

**JOINT RESOLUTION/ORDERLY ANNEXATION AGREEMENT**

**THIS ORDERLY ANNEXATION AGREEMENT** is entered into this 2<sup>nd</sup> day of August, 2006 by and between the **CITY OF PINE CITY, MINNESOTA** (the "City") and **POKEGAMA TOWNSHIP** (the "Township").

**WHEREAS**, Minnesota Statutes § 414.0325 authorizes townships and municipalities to provide for the orderly annexation of unincorporated areas that are in need of orderly annexation; and,

**WHEREAS**, the City and Township agree that there is a public need for the coordinated, efficient and cost effective extension of the City services to promote the public health, well-being, and safety; and,

**WHEREAS**, the property described on attached Exhibit "A", and depicted on Exhibit "B" (hereinafter referred to as the "Annexation Area") is about to become urban or suburban in nature and the City is capable of providing City services within a reasonable time; and,

**WHEREAS**, the extension of City services can only be provided in prioritized phases, if the process and timing of annexation is clearly identified and jointly agreed upon in advance of the City's capital planning, commitment and expenditure; and,

**WHEREAS**, the establishment of a process of orderly annexation of said lands will be of benefit to the residents and owners of said lands, and permit the City to extend necessary municipal services in a planned and efficient manner; and,

**WHEREAS**, the City and Township desire to accomplish the orderly annexation of the Annexation Area and the extension of municipal services in a mutually acceptable and beneficial manner without the need for a hearing before the Municipal Boundary Adjustments Office of the Minnesota Department of Administration (MBA) or its successor and, with the purpose of avoiding an annexation dispute, enter into this joint resolution for orderly annexation pursuant to Minnesota Statutes § 414.0325, subd. 1; and,

**WHEREAS**, a means is needed to control the development of these areas.

**NOW, THEREFORE, BE IT RESOLVED** by the City of Pine City and Pokegama Township that the two parties enter into this Joint Resolution Orderly Annexation Agreement (hereinafter referred to as "Agreement") and agree to the following terms:

**1. Acreage and Location.**

A. Annexation Area consists of the four areas as highlighted and shall be annexed to the City in accordance with the attached schedule entitled Exhibit C – Schedule of Annexation (hereinafter “Growth Stages”).

B. The lands included within the Annexation Area and shown as part of the 2006 through 2021 Growth Stages are designated for future urban development within the City. The Township shall oppose any efforts to include any of the lands within the Annexation Area into any governmental jurisdiction other than the City.

**2. Department of Administration, Municipal Boundary Adjustments, Jurisdiction.**

Upon approval and execution of this Agreement by the City and Township, this Agreement shall confer jurisdiction on the Department of Administration, Municipal Boundary Adjustments at the Office of the Minnesota Department of Administration (hereinafter “MBA”) or its successors, pursuant to Minnesota Statutes all necessary authority to accomplish the orderly annexation contemplated and in accordance with the terms of this Agreement.

Further, the City and Township mutually acknowledge and agree that this Resolution sets forth all of the conditions for annexation of areas designated herein for orderly annexation, and that no consideration by the MBA is necessary, the MBA may review and comment, but shall, within thirty (30) days of receipt, order the annexation in accordance with the terms and conditions of this Joint Resolution and any Resolution filed by the City in accordance herewith.

**3. Approval Process.**

The City and Township acknowledge and agree that the properties in the Annexation Area, or any portion thereof, shall be annexed according to the defined schedule to the City by the MBA upon receipt of the City’s Resolution indicating and certifying that all of the terms and conditions of this Orderly Annexation Resolution have been met.

**4. Timing of Annexations.**

The City shall adopt Resolutions for the annexation of property as provided in Paragraph 3 above, in accordance with the Schedule for the Growth Stages. The City and the Township may, by mutual agreement, alter the Schedule for Growth Stages. Without alteration, the City will not annex any property prior to the year shown in the Schedule of Growth Stages. Provided, however, that in the event the City and a Property Owner within the Annexation Area, have entered into a Development Agreement for development requiring either municipal sewer or water, the City may immediately adopt a Resolution annexing said Property into the City regardless of the Schedule for the Growth Stage.



