

City Council - Meeting Agenda March 16, 2021 - 5:30 P.M. - Foley City Hall

- 1. Call the meeting to order.
- 2. Pledge of Allegiance.
- 3. Approve the agenda.
- 4. Consent Agenda:
 - Appoint Councilmember Rosalie Musachio to Planning Commission.
- 5. Discussion on orderly annexation agreement and annexation petition.
 - Resolution #2021-08 Petition of Annexation
- 6. Mayor's Comments & Open Forum
- 7. Department Reports:
 - City Attorney Adam Ripple
 - Administration Sarah Brunn
- 8. Old Business
 - Update on wastewater project.
- 9. New Business
- 10. Discussion on purchase of PID 020049300 & PID 020050000.
 - Close the meeting per Minn. Stat. 13D.05 Subd. 3(c) 13D.05 discussion on potential land price of PID 020049300 & PID 020050000.
- 11. Adjourn

Resolution	#

Orderly Annexation and Joint Planning Agreement Between Gilmanton Township and the City of Foley

WHEREAS, the Town of Gilmanton ("Town") and the City of Foley ("City") have had discussions regarding the planning and development of lands adjacent to the City;

WHEREAS, the Town and City jointly agree that both intend to conserve agricultural lands and promote growth and development in appropriate areas only upon annexation to the City;

WHEREAS, the Town and City jointly enter into this Agreement to establish an orderly annexation area and adopted land use controls;

WHEREAS, the Town and City jointly agree that lands within the orderly annexation area should be governed by the land use controls of the City instead of Benton County;

WHEREAS, the Town and City jointly enter into this Agreement to establish a process for administering the City's land use controls within the orderly annexation area;

WHEREAS, Minnesota Statutes § 414.0325 provides a procedure for the Town and City to agree on a process of orderly annexation of a designated area;

WHEREAS, the orderly annexation area encompassed by the Agreement is relatively small, consisting of approximately 840 acres, as depicted in **Exhibit A** ("Orderly Annexation Area") and legally described in **Exhibit B**;

WHEREAS, on June____, 2020 a Notice of Intent to include property in an orderly annexation area was published pursuant to the requirements of Minnesota Statutes § 414.0325, Subd. 1b;

WHEREAS, the City and Town have met numerous times since the first joint meeting on July 7, 2020, including open houses for the public to discuss the implications of orderly annexation; and

WHEREAS, the City and Town have agreed to all the terms and conditions for the annexation of the Orderly Annexation Area and the City and Town agree that no alteration of the designated area is appropriate and no consideration by the Chief Administrative Law Judge is necessary. The Chief Administrative Law Judge may review and comment, but shall within thirty (30) days, order the annexation in accordance with the terms of the resolution.

NOW, THEREFORE, for good and valuable consideration, and after a properly conducted joint public hearing by the Town and City, the Town Board of Supervisors of the Town of Gilmanton and the City Council of the City of Foley hereby resolve and agree as follows:

