

**ORDERLY ANNEXATION AGREEMENT
BETWEEN THE TOWNSHIP OF MANTORVILLE
AND THE CITY OF KASSON, MINNESOTA**

Agreement entered into on October 9, 2013, between the Township of Mantorville, of the County of Dodge, State of Minnesota, herein called Township and the City of Kasson of the County of Dodge, State of Minnesota, a Municipal Corporation, herein called, City.

RECITALS

- A. City and Township desire to establish and Orderly Annexation of a designated area.
- B. The establishment of an Orderly Annexation appears to be the most desirable and economic plan for both the City and the Township.
- C. The establishment of such an Orderly Annexation is authorized by Minnesota Statute §414.0325.
- D. The City and the Township agree that preservation of prime farmland and natural amenities are important, and both parties will strive to maintain prime farmland and natural amenities.
- E. The Township prefers that annexation occur as a result of comprehensive development proposals rather than on a lot by lot basis. Individual lot annexation will be unopposed if development has already occurred and the property is contiguous to the City borders.

IN CONSIDERATION OF THE MUTUAL COVENANTS contained herein and for other good and valuable consideration, the parties agree as follows:

- 1) This area has immediate urban development potential. The City will support annexations within this area providing the extension of services can be done in an orderly and cost effective way. The City shall not petition nor consent to any annexation of any area in the Township except pursuant to this Agreement. The Township will not object to annexation requests within this area. The City retains the right to deny any annexations that are not contiguous with the City's corporate boundaries.
- 2) The following described area in the Township, pursuant to Minnesota Statute §414.0325, is subject to an Orderly Annexation as shown on Exhibit "A" attached hereto and made a part hereof is described as follows:

The south one-half of Section Twenty-Six (26) bounded on the north by 625th Street and on the east by CSAH 15 (270th Ave.) Sections Twenty-Seven (27); Section Twenty-Eight (28); Section Twenty-Nine (29) the one-half west of 235th Ave. bounded on the north by 625th Street; Section Thirty (30) bounded on the north by 625th Street and on the west by 220th Ave and CSAH 9; Section Thirty-One (31) bounded on the west by 220th Ave. and CSAH 9 and on the south by the

south right-of-way line of US Highway 14; Section Thirty-Two (32) bounded on the south by the south right-of-way line of US Highway 14; Section Thirty-Three (33) bounded on the south by the south right-of-way line of US Highway 14; Section Thirty-Four (34) bounded on the south by the south right-of-way line of US Highway 14; Section Thirty-Five (35) bounded on the south by the south right-of-way line of US Highway 14; all in Mantorville Township, Dodge County, Minnesota excluding property currently owned by the County of Dodge known as the Dodge County Fairgrounds and excepting there from all those parts thereof now within the corporate limits of the City of Kasson, Minnesota,

- 3) The Township and the City do upon their adoption and upon acceptance by the Director of Strategic and Long Range Planning (hereinafter referred to as Director), confer jurisdiction upon the Director over the various tracts described in this Agreement so as to accomplish said Orderly Annexation in accordance with the terms of this Agreement and Resolutions. No consideration by the Director is necessary, although the Director may review and comment. However, within thirty (30) days the Director shall order their annexation in accordance with the terms of this Agreement and joint resolution.
- 4) This Orderly Annexation Agreement shall be in effect until rescinded or amended by Resolution of both parties. The City shall not annex any other area of Mantorville Township except the described area above, pursuant to this Agreement.
- 5) Annexation into the City of undeveloped parcels within the Orderly Annexation area above described in their entirety or portions thereof shall be uncontested by the Township provided:
 - a) There exists a development concept plan for the entire area being annexed, denoting the proposed land uses, major street patterns and storm drainage patterns and subdivisions made up of lots consistent with the density standards of the City's zoning districts.
 - b) There exists a utility improvement plan for extension of City sewer and water services for the entire area being annexed.
 - c) Petition by the landowner for annexation to the City, or request by the City due to the construction of local improvements which benefit the property and permit assessments for all or a portion of the cost.
- 6) The City will not accept any petitions for annexation signed by less than 50% of effected property owners. Each request for annexation of property within the designated area will not exceed 60 acres unless mutually agreed upon by joint resolution of the Township and City.

