

CITY OF NORTHFIELD, MINNESOTA
CITY COUNCIL RESOLUTION 2019-082

STATING PRINCIPLES AND POLICY POSITIONS REGARDING FUTURE GROWTH,
DEVELOPMENT AND BOUNDARY ADJUSTMENT ISSUES AND IN RESPONSE TO
BRIDGEWATER TOWNSHIP'S EFFORTS TO INCORPORATE AS A CITY

- WHEREAS, the City of Northfield (the "City" or "Northfield"), through the Northfield City Council's ("City Council") adoption of its Comprehensive Plan in 2008, which was "intended to serve as a general guide for Northfield for the next 20 years," has planned for orderly growth of its urban community into neighboring townships, including Bridgewater Township ("Bridgewater"), and has identified both a "Priority Growth Area" and a larger "Urban Expansion Area" as depicted on Appendix 1 hereto, which is incorporated herein by reference; and
- WHEREAS, the City Council approved an Annexation Policy in 2010, a copy of which is attached hereto as Appendix 2 and incorporated herein by reference, pursuant to which the City stated its preferences for future annexations to be initiated by property owner petition and accomplished through orderly annexation agreements with the appropriate township(s), but recognized that "annexation issues tend to arise in the context of unique and fact-specific circumstances" and therefore reserved to the City the right to analyze all future annexation matters "on a case-by-case basis"; and
- WHEREAS, the City, guided by its Comprehensive Plan, has made considerable investments of public resources in planning for, building and sizing transportation and utility facilities and infrastructure to serve future urban or suburban growth and development in the above-referenced Priority Growth Area and Urban Expansion Area, including areas within Bridgewater Township; and
- WHEREAS, the City previously entered into a Joint Resolution for Orderly Annexation with Bridgewater, dated August 25, 1999 ("orderly annexation agreement"), with an expiration date of December 31, 2019; and
- WHEREAS, the City Council previously passed Resolution 2019-014 expressing the City Council's support of negotiating a new orderly annexation agreement with Bridgewater, and appointing a subcommittee of the City Council to oversee City staff negotiations of the same with Bridgewater representatives; and
- WHEREAS, Bridgewater is in the process of preparing a petition for the incorporation of Bridgewater Township under Minnesota Statutes, Section 414.02; and
- WHEREAS, the City Council subsequently passed Resolution 2019-061 proposing a five-year extension of the parties' existing orderly annexation agreement, on the condition that Bridgewater commit not to file a petition for incorporation, or otherwise support a property owner petition for incorporation, of any portion of Bridgewater Township during the term of such extension, in order to allow ample time for the

parties to engage in good faith negotiations to resolve any and all issues of mutual concern regarding future growth and jurisdictional boundaries; and

WHEREAS, the City and Bridgewater have scheduled an initial meeting to discuss urban and suburban growth and jurisdictional boundary adjustment issues of mutual concern, and the City Council appreciates Bridgewater's willingness to meet and is hopeful that such initial meeting will lead to productive follow-up meetings as appropriate that will result in the parties resolving all such issues of mutual concern through a new orderly annexation agreement or an extension of the existing agreement; and

WHEREAS, the City Council, through this Resolution, wishes to document the principles and policy positions that should inform its subcommittee and representatives' negotiations with Bridgewater and guide the City's response to any formal actions taken by Bridgewater to pursue the incorporation of Bridgewater Township.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL THAT:

1. Future orderly annexation agreements ("OAAs") to which the City may enter into with neighboring townships, including Bridgewater, should reflect the following principles:
 - a. OAAs, to be effective, are required by state law to specifically designate portion(s) of the township(s) as in need of orderly annexation.
 - b. OAAs should designate areas of the township for orderly annexation that are likely to experience pressure for urban or suburban development on municipal sewer and/or water over the term of the agreement, potentially including such areas as are located within the City's Priority Growth Area or Urban Expansion Area identified in the Comprehensive Plan, as well as under such other conditions as the parties may mutually agree consistent with state law.
 - c. OAAs should establish a process for property owners located anywhere within the designated orderly annexation area to petition for annexation and which gives effect to property owners' intent (whether such intent is to petition for annexation to the City to facilitate development of the property on municipal services, to receive municipal services to abate environmental issues or remedy failing septic systems or wells, or to remain rural/agricultural and in the township).
 - d. OAAs should establish and/or maintain regulations protecting the rural/agricultural character of property within the designated orderly annexation area that is not annexed to ensure such property remains

rural/agricultural with no development thereof at densities inconsistent with orderly City growth and extension of municipal utilities.