**5. Comprehensive Plan and Zoning and Subdivision Regulations.**

A. All properties annexed shall be subject to the prevailing comprehensive plan, the zoning ordinances, and subdivision regulations of the City of Pine City.

B. Following annexation, the annexed properties shall be zoned either I-2 or R-1, under the City's Zoning Code. Either the City or the Property Owner may initiate rezoning process at any time after annexation to change the designated zoning status.

**6. Urban and Rural Service District.**

A. Pursuant to Minn. Stat. § 272.67, Property annexed to the City shall be a rural service district. The rural service district will extend from the effective date of annexation for a period of seven years. The tax rate for the Rural Service District will be set by the Council on an annual basis at the same time the levy rate is set for the City of Pine City residents. The tax rate for the Rural Service District shall reflect that municipal sewer and water are not available to these parcels. Once a parcel is served by municipal sewer and water it will be removed from the Rural Service District.

**7. Tax Sharing.**

A. Property Taxes. Property taxes payable on the annexed land shall continue to be paid to the Township for the year in which the annexation becomes effective.

B. Property Tax Phasing. If the annexation becomes effective on or before August 1<sup>st</sup> of a levy year, the City will levy on the annexed area beginning with that same year. If the annexation becomes effective after August 1<sup>st</sup> of a levy year, the Township will continue to levy on the annexed area for that levy year, and the City shall not levy on the annexed area until the following levy year.

C. Application of Property Tax Phasing. In the first year following the year when the City can first levy on the annexed area, and thereafter, property taxes on the annexed land shall be shared by the City and Township in accordance with the formula set forth below:

1. In the first year of the annexation, the Township shall receive 80% and the City shall receive 20% of the property tax for the annexed parcels.
2. In the second year of the annexation, the City and the Township shall each receive 50% of the property tax for the annexed parcels.
3. In the third year, the City shall receive 60% and the Township shall receive 40% of the property tax for the annexed parcels.
4. In the fourth year, the City shall receive 70% and the Township 30% of the property tax for the annexed parcels.
5. In the fifth year, the City shall receive 80% and the Township 20% of the property tax for the annexed parcels.

6. In the sixth year the City shall receive 90% and the Township 10% of the property tax for the annexed parcels.
7. In the seventh year, and thereafter, all property taxes shall be payable to the City.

**8. Delinquent and Deferred Taxes.**

The City shall remit all delinquent taxes, charges and assessments collected from property annexed pursuant to this Agreement, 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 and CRP, 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.

**9. Dispute Resolution and Amendment.** Disputes concerning this agreement shall be resolved as follows:

A. Negotiation. When a disagreement over interpretation of any provision of this agreement occurs, the City and Township must meet at least once at a mutually convenient time and place to attempt to resolve the dispute through negotiation.

B. Mediation. When the parties are unable to resolve a dispute, claim or counterclaim, or are unable to negotiate an interpretation of any provision of this agreement, the parties may mutually agree in writing to seek relief by submitting their respective grievances to non-binding mediation.

C. Adjudication. When the parties are unable to resolve a dispute, claim or counter-claim, or are unable to negotiate an interpretation of any provisions of this agreement, or are unable to agree to submit their respective grievances to non-binding mediation, then 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 agreement and any other available remedies at law or equity, in the case of a violation, default or breach of any provision of this agreement, the non-violating, non-defaulting, non-breaching party may bring an action for specific performance to compel the performance of this agreement in accordance with its terms. If a court action is required, the court may reimburse the prevailing party for its reasonable attorney's fees and costs.