ORDERLY ANNEXATION AGREEMENT

- 1. <u>Designation</u>. The City and Town designate the real property described and depicted in Exhibit A ("Orderly Annexation Area") as subject to orderly annexation pursuant to Minnesota Statute § 414.0325. The Orderly Annexation Area consists of approximately 840 acres, the population in the subject area is less than 75, and the land use type is agricultural.
- 2. <u>State Jurisdiction</u>. The Town and City, by approval and submission of this Agreement to the Municipal Boundary Adjustment Unit of the Office of Administrative Hearings, confers jurisdiction upon the Chief Administrative Law Judge to accomplish orderly annexation in accordance with the terms of this Agreement.
- 3. Rural Preservation Until Annexation. The Town and City have identified the Orderly Annexation Area as areas that are about to become urban or suburban, and because the City anticipates being capable of providing services to this area within a reasonable time, the annexation would be in the best interest of the area if development occurs. In the interim, however, the intent of the Town and City is to maintain and preserve the current rural character of the Orderly Annexation Area until property is annexed into the City. This means allowing agricultural uses and homesteads at a density of four per forty acres and restricting subdivisions for building purposes that result in lots smaller than ten acres. Nothing in this Agreement is intended to impair or restrict the rights of lots of record or legal nonconformities.
- 4. Conditions for Annexation. Property in the Orderly Annexation Area shall be annexed into the City when agreed to by two of the following three parties: the property owner, the City of Foley, or the Town of Gilmanton. The City may also annex property in the Orderly Annexation Area if the property is owned by the City. The City shall initiate this process by providing written notice to the Town and all owners of record of the area proposed to be annexed. The City shall accept written comments from the Town for consideration. After 30 days from the date of the written notice, the City may adopt a resolution completing the annexation.
- 5. <u>Property Taxes</u>. The City and Town agree to the following property tax provisions:
 - a. Rate. The tax capacity rate applicable to undeveloped property after annexation shall be increased in substantially equal proportions each year of a six-year period until it equals the tax capacity rate of the City. If any part of the annexed property becomes developed prior to the end of the six-year period, it shall be assessed at the City's tax rate.
 - b. **Reimbursement**. The City agrees to reimburse the Town an amount equal to seven years of property taxes that would be received from annexed properties based on the rates and values at the time of annexation. Payment will be made in a lump sum within six months after the annexation is effective.
- 6. <u>Agreement Term</u>. Unless the parties have agreed to an extension, this Agreement shall terminate on December 31, 2030.

7. **Exclusive.** It is the intent of the parties that this Agreement sets the exclusive procedures under which annexation from the Town to the City may occur during the term of this Agreement.

JOINT PLANNING AGREEMENT

- 1. Applicable Land Use Controls. Zoning within the Orderly Annexation Area is currently administered by Benton County, utilizing the Benton County Zoning Ordinance. In order to eliminate authority for changes in applicable land use controls from residing with Benton County and outside of the control of either the Town or City, and to eliminate questions of applicability of past revisions of Benton County's Development Code, the Town and City agree to apply the City's zoning ordinance within the Orderly Annexation Area. The goal of land use controls is to preserve the Orderly Annexation Area as agricultural until development is appropriate, so no rezoning of property to a designation other than Agricultural within the Orderly Annexation shall occur prior to annexation.
- 2. Wetland and SSTS Remain with Benton County. All jurisdiction and regulatory authority, including permits, inspection, and enforcement for subsurface sewage treatment systems and wetlands pursuant to the Minnesota Wetlands Conservation Act within the Orderly Annexation Area shall continue to remain with Benton County. Benton County shall collect and retain all fees in connection with subsurface sewage treatment systems and wetlands.
- 2. Zoning Designation. All property within the Orderly Annexation Area is currently zoned Agricultural "A", Business "B-1", Business Enterprise "B-2", or Single-Family Residence "R-2" under Benton County's designation, a copy of which is attached as Exhibit C. Upon execution of this Agreement, the property within the Orderly Annexation shall be zoned A-1 Agricultural in accordance with the City's zoning ordinance with the exception that properties zoned B-1 or B-2 shall retain all permitted and conditional uses allowed for such zone under the Benton County's zoning except adult uses, whether or not such uses currently exist on the property. All existing legal uses in operation on March ______, 2021 shall be able to continue to operate as legal non-conformities.
- 4. 3. Administration of Land Use Controls. The Town and City agree that land use controls within the Orderly Annexation Area shall be administered as follows:
 - a. Joint Planning Board. Pursuant to Minnesota Statutes §§ 414.0325 and 471.59, the Town and City hereby establish a Joint Planning Board to administer land use controls within the Joint Planning Area. The Joint Planning Board shall consist of twoone town supervisors supervisor and twoone city council members member as appointed by their respective bodies. Town representatives The Benton County Board shall appoint a County Commissioner to serve as the third member of the Joint Planning Board. The Town representative shall serve as chair and vice-chair of the Joint Planning Board on even years and the City representatives representative shall serve as chair and vice-chair of the Joint Planning Board on odd years. The County representative shall serve as vice-chair. Meetings shall be called on an as-needed basis when zoning requests are received

or when either the City or Town request a meeting. Every effort will be made to conduct Joint Planning Board meetings at the Town Hall and on the same day as Town Board meetings. No meeting of the Joint Planning Board shall occur without both the City and Town representative present.