- 7) The City shall reimburse the Township for loss of property taxes using the following formula:

The tax capacity of the annexed parcel shall be multiplied by the Township tax capacity rate in effect at the time of annexation to determine the amount of taxes lost due to annexation. This amount shall be reimbursed to the Township by the City on a declining scale of: 90% for the first year following annexation; 70% for the second year; 50% for the third year; 30% for the fourth year; and 10% for the fifth year. No payments will be calculated for any year after the fifth year.

The City will calculate the amount of reimbursement due and shall include that figure in the Joint Resolution for Annexation for each parcel under consideration.

Upon receipt of the Order for Annexation from the Board of Municipal Boundary Adjustments, or its successor, the Township Treasurer shall submit an invoice to the City for the total amount due. The City shall reimburse the Township for the entire amount due within 30 days of receipt of the invoice.

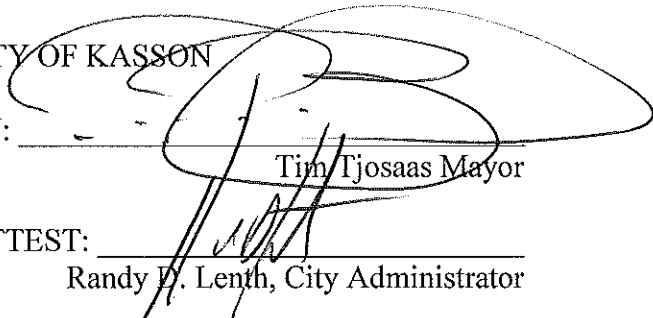
- 8) Planning and zoning throughout the Orderly Annexation area shall be under the control of the applicable Dodge County, Minnesota Ordinances and the City Zoning Regulations, whichever is more restrictive, until annexed to the City. Specifically, property line setbacks and approved uses within the anticipated zoning district. The anticipated zoning districts are as described by the attached Land Use Map (Exhibit B). The City and the Township will request the County to notify each party of any pending zoning requests or for the issuance of permits requiring special approval or requesting a zoning change on the affected property. Due consideration shall be given by Dodge County of the Township and City comments and the City Comprehensive Plan before acting upon the zoning request or for the issuance of permits requiring special approval. (Exhibit C: Kasson Zoning Ordinances).
- 9) Within the designated annexation area, any improvements to existing property will be in accordance with the City Zoning Ordinances. The Township will give the City written notice prior to all zone change requests, requests for variances, conditional uses and non-farm building permits.
- 10) In instances where individual property owners can substantiate that the sewage treatment system (septic) is functioning properly and conforming to applicable codes, the property owner may defer hooking up to the city's sewer system for a period of five (5) years. During that period interest on assessments resulting from construction of the city sewer system shall not accumulate or accrue. After five (5) years, such residences shall be connected to city sewer and water lines, existing on-site systems shall be abandoned in compliance with city, county and state regulations and outstanding assessments shall be paid by the property owner in conformance with prevailing assessment policy and the original interest rate.

- 11) After annexation, abandonment of wells shall be done in accordance with the regulations of the Minnesota Department of Health as amended from time to time.
- 12) At the time of all annexations, the City shall acquire the electrical service territory.
- 13) Areas currently within the Corporate Limits of the City of Kasson discovered to have been improperly annexed in the past may be annexed by ordinance by the Kasson City Council.
- 14) Property owners currently receiving municipal water or sanitary sewer services may be annexed by ordinance by the Kasson City Council.
- 15) In the event the Township or City has a conflict with the provisions of annexation per this agreement, both parties agree to resolve the issue through mediation. The mediation group will consist of representatives(s) of the City and Township along with a representative from the county.
- 16) In the event that any portion of this agreement is declared null and void or unenforceable by a court of law, the remainder of this agreement shall remain intact and enforceable.
- 17) The terms of this Agreement can be altered by joint resolution of the Township and the City. All filing fees incurred for the proper filing of this Agreement shall be shared equally by the City and the Township.
- 18) Any feedlot existing the Orderly Annexation area at the date of this Agreement shall be allowed to expand provided they remain in excess of ¼ mile from the Kasson City Limits and meet the applicable Dodge County regulations.

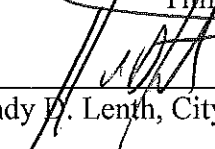
IN WITNESS WHEREOF, the parties have executed this Agreement at Kasson, Minnesota, the day and year first above written.

CITY OF KASSON

BY: _____


Tim Tjosaas Mayor

ATTEST: _____


Randy D. Lenth, City Administrator

