

COURI & RUPPE, P.L.L.P

Michael C. Couri*
Robert T. Ruppe**

**Also Licensed in Illinois*

***Also Licensed in California*

Attorneys at law
705 Central Avenue East
PO Box 369
St. Michael, MN 55376-0369
(763) 497-1930
(763) 497-2599 (FAX)
www.couriruppe.com

March 15, 2019

Mr. Robert Scott
Flaherty & Hood
525 Park Street, Suite 470
St. Paul, MN 55103

Re: Waterford Township v. City of Northfield.

Dear Mr. Scott:

The Waterford Town Board has considered the City of Northfield's offer to settle the present litigation regarding the parties' orderly annexation agreement ("OAA"). After a thorough discussion of this issue, the Town Board has declined this offer as it has the potential to result in a situation where the long term viability of the Township may not be able to be sustained.

The Town Board has authorized me to submit the following counteroffer, for settlement purposes only. Waterford Township is offering to settle the current lawsuit under the following terms:

1. Waterford would drop its claim against Northfield for past payments owed under the OAA and would stipulate that Northfield would be relieved of the obligation of making any future payments to Waterford under the OAA.
2. The parties would stipulate that the prohibition against future annexations to Waterford without the consent of the Town Board would remain in force in perpetuity or until modified by the agreement of the parties.
3. The Township would remain willing to discuss specific annexations with the City in the future, and would be open to annexations that are mutually beneficial to both the City and the Township. The Township would evaluate those annexations using the criteria below:

- a. Is annexation in the best interest of the subject area?
- b. Is annexation necessary to protect the health, safety, and welfare of subject area?
- c. Will annexation result in a significant increase in services to the subject area?
- d. Will agricultural land and the environment be protected in the subject area?
- e. Will the value of benefits to the subject area exceed the increase in property taxes and fees?
- f. Will the annexation result in undue hardship to the citizens of the subject area?
- g. Does the proposed annexation fit within the comprehensive plan for the subject area?
- h. Does the proposed annexation benefit both the City and the Township?
- i. Does the proposed annexation result in any negative impacts to the Township or the other lands remaining in the Township?

The Town Board wants to emphasize that the monetary payments from the City are not paramount in this dispute. The Township is more concerned about its ability to remain a viable unit of government given its unusually small size than it is about the annual payments from the City. The Town Board believes that if it gives up the ability to decide which annexations should or should not occur, it will eventually be left with too small of an area to remain viable, which in turn would create a significant hardship for those residents that did remain in the Township.

Please let me know if this offer is acceptable to the City. Thank you.

Sincerely,



Michael C. Couri
Couri & Ruppe, P.L.L.P.