- e. OAAs may establish a review and comment process for the town board to communicate its views regarding particular property owner annexation petitions for consideration by the City Council prior to proceeding with the annexation, but annexation of such property shall not require further town board approval since the OAA will set forth the agreed upon terms and conditions for such future annexations at the time the OAA itself is approved by both governing bodies.
 - f. OAAs must provide for tax reimbursement to the Township for any annexations occurring within the parameters set forth in Minn. Stat. § 414.036.
 - g. OAAs may establish other terms and conditions to which the parties may agree, including but not limited to a joint planning board with respect to land use controls within the designated orderly annexation area.
2. The City's response to any formal actions taken by Bridgewater to pursue the incorporation of Bridgewater Township shall be guided by the following findings, principles and policy positions:
- a. The City Council finds that the incorporation of Bridgewater would essentially permanently fix the City's boundaries abutting newly incorporated areas and eliminate the City's ability to grow to serve such areas.
 - b. The City Council finds that a long-term agreement for a binding process for concurrent detachment and annexations between a (hypothetical) new City of Bridgewater and Northfield, as has been proposed by Bridgewater, is not a viable option because there is no statutory framework for such an agreement and any such long-term agreement would likely not be enforceable.
 - c. The City has invested millions of dollars of public resources planning for, building and properly sizing municipal infrastructure for services (e.g., sanitary sewer, drinking water, storm sewer, roads and bridges) to meet the current and future growth of the City. The incorporation of areas of Bridgewater in close proximity to the City would have the effect of wasting the City's significant investments in planning for and installing

such transportation and utilities facilities and infrastructure to serve future growth areas in an orderly manner.

- d. The incorporation of a new city adjacent to Northfield and Dundas would likely lead to inefficiencies and unnecessary and wasteful duplication in delivering needed municipal services, and conflict regarding future regional growth.
- e. The City Council's preference would be for the City to follow its Annexation Policy and not annex properties in Bridgewater unless it receives property owner petition(s) for annexation and is not interested in initiating any boundary adjustment proceedings at this time; however, the City believes that if properties in areas in Bridgewater within the City's Priority Growth Area and Urban Expansion Area, and potentially other areas in Bridgewater beyond the Urban Expansion Area, are to be included in an incorporated city through a petition initiated by another party, that city should be Northfield because Northfield has planned for and invested in serving such areas and is best positioned to do so.
- f. Based on the foregoing significant anticipated negative impacts of the potential incorporation of Bridgewater Township upon the City and its residents and taxpayers, if Bridgewater proceeds to file a petition to incorporate the entirety of the current township, the City will oppose such petition and consider such other options as appropriate to seek denial of the petition and/or annexation by the City of those developed and undeveloped areas of Bridgewater including but, considering that the Comprehensive Plan was only intended to serve as a general guide for Northfield for the next 20 years, not necessarily limited to the Priority Growth Area and Urban Expansion Area identified in the Comprehensive Plan.
- g. The City Council finds that any lands annexed by Northfield in any boundary adjustment proceeding initiated by Bridgewater would likely qualify for inclusion in the City's rural service taxing district immediately after annexation, and in the event of such annexation, the City should thereafter move to include qualifying annexed areas within such rural service taxing district pursuant to City Code Sec. 74-100.
- h. The City Council is interested in exploring whether there are opportunities to support Bridgewater's efforts to generate revenue through means other than incorporation, including, for example, by supporting any efforts by Bridgewater and/or working cooperatively with Bridgewater and Rice

County to change Rice County's zoning regulations to allow for revenue-generating development in Bridgewater on a rural scale if such changes will not frustrate the City's planned orderly growth or be likely to cause environmental harm.

