

BEFORE THE MUNICIPAL BOARD  
OF THE STATE OF MINNESOTA

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|--------------------|-------------------|
| Robert J. Ferderer | Chairman          |
| Kenneth F. Sette   | Vice Chairman     |
| Richard A. Sand    | Commissioner      |
| Douglas Krueger    | Ex-Officio Member |
| Harley Boettcher   | Ex-Officio Member |

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IN THE MATTER OF THE JOINT RESOLUTION )  
BETWEEN THE CITY OF ROCHESTER AND THE )  
TOWN OF CASCADE FOR THE ORDERLY )  
ANNEXATION OF CERTAIN LAND TO THE )  
CITY OF ROCHESTER )  
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FINDINGS OF FACT  
CONCLUSIONS OF LAW  
AND ORDER

The above-entitled matter came on for hearing before the Minnesota Municipal Board pursuant to Minnesota Statutes 414, as amended, on January 31, 1985, at Rochester, Minnesota. The hearing was conducted by Terrence A. Merritt, Executive Director, pursuant to Minnesota Statutes 414.01, Subdivision 12. Also in attendance were County Commissioners Douglas Krueger and Harley Boettcher, Ex-Officio Members of the Board. The City of Rochester appeared by and through Frederick Suhler, Jr., City Attorney, and the Town of Cascade appeared by and through Stanley Hunter, Town Board Chairman. 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. A joint resolution for orderly annexation was adopted by the City of Rochester and the Town of Cascade and duly accepted by the Minnesota Municipal Board.

2. A resolution was filed by one of the signatories to the joint resolution, the City of Rochester, on November 21, 1984 requesting the annexation of certain property within the orderly annexation area. The resolution contained all of the information required by statute including a description of the property subject to annexation, which is as follows:

Property located in the Town of Cascade, County of Olmsted, State of Minnesota, described as Lot 18, Block 2, Riverview Subdivision.

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

4. The area subject to annexation is unincorporated, within the orderly annexation agreement area, approximately .48 acre in size, and abuts the City of Rochester for approximately 26% of its perimeter. The City of Rochester is approximately 21.85 square miles in size.

5. The Town of Cascade has a total area of approximately 23.67 square miles.

6. There are no public waters located on the area proposed for annexation.

7. In 1970 the City of Rochester had a population of 53,766, its population in 1980 was 57,890, and its population in 1982 was 59,307.

8. The Town of Cascade had a population of 2,442 in 1970, a population of 2,384 in 1980, and a population of 2,491 in 1983.

9. The area proposed for annexation has a present population, as of February 16, 1985, of three.

10. The City of Rochester has approximately 6,400 acres in residential use, approximately 2,112 acres in institutional and park use, approximately 712 acres in commercial use, approximately 1,206 acres in industrial use, and

approximately 1,247 acres in agricultural use and vacant land.

In the City of Rochester, there remains land planned for approximately 700 acres of residential use, approximately 258 acres for commercial use, and approximately 250 acres for industrial use.

11. In Cascade Township, land is zoned as follows: approximately 1,536 acres for residential use, approximately 112 acres for commercial use, approximately 346 acres for industrial use, and approximately 12,560 acres for agricultural use.

12. The area proposed for annexation presently is .48 acre of land used exclusively for a single-family residence.

There is some potential that the lot could be subdivided to create a vacant lot for residential development.

13. The City of Rochester has issued 1,138 building permits in 1980, 990 in 1981, 1,191 in 1982, 1,707 in 1983, and 1,627 in 1984.

14. The Town of Cascade has issued 19 building permits in 1980, 27 in 1981, 29 in 1982, 52 in 1983, and 38 through November, 1984.

15. The City of Rochester has a zoning ordinance, subdivision regulations, shoreland and floodplain regulations, an official mapping program, the Uniform Building Code, the Minnesota Plumbing Code, the NFPA Fire Code, and capital improvement and budget program.

16. Olmsted County has a zoning regulation, subdivision, shoreland and floodplain regulations, a building code, the Minnesota Plumbing Code, sanitation ordinances, Human Services Programs, and the capital improvement and budget program.

17. Cascade Township has no independent land use planning document.

18. The 1978 General Land Use Plan for the Olmsted County area adopted by

Olmsted County designates the area proposed for annexation in the "Potential Urban Service Area" of the City of Rochester.

19. The area proposed for annexation is presently zoned R-1 (Low Density Residential) under the Olmsted County Zoning Ordinance.

20. If annexed, the area will be zoned R-1 (Single Family Residential) under the city's zoning code.

21. This annexation is consistent with the local comprehensive plans.

22. The City of Rochester provides its residents with water, sanitary sewer, waste water treatment, storm sewer, fire protection, police protection, street improvements and maintenance, administrative services, recreational opportunities and library services.

