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CITY OF ST. JOSEPH

December 13, 2017

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Administrator

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Mayor

Rick Schultz

Dear Supervisors:

Councilors

Troy Goracke
Matt Killam
Bob Loso
Dale Wick

In December 2016 Stearns County notified the City and Township of St. Joseph that they do not have authority to provide planning services to OAA's and agreed to facilitate the transition of planning services to either the City or Township. While at first it seemed like it would be an easy process, it soon became apparent that managing the property in the OAA with three different jurisdictions would be complex. On August 16, 2017, the City and Township approved a resolution re-defining the land use management process, naming the City as the Zoning Administrator; however this MOU has yet to be executed due to the provision regarding administrative subdivision. The new process seems to be more confusing for constituents and has become ineffective.

The purpose of this letter is to inform you of the intent of the City of St. Joseph with regard to the Orderly Annexation Agreement (OAA) between the City of St. Joseph and St. Joseph Township. Before outlining the City's plans regarding the OAA, I want to briefly review the parties' goals, rights, and responsibilities under the OAA.

The City and Township entered an OAA in 1997 to provide for cooperative future planning for the land governed by the parties. In 2010, the parties amended the OAA to further clarify the annexation process. The City and Township entered the amended OAA in part to "encourage future development of land near the City so as to avail such development of municipal services as much as is practical [.]" (OAA, pg. 2). Both parties understood the need for growth, the necessity of City-provided services to encourage such growth, and the need for a reliable, binding plan to facilitate it.

Due to delayed annexation, however, City services are not available in many areas adjacent to the City's boundaries, and the goals of the parties' OAA remain unfulfilled. The City of St. Joseph's boundary lines look like an octopus, with arms of City land coming out into the Township without order or reason, making it difficult for the City and Township to fulfill their mutual goals of providing reliable services, engaging in

long-term planning, and encouraging growth and economic development. For both the City and Township, the time has come to fulfill the promises and plans the parties made in their 1997 OAA and 2010 amended OAA.

Included in the amended OAA are conditions for orderly annexation of the three land zones designated in the 1997 agreement. Zone 1 had a projected life from 1997-2002; Zone 2 had a projected life from 2003 to 2007; and, Zone 3 has a projected life from 2008 to the present year. Accordingly, the projected lives of Zones 1 and 2 have expired.

The OAA states that “[o]nce the projected life of a zone has expired...the City may annex the property on the City’s own petition for annexation and the annexation shall not be subject to the annexation petitioner requirements in paragraph 7B...and shall not be subject to the Criteria or Annexation in paragraph 7C [1]...” (OAA, pg. 4) If the life of a zone has not expired, as is the case for Zone 3, “the owners of at least sixty (60) percent of the parcels of the property in the affected area must petition in order for the annexation to be considered.” (OAA, pg. 5). The OAA outlines certain criteria for annexation when property owners petition for annexation, including whether the property to be annexed is contiguous to the City limits and whether the City has an immediate ability to extend water and sewer services to the property to be annexed.

Based on the express terms of the OAA, the City of St. Joseph has the authority to freely annex all land in expired Zones 1 and 2 on its own petition; but, Zone 3 land can only be annexed through landowner petition until December 31, 2017. At that time, Zone 3 land could also be freely annexed by the City on its own petition.

Therefore, it is the City’s intention to annex all the property in the OAA effective April 1, 2018. The annexation will allow for efficiencies in land use management and will encourage growth and development in the area by accelerating the provision of City services in these areas, creating more manageable and less arbitrary boundaries for the City, reducing any governing authority confusion in these land areas, and finally actualizing the parties’ OAA, as amended in 2010.

The provisions of the OAA ensure that the Township’s ability to provide services for its residents should not suffer due to annexation because the City has agreed to reimburse the Township for the taxes collected on annexed land for five years on a graduated percentage basis. Furthermore, there are provisions protecting landowners of undeveloped land from having to pay the City’s tax rate. The City will be sending a notice to all impacted property owners notifying them of the annexation and inviting them to an open house to discuss the implementation and tax impacts.

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To summarize, the OAA clearly states the City has the authority to annex land in Zones 1, 2 and 3. The OAA also provides the Township with protections in the form of tax reimbursements to ensure that the Township can continue to provide quality government services to its residents.

The City of St. Joseph looks forward to working with the Township and its residents to make this annexation process smooth, straightforward, and mutual beneficial. If you have any questions regarding the City's annexation authority, please contact Judy Weyrens, 320-363-7201.

Sincerely,

CITY OF ST. JOSEPH

A handwritten signature in black ink that reads "Rick Schultz". The signature is written in a cursive style with a large, stylized "R" and "S".

Rick Schultz
Mayor

c: Anna Reischl
Ann Jarrell