

**JOINT RESOLUTION BETWEEN THE TOWN OF
CHATHAM AND THE CITY OF BUFFALO, DESIGNATING
AN AREA FOR ORDERLY ANNEXATION**

The Town of Chatham and the City of Buffalo hereby jointly agree to the following:

1. ORDERLY ANNEXATION AREA

That the following described area in the Town of Chatham is in need of orderly annexation pursuant to Minnesota Statutes Chapter 414.0325, and the parties hereto designate this area for orderly annexation as shown on "Exhibit A" attached hereto and made a part of consisting of approximately 155.1 acres. This agreement shall be known as the "Davis Addition Orderly Annexation Agreement."

2. MUNICIPAL BOARD

That the Town of Chatham and the City Council of the City of Buffalo do, upon their adoption, and upon acceptance by the Minnesota Municipal Board, confer jurisdiction upon the Minnesota Municipal Board over the tracts described in this agreement so as to accomplish said orderly annexation in accordance with the terms of this Resolution. No consideration by the Minnesota Municipal Board is necessary. The board may review and comment, but shall, within thirty (30) days, order the annexation in accordance with the terms of this joint resolution. No alteration of the described boundary of the Orderly Annexation Area is appropriate.

3. CHARACTER OF PROPERTY

The above described property does abut the City of Buffalo and is presently urban or suburban in nature or is about to become so. Further, the City of Buffalo is now or within a reasonable time will be capable of providing municipal water and sanitary sewer to this area.

4. TERM

The term of this agreement shall be ten (10) years from the date of the effective date of the agreement. This term shall remain ten (10) years even though the special assessment amortization schedule for municipal water and sanitary sewer may extend for fifteen (15) years or longer.

5. PETITION FOR ANNEXATION

Annexation shall occur on the following terms and conditions:

1. if a property owner within the above described Orderly Annexation Area petitions the City Council and the Town Board for annexation; or,

2. the Wright County Sanitation official cites an individual property owner in the Orderly Annexation Area with a violation of the State Health Sanitation Code for an existing septic system; or,

3. if a property owner in the Orderly Annexation Area applies for a building permit and does not have an existing sanitary septic system and is in need of said municipal services.

In no event can any property owners within the Orderly Annexation area construct an on-site sanitary septic system during the term of this agreement without approval of the City Council and the Town Board.

6. FINAL ANNEXATION

All property in the Orderly Annexation Area which has not been annexed pursuant to this agreement shall be annexed ten (10) years from the effective date of this agreement.

7. ROADS

Up to December 31, 1987, the Chatham Town Board shall maintain the roads within the Orderly Annexation Area by way of grading, patching and snowplowing. The City of Buffalo shall then take over the roads and maintain them for the remaining term of the agreement. Roads in the Orderly Annexation Area shall be maintained according to this paragraph even if such roads are annexed into the City or not so as to make various property owners contiguous to the city limits of the City of Buffalo. As of January 1, 1988, all roads in the Orderly Annexation Area shall be turned over from the Town of Chatham to the City of Buffalo "as is". If the city places water and sewer lines within the road right-of-ways and easements in the Orderly Annexation Area, it will restore said roads after construction at no cost to the Town of Chatham.

8. WATER AND SEWER

The City of Buffalo shall have the right to install within the Orderly Annexation Area municipal water and sanitary sewer to serve the whole area. The property owners in the Orderly Annexation Area will then have a right to petition for annexation and to hook on to the newly installed municipal water and sanitary sewer systems. Any property owners within the Orderly Annexation Area who are not in the city limits of Buffalo shall have the right to petition the Buffalo City Council and the Chatham Town Board for annexation, which petition shall be approved by both parties. Those property owners in the Orderly Annexation Area who are not originally assessed under Minnesota

Statute Chapter 429 or 444 for water and sewer services shall pay a hook on fee based on the cost of the project pursuant to Minnesota Statute Chapter 429 or 444. The cost shall be amortized over the remaining fifteen (15) years of the bond payment schedule originally sold to pay for the initial installation of water and sewer. No interest shall be charged during the period in which the property owners in the Orderly Annexation Area are not within the city limits, but shall be in effect as of January 1 following the year of annexation.