23. The residence located in the area proposed for annexation is presently receiving city sanitary sewer. The city is willing to provide the area proposed for annexation with all of the other services it presently provides residents of the City of Rochester if the property is annexed.

24. Cascade Township provides the area proposed for annexation with fire protection and street improvements and maintenance.

25. The City of Rochester has 204.9 miles of improved roads as follows: 12.3 miles of Trunk Highway, 8.82 miles of County State Aid Highway, and 183.8 miles of local streets.

26. Cascade Township has 71.36 miles of improved roads as follows: 6.5 miles of Trunk Highway, 32.21 miles of County Roads, and 32.65 miles of Town Roads.

27. Adjacent to the area proposed for annexation are two streets, Erin Lane NE and East River Road.

28. In 1984 the assessed valuation of the City of Rochester was

\$329,296,364.

29. In 1984 the assessed valuation of the Town of Cascade was \$14,051,664.

30. The assessed valuation of the area proposed for annexation in 1984 was \$10,648. In 1984, this property paid \$84.89 to Cascade Township in taxes.

31. The mill rate for Olmsted County in 1984 was 26.194 for the City of Rochester and 27.833 for the Town of Cascade.

32. School District #535 had a 1984 mill levy of 63.924.

33. Cascade Township mill levy in 1984 is 7.972. Cascade Township has a bonded indebtedness of \$0 as of 12-31-84.

34. The City of Rochester mill levy in 1984 was 28.739. The bonded indebtedness for the City of Rochester is \$33,210,000.

35. The fire insurance rating for the City of Rochester is 3. The fire insurance rating for the Town of Cascade is 9.

36. The proposed annexation, if completed, will not impact on School District #535, as all of the City of Rochester and the annexation area are within the same school district.

37. The town does not have the ability to provide public sewer and water to the area proposed for annexation.

38. The City of Rochester's ability to provide the area proposed for annexation with public sanitary sewage service will help to protect the quality of the groundwater in the area from possible contamination from septic tank effluent.

39. The City of Rochester is the only municipality adjacent to the area proposed for annexation.

40. The annexation is consistent with the joint resolution for orderly annexation between the Town of Cascade and the City of Rochester.

CONCLUSIONS OF LAW

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

2. The area subject to annexation is now or is about to become urban or suburban in nature and the annexing municipality is capable of providing the services required by the 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 area proposed for annexation.

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

5. The annexation is consistent with the terms of the joint resolution for orderly annexation.

6. Three years will be required to effectively provide full municipal services to the annexed area or to comply with terms and conditions of the orderly annexation agreement as it relates to the mill levy step up.

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

ORDER

1. IT IS HEREBY ORDERED: That the property described herein in Findings of Fact 2 be, and the same is hereby annexed to the City of Rochester, Minnesota, the same as if it had been originally a part thereof.

2. IT IS FURTHER ORDERED: That the mill levy of the City of Rochester on the property herein ordered annexed shall be increased in substantially equal proportions over a period of three years to equality with the mill levy of the property already within the city.

3. IT IS FURTHER ORDERED: That the population of the City of Rochester

Is increased by three persons.

4. IT IS FURTHER ORDERED: That the population of the Town of Cascade is decreased by three persons.

5. IT IS FURTHER ORDERED: That the effective date of this order is August 21, 1985.

Dated this 21st day of August, 1985.

MINNESOTA MUNICIPAL BOARD  
165 Metro Square Building  
St. Paul, Minnesota 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 notes the annexation area is an extremely small parcel. The amount of effort that the city and the town expended in preparation for the hearing before the board for the .48 acre area is much the same as has been expended in the past for larger areas. The board is concerned about the cost effectiveness of such an expenditure of time and money for the city, town, and state.

To avoid such a problem in the future, the city and the town should consider working out some form of agreement that would allow for the annexation of a larger tract of land. Such an annexation may be warranted by the facts, consistent with the statutes, and possibly, if the city and the town were able to agree, also address compensation to the town in such a case. The city historically has contended that the city is not making money on annexations, while the town has routinely argued that it is losing money. Annexations of the size such as the one before the board in this instance, as well as similarly sized annexations in the past, cost both parties significant expenditures for minimal results except to the individual property owners. The board is in no fashion minimizing the need that individual property owners may have for such annexations. Rather, it is suggesting that such small in size annexations may have opened the door for discussions concerning larger, more comprehensive annexations, which may include property owners not presently seeking annexation, but who may appropriately belong in the city. The board suggests that by consolidating some of the smaller potential annexations into larger annexations, the cost of the annexation itself, and the cost to the local governments for preparing for and participating in the

hearing or hearings relative to such annexations is reduced. These costs savings may figure into a discussion of reimbursement, along with the town board not raising objections to such annexations.

The board again urges the parties to continue to work together so as to maintain their cooperative spirit, which is in the best interests of the community as a whole.