

**JOINT RESOLUTION ESTABLISHING AN
ORDERLY ANNEXATION AGREEMENT BETWEEN
THE CITY OF FARIBAULT AND WALCOTT TOWNSHIP**

**CITY OF FARIBAULT RESOLUTION NO. 2007-037
WALCOTT TOWNSHIP RESOLUTION NO. 2007-1**

WHEREAS, the City of Faribault ("City") and the Township of Walcott ("Town"), both located entirely within Rice County, in the State of Minnesota, desire to accommodate growth in a cooperative, planned, and orderly fashion;

WHEREAS, the respective governing bodies of the City and Town have expressed their desire to encourage future development of property near the City so as to promote the development of municipal services and urban growth as much as is practical, while encouraging the retention of property in agricultural use and increasing the longevity of existing rural residential lifestyles;

WHEREAS, this joint resolution creating an orderly annexation agreement ("Agreement") is beneficial to both parties to promote orderly planning, the orderly transition of government within the area proposed to be annexed, and establishes the conditions under which such annexation shall take place;

WHEREAS, all of the owners of the property within the area proposed to be annexed have requested the annexation of their property into the City; and

WHEREAS, the City and Town jointly request the annexation of the land described herein into the City.

NOW, THEREFORE, BE IT RESOLVED, in consideration of the mutual terms and conditions that follow the City and Town hereby enter into this Agreement to provide for the orderly annexation of the property herein described into the City upon the following terms and conditions:

1. Designated Area. The unincorporated property designated for orderly annexation by this Agreement, and subject to its terms and conditions, is legally described in Exhibit A attached hereto, and is further described as that area set forth in the map attached hereto as Exhibit B ("Designated Area").
2. Notice of Designation and Meeting. The City and Town shall hold a joint public informational meeting concerning the proposed adoption of this resolution. The City shall provide at least ten days notice, published in a newspaper of general circulation in both the City and Town, of the date, time, place, and purpose of the meeting. The notice must clearly identify the proposed boundaries of the Designated Area. The City shall pay the costs of providing the notice and retain proof of its publication.

3. Municipal Boundary Adjustments Unit. Upon approval by the respective governing bodies of the City and Town, this Agreement shall confer jurisdiction upon the director of strategic and long-range planning within the Department of Administration, or any successor state official, office, or department, (hereinafter collectively the "Director") to accomplish said annexation in accordance with the terms of this Agreement.
4. Review and Comment by the Director. The City and Town mutually agree and state that this Agreement sets forth all the conditions for annexation and that no consideration by the Director is necessary for annexations to occur within the Designated Area in accordance with this Agreement. Additionally, no alteration of the boundaries by the Director is appropriate. The Director may review and comment, but shall, within 30 days, order the annexation in accordance with the terms of this Agreement.
5. Binding Contract. This Agreement is a binding contract upon the parties and is enforceable in district court in the county containing the Designated Area.
6. Effective Date/Applicability. This Agreement is effective on the date it is adopted by either the City or Town, whichever was the last to act on this resolution. The annexation provided for by this Agreement shall be effective upon the issuance of the order by the Director. The provisions of this Agreement shall be binding unless otherwise modified by a joint resolution of both the City and Town. This Agreement is only meant to apply to the Designated Area and not to any other property or area within the Town.
7. Reasons for the Annexation. The reasons for the annexation of the Designated Area include the City and Town's collective determination that: the Designated Area is now, or is about to become, urban or suburban in character; the City can more readily provide the types and level of services desired within the Designated Area; the type of the development proposed for the Designated Area is more consistent with development within the City; and that the annexation would be in the best interest of the property owners, the City, and the Town.
8. Property Taxes and Reimbursements. All property taxes collected from the Designated Area in the year of annexation shall be paid to the Town. In the year following annexation, and thereafter, the City shall retain the taxes levied on the property within the Designated Area, but shall reimburse Town for all special assessments assigned to the property by the Town and any portion of debt incurred by the Town that is attributable to the property. Additionally, to alleviate the financial impact on the Town for the loss of tax revenue due to the annexation, the City shall make reimbursement payments to the Town. The payments shall be based upon either (a) the amount of property taxes payable to the Town in the year of annexation ("Town Taxes") and shall begin the first year after annexation is effective according to the following schedule: in year 1, an amount equal to 90% of the Town Taxes; in year 2, an amount equal to 70% of the Town Taxes; in

