

BEFORE THE MUNICIPAL BOARD
OF THE STATE OF MINNESOTA

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| Shirley J. Mihelich | Chair |
| John W. Carey | Vice Chair |
| Kenneth F. Sette | Commissioner |

IN THE MATTER OF THE PETITION FOR THE)
DETACHMENT OF CERTAIN LAND FROM THE)
CITY OF LAKE ELMO AND ANNEXATION TO)
THE CITY OF OAKDALE PURSUANT TO)
MINNESOTA STATUTES 414.061)

AMENDED
FINDINGS OF FACT
CONCLUSIONS OF LAW
AND ORDER
AND MEMORANDUM OF OPINION

The above-entitled matter came on for hearing before the Minnesota Municipal Board pursuant to Minnesota Statutes 414, as amended, on March 29, 1988 at Lake Elmo, Minnesota. The hearing was conducted by Terrence A. Merritt, Executive Director, pursuant to Minnesota Statutes 414.01, Subdivision 12. Also in attendance were Shirley J. Mihelich, Chair, John W. Carey, Vice Chair, and Kenneth F. Sette, Commissioner. The City of Lake Elmo appeared by and through Stephen P. Carlson, Attorney at Law. Appearing on behalf of the Brockmans (petitioners) were Lyle Eckberg and Mark Vierling, Attorneys at Law. Appearing on behalf of the Frasers (petitioners) was Robert Lampe, Attorney at Law. 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.

The City of Lake Elmo appealed the Minnesota Municipal Board's Order, dated September 23, 1988, to the District Court of the Tenth Judicial

District. The District Court remanded the Order to the Minnesota Municipal Board on January 27, 1989. The Municipal Board has reviewed the record in light of the Court's order, and hereby files the following Amended Findings of Fact Conclusions of Law and Order.

FINDINGS OF FACT

1. On January 4, 1988, a petition for concurrent detachment and annexation by all of the property owners was filed with the Minnesota Municipal Board.

The petition contained all of the information required by statute including a description of the area proposed for concurrent detachment and annexation, which is as follows:

The East 1/2 of the Northwest 1/4 of Section 32, Township 29 North, Range 21 West, lying East of Interstate Highway 694.

and

The South 466.69 Feet of the West 466.69 Feet of the Northwest 1/4 of the Northeast 1/4 of Section 32, Township 29 North, Range 21 West, Washington County, Minnesota, containing 5.0 acres, more or less. Subject to easements of record. According to the United States Government Survey thereof, hereinafter referred to as the "Brockman parcel."

and

That part of the Northeast 1/4 of the Southwest 1/4 lying East of Interstate Highway I-694.

and

The North 155.3 Feet of the Southeast 1/4 of the Southwest 1/4 lying East of Interstate Highway I-694, all in Section 32, Township 29, Range 21, hereinafter referred to as the "Fraser parcel."

A resolution objecting to the concurrent detachment and annexation was received from the City of Lake Elmo on March 21, 1988.

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

3. The area proposed for concurrent detachment and annexation, hereinafter called the subject area, is presently within the City of Lake Elmo, abuts the City of Oakdale, and is approximately 91 acres in size. The perimeter of the subject area is approximately 42% bordered by the City of Oakdale. The subject area abuts the City of Oakdale, hereinafter referred to as Oakdale, on the property's western and northern boundaries. The subject area is located immediately east of Interstate 694, and approximately 994 feet north of Interstate 94. Oakdale is located on both the west side of Interstate 694 and also on the east side of Interstate 694, north of the subject area. Since the subject area would change governmental entities if the concurrent detachment and annexation is approved by the Board, some findings also address this specific area of the City of Lake Elmo, hereinafter referred to as Lake Elmo.

4. The City of Oakdale had a population of approximately 12,123 in 1980.

The Metropolitan Council has projected that by the year 1990 the city will have a population of 15,000, and that by the year 2000 it will have a population of 17,000. Oakdale has been developing rapidly, but no specific testimony was received on the present estimated population of Oakdale.

