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**STATE OF MINNESOTA  
MUNICIPAL BOARD**

Suite 165 Metro Square  
7th & Robert Streets  
St. Paul, Minnesota 55101

March 12, 1981

Deputy Secretary of State  
c/o Donna Scott  
State Office Building  
Saint Paul, Minnesota

RE: Municipal Board Docket Number A-3742 Arco

Dear Mr. Winkler:

The subject order of the Minnesota Municipal Board makes the following changes in the population of the named units of government:

The population of City of Arco  
is increased by two persons

The population of Town of Lake Stay  
is decreased by two persons

A new municipality named \_\_\_\_\_  
has been created with a population of \_\_\_\_\_

The \_\_\_\_\_  
has been dissolved.

Official date of the Order March 12, 1981, effective date March 12, 1981.

G.C. Commissioner  
Department of Revenue  
c/o Wallace O. Dahl, Director  
Tax Research Division  
205 Centennial Building

*Patricia D. Lundy*  
Patricia D. Lundy  
Assistant Executive Director

R. Thomas Gillaspy, Ph.D.  
State Demographer  
101 Capitol Square Building

**STATE OF MINNESOTA  
DEPARTMENT OF STATE  
FILED  
MAR 19 1981**

*James Anderson Howe*  
Secretary of State  
#33303

BEFORE THE MUNICIPAL BOARD  
OF THE STATE OF MINNESOTA

STATE OF MINNESOTA  
DEPARTMENT OF STATE  
FILED  
MAR 19 1981  
*James Anderson Howe*  
Secretary of State

Thomas J. Simmons      Chairman  
Robert W. Johnson      Vice Chairman  
Robert J. Ferderer      Member  
Johannes O. Hansen      Ex-Officio Member  
Frank Swedzinski      Ex-Officio Member

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IN THE MATTER OF THE PETITION FOR )  
ANNEXATION OF CERTAIN LAND TO THE )  
CITY OF ARCO PURSUANT TO MINNESOTA )  
STATUTES 414 )  
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FINDINGS OF FACT,  
CONCLUSIONS OF LAW,  
AND ORDER

The above-entitled matter came on for hearing before the Minnesota Municipal Board pursuant to Minnesota Statutes 414, as amended, on December 29, 1980, at Arco, Minnesota. The hearing was conducted by Terrence A. Merritt pursuant to Minnesota Statutes 414.01, Subd. 12. Also in attendance were County Commissioners Johannes O. Hansen and Frank Swedzinski, ex-officio members of the Board. The City of Arco appeared by and through Michael Cable, the Township of Lake Stay appeared by and through Lee Bush. Testimony was heard, and records and exhibits were received.

After due and careful consideration of all evidence, together with all records, files and proceedings, the Minnesota Municipal Board hereby makes and files the following Findings of Fact, Conclusions of Law and Order.

FINDINGS OF FACT

I. On September 8, 1980, a copy of a petition for annexation by all of the property owners was filed with the Municipal Board. The petition contained all the information required by statute including a description of the territory subject to annexation which is as follows:

All that part of the Southeast fractional Quarter (SE $\frac{1}{4}$ ) of Section Thirty (30), Township One Hundred Eleven (111) North, Range Forty-four (44) West of the Fifth (5th) Principal Meridian described as follows:  
Commencing at the south quarter corner of said Section Thirty (30) thence East along the South line of said Section 30 a distance of 527 feet for a point of beginning, thence North at a right angle for a distance of 195 feet, thence East parallel to the South line of said Section 30 a distance of approximately 632 feet to the West line of the right of way of the Chicago and Northwestern Railway, thence southeasterly along the West line of the right of way of the Chicago and Northwestern Railway Company to the South line of said Section 30, thence Westerly along the South line of said Section 30 approximately 712 feet to the point of beginning, containing 3.0 acres, more or less.

An objection to the proposed annexation was received by the Minnesota Municipal Board from Lake Stay Township on October 15, 1980. The Municipal Board upon receipt of this objection conducted further proceedings in accordance with Minnesota Statutes 414.031, as required by M.S.414.033, Subd. 5.

II. Due, timely and adequate legal notice of the hearing was published, served and filed.

III. The area subject to annexation is unincorporated, approximately three acres in size, and abuts the City of Arco by approximately 40% of its border. The City of Arco is approximately 400 acres in size.