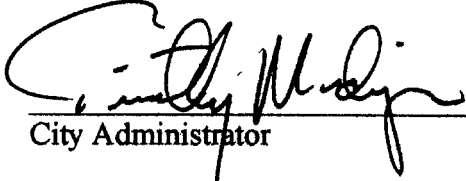
year 3, 50% of the Town Taxes; in year 4, an amount equal to 30% of the Town Taxes; and in year 5, an amount equal to 10% of the Town Taxes; OR (b) such amount to be mutually agreed upon between the City and the Town in a separate reimbursement agreement to be negotiated prior to January 2, 2008 whichever is higher. The City shall make its payment to the Town by September 1 each year unless City chooses to pay all or the remaining amount of the total payments in advance of the due date.

9. Authorization. The appropriate officers of the City and Town are hereby authorized to carry the terms Of this Agreement into effect.
10. Entire Agreement. The terms, covenants, conditions, and provisions of this Agreement, including the Exhibit A and Exhibit B which are attached hereto and incorporated herein by reference, shall constitute the entire agreement between the parties and supersedes all prior agreements and negotiations regarding annexation of property within the Designated Area between the parties.
11. Governing Law. This Agreement is made pursuant to, and shall be construed in accordance with, the laws of the State of Minnesota.
12. Severability. The provisions of this Agreement are severable. If any provision herein is, for any reason, held by a court of competent jurisdiction to be invalid, contrary to law, unenforceable, or otherwise void, the remaining provisions will remain in full force and effect.
13. Headings. Headings are included solely for the purpose of reference and shall not be interpreted as a substantive provision of this Resolution.

Approved this 13th day of March 2007, by the City of Faribault.




Mayor



City Administrator

Approved this 26th day of Feb., 2007, by Walcott Township.