- i. The City Council continues to support and looks forward to the upcoming negotiations with Bridgewater to attempt to resolve any and all issues of mutual concern regarding future growth and jurisdictional boundaries and thereby avoid a costly and divisive contested incorporation/annexation proceeding.
- j. The City supports and renews its prior proposal that the parties' existing OAA be extended for five years to facilitate such negotiations. The current OAA has numerous terms and conditions that are favorable to Bridgewater and inconsistent with the City's goals for future OAAs as stated in Paragraph 1 above; however the City Council believes that extending the current OAA by five years is in the mutual best interest of both parties and their respective residents in order to preserve the status quo while allowing the parties to negotiate a long term agreement.

PASSED by the City Council of the City of Northfield on this 5th day of August, 2019.

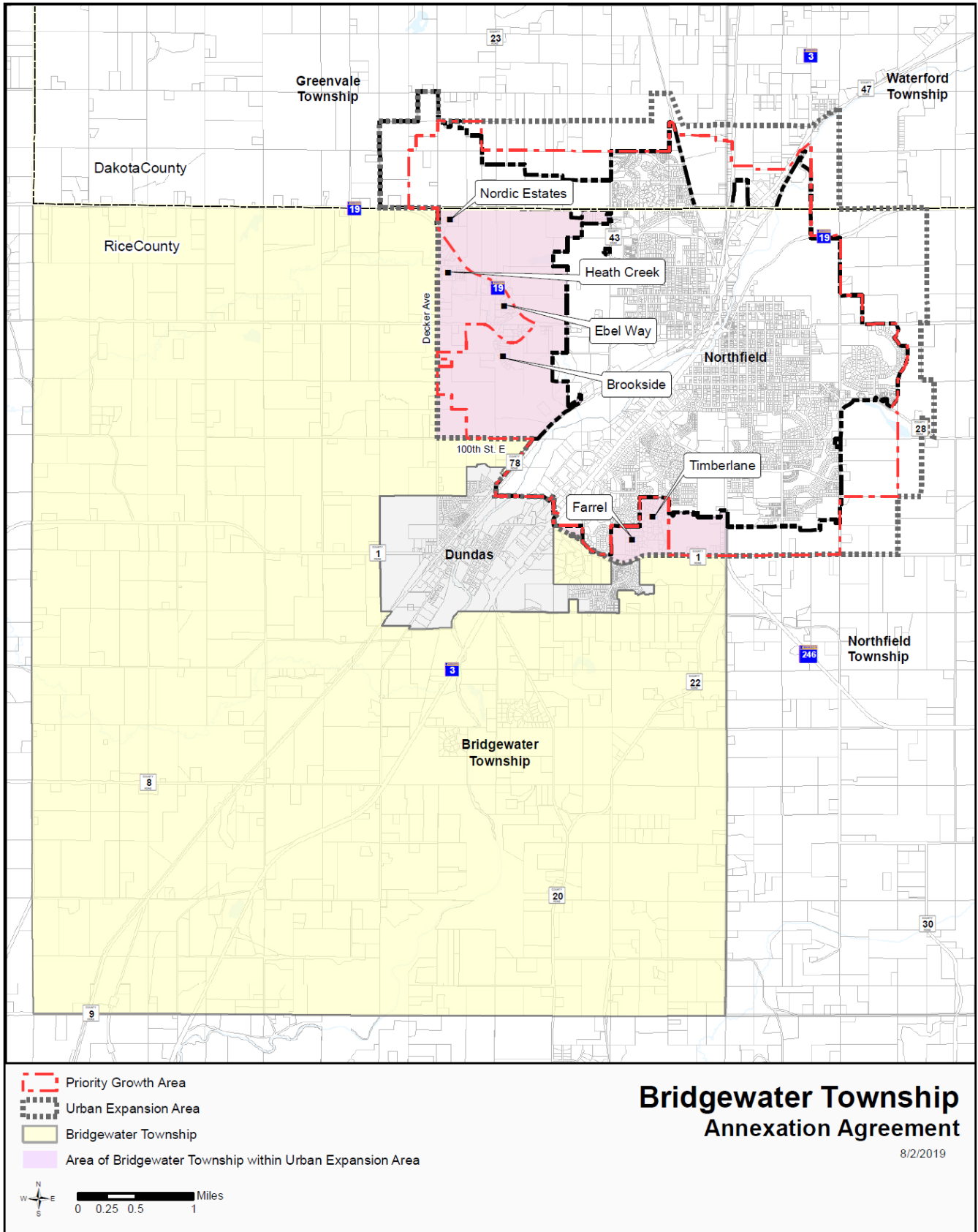
ATTEST

City Clerk

Mayor

VOTE: ___ POWNELL ___ DELONG ___ GRABAU ___ NAKASIAN
 ___ NESS ___ PETERSON WHITE ___ ZWEIFEL

APPENDIX 1: Depiction of Priority Growth Area and Urban Expansion Area



APPENDIX 2: City of Northfield Annexation Policy

CITY OF NORTHFIELD

Annexation Policy

Background

The Comprehensive Plan describes a development preference for infill, redevelopment and intensification of property already within the corporate limits of the City. At the same time, the Comprehensive Plan indicates that “Greenfield”, edge development through annexation that would extend the City limits outward, can also occur as long as it is selective and strategic. The policy and position statements that follow are intended to be general in scope and serve as guiding principles for the City in addressing certain annexation issues. The City Council, however, in approving such policies expressly recognizes that annexation law may change over time and annexation issues tend to arise in the context of unique and fact-specific circumstances. The City Council therefore will, and reserves the right in the future to, analyze all annexation matters on a case-by-case basis. Nothing herein should be construed or interpreted as limiting the City Council’s discretion with respect to considering specific annexation matters or to take a position that is not contained herein or is contrary to a position contained herein, should unforeseen circumstances warrant in a particular case or should such position be deemed in the best interest of the City based on the circumstances at the time.

General Annexation Policies

- Annexation will be guided based on the principle of opportunity primarily in response to a request from a property owner where to the requested annexation would meet one or more of the following factors:
 - Assist in the implementation of and be consistent with the Comprehensive Plan;
 - Advance the potential to protect or enhance an environmental resource or abate an existing or potential environmental problem;