- b. **Staff**. City staff shall, at no cost to the Town, provide all administrative functions for the Joint Planning Board, including the preparation of meeting minutes, serving as zoning administrator, and undertaking enforcement actions. The official City newspaper shall be the official newspaper of the Joint Planning Board for all meeting, public hearing, and other official notices.
- c. Land Use Permits and Variances. Conditional and interim use permits and variance requests shall be submitted on the City's forms and processed by the Joint Planning Board in accordance with the City's zoning ordinance.
- d. Solar Project Setbacks. The City currently has a moratorium on Solar Projects. Rather than extend the moratorium to the Orderly Annexation Area, the Joint Planning Board shall enforce a 500-foot setback from public road rights of way for all Solar Projects in the Orderly Annexation Area. This setback shall be re-evaluated by the Joint Planning Board once the City adopts permanent Solar Project standards.
- e. **Ordinance Revisions**. Any revisions to the City's Agriculture District zoning ordinance shall automatically apply to the Orderly Annexation Area unless specifically modified by the Joint Planning Board; this includes any interim ordinances. The City shall provide the Town will notice of any such revisions.
- 5. 4. Subdivision of Property. It is the purpose of this Agreement to regulate subdivisions of land in a manner so as to protect the integrity of the agricultural nature of the Orderly Annexation Area. Such protection requires that any platting or subdivision of property be completed after the property has been annexed to the City, except in those rare circumstances where the Board determines:
 - a. the subdivision will not increase the residential density of one single family dwelling per ten acres;
 - b. the subdivision will not precipitate commercial or industrial development; and
 - c. the subdivision of land will not harm the continued vitality of the Orderly Annexation Area as a rural, agricultural area which will not be further developed until such time as is appropriate for annexation.
- 6. 5. Further Amendment. Any amendment to the Orderly Annexation and Joint Planning Agreement shall require a public hearing by the Joint Planning Board and approval by the Gilmanton Town Board and the Foley City Council.
- 7. 6. Effective Date. This Orderly Annexation and Joint Planning Agreement shall be effective upon adoption of the Town Board and City Council and issuance of an Order by

the Chief Administrative Law Judge.

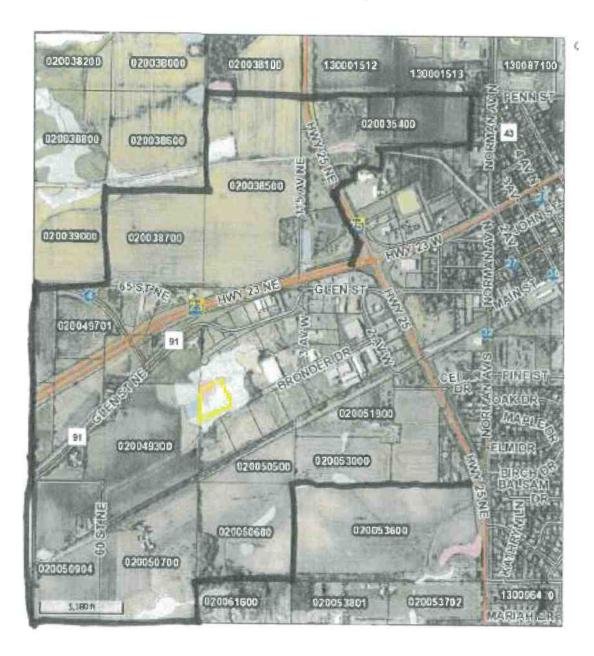
Adopted by 2021.	Town Board of Supervisors for the Town Gilmanton this	day of
By: Town Board	l Chair	
	ATTEST:	
	By: Town Clerk	
Adopted by	City Council for the City of Foley this day of	, 2021.
By: Mayor	ATTEST:	
	By: City Administrator	

Acknowledged by Benton County Board of Commissioners this	day of	, 2021.
By: County Board Chair		
ATTEST:		
By: County Administrator		

EXHIBIT A

(Depiction of Orderly Annexation Area)

