. JAM 5-21-92