5. The City of Lake Elmo had a population of approximately 5,296 in 1980.

The Metropolitan Council has projected that by the year 1990 the city will have a population of 6,200, and that by the year 2000 it will have a population of 6,600. Lake Elmo is not developing as rapidly as Oakdale. There was no testimony about the present population.

6. The subject area has no present population.

None of the residents of Lake Elmo live in the subject area.

6A. The detachment and annexation of the subject area will not directly affect the existing population of either city.

7. The topography of the area proposed for annexation is gently rolling and irregular with some wetland depressions. The soils in the northwestern portion of the subject area and the southern one-half of the Brockman parcel have been identified as prime agricultural. The majority of the Brockman parcel has soils with severe limitations for on-site septic system development. The subject area is located in the Ramsey-Washington Metro Watershed District. There are wetlands on the site located primarily in the northern two-thirds of the Brockman parcel. A significant portion of the subject area is overlaid by the 100-year floodplain.

The topography of Lake Elmo is gently rolling and irregular. There are many depressions and knolls. The higher elevations over 1,000 feet above sea level exist in the northern and western portions of the city. The lower elevations within the city down to 870 feet above sea level are in the southeastern corner. Steep slopes traverse the city from the northwest to the southeast. There are lakes within the city. There are soils that are described as prime agricultural soils primarily to the northeast of the part of the city described as the Old Village area and in the southwestern corner of the city. Soils with limitations for septic systems are located primarily in the northwestern area of the city described as the Tri-Lakes area. There has been rapid, high density development of the area and as a result, septic system failures have become a recurring problem. Both the Tri-Lakes area and the Old Village area of Lake Elmo, as well as almost all of the general development within Lake Elmo, are over a mile and a half away from the subject area. The Tri-Lakes, in the northwestern part of Lake Elmo, are over three miles away from the subject area.

7A. Oakdale has a topography that consists of low, rounded hills and depressions. There are irregular, short, steep slopes with a scattering of

low areas having lakes, wetlands, or intermittent ponds. Many of the lakes, wetlands or intermittent ponds are self-contained with the quantity of surface water runoff insufficient to cause the impoundment areas to overflow. The existence of self-contained impoundments can significantly reduce the quantity of surface water runoff tributary to downstream lakes and streams. The city has soils of great variability ranging from peat and clay to sand and gravel. Much of the city is underlaid with lenses of clay of varying thicknesses and varying depths. On sloping ground and on the upland a common soil is the Scandia loamy fine sand, a well-drained soil. Within low-lying areas and relatively flat areas, the soils commonly found in the city are Adolph silty clay, muck, and peat. These soils are characteristically very slow draining areas.

7B. The detachment and annexation will not impact the topography or natural features of either city, including the subject area.

8. The City of Oakdale has a total acreage of approximately 6,600 acres.

9. The City of Lake Elmo has a total acreage of approximately 16,128 acres.

9A. The proposed detachment and annexation of 91 acres will not substantially impact the size of either city.

10. The subject area is presently vacant. Portions of the land had previously been farmed, but none of the land is presently in agricultural production. The property owners anticipate commercial and possibly some medium to high residential development for the subject area.

11. The City of Oakdale has a transportation network that includes interstate highways, state highways, county roads, and municipal streets within its boundaries.

12. The City of Lake Elmo has a transportation network that includes

interstate highways, state highways, county roads, and municipal streets within its boundaries.

13. Along its northern boundary, the subject area abuts County Road 70, also known as 10th Street North; along its eastern boundary a portion of the Brockman parcel abuts Helmo Avenue North which is a local street; a Minnesota Department of Transportation Road bisects the southern part of the Fraser parcel, and Interstate Highway 694 lies west of the subject area. Interstate Highway 94 is a small distance south of the subject area.

The subject area is immediately east of Interstate 694 and north of Interstate 94 and northeast of the intersection of Interstates 694 and 94. Access to Interstate 694 and Oakdale from the subject area could be either via County Road 70, also known as 10th Street North or by Fourth Street, which is the Minnesota Department of Transportation road which bisects the Fraser property.

The concurrent detachment and annexation of the subject area will not alter the location of any of the state or county roads. None of the Helmo Avenue right-of-way is in the subject area.