Beacon™ Benton County, MN



Beacon Benton County, MN

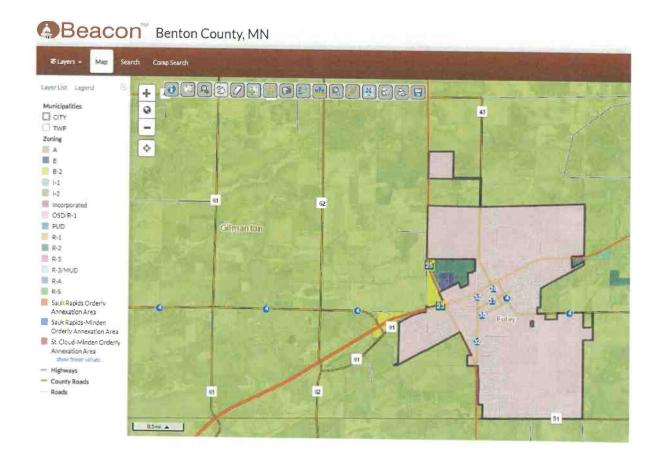


EXHIBIT B

(Legal Description of Orderly Annexation Area)

EXHIBIT C

(County Zoning of Orderly Annexation Area)



CITY OF FOLEY COUNTY OF BENTON STATE OF MINNESOTA

Resolution #2021-08

ANNEXATION OF PROPERTY IN GILMANTON TOWNSHIP INTO THE CITY OF FOLEY PURSUANT TO MINNESOTA STATUTE § 414.031

WHEREAS, the City of Foley ("City") has had numerous discussions with Gilmanton Township ("Township") regarding the planning and development of lands adjacent to the City;

WHEREAS, the Township and City attempted to negotiate an orderly annexation agreement with the intent to conserve agricultural lands and promote growth and development in appropriate areas only upon annexation to the City, establish an orderly annexation area, and adopt corresponding land use controls based on Benton County's land use controls that currently govern the area;

WHEREAS, the property the City sought to include in an orderly annexation area is depicted in map in Exhibit A ("Annexation Area"); and

WHEREAS, much of the effort to establish an orderly annexation area was driven by the City's impending \$20 million sewer project that will end the current sewer connection moratorium and enable developers to exercise pent up development demand;

WHEREAS, in order to plan for the financial consequences of the sewer project, the City is relying on the ability of the City to grow and develop in order to help finance the sewer project;

WHEREAS, an additional factor in the orderly annexation effort has been driven by the looming threat of solar farms in the Annexation Area to the City's future growth due to the Benton County's land use controls that ignore the City's future growth plans and inadequately protect expansion of the City;

WHEREAS, three solar farms have already been constructed in the Annexation Area, which create impediments to logical growth and the economical extension of public utilities, and more are proposed;

WHEREAS, in June of 2020 a Notice of Intent to include property in an orderly annexation area was published pursuant to the requirements of Minnesota Statutes § 414.0325, Subd. 1b; the notice and supporting information has been posted on the City website and social media pages;

WHEREAS, the City and Township have met numerous times since the first joint meeting on July 7, 2020, including open houses for the public to discuss the implications of orderly annexation as recently as February 23, 2021;

WHEREAS, representatives from Benton County were included in discussions between the City and Township as neutral third parties in an effort to facilitate an agreement between the City and Township;

WHEREAS, the City and Township were ultimately unable to reach a consensus on the orderly annexation agreement, so the City has determined to pursue annexation pursuant to Minnesota Statute § 414.031;

WHEREAS, the City intends to annex the Annexation Area and additional parcels depicted in **Exhibit B** ("Petition Area");

WHEREAS, the additional parcels added to the Annexation Area constituting the Petition Area include parcels owned by the City for existing utility infrastructure, areas adjacent to existing utilities, and areas that can reasonable be served by municipal utilities without the need for additional lift stations or other significant investments.

WHEREAS, the various landowners of the Petition Area are identified in Exhibit C ("Landowners").