9. UTILITY EASEMENTS

The City of Buffalo shall have the right to use any and all utility easements and road right-of-ways within the orderly annexation for the installation of the municipal water and sanitary sewer system pursuant to Minnesota Statute Chapter 471.59. The City shall assume all liability for installation and construction of said municipal water and sanitary sewer system and hold the Town harmless from all claims and damages arising out of said installation and construction of said municipal services during the term of this agreement and continuing.

10. POLICE

The Orderly Annexation Area presently is patrolled by the Wright County Sheriff's Department. The Buffalo Police Department is authorized pursuant to this agreement to also patrol the Orderly Annexation Area, investigate any and all crimes and to prosecute said crimes pursuant to the local cooperative agreement between the Wright County Sheriff's Department and the City Police Department for the City of Buffalo. Any costs incurred by the City of Buffalo shall be paid from property taxes received by the City of Buffalo from the Orderly Annexation Area that is annexed to the City.

11. FIRE CONTROL

The Orderly Annexation Area is subject to fire protection pursuant to a joint powers agreement for fire service between the above named parties. When the property is annexed, at the next effective annual payment date, said annexed property shall be dropped from the agreement which is based on assessed valuation and fire calls.

12. EFFECTIVE DATE

Effective date of this agreement shall be upon the approval of the City Council of the City of Buffalo and the Town Board for the Town of Chatham and acceptance by the Minnesota Municipal Board and said subsequent order thereto approving this agreement.

13. FILING

A notice of orderly annexation agreement shall be filed with the Wright County Recorder's Office and shall terminate ten (10) years from the effective date of this agreement.

14. IMPROVEMENT HEARINGS

Any and all improvement hearings held pursuant to Minnesota Statutes Chapter 429 and 444 shall also include any and all residents and property owners within the Orderly Annexation Area pursuant to the Minnesota Statutes 471.59. Also, the Town Board for the Town of Chatham shall be notified of the hearing pursuant to the Minnesota Statutes 471.59.

15. ASSESSMENTS FOR IMPROVEMENTS

Any improvement, including street lighting made within the Orderly Annexation Area and assessed to the adjacent benefitted property owners shall also include any benefitted property owners located outside the Orderly Annexation Area. The City of Buffalo shall use its best efforts to assess all property owners benefitted from any improvement so as to not pass the burden on to those property owners only within the Orderly Annexation Area.

16. FIRE HYDRANTS

The City of Buffalo shall install fire hydrants when it constructs the municipal water system so as to make possible an insurance fire rating of six (6) or lower for the residents of the Orderly Annexation Area.

17. LAND USE DESIGNATION

That the Zoning and Planning throughout the Orderly Annexation Area as above described shall be under the control of the applicable Wright County, Minnesota, Ordinances until annexed to the City of Buffalo. When the property is annexed to the City of Buffalo, the property shall be designated as R-1 according to the present City of Buffalo Zoning and Planning Statutes. Any alteration or a change of the zoning classification shall be subject to a public hearing duly held by the City of Buffalo Planning Commission. The City of Buffalo shall be notified of the Town of Chatham of said hearing.

18. TAXES

Upon annexation of the above described property, the City of Buffalo agrees to compensate the Town of Chatham for loss of tax revenues over a two (2) year period to ease the financial adjustment on the remaining Town of Chatham. Said payments will be made from the City of Buffalo to the Town of Chatham based on

the ad valorem taxes collected by the City of Buffalo on the above described property as set out in the following schedule:

YEAR	PERCENTAGE OF TAXES PAID TO THE TOWN OF CHATHAM
1988	100%
1989	100%
1990	0%

Payments to the Town of Chatham are to be made on those portions of the taxes which will be collected by the City of Buffalo for ad valorem taxes on the above described property. Payments are to be made semi-annual and within thirty (30) days after receipt of the revenues from the Wright County Treasurer's Office. The taxes collected in 1987 will remain the property of the Town of Chatham.