D. Amendment. This Agreement may not be modified, amended, or altered except upon the written joint resolution of the City and Township, duly executed and adopted by the City Council and Township Board of Supervisor, and filed with the MBA.

1. This Agreement may be amended, from time to time, based upon a specific and detailed request by either party.



2. Requests for amendments will first be considered by the Pine City Planning Commission. Its recommendation shall be forwarded to the Township Board and the City Council. Upon a majority vote of both Pokegama Township and the City of Pine City, the amendment(s) to the Agreement will be approved. Any change to the Annexation Agreement will require a majority vote of both the City Council and Township Board.

**10. General Terms and Provisions.**

A. The terms, covenants, conditions, and provisions of this Agreement, including the present and all future attachments, shall constitute the entire agreement between the parties, superseding all prior agreements and negotiations, regarding the annexation area. There are no understandings, agreements, or assumptions other than the written terms of this Agreement.

B. This Agreement shall be binding upon and benefit of the respective successors and assigns of the City and the Township. Specifically, this Agreement is binding upon the governmental entity that survives or is created by the Township's action to merge, consolidate, detach, annex, reorganize or incorporate.

C. This Agreement is made pursuant to, and shall be construed in accordance with the laws of the State of Minnesota. In the event any provision of this Agreement is determined or adjudged to be unconstitutional, invalid, illegal, or unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall remain in full force and effect.

**11. Termination of Orderly Annexation Agreement.** This Agreement shall terminate on the date upon which all permitted annexation of land in the Growth Area has been completed, whichever occurs sooner.

**12. Binding Agreement, Director's Review.**

A. No alteration of the areas set forth herein for orderly annexation, or their boundaries is appropriate. The director may review and comment, but not alter the boundaries.

B. This Agreement is a binding contract, and provides the exclusive procedures by which the unincorporated property within the Annexation Area may be annexed to the City of Pine City. The City of Pine City shall not annex that property by any other procedure.

**13. Severability.**

Should any section of this Joint Resolution And Agreement, or any subsequent Resolution adopted by the City pursuant to this Joint Resolution And Agreement be held by a Court of competent jurisdiction to be unconstitutional, void or otherwise illegal, the remaining provisions remain in full force and effect.

AUG 14 2006

**14. Effective Date.**

This Joint Resolution is effective upon its adoption by the respective governing bodies of both the Township and the City.

**PASSED AND ADOPTED BY THE POKEGAMA TOWNSHIP BOARD OF SUPERVISORS, OF PINE COUNTY, MINNESOTA ON THE 25<sup>th</sup> DAY OF May, 2006.**

By: D. D. Euteneier  
Its: Board Chair

By: Lisa Waggoner  
Its: Town Clerk

**PASSED AND ADOPTED BY THE PINE CITY, CITY COUNCIL ON THE 2<sup>nd</sup> DAY OF AUGUST, 2006.**

By: Jane Robbins  
Jane Robbins, Mayor

**ATTESTED TO:**

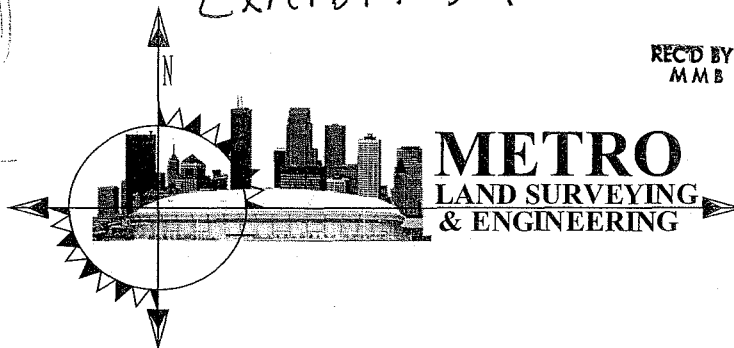
By: Lynda Woulfe  
Lynda Woulfe, City Administrator

RECEIVED  
JUN 22 2006

- Exhibit A -

REC'D BY  
MMB

AUG 14 2006



June 19, 2006

Lynda Woulfe  
City Administrator  
City of Pine City  
310 5th Street SE.  
Pine City, MN. 55063

Following are the revised legal descriptions of the cities proposed annexation using a metes and bounds description.