NOW, THEREFORE, the City Council of the City of Foley hereby resolve as follows:

Findings of Fact

The Foley City Council adopts the following findings of fact to support the annexation petition:

- 1. The City has been under a sewer connection moratorium and no new sewer extensions have been granted since 2006, which has prevented the growth and expansion of the City for residential, commercial, and industrial development.
- 2. The City has begun work on a \$20 million sewer project to connect to a regional wastewater system in St. Cloud. This new connection will remove the moratorium on new development. Construction on the sewer project will begin in the Fall of 2021 and consist of 13 miles of sewer force main and related infrastructure such lift stations, which are located in the Petition Area. The City will be required to enter into a long-term contract with the City of St. Cloud for wastewater treatment.
- 3. The City has existing infrastructure in the Petition Area, identified in on the mapping in **Exhibit D**.
- 4. Water and sewer mains already exist in portions of the Petition Area and have been oversized to accommodate much of the Petition Area.
- 5. The City's Well #5 and future site of Well #6 are located outside of city limits in the western portion of the Petition Area
- 6. The City's industrial park is fully developed and cannot be expanded without the sewer project and further expansion of the City's boundaries through annexation.
- 7. The City has plans for the additional industrial park space within the area proposed to be annexed.

- 8. The City has no vacant residential lots and no new residential lots can be created until the sewer connection moratorium is lifted upon completion of the sewer project.
- 9. The City has worked on infill and redevelopment of existing lots that were exempt from the sewer connection moratorium.
- 10. Although the City's Comprehensive Plan dates back to 1993, it identifies the Petition Area as becoming new residential development in the northerly portion, commercial development in the vicinity of the intersection of Highways 23 and 25, and industrial to the west of the current industrial park (pages 8-9)
- 11. The Petition Area is fully encompassed with the Urban Growth Area identified in Benton County's Comprehensive Plan as shown in **Exhibit E**.
- 12. New development is critical for the economic vitality of the City for the creation of jobs and growth of tax base.
- 13. The Foley School District has space for additional students and desires to grow, but it is limited by the City's current housing restriction due to the sewer connection moratorium.
- 14. The City lacks adequate, available senior housing and multi-family housing.
- 15. The City has received significant inquiries for new development upon connection of the sewer, which is indicative of pent-up demand for growth and development, that will be precipitated by the sewer project and necessitate annexation.
- 16. Current land use controls in the Petition Area are inadequate and do not ensure the logical growth and development of the City. This is evidenced by the siting of three existing solar farms within the Petition Area despite objections by the City. Additional solar farms in the Petition Area are being proposed.
- 17. Current land use controls encourage future conflicts between uses. Solar farms impede growth and development in several ways when land use controls are inadequate: the improvements take up a large foot print that physically block the extension of road and municipal utilities; large areas of land cannot be served by municipal improvements and therefore cannot be assessed, which significantly inflates project costs and the burden placed on other properties; solar farms are encumbered with long-terms leases and permanent structures that are not easily redevelopable; and solar farms are treated as an agricultural use with no consideration for compatibility with commercial and industrial use that are likely to develop in the western portion of the Petition Area.
- 18. The entire Petition Area is about to become urban or suburban.

- 19. The Petition Area is served by a well-developed transportation network that will encourage growth and development.
- 20. The Petition Area is reasonably compact, contiguous to the existing City, reflects a reasonable pattern of development, does not intrude into agricultural areas, will not result in a meaningful impact on the Township's tax capacity, will not render the remaining portion of Gilmanton Township unable to function, or otherwise create undue hardship for Gilmanton Township.
- 21. Every effort was made to negotiate an orderly annexation agreement with Gilmanton Township. The City proposed: a joint planning board with equal representation and with neutral county representation; continued application of the County's zoning regulations with the sole exception of the inclusion of setbacks for solar farms. Those efforts were exhausted and an agreement could not be reached. Further attempts at alternative dispute resolution would be futile.

FURTHER, the City Council of the City of Foley hereby resolve as follows:

Notice of Intent

The Foley City Council approves the Notice of Intent attached as **Exhibit F** and directs City staff to insert the necessary property identification and landowner information and then serve a copy of the notice on all necessary parties.