In the year 1990, the City of Buffalo shall receive any and all ad valorem taxes levied in the Orderly Annexation Area by the City of Buffalo or the Town of Chatham, regardless if said property is in the City of Buffalo or the Town of Chatham.

CITY OF BUFFALO

TOWN OF CHATHAM

Passed and adopted by the City Council of the City of Buffalo this 20th day of March, 1987.

Passed and adopted by the Town Board of the Town of Chatham this 19 day of March, 1987.

By *Arvid Melgaard*
Its Mayor

By *Roger Marquette*
Its Chairman

ATTEST: *Winton T. Payer*
City Clerk

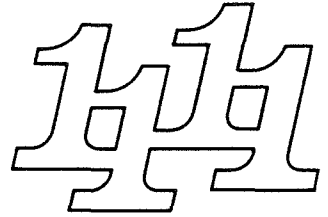
ATTEST: *Francis Munster teizer*
Town Board Clerk

THE ORDERLY ANNEXATION AGREEMENT

Pursuant to the Public meeting between the City Council of the City of Buffalo and the Town Board of the Town of Chatham held on December 7, 1986 which was an open meeting noticed in the newspaper, and posted at the City Hall and Town Hall, a discussion was had between all parties concerning the terms of the agreement herein. Mert Auger discussed the engineering feasibility study of Meyer-Rohlin dated April 1986 wherein the study stated that to provide water and sewer within the Orderly Annexation Area, the initial investment would be \$1,460,000.00. Of that \$1,460,000.00, \$1,230,000.00 would be assessed to the property owners benefitted. Those property owners would be within the Orderly Annexation Area and the adjacent property to the Orderly Annexation Area. Those property owners which would be in the city limits at the time of the improvement hearing would be assessed approximately \$7,000.00 per lot for water and sewer services. The cost of the improvement would be for construction, engineering services, bond costs and restoration. No other costs would be included. A bond would be sold for a fifteen (15) year term at approximately six (6%) percent. All costs would be capitalized in the bond. All property owners within the Orderly Annexation Area would be treated equally at the time of the improvement regardless if they were in the City of Buffalo or the Town of Chatham. Those property owners within the city limits will have a right to hookup to the water and city services immediately. Those property owners within the Town of Chatham will have a right to petition for annexation at a future date within the ten (10) years of this agreement to hook on to municipal water services. A hook on fee would be then charged those property owners petitioning for annexation and municipal services. The basis of the hook on fee will be the cost of the improvements (approximately \$7,000.00) plus interest accruing from January 1 following the date of annexation. Interest shall not be computed or compounded from year to year. Said payment shall be amortized over the remaining term at the interest rate of the bond. e.g. If a property owner petitions for annexation on the fifth (5) year of the Orderly Annexation agreement herein, interest shall be computed for the first five (5) years at approximately six (6%) percent and added to the \$7,000.00. Interest would be \$420.00 a year times five (5) years. That would be \$2,100.00. The total hook on fee would be then \$9,400.00 which would be amortized over the remaining ten (10) years of the term of the bond at six (6%) percent simple interest.

MEYER-ROHLIN, INC.

ENGINEERS-LAND SURVEYORS 1111 Hwy. 25 N., Buffalo, Minn. 55313 Phone 612-682-1781



Government Lot 1 and Government Lot 2 of Section 25, Township 120,
Range 26

The $S\frac{1}{2}$ of the $SE\frac{1}{4}$ of Section 24, Township 120, Range 26, except
the north 22.7 acres of said $S\frac{1}{2}$ of the $SE\frac{1}{4}$