Other than Lake Elmo's Land Use Concept Plan for Section 32 and the west one-quarter of Section 33, hereinafter referred to as the land use concept plan, which shows the potential location of some streets, generally as demarcations of new use zones, no additional transportation plans for the subject area were presented.

The concurrent detachment and annexation will not create adverse traffic patterns or transportation problems for the cities.

14. The Metropolitan Council completed a review of the City of Lake Elmo's comprehensive plan on June 24, 1984. A plan amendment concerning future land use concept plan for the Lake Elmo Metropolitan Urban Services

Area to the comprehensive plan was received and approved on April 23, 1987.

The City of Lake Elmo has a zoning ordinance.

15. The Metropolitan Council completed a review of the City of Oakdale's comprehensive plan on May 1, 1985.

The City of Oakdale has a zoning ordinance and a comprehensive sewer plan.

15A. The concurrent detachment and annexation of the subject area is not specifically considered by either comprehensive plan. Since it was not considered at the time of the development of the comprehensive plans of Lake Elmo and Oakdale, the proposed concurrent detachment and annexation is presently, therefore, not consistent with either comprehensive plan. Oakdale cannot request approvals from the Metropolitan Council for an amendment to either its comprehensive plan or its sewer plan until the subject area is within its jurisdiction. Nonetheless, the land use concept plan and the included uses therein are generally consistent with both comprehensive plans. Presently the land use concept plan is inconsistent with the zoning of the subject area.

Lake Elmo's Comprehensive Plan anticipates that there will be some commercial activity in Sections 32 and 33 before 1990. The 1986 Comprehensive Plan analyzed that at that time approximately 216 acres of land were in commercial use. The comprehensive plan proposed to provide a total of 390 acres of land for commercial land uses. The property owners anticipate some commercial development in the subject area.

15B. Lake Elmo does not presently provide municipal water service to any land near the subject area. Lake Elmo provides sanitary sewer service to only one small area within the entire city. Lake Elmo would have to construct an entirely new water system to provide water to the subject area, or

alternatively Lake Elmo would have to purchase water from Oakdale to provide water to the subject area.

Lake Elmo would have to construct its first major trunk sewer line to provide sanitary sewer service to the subject area. The present area serviced by sanitary sewer in Lake Elmo is by a short extension of the Metropolitan Waste Control Commission's Woodbury-Oakdale-Northdale-East Oakdale, hereinafter referred to as WONE, Interceptor, and located in the extreme southwestern corner of Section 32 and approximately 600 feet from the subject area.

Unless there is extension of sewer and water, it is not anticipated that the subject area will be developed in a manner consistent with either the Lake Elmo Concept Plan or the existing Oakdale Comprehensive Plan and Land Use Plan. The Metropolitan Development and Investment Framework sets forth the Metropolitan Council policies that indicate that urban expansion in the developing area should be planned, staged, and generally contiguous to existing development. The Metropolitan Council urges communities to provide for the orderly extension of services.

The majority of Oakdale, except for the extreme northeast corner, is in the Metropolitan Urban Service Area, hereinafter referred to as MUSA, which is the developing area of the metropolitan region. The MUSA portion of Lake Elmo is generally described as Section 32 and the west one-quarter of Section 33. The balance of Lake Elmo is in the General Rural Use area, except for the Old Village area, which is considered a Rural Center.

Oakdale has commercial-type development west of the subject area across Interstate 694 as well as development north of the subject area.

16. The subject area is presently zoned rural residential, which allows one dwelling per 10 acres. Prior to 1983, it was zoned agricultural.

17. The City of Lake Elmo has developed a land-use concept plan for

Section 32 and the west quarter of Section 33, Township 29 North, Range 21 West. This plan would designate a majority of the Brockman parcel as office and commercial use, and the eastern-most 5 acres of the Brockman parcel as medium to high residential development; the Fraser parcel is designated as office and commercial land. There are some residences, and the old Crossroads Ford Building in the MUSA portion of Lake Elmo, and the remainder of the MUSA area is generally undeveloped. Lake Elmo has approximately 470 gross acres in the MUSA area with approximately 377.5 acres available for development.