Petition

The Foley City Council approves the Petition attached as **Exhibit G** and directs City staff to finalize the petition and file a copy of the petition and this resolution with the Municipal Boundary Adjustment Unit of the Minnesota Office of Administrative Hearings upon expiration of the required notice period.

Adopted by City Council for the City of Foley this day of, 202			, 2021.
By:			
Mayor	ATTEST:		
	By:City Administrator		

EXHIBIT A
(Depiction of Orderly Annexation Area)

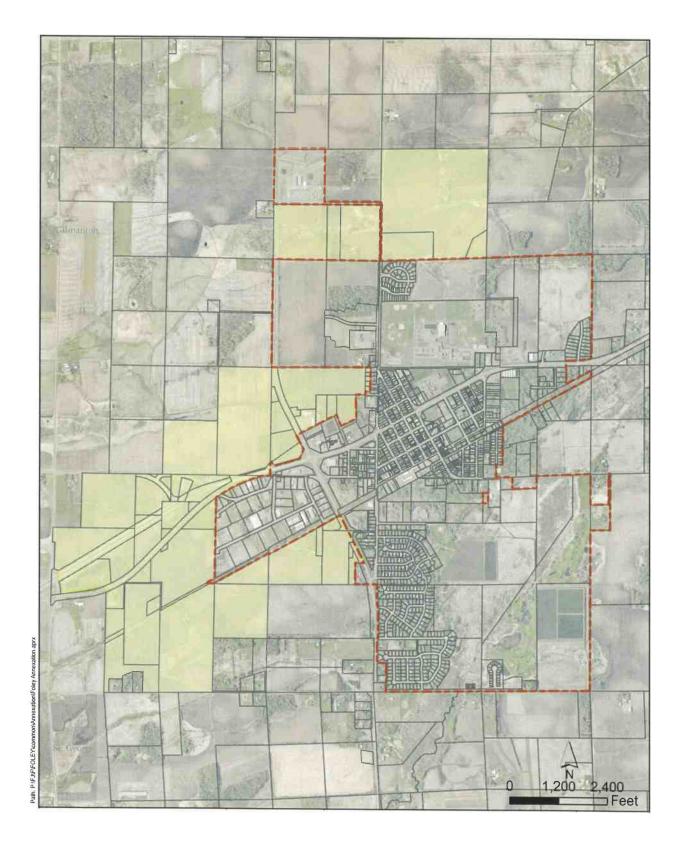


EXHIBIT B

(Petition Area)