IV. The natural terrain of the area proposed for annexation is gently rolling land with soils in the Barnes-Flom soil association, lying in the south fork of the Yellow Medicine River water shed. The area proposed for annexation lies West of West Lake Stay.

V. The City of Arco in 1980 had 95 residents, and the City still presently has 95 residents. Four remodeled homes have been moved into Arco and there are plans for the construction of three new homes within the City. By 1982 the projected population of Arco will exceed 100 people.

VI. In the area proposed for annexation the present population is two.

VII. The population in the Town of Lake Stay presently is 245 people and the population was 240 in 1980.

VIII. The City of Arco has 38 acres in residential use, 95 acres in institutional and public land use, seven acres in commercial use, 14 acres in industrial use, 259 acres in agricultural use, and 67 acres in vacant land.

In the City of Arco 1.84 acres is presently being developed for residential use.

IX. In the area subject to annexation the three acres are presently residential use.

X. The Town of Lake Stay has 43 acres of residential use, 976 of institutional and public land use, 21,021 acres in agricultural use and 13 acres in vacant land.

XI. The City of Arco has a zoning ordinance, a comprehensive plan, a capital improvements program and a planning commission.

The Town of Lake Stay has shore-land zoning. It does not have any subdivision regulations, comprehensive plan, official map, capital improvements program, fire code, building inspector, or planning commission.

Lincoln County has shore-land zoning, an official map, and a planning commission.

XII. There is a ravine across from the area proposed for annexation within the City limit which is zoned recreational, scenic area. West of this ravine and South of the area proposed for annexation the City has zoned that land residential, and it is the location of the four refurbished homes that have been moved into the City of Arco.

The present land use of the area proposed for annexation is consistent with the planning for the land adjacent to it within the City of Arco.

XIII. The road upon which the area proposed for annexation fronts is County 140. The Township and the City have no maintenance responsibility for that road. The City is presently budgeting \$5,000.00 per year for the blacktopping of portions of City streets.

The City of Arco is served by City streets and County State-aid highways.

XIV. The Town of Lake Stay provides the area subject to annexation with fire protection by contract with the City of Arco, recreational opportunities, and administrative services.

The Town of Lake Stay through the Lincoln-Pipestone Rural Water Service provides water to residents of Lake Stay Township located south of the City of Arco.

XV. The City of Arco provides its residents with water, fire protection, street improvements, street maintenance, recreational facilities, administrative services, street lighting, and garbage protection.

XVI. The City of Arco is in the process of completing a step one grant from the Environmental Protection Agency studying existing conditions of the sewer treatment facilities within the City of Arco.

XVII. The City of Arco provides the area subject to annexation with recreational opportunities.

XVIII. Tests done on the water supply which services the area proposed for annexation indicate that it is not fit for human consumption.

A City of Arco water hydrant is located approximately 100 feet from the area proposed for annexation.

The City indicated the willingness to serve the area proposed for annexation with water should it be annexed. Further, the City indicated a willingness to include the area proposed for annexation within the step one grant study presently under study should the area be annexed.

There was no testimony confirming that the Town of Lake Stay could provide the area proposed for annexation with water through the Lincoln-Pipestone rural water service at this time.

XIX. The fire rating for the City of Arco is nine and for the Town of Lake Stay is ten.

XX. The City of Arco has the following tax base:

1. Residential property in 1980 was valued at \$89,358, generating \$9,657.81 in taxes or 39% of the total.
2. Commercial property in 1980 was valued at \$50,654, generating \$5,474.68 in taxes or 22% of the total.
3. Industrial property in 1980 was valued at \$56,201 generating \$6,074.20 in taxes or 24% of the total.
4. Agricultural property in 1980 was valued at \$31,146, generating \$3,336.26 in taxes or 14% of the total.
5. Vacant land in 1980 was valued at \$3,080, generating \$332.89 in taxes or 1% of the total. Total assessed value in 1980 \$230,439.00

XXI. The Township of Lake Stay has the following tax base:

1. Residential property in 1980 was valued at \$29,442 generating \$1,845.13 in taxes or 10% of the total.
2. Commercial property in 1980 was valued at \$0 generating \$0 in taxes or 0% of the total.
3. Industrial property in 1980 was valued at \$0 generating \$0 in taxes or 0% of the total.
4. Agricultural property in 1980 was valued at \$2,549,788, generating \$15,795.21 in taxes or 89% of the total.
5. Vacant land in 1980 was valued at \$1,440, generating \$90.24 in taxes or 1% of the total.