18. None of the property contained in the land-use concept plan has been rezoned by the City of Lake Elmo to correspond with the concept plan.

19. The City of Lake Elmo has the southwestern corner of Section 32, which is south of the subject area, zoned for uses of a commercial or business use. The remainder of the city including the subject area, is generally zoned agricultural, single-family residential, public, or rural residential. There are several areas in Lake Elmo zoned for general business, highway business, and manufactured home park. There are several areas listed on the city's zoning map as conditional-use permit.

20. The City of Lake Elmo has indicated that for a rezoning to occur in the subject area, as well as those portions of Sections 32 and 33 covered by the development concept plan, it will be necessary for a land owner to come forward with a plan consistent with that concept and request a rezoning.

The City of Lake Elmo presently does not anticipate initiating rezoning of the subject area or the remainder of Sections 32 and 33 on its own motion. Land that is zoned for intensive uses will need additional municipal services as development occurs.

21. The area within the City of Oakdale north of the subject area is presently zoned industrial development, commercial-retail development, and

multi-family and residential development.

West of the subject area, across Interstate 694, the land within the City of Oakdale is zoned community commercial, commercial and industrial/office development.

Oakdale also has land zoned for mobile homes and wetland.

In 1986, Oakdale issued commercial building permits with a valuation of approximately \$1,987,000. In 1986, Oakdale issued industrial building permits with a valuation of approximately \$85,000.

21A. In 1986, Lake Elmo issued commercial building permits with a valuation of approximately \$50,000. In 1986, Lake Elmo issued no industrial building permits.

21B. The 1986 Lake Elmo Comprehensive Plan notes that the Lake Elmo City Council took no action on engineering feasibility reports for the subject area and the remainder of Lake Elmo MUSA area. Lake Elmo has indicated that as a land use alteration procedure it will not entertain a rezoning proposal request for a parcel of land without a specific plan for the property. Developers will be responsible for paying all costs of new or extended services. Additionally, at present, any development within the subject area or any of the other undeveloped portions of Lake Elmo's MUSA area would necessitate a request for rezoning to the appropriate zoning district.

21C. Oakdale generally follows the practice of zoning land consistent with its comprehensive plan. It examines any specific development proposals in light of the existing zoning criteria. Oakdale does not follow Lake Elmo's planning practice of performing an ad hoc rezoning of land after review of a specific proposal for the land.

21D. The concurrent detachment and annexation of the subject area will

relieve Lake Elmo of the need to review and determine whether a specific development proposal warrants the rezoning of land within the subject area consistent with the proposed use.

22. If the subject area were a part of the City of Oakdale, zoning of the subject area to commercial, office, multi residential would be consistent with Oakdale's comprehensive plan.

Prior to any rezoning of the subject area, Oakdale would need to seek an amendment to its comprehensive plan. The land use concept plan developed by Lake Elmo for the subject area and the remainder of the MUJA area is generally consistent with the types of zoning and land uses in Oakdale adjacent to the subject area.

22A. The detachment and annexation would benefit land use planning patterns and physical development of the affected cities.

22B. There is no testimony as to the building code in either Lake Elmo or Oakdale. Oakdale has a Building Inspection Department. There is no present development on the subject area, so the concerns of complying with the building code have not arisen. If the subject area becomes part of Oakdale, any future development would have to conform with the city's building code.

The proposed detachment and annexation will have a neutral affect on the building code of the affected cities.

23. The City of Oakdale provides its residents with water, sanitary sewer and waste water treatment, storm sewer, fire protection, police protection, street improvements and maintenance, and administrative services.

The City of Oakdale plans to construct a water tower immediately north of the subject area, with a capacity of one to one and one half million gallons. The construction is anticipated to be complete within the next three years. The size of the tower can be increased to service the subject area and

the remainder of the MUSA area of Lake Elmo.

23A. Oakdale's cost to build a new million gallon water tower is estimated at approximately \$850,000; its cost to build a new 1.5 million gallon water tower is estimated at approximately \$1,110,000; its cost to expand its new water tower to include the MUSA area of Lake Elmo would cost approximately \$260,000.

