

In the Matter of the Joint
Resolution of the City of
Nashwauk and the Township of
Nashwauk, Itasca County,
Minnesota DESIGNATING
CERTAIN AREAS AS IN
NEED OF ORDERLY ANNEXATION
Pursuant to MST 414.0325.

JOINT RESOLUTION
FOR ORDERLY ANNEXATION

WHEREAS, the City of Nashwauk, hereinafter referred to as "City" and the Township of Nashwauk, hereinafter referred to as "Town" have agreed to the orderly annexation of Town lands described herein for the purpose of orderly, planned growth; and

WHEREAS, orderly annexation will be of mutual benefit to the Town and the City and the respective residents thereof; and

WHEREAS, the Town and City agree that orderly annexation and the potential extension of municipal services to the areas designated herein for orderly annexation would benefit the public health, safety, and welfare of the entire community;

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN BOARD AND THE CITY COUNCIL AS FOLLOWS:

1. Areas Designated for Orderly Annexation: The following legally described areas in Nashwauk Township are in need of orderly annexation:

The Southeast Quarter of the Southwest Quarter (SE $\frac{1}{4}$ SW $\frac{1}{4}$), Section Thirty-five (35), all of the Northeast Quarter (NE $\frac{1}{4}$) in Section Thirty-five (35) and all of the Southeast Quarter (SE $\frac{1}{4}$) in Section Thirty-five (35), all in Township Fifty-seven (57) North, Range Twenty-three (23), West of the Fourth Principal Meridian. All of Section Thirty-six (36), Township Fifty-seven (57) North, Range Twenty-three (23), West of the Fourth Principal Meridian.

2. State Agency Jurisdiction: Upon approval by the Town Board and the City Council, this Joint Resolution for Orderly Annexation confers jurisdiction upon the Minnesota Planning Office of Strategic and Long-Range Planning (hereinafter "Minnesota Planning") or its successor so as to accomplish the orderly annexation of the areas designated in Paragraph No. 1 in accordance with the terms of the this Joint Resolution for Orderly Annexation.
3. Actions of Minnesota Planning: For all annexations provided for in this Joint Resolution for Orderly Annexation, the Town and City agree that no alteration of the stated boundaries of the orderly annexation areas designated in this Joint Resolution for Orderly Annexation is appropriate, that no consideration by Minnesota Planning or its successor is necessary and that all terms and conditions for annexation of said areas designated herein are provided for in this Joint

Resolution for Orderly Annexation. Minnesota Planning or its successors may review and comment but shall within thirty (30) days of receipt of the Petition order the annexation of the area disputed in accordance with the terms and conditions of the Joint Resolution.

4. Zoning, Subdivision and Land Use: Areas annexed to the City of Nashwauk pursuant to this Joint Resolution for Orderly Annexation shall become subject to City of Nashwauk ordinances as such ordinances exist at the time of annexation or as such ordinances may from time to time thereafter be amended by the City Council.
5. Differential Taxation: Minnesota Planning or its successor shall, subject to the provisions of Minnesota Statutes Sec. 414.035, and subject to Paragraph No. 13 of this Joint Resolution for Orderly Annexation, in its order annexing an area designated for orderly annexation as provided in Paragraph No. 1, provide that the tax rate on an annexed area shall be increased in substantially equal portions over a period of five (5) years to equalize the tax rate on the property already within the City of Nashwauk.

The tax capacity rate to be applied to an annexed area shall be called the "Differential Tax Capacity Rate". For each tax year from the year of annexation through five years thereafter, the Itasca County Auditor shall determine the difference between the City's Tax Capacity Rate and the Township's Tax Capacity Rate, and calculate the "Differential Tax Capacity Rate" as follows:

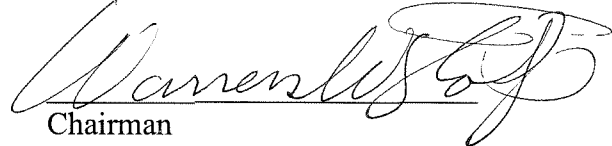
Year of Annexation	Township's Tax Capacity Rate + 20% of the Difference
1 Year after Annexation	Township's Tax Capacity Rate + 40% of the Difference
2 Years after Annexation	Township's Tax Capacity Rate + 60% of the Difference
3 Years After Annexation	Township's Tax Capacity Rate + 80% of the Difference
4 Years After Annexation	Township's Tax Capacity Rate + 100% of the Difference

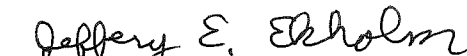
In subsequent years thereafter, the annexed areas shall continue to be taxed at the rate of the City of Nashwauk.