0A-1290-1

Phase 1

That part of Sections 21 and 22, Township 39, Range 21, Pine County, Minnesota, described as follows:

Beginning at the intersection of the north line of said Section 21 and the easterly right-of-way line of Interstate Highway No. 35. Thence East along the north line of said Sections 21 and the north line of said Section 22 to the northeast corner of the West Half of the Northwest Quarter of said Section 22; thence South along the east line of said West Half of the Northwest Quarter to the southeast corner of said West Half of the Northwest Quarter; thence West along the south line of said West Half of the Northwest Quarter to the section line between Sections 21 and 22; thence North along said section line to the southeast corner of the North Half of the Northeast Quarter of said Section 21; thence West along the south line of said North Half of the Northeast Quarter and the north line of the Northeast Quarter of the Northwest Quarter of said Section 21 to the easterly right-of-way line of Interstate Highway No. 35; thence Northerly along said easterly right-of-way line to the north line of Section 21 and the point of beginning.

Phase 2

That part of Sections 15 and 16, Township 39, Range 21, Pine County, Minnesota, described as follows:

Beginning at the intersection of the south line of said Section 16 and the easterly right-of-way line of Interstate Highway No. 35. Thence Northerly along said easterly right-of-way line to the north line of the South 961 feet of the Southwest Quarter of the Southeast Quarter of said Section 16; thence East along said north line to the centerline of County Highway No. 61 (formerly State Highway No. 61) as laid out and established in that certain final certificate recorded in Book 139 of Deeds, Page 413, in the office of the Pine County Recorder; thence Northerly along said centerline to the north line of the South Half of the Southeast Quarter of said Section 16; thence East along the north line of the South Half of the Southeast Quarter of said Section 16 and the north line of the South Half of the Southwest Quarter of said Section 15 to the northeast corner of said South Half of the Southwest Quarter; thence South along the east line of said South Half of the Southwest Quarter to the south line of said Section 15; thence West along the south line of said Section 15 and the south line of said 16 to the easterly right-of-way line of Interstate Highway No 35 and the point of beginning.

Lino Lakes Office: 248 Apollo Drive Lino Lakes, MN 55014-3036 Phone (763) 398-6830 Fax (763) 398-2466  
Pine City Office: 1639 Main Street North - Suite 7 Pine City, MN 55063-5789 Phone (320) 629-3267 Fax (320) 629-0176  
Rogers Office: 12510 Fletcher Lane North - Unit B Rogers, MN 55374-9687 Phone (763) 428-5130 Fax (763) 428-5172  
E-mail [survey@metrols.com](mailto:survey@metrols.com) Website: [www.metrols.com](http://www.metrols.com)

AUG 14 2006

## Phase 3

That part of Sections 15 and 16, Township 39, Range 21, Pine County, Minnesota, described as follows:

Beginning at the intersection of the south line of the North Half of the Southeast Quarter of said Section 16 and the centerline of County Highway No. 61 ( formerly State Highway No. 61 ) as laid out and established in that certain final certificate recorded in Book 139 of Deeds, page 413, in the office of the Pine County Recorder. Thence Northerly along said centerline to the north line of said North Half of the Southeast Quarter; thence East along the north line of the North Half of the Southeast Quarter of said Section 16 and the north line of the North Half of the Southwest Quarter of said Section 15 to the northeast corner of said North Half of the Southwest Quarter; thence South along the east line of said North Half of the Southwest Quarter to the southeast corner of said North Half of the Southwest Quarter; thence West along the south line of the North Half of the Southwest Quarter of said Section 15 and the south line of the North Half of the Southeast Quarter of said Section 16 to the centerline of County Highway No. 61 and the point of beginning.