The cost to Lake Elmo to provide water service to the subject area and the remainder of the Lake Elmo MUSA area is projected at \$1,145,100 for 2 wells and pumphouses and one 500,000 gallon elevated tank.

24. The City of Lake Elmo provides its residents with fire protection, police protection through a contract with Washington County, street improvements and maintenance, administrative services, recreational opportunities, and sanitary sewer to a limited part of the city.

Lake Elmo has not taken an active position of extending sewer and water to the subject area or to the areas adjacent to the subject area. Additionally, Lake Elmo has focused its growth and planning toward a rural residential form of development. To change such a posture would require a revision of the basic direction of Lake Elmo. Oakdale is presently focused toward development with the extension of sewer and water. The detachment and annexation would not require Oakdale to revise the direction it is presently taking.

25. The City of Oakdale is willing to extend all of the services it presently provides its residents to the subject area if the property becomes part of the City of Oakdale.

The city does not anticipate any problems extending services to the subject area were it to become part of the City of Oakdale.

26. The City of Oakdale presently does not extend sewer or water beyond

its corporate boundary limits.

Oakdale has extended sewer and water to property ready for development that did not have any construction presently on it.

27. The subject area is located within the Ramsey-Washington Metro Watershed District.

This district drains southward and eventually empties into the Battle Creek area of the City of St. Paul.

28. The City of Oakdale proposes to eliminate two lift stations by the year 2000 within its sewer district no. 13 by attaching those service areas to the Woodbury-Oakdale-Northdale-East Oakdale Interceptor (hereinafter referred to as WONE).

The City of Lake Elmo, in anticipation of the eventual connection by the City of Oakdale to the WONE, oversized its present sewer line to allow sufficient capacity for service to the City of Oakdale's sewer district no. 13. The oversizing of the line resulted in an assessment of \$48,000 to the City of Oakdale.

The sanitary sewer line that would connect the WONE Interceptor and Oakdale will travel through the MUSA area of Lake Elmo.

29. The only sanitary sewer located within the City of Lake Elmo corporate limits is in the southwestern corner of Section 32. The WONE connection within the City of Lake Elmo is approximately 600 feet south of the subject area.

30. That portion of the City of Lake Elmo covered by the design concept plan referred to in Article 17, herein, is the only area of the City of Lake Elmo that is located within the Metropolitan Urban Service Area (hereinafter referred to as MUSA).

31. The MUSA allocation to the City of Lake Elmo for sewage capacity is a

discharge of 458,000 gallons per day by the year 2000.

32. The City of Lake Elmo presently has approximately 1,000 to 2,700 gallons per day flow discharge of sanitary sewage.

33. The City of Lake Elmo does not presently intend to extend municipal sewer service north of the existing service area.

34. School District #622 provides service to both the subject area and that portion of the City of Lake Elmo and the City of Oakdale immediately adjacent to it.

The concurrent detachment and annexation of the subject area would not result in any change of that service. The concurrent detachment and annexation of the subject area would have no immediate impact on the school district. Potential development could enhance the overall school district tax base.

35. The subject area received an assessment of approximately \$15,354.50 for the WONE sewer line.

The subject area is not presently able to use that sewer line, although the assessments have or are being paid.

36. The subject area was assessed approximately \$10,413.55 for the watershed district.

37. The assessor's estimated market value of the Brockman property is approximately \$245,000.

38. The assessor's estimated market value of the Fraser property is approximately \$143,500.

39. The Fraser property pays real estate taxes in the amount of approximately \$6,312.92 excluding special assessments.

The Brockman property pays approximately \$10,771.62 in real estate taxes.

39A. The taxable assessed valuation of the subject area is approximately \$155,400.

40. The City of Lake Elmo has indicated that it would cost approximately \$3,000,000 to extend sewer and water to the subject area, as well as the remainder of the Sections 32 and 33.

41. The City of Lake Elmo has expressed no interest in tax increment financing for the extension of services to the subject area.

42. The City of Oakdale has used tax increment financing to facilitate the extension of municipal services to developing areas.