6. Severability and Repealer: All prior resolutions and ordinances of the Town and the City, or portions of resolutions and ordinances in conflict herewith, are hereby repealed. Should any section of this Joint Resolution for Orderly Annexation be held by a court of competent jurisdiction to be unconstitutional or void, the remaining provisions will remain in full force and effect.
7. Effective Date: This Joint Resolution for Orderly Annexation is effective upon its adoption by the respective governing bodies of the Town and the City.
8. Governing Law: This Joint Resolution for Orderly Annexation shall be governed by the laws of the State of Minnesota.

9. This Annexation Agreement is subject to the terms of the Agreement between Nashwauk Township and the City of Nashwauk dated December 13, 2005, herein attached as "Exhibit A."
10. Entire Agreement: The terms, covenants, conditions and provisions of this Joint Resolution for Orderly Annexation, including the present and all future exhibits, shall constitute the entire agreement between the parties hereto, superseding all prior agreements and negotiations. This Joint Resolution for Orderly Annexation shall be binding upon and inure to the benefit of the respective successors and assigns of the City and Township.
11. Exhibits and Maps: All exhibits and maps referred to in this Joint Resolution for Orderly Annexation are made a part hereof and incorporated herein by reference as fully and completely as if set forth herein verbatim.

Adopted by the Town Board of Supervisors for the Town of Nashwauk this 26 day of JAN, 2006.


Chairman



Town Board Supervisor


Town Board Supervisor

Attest:


, Clerk

Adopted by the City Council for the City of Nashwauk this 24 day of JAN, 2006.

 ACTING MAYOR
Mayor, Robert Fragnito


Edward Bolf, Clerk

AGREEMENT
BETWEEN THE
TOWNSHIP OF NASHWAUK
AND
CITY OF NASHWAUK

REC'D BY
MMB

FEB 03 2006

THIS AGREEMENT, made this 13th day of December, 2005, by and between the Township of Nashwauk, hereinafter referred to as "Town", and the City of Nashwauk, hereinafter referred to as "City."

WHEREAS, the parties acknowledge that the Minnesota Steel Project continues to proceed in an area in the Township.

WHEREAS the plant facility needs electrical and natural gas services to it.

WHEREAS, the City can and would provide these services to the plant facility.

WHEREAS, in order to provide the services, the area (Section 36 and East ½ and SE ¼ SW ¼ of Section 35) needs to become part of the City.

WHEREAS, the Town and City have agreed to a joint resolution for the annexation of the area.

NOW, THEREFORE, the parties agrees as follows:

1. The Town and City will jointly submit an annexation request to the state agency Long Range Planning.
2. The City agrees to provide electrical services to the plant of the Minnesota Steel.
3. The City further agrees that in providing electrical services to the plant, the City could receive a profit. The City agrees to reimburse the Township 10% of the net profit on service to the plant annually.
4. If the Minnesota Steel facility is not built within five (5) years of the Agreement, the City agrees to begin and complete proceedings allowing the detachment of said property returning property to the Township. If the detachment is not done within a timely manner, the City agrees to pay the Township a sum of \$5,000.00.

REC'D BY
MMB

FEB 03 2006

Dated: 12-14-05

NASHWAUK TOWNSHIP

Warren Stolp
Warren Stolp, Chair

Karen Calaguire
Karen Calaguire, Clerk

Dated: 12-14-05

CITY OF NASHWAUK

Walt Stish
City of Nashwauk

Edward Bolf
Edward Bolf, Clerk

