

City of Northfield, Minnesota	Policy Number: 1.02
ADMINISTRATIVE POLICY	Adopted: 04/16/2010 Motion M2010-0053
Approve Option # 4, which refers the issue of Annexation Policy Positions back to City Staff with Direction on Changes to the Annexation Policies	Revised:

City of Northfield
Policy Positions
On
Annexation

Background

The City Council of the City of Northfield met on March 9, 2010, in a Council Work session to discuss and formulate policy positions on annexation. For some time the City Council had discussed annexation in the context of specific issues but had not had the opportunity to discuss annexation from a broad policy perspective. The organization of this policy discussion involved an overview of background information related to the general practice and strategies of annexation in general and more specific annexation strategies related to two of the four townships surrounding the City. These two townships include Waterford and Bridgewater Townships and are highlighted at this time since there are ongoing annexation issues with these two townships that need focused attention. The information that follows is a summary of and a listing of some general policy positions that were discussed at the March 9, 2010 work session.

Note: *The policy 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 Policy Positions

The City Council considered the direction from the Comprehensive Plan related to annexation and concluded that 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 City Council recognizes that 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 positions of the City Council that will accomplish selective and strategic annexation are:

- That annexation should be opportunity-based;
- That annexation should support and serve to accomplish City Council goals;
- That annexation fundamentally involves a change in the governmental jurisdiction of a piece of property from the township to the City and should be seen in a broad regional context;
- That annexation reflects a general policy of growing from inside out and should 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;

- That the City's preference is for annexation to be initiated by property owner petition and that City-initiated annexation would seldom occur and only where deemed necessary under the circumstances by the City Council;
- That the City should strive to accomplish annexations under the orderly annexation procedures established in state statutes such that annexation results in a benefit being obtained by the City at the same time that fairness is experienced by the township and the City;
- That areas proposed for annexation should be contiguous to City corporate limits and that non-contiguous annexation and/or "string and balloon" annexation not occur unless there is a compelling reason to do so;
- That annexation should be guided by an analysis of infrastructure capacity, ease of infrastructure extension and cost effectiveness of extending infrastructure;
- That annexation should be guided by an analysis of the impact of annexation on environmental resources and the impact of potential transportation improvements on environmental resources;
- That annexation analyses should include, where applicable, such matters as an accurate projection of tax base expansion, job creation and salary and wage creation;
- That 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 need to 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 town prior to the annexation and attributable to the property to be annexed but for which no special assessments are outstanding.

Waterford Annexation Position

- The City of Northfield desires to discuss the possibility of developing an orderly annexation agreement with Waterford Township not as a preemptive or offensive annexation strategy, but to instead designate an orderly annexation area within Waterford Township and establish an agreed-upon process to accommodate property owner petitions for annexation and other circumstances for future annexations from within the designated orderly annexation area;

- The City views the area guided as “corridor” in the Comprehensive Plan as a possible area to designate as a future orderly annexation area. This area is to be interpreted to include a possible alignment for an extension of Thye Parkway;
- The City believes annexation within a designated orderly annexation area in Waterford Township should be primarily by property owner petition, but the City wishes to discuss other possible circumstances and contingencies that may make future annexation within the designated orderly annexation area appropriate;

Bridgewater Annexation Position (Praver/Gill Request)

- The City believes that road maintenance responsibility of the City should be limited to 1/2 of the road surface and right-of-way adjacent to the property to be annexed;
- The City believes that the actual responsibility for maintaining the road should remain with the Township and the City should make an agreed upon payment to the Township for this service to be defined in the orderly annexation agreement or other written agreement;
- The City believes that tax reimbursement should be based on the general annexation tax reimbursement policy of the City;
- The City should convey to the Township a willingness to assume the regulatory responsibility for the protection of Heath Creek and Rice Creek within the area to be annexed and to demonstrate progress at creating and adopting regulation(s) for this purpose prior to finalizing any amendment to the annexation agreement.