43. The construction costs of Helmo Avenue were assessed against the adjacent property owners.

44. Should the City of Lake Elmo extend municipal water to the subject area and adjacent land in Sections 32 and 33, it is anticipated it would construct a water tower with an approximate capacity of 500,000 gallons.

The City of Lake Elmo has indicated no desire to presently construct such a water tower.

45. The Lake Elmo comprehensive plan focuses upon retaining the City of Lake Elmo's rural residential character without the development of much commercial, industrial, or multi family uses.

46. The Brockman property presently has an option to purchase on it, if sewer and water are available, and the party seeking to purchase the property desires that the land be within the City of Oakdale.

47. The subject area is adjacent to the largest intersection of interstate highways within the three county area.

48. The City of Lake Elmo does not presently provide central water service to any of Sections 32 or 33.

49. The subject area is not presently experiencing or causing any

environmental problems. Given the nature of the soils in the subject area, development without municipal sanitary sewer may generate environmental hazards.

49A. To continue to protect the environment, it is necessary that the development in the subject area be served by sanitary sewer.

There was no testimony as to environmental problems near the subject area in Oakdale or near the subject area in Lake Elmo.

49B. Lake Elmo, in the Tri-Lakes area, has experienced septic system failures as a recurring problem, because of the rapid high-density development of the area.

49C. The concurrent detachment and annexation will not improve or deteriorate the present environmental conditions of the cities.

50. Presently the WONE assessment roles have \$85,000 in surplus collections with a total unpaid balance of \$25,000.

51. Approximately 35% to 40% of Sections 32 and 33 as outlined in the land-use concept plan are within Green Acres. The designation of Green Acres prevents the requirement of immediate payment of assessments against the property.

52. None of the subject area is within Green Acres.

53. The City of Lake Elmo is concerned that extension of municipal sewer and water to Sections 32 and 33 would result in deferred assessments, which may need to be borne by the city.

53A. The 1986 Lake Elmo Comprehensive Plan indicated that Lake Elmo maintains a five-year capital improvement program for the major public works associated with implementing the comprehensive plan. The 1988 Lake Elmo budget did not include any entries in its five-year capital improvement program for either sewer or water.

If water and sewer are extended to the subject area and the remainder

of the MUSA area of Lake Elmo, there would be land in Green Acres which according to the 1986 Lake Elmo Comprehensive Plan would have assessments for sewer and water deferred until such time as the land was brought out of Green Acres. The deferred costs would be borne by Lake Elmo. Since the 1986 Lake Elmo Comprehensive Plan indicated that some commercial development would occur prior to 1990 within the MUSA area, a five-year capital improvement program for budget 1988 would take such expenditures into account if it was anticipated that such services would be offered.

53B. If the detachment and annexation is approved, provision of municipal services by Oakdale to the subject area would not require the Green Acres area in Lake Elmo to have deferred assessments levied against it.

53C. The concurrent detachment and annexation of the subject area would allow for the more efficient delivery of services by the cities while not requiring Lake Elmo to invest any money in its capital fund for any deferred costs for the extension of services to the subject area.

54. The City of Lake Elmo has a bonded indebtedness of \$290,000 as of 12-31-87.

The City of Oakdale has a bonded indebtedness of \$20,330,000 as of 12-31-87.

55. The assessed valuation of the City of Oakdale in 1987 is \$82,104,388.

56. The assessed valuation of the City of Lake Elmo in 1987 is \$36,393,958.

57. The mill rate in 1987 for the county portion of the Real Estate taxes on land within the Cities of Oakdale and Lake Elmo is 28.407.

58. The City of Oakdale has a local government mill rate of 24.054.

59. The City of Lake Elmo has a local government mill rate of 13.9.

59A. The concurrent detachment and annexation of the subject area will not

have a dramatic impact on the assessed value of the cities.

59B. The subject area will remain liable for any present bonded indebtedness that it is obligated for in Lake Elmo.

59C. Lake Elmo's present bonded indebtedness will not be impacted by the detachment and annexation.

59D. The loss of potential development for Lake Elmo is offset by the loss of the need to service the subject area to bring about development. Oakdale gains potential development of the subject area and the duty to service it consistent with applicable statutes.