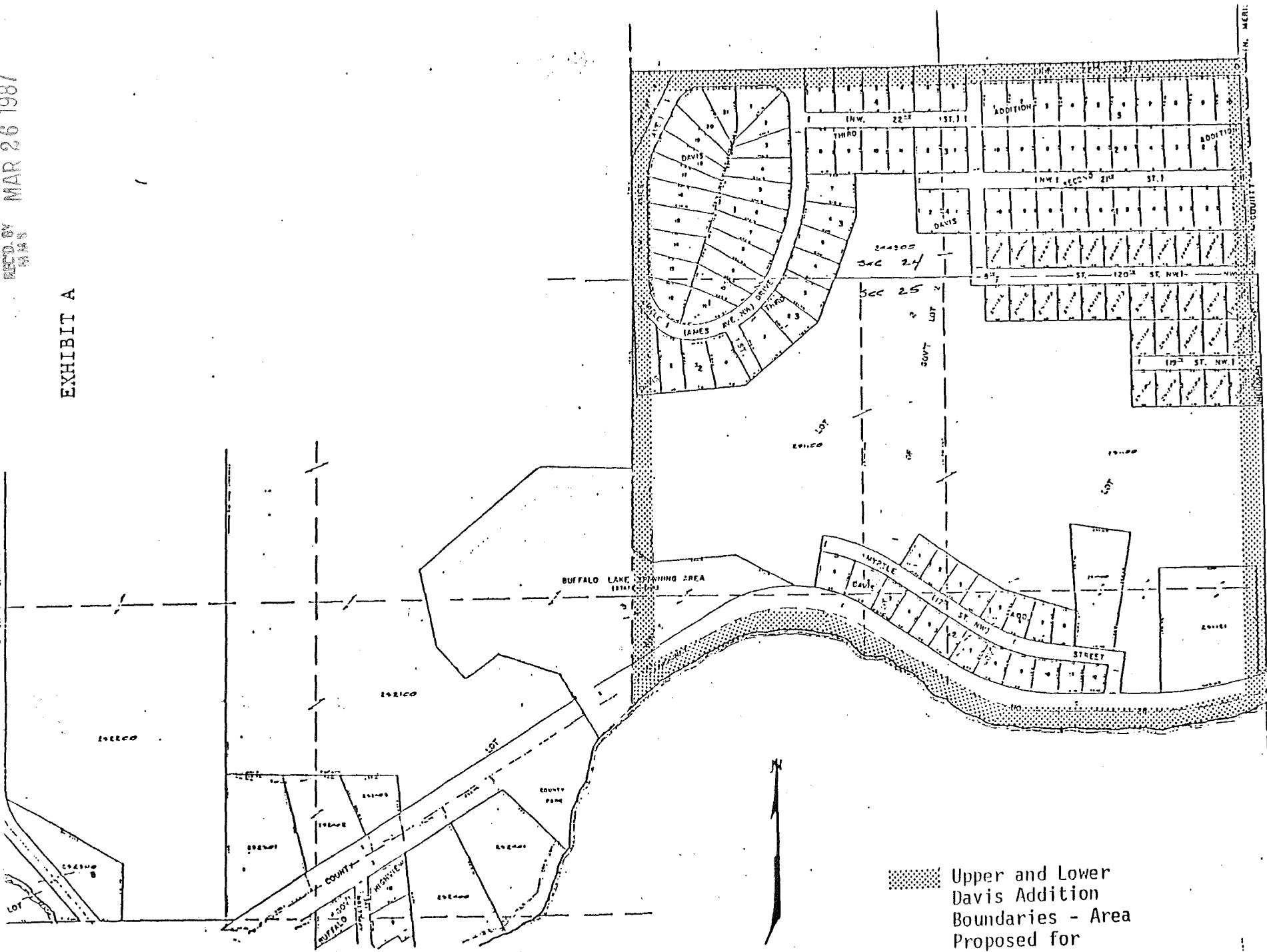
All in Wright County Minnesota

S-87113

REC'D BY MAR 26 1987

4165

EXHIBIT A



Upper and Lower
 Davis Addition
 Boundaries - Area
 Proposed for
 Rezoning

SECTION 12, R. 25

IN. MER.