 - Enhance the efficient and cost-effective extension of infrastructure, municipal services and transportation systems;
 - Result in a significant tax base or job creation potential;
 - Accomplish some other identified goal or strategy of the City Council.
- Annexation fundamentally involves a change in the governmental jurisdiction of a piece of property from the Township to the City.
- Annexation will be evaluated from both a regional context and City perspective and a decision to annex will involve the consideration of the effects of annexation on the applicable Township or other government jurisdictions.
- Annexation will reflect a general policy of growing from inside out and will be guided by the designated priority growth boundary of the Comprehensive Plan, where annexation would occur within the priority growth boundary area before extending out to the Urban Expansion Boundary area.
- The City’s preference is for annexation to be initiated by property owner petition.

- The City will strive to accomplish annexations under the orderly annexation procedures established in state statutes such that annexation results in a mutually beneficial agreement and fairness is experienced by the Township and the City;
- The City will strive to accomplish annexations in areas contiguous to City corporate limits, unless there is a compelling reason to consider a non-contiguous annexation.
- Annexation decisions will be guided by an analysis of infrastructure capacity, ease of infrastructure extension and cost effectiveness of extending infrastructure.
- Annexation will be guided by an analysis of the impact of annexation on environmental resources and the impact of potential transportation improvements on environmental resources.
- Annexation analyses should include, where applicable, such matters as an accurate projection of tax base expansion, housing units created, job creation, and salary and wage creation.
- Annexation should be guided by an analysis of potential holding costs related to the area annexed including any agreed upon tax reimbursement to a Township, if applicable.

Annexation Tax Reimbursement Policies

- Tax reimbursement payments are intended to compensate the Township for a defined statutory period for the loss of property taxes previously received from an annexed area and to transition from the Township to the City the future responsibility to provide property tax supported services to the annexed area.
- Tax reimbursement payments will be structured to comply with governing law contained in Minnesota statutes.
- The amount of tax reimbursement should be based on an amount that approximates the lost property taxes that the Township would have received from the annexed area had property not been annexed over the statutorily defined duration and may include, depending on the circumstances and applicable law, a reimbursement to the Township for special assessments assigned by the Township to the annexed property, and any portion of debt incurred by the Township prior to the annexation and attributable to the property to be annexed but for which no special assessments are outstanding.