Chair


Clerk

EXHIBIT A
CITY of FARIBAULT RESOLUTION 2007-037
WALCOTT TOWNSHIP RESOLUTION 2007-1

REINEKE PROPERTY

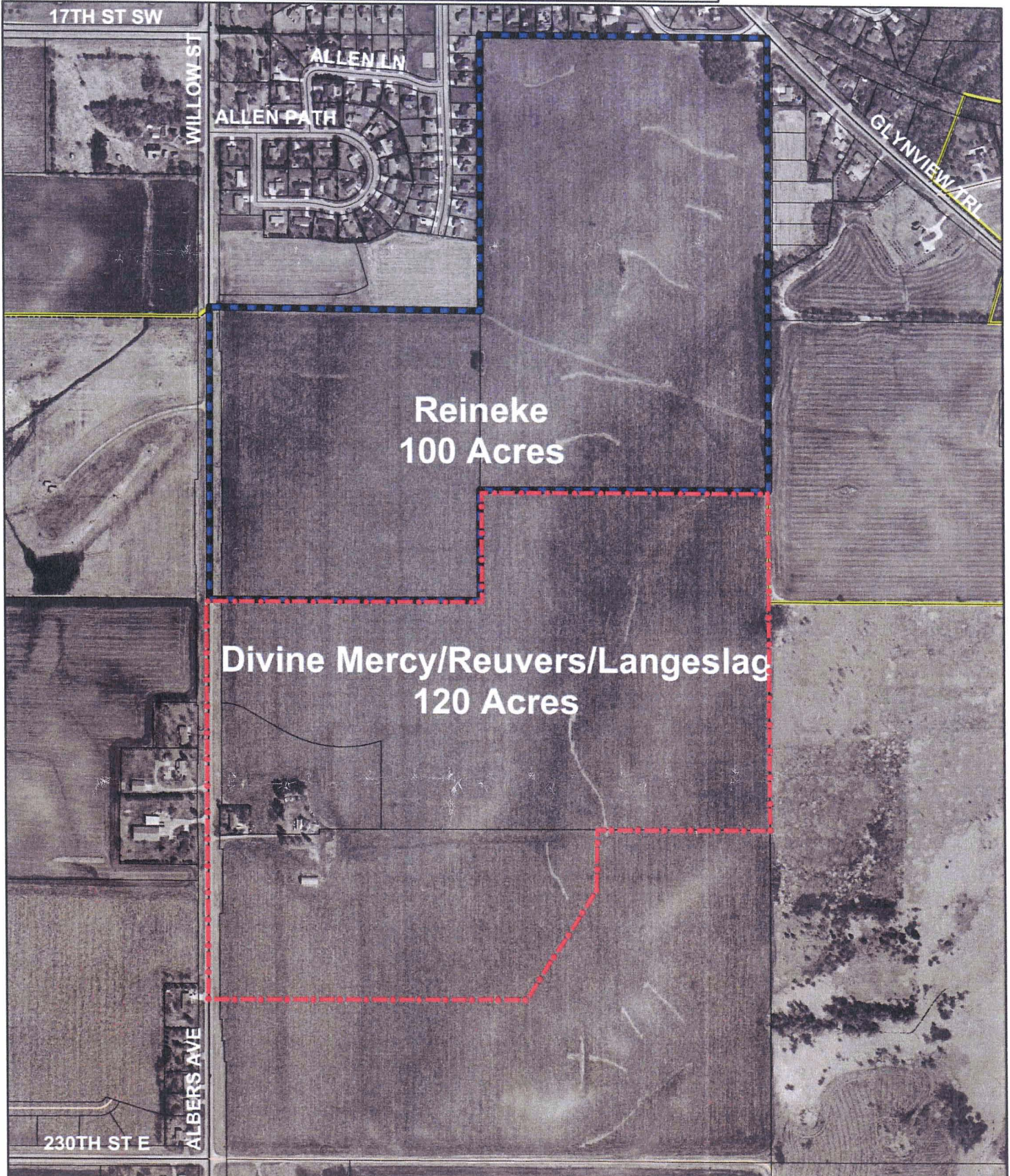
The Northeast Quarter of the Northeast Quarter and the North Half of the South Half of the Northeast Quarter and that part of the South Quarter of the Northeast Quarter lying westerly of the east 82 rods (1353.00 feet) thereof all in Section 7, Township 109 North, Range 20 West, Rice County, Minnesota.

DIVINE MERCY/REUVERS/LANGESLAG PROPERTY

The South Quarter of the east 82 rods (1353.00 feet) of the Northeast Quarter and that part of the Southeast Quarter all in Section 7, Township 109 North, Range 20 West, Rice County, Minnesota, lying northerly of the following described line:

Commencing at the Southwest corner of said Southeast Quarter; thence North 00 degrees 15 minutes 29 seconds East, assumed bearing along the west line of said Southeast Quarter, a distance of 711.32 feet to the point of beginning; thence South 89 degrees 44 minutes 31 seconds East a distance of 1448.13 feet; thence North 41 degrees 38 minutes 51 seconds East a distance of 574.80 feet; thence North 00 degrees 14 minutes 19 seconds East a distance of 425.10 feet; thence South 89 degrees 43 seconds 48 minutes East a distance of 817.94 feet to the East line of said Section 7 said line there terminating.

EXHIBIT B
City of Faribault Resolution No. 2007-037
Walcott Township Resolution No. 2007-1



Walcott Township Annexations

A GIS Map by the City of Faribault
Planning & Zoning Department

1 inch equals 600 feet