59E. Governmental services now available in the affected municipalities can be more effectively or more economically provided by the proposed detachment and annexation.

CONCLUSIONS OF LAW

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

2. Concurrent detachment and annexation of the subject area is in the best interests of that portion of Lake Elmo consisting of the subject property.

3. The City of Oakdale can provide the subject area with the necessary governmental services.

4. The remainder of the City of Lake Elmo can continue to survive without the subject area, and will be relieved of the need to provide rezoning and utility services, and other additional municipal services required by development, necessary to the type of development Lake Elmo acknowledges is appropriate for the subject area.

4A. The concurrent detachment and annexation will provide for more effective or economic delivery of services of the affected municipalities.

4B. The concurrent detachment and annexation will benefit planning, land

use patterns, and physical development.

4C. There are no major transportation issues or proposed highway development and the transportation network will not be adversely altered by the concurrent detachment and annexation.

4D. The concurrent detachment and annexation will benefit the municipalities and is in the best interest of the municipalities.

5. The Minnesota Municipal Board should issue an order approving the concurrent detachment and annexation of the subject area from the City of Lake Elmo to the City of Oakdale.

O R D E R

1. IT IS HEREBY ORDERED: That the property described herein in Findings of Fact 1 be, and the same hereby is, detached from the City of Lake Elmo and annexed to the City of Oakdale, the same as if it had originally been a part thereof.

2. IT IS FURTHER ORDERED: That the effective date of this order is September 23, 1988.

3. IT IS FURTHER ORDERED: That the effective date of this amended order is October 17, 1989.

Dated this 23rd day of September, 1988.

MINNESOTA MUNICIPAL BOARD
165 Metro Square Building
St. Paul, Minnesota 55101

Terrence A. Merritt
Terrence A. Merritt
Executive Director

Amended Order Dated this 17th day of October, 1989.

MINNESOTA MUNICIPAL BOARD
165 Metro Square Building
St. Paul, Minnesota 55101

Terrence A. Merritt
Terrence A. Merritt
Executive Director

M E M O R A N D U M

In approving the concurrent detachment and annexation of the subject area from Lake Elmo to Oakdale, the Board concludes that the municipalities will benefit from the boundary change.

Lake Elmo has focused itself on the path of minimal development and the maintenance of a rural residential atmosphere. Lake Elmo has worked hard at remaining a rural residential community. The detachment and annexation frees Lake Elmo from the responsibility of serving the subject area and the need for any rezoning of the subject area by Lake Elmo.

The Metropolitan Council Development and Investment Framework focuses on the importance of placing development near development that is already occurring, so that it occurs efficiently and economically. Lake Elmo does not have the present capability or inclination to develop municipal sewer or water to service the subject area. Oakdale has both the capability and inclination to service the subject area if it is within its corporate limits. The concurrent detachment and annexation will allow that land which is appropriate and ready for development to be serviced by a community that is servicing land immediately adjacent to it. It will also allow the community that wishes to remain a rural residential community to remain so.

The Board in specifically considering the subject area took into consideration that this area is presently a part of Lake Elmo and therefore the interests of the subject area are also part of the community of interests that make up Lake Elmo. In the procedure where one city consolidates with another city, the two cities are the subject area and there is no remaining city area for consideration. In the case where there is a concurrent detachment and annexation of land, the majority of the land within the

original city from which a detachment is sought, is still within the original city. The interests of the subject area are, therefore, considered with the interests of the detaching city.

Additionally, Minn. Stat. 414.041 Subdivision 5 states, "The Board shall order the consolidation if it finds that consolidation will be for the best interests of the municipalities." (emphasis added) Thus, the Board in determining that the subject area should be concurrently detached from Lake Elmo and annexed to Oakdale finds that when all of the interests of the two cities are weighed together with the subject area as a part of Lake Elmo, the boundary change is in the best interests of the municipalities.

The Board notes that Lake Elmo is a delightful rural residential community, which has chosen to remain that type of a city. The removal of the subject area reinforces the city's focus on rural residential development.

The Board suggests that Lake Elmo and Oakdale work together to address areas of mutual concern, for the benefit of the community at large. JRM 10-17-89