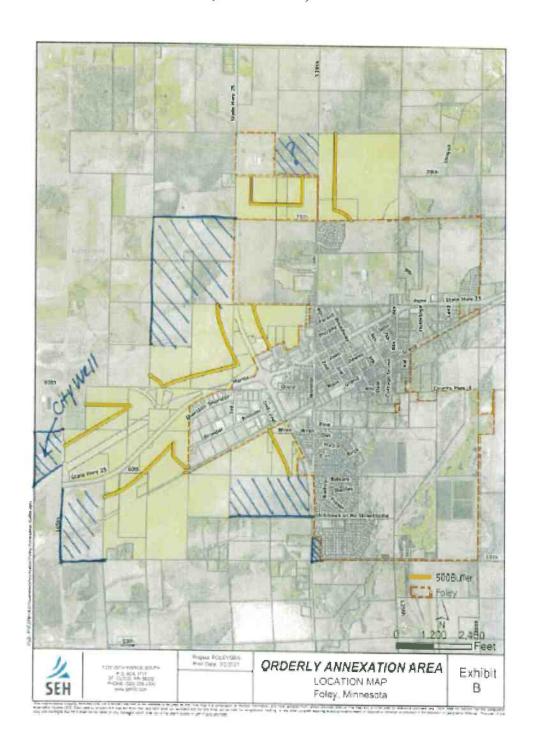


EXHIBIT C

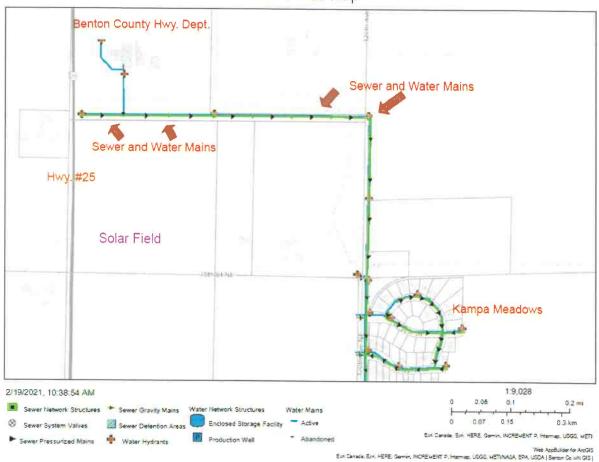
(Landowners)

<insert landowner list>

EXHIBIT D

(Existing Utility Mapping)

ArcGIS Web Map



ArcGIS Web Map

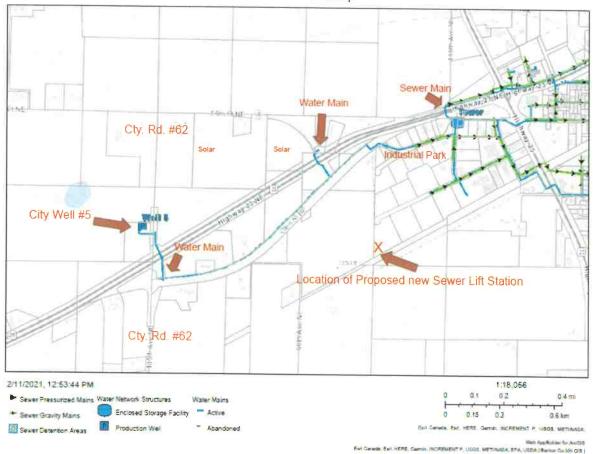


Exhibit E

Urban Growth Area Identified in Benton County Comprehensive Plan (Page 65)

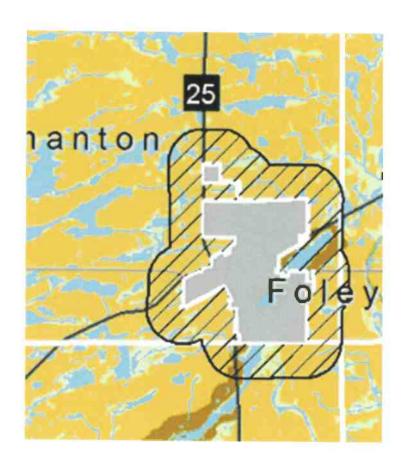


EXHIBIT F

NOTICE OF INTENT FOR ANNEXATION

IN THE MATTER OF THE NOTICE OF INTENT FOR THE ANNEXATION OF CERTAIN LAND TO THE CITY OF FOLEY MINNESOTA PURSUANT TO MINNESOTA STATUTES § 414.031, SUBD. 1a.

TO: Gilmanton Town Board; and

Office of Administrative Hearings Municipal Boundary Adjustment Unit P. O. Box 64620 St. Paul, MN 55164-0620

WHEREAS, the territory described below is not presently within the corporate limits of any incorporated city, and

WHEREAS, the area proposed for annexation is about to become urban or suburban through residential, commercial, and industrial development, is contiguous to the City of Foley, contains or is in close proximity to municipal utilities; and

WHEREAS, the area proposed for annexation is described as follows:

INSERT THE COMPLETE AND ACCURATE PROPERTY DESCRIPTION. DO NOT USE DESCRIPTIONS FROM PROPERTY TAX STATEMENTS.