## Phase 4

That part of Sections 15 and 16, Township 39, Range 21, Pine County, Minnesota, described as follows:

Beginning at the intersection of the north line of the South 961 feet of the South Half of the Southeast Quarter of said Section 16 and the easterly right-of-way line of Interstate Highway No. 35. Thence Northerly along said easterly right-of-way line to the north line of said Section 16; thence East along the north line of said Section 16 and the north line of said Section 15 to the northeast corner of the Northwest Quarter of said Section 15; thence South along the east line of said Northwest Quarter to the southeast corner of said Northwest Quarter; thence West along the south line of the Northwest Quarter of said Section 15 and the south line of the Northeast Quarter of said Section 16 to the centerline of County Highway No. 61 ( formerly State Highway No. 61 ) as laid out and established in that certain final certificate recorded in Book 139 of Deeds, Page 413, in the office of the Pine County Recorder; thence Southerly along said centerline to the north line of the South 961 of the South Half of the Southeast Quarter of said Section 16; thence west along said north line to the easterly right-of-way line of interstate Highway No. 35 and the point of beginning.

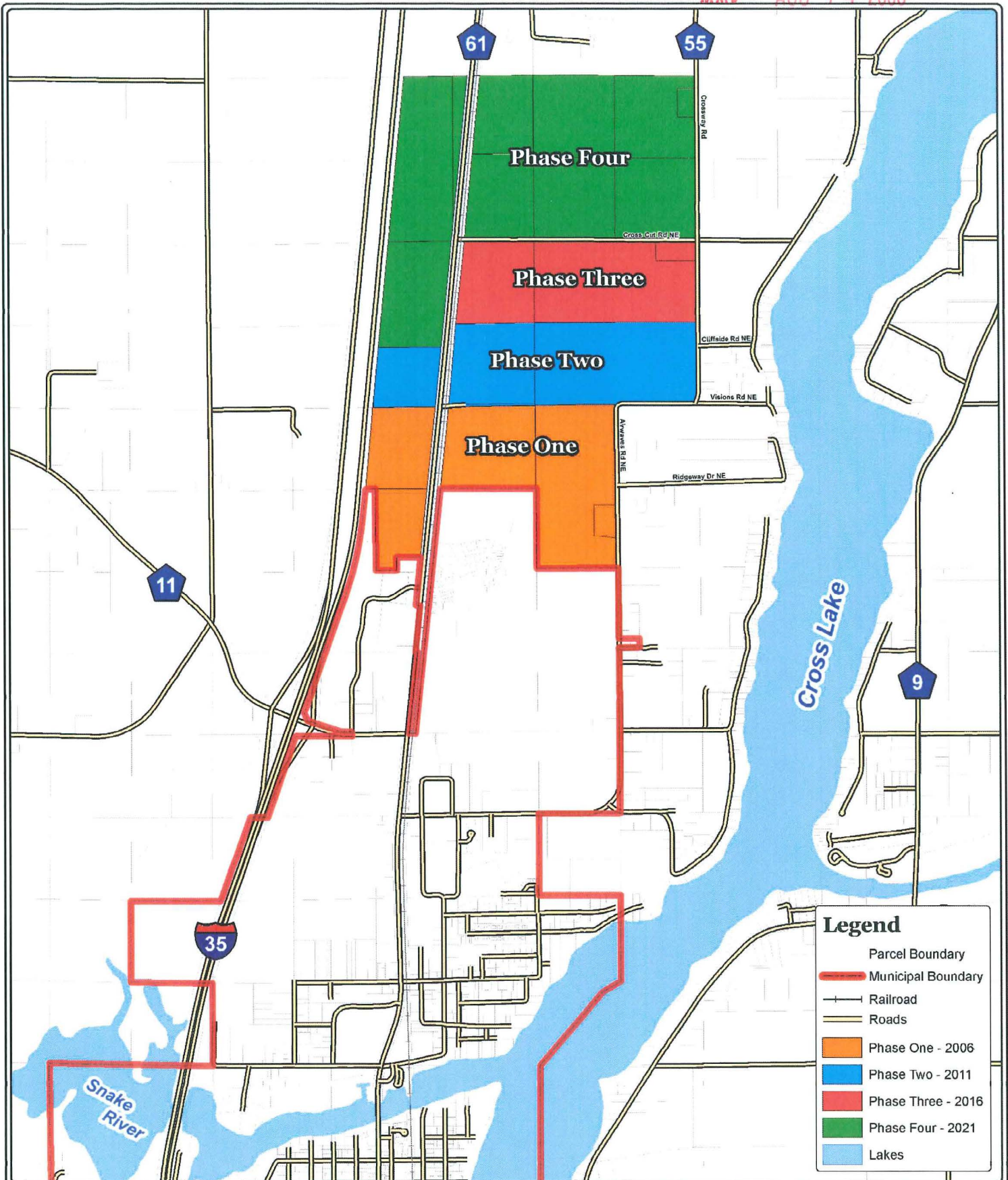
Hope this works for you Lynda, give me a call if you have any questions.

Sincerely



M.B. Rude  
RLS No. 8195

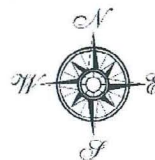




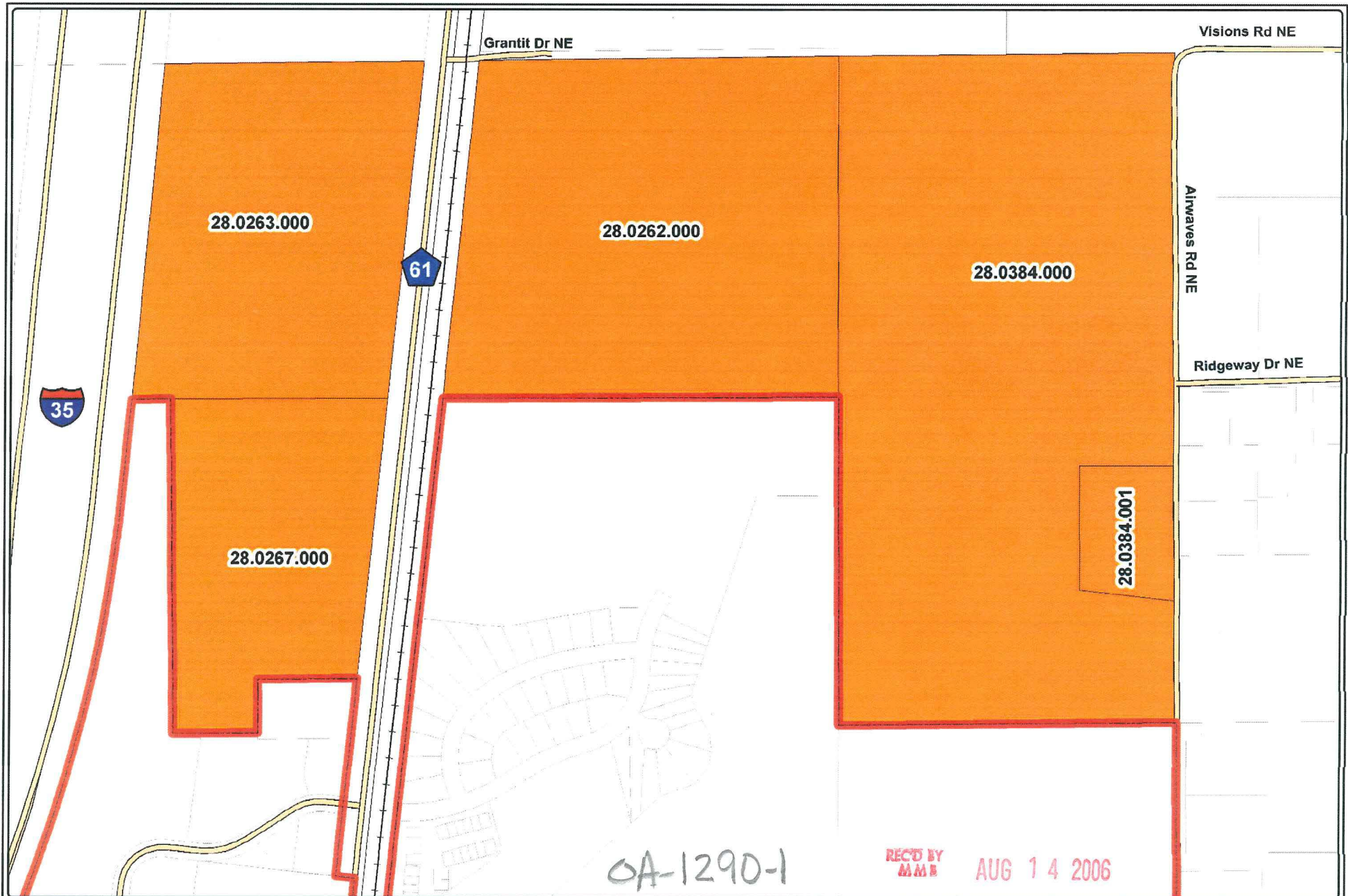
0 1,000 2,000 3,000 4,000 Feet  
1 inch equals 2,000 feet