- WHEREAS, the area proposed for annexation abuts upon the corporate limits of the City of Foley, Minnesota; and
- WHEREAS, the area proposed for annexation is unincorporated, abuts predominately on the city's western boundaries, and is not included within any other municipality; and
- WHEREAS, the area proposed for annexation is approximately 1200 acres in size; and
- WHEREAS, the reason for the proposed annexation is to assert land use control over areas adjacent to city services in order to regulate uses that may inhibit the extension and connection to municipal services or create functional barriers to growth and development; and.
- WHEREAS, the nature of the area proposed for annexation is residential, commercial, and industrial; and

WHEREAS, the area proposed for annexation is not included in any area that has already been designated for orderly annexation pursuant to Minnesota Statutes § 414.0325, nor in any other proceeding currently pending before the Office of Administrative Hearings - Municipal Boundary Adjustment Unit; and

NOW THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF FOLEY, MINNESOTA that we hereby serve a Notice of Intent to annex the above-described property into the corporate limits of the City of Foley, Minnesota on: Gilmanton Township; Benton County; and the Municipal Boundary Adjustment Unit of the Office of Administrative Hearings.

Adopted this day of, 2021	
	Mayor
	City Administrator

EXHIBIT G

PETITION FOR ANNEXING UNINCORPORATED PROPERTY BY CHIEF ADMINISTRATIVE LAW JUDGE'S ORDER

IN THE MATTER OF THE PETITION OF THE CITY OF FOLEY FOR ANNEXATION OF UNINCORPORATED ABUTTING PROPERTY TO THE CITY OF FOLEY, MINNESOTA PURSUANT TO MINNESOTA STATUTES § 414.031

TO:	Office of Administrative Hearings Municipal Boundary Adjustment Unit P. O. Box 64620 St. Paul, MN 55164-0620
quest	Office of Administrative Hearings is hereby requested to hold a public hearing on the ion of annexing certain property to the City of Foley, Minnesota pursuant to Minnesota tes § 414.031. The petitioner for annexation is the City of Foley.
Notic Minn	te of Intent to Annex was served on Gilmanton Township and Benton County pursuant to esota Statute 414.031 Subd. 1a. on, 2021.
The a	rea proposed for annexation is described as follows:
	INSERT THE COMPLETE AND ACCURATE PROPERTY DESCRIPTION.
	DO NOT USE DESCRIPTIONS FROM PROPERTY TAX STATEMENTS.
1.	The petitioners have submitted a copy of this petition to the affected Township of Gilmanton on(date).
2.	The area proposed for annexation abuts the City predominantly on the City's western boundaries, and none of it is presently a part of any incorporated city or in an area designated for orderly annexation.
3.	The total acreage of the area proposed for annexation is approximately 1,200 acres.

4.	The petitioners believe that all of this in character.	s property is or is about to become urban or suburban
5. Foley	The reasons for requesting the annex City Council on March 16, 2021 as er	cation are described in Resolution # adopted by the nclosed.
6. Fowns agency	ship <insert address="" mailing="">; Benton</insert>	nesota Statutes § 414.09 Subd. 1(c) are Gilmanton County <insert address="" mailing="">; <county <insert="" address="" hearings="" mailing="" planning="" trative=""></county></insert>
		Dated:
		(Signatures of: City Mayor and City Administrator)
		(C and City Traininistrator)

TO:

FOLEY CITY COUNCIL

FROM:

SARAH BRUNN, CITY ADMINISTRATOR

SUBJECT:

03-02-21 -COUNCIL MEETING

DATE:

MARCH 12, 2021

Consent Agenda

The consent agenda is appointing Councilmember Musachio back to the planning commission since we obtained another community member. This was discussed during the annual appointment process in January.

Discussion on Orderly Annexation & Annexation Petition

The council has received a copy of the most recent draft of the orderly annexation agreement and also a petition to proceed with annexation. As we learned earlier this week, Gilmanton Township has not agreed to adopt the orderly annexation proposal and negotiations have stalled. The City has the option to proceed with an annexation petition and that information is provided in your packet. If anything changes on the position of Gilmanton Township prior to Tuesday's meeting, I will be certain to relay that information to the council. Staff can provide you more information on the process at the meeting.

Update on Wastewater Project

Much work has been occurring on the wastewater project. I have provided an updated map in your packet showing the location of lift stations and the route from the pond. I will also be able to update the council on the latest regarding the connection fee.

Discussion on PID 020049300& PID 020050000

An update will be provided at the meeting.

Upcoming Reminders:
April 6, 2021 – Council Meeting
April 12, 2021 – Planning Commission Meeting