**Pine City  
Annexation Agreement  
with  
Pokegama Township**

Map Created: 6/23/06





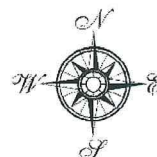


0 250 500 750 1,000 Feet

1 inch equals 500 feet

Map Created: 6/23/06

**Pine City**  
**Phase One - 2006**  
**Annexation Agreement**  
with  
**Pokegama Township**



**Legend**

- Parcel Boundary
- Municipal Boundary
- Railroad
- Roads

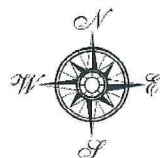




0 300 600 900 1,200  
1 inch equals 600 feet

Map Created: 6/23/06

**Pine City**  
**Phase Two - 2011**  
**Annexation Agreement**  
with  
**Pokegama Township**



**Legend**

- Parcel Boundary
- Municipal Boundary
- Railroad
- Roads



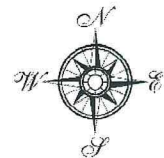




0 250 500 750 1,000 Feet  
1 inch equals 500 feet

Map Created: 6/23/06

**Pine City**  
**Phase Three - 2016**  
**Annexation Agreement**  
**with**  
**Pokegama Township**



**Legend**

- Parcel Boundary
- Railroad
- Roads

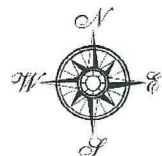




0 300 600 900 1,200 1,500 Feet  
1 inch equals 750 feet

Map Created: 6/23/06

**Pine City**  
**Phase Four - 2021**  
**Annexation Agreement**  
with  
**Pokegama Township**



**Legend**

- Parcel Boundary
- Railroad
- Roads



## Exhibit C

## Schedule of Annexation

2006	Robert and Nancy Ovick Larry and Marie Orvis Albin and Annie Skalicky Mark Skalicky Roger, Candice, and Andrew Ames
2011	Duane Oswald Hughes Land and Property Town of Pokegama Robert Orvis Antonio and Martha Valdovinos
2016	Stanley and Dorothy Gross Rodney and Becky Gross
2021	Gary Lord David and Cindy Stevens Roger and Deborah Larson Jeffrey Kozak (36.9 acres) Frank and Kim Knoll (99.4 acres) Calen Miritello-Baughn Raymond & Deanna Bever