XXII. The residential property located within the area subject to annexation was valued in 1980 as \$7,696 generating \$472.69 in taxes.

XXIII. In the City of Arco's mill rate in 1981 is 51.28 with a bonded indebtedness of \$44,000 due through 1980.

XXIV. The Town of Lake Stay's mill rate in 1981 is 6.59 with no bonded indebtedness due through 1980.

XXV. In 1981 the County's mill rate is 23.12. The Tyler School District's mill rate in 1981 is 30.81. The Ivanhoe School District's mill rate in 1981 is 32.69.

XXVI. The area proposed for annexation is located within the Tyler School District No. 409 and would remain there if annexed, even though the City of Arco is presently in Ivanhoe District No. 403.

XXVII. The Town government presented no plans to provide water to the area proposed for annexation in the immediate future.

XXVIII. The area proposed for annexation is too small to incorporate into its own governmental unit.

XXIX. The present assessed valuation for the Town of Lake Stay is \$2,580,670.00. Present assessed valuation of proposed annexation area: \$7,696.00. New valuation of the Town of Lake Stay if the entire area proposed for annexation is annexed: \$2,572,964.00.

XXX. A majority of the property owners in the area to be annexed have petitioned the Minnesota Municipal Board requesting annexation.

CONCLUSIONS OF LAW

- I. The Minnesota Municipal Board duly acquired and now has jurisdiction of the within proceeding.
- II. The area subject to annexation is now is about to become urban or suburban in character and the annexing municipality is capable of providing the services required by the area within a reasonable time.
- III. Municipal government is required to protect public health, safety and welfare of the people in the area subject to annexation.
- IV. The best interests of the area subject to annexation will be furthered by annexation.
- V. The remainder of the Town of Lake Stay can carry out the functions of government without undue hardship.
- VI. There is a reasonable relationship between the increase in revenue for the City of Arco and the value of benefits conferred upon the area subject to annexation.
- VII. Annexation of all or a part of the property to an adjacent municipality is impossible, since the area proposed for annexation abuts only the City of Arco.
- VIII. This annexation proceeding has been initiated by a petition of a majority of property owners and therefore this Minnesota Municipal Board order is not subject to an annexation election.
- IX. An order should be issued by the Minnesota Municipal Board annexing the area described herein.

O R D E R

I. IT IS HEREBY ORDERED: that the property described herein situated in the County of Lincoln, State of Minnesota, be and the same is hereby annexed to the City of Arco, Minnesota, same as if it had originally been a part thereof:

All that part of the Southeast fractional Quarter (SE $\frac{1}{4}$ ) of Section Thirty (30), Township One Hundred Eleven (111) North, Range Forty-four (44) West of the Fifth (5th) Principal Meridian described as follows:  
Commencing at the south quarter corner of said Section Thirty (30) thence East along the South line of said Section 30 a distance of 527 feet for a point of beginning, thence North at a right angle for a distance of 195 feet, thence East parallel to the South line of said Section 30 a distance of approximately 632 feet to the West line of the right of way of the Chicago and Northwestern Railway, thence southeasterly along the West line of the right of way of the Chicago and Northwestern Railway Company to the South line of said Section 30, thence Westerly along the South line of said Section 30 approximately 712 feet to the point of beginning, containing 3.0 acres, more or less.

II. IT IS FURTHER ORDERED: that the population of the City of Acro has increased by two persons.

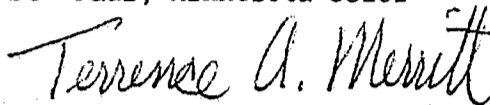
III. IT IS FURTHER ORDERED: that the population of the Town of Lake Stay has decreased by two persons.

IV. IT IS FURTHER ORDERED: that the effective date of this order is March 12, 1981.

133303  
O.D.

Dated this 12th day of March 1981

MINNESOTA MUNICIPAL BOARD  
165 Metro Square Building  
St. Paul, Minnesota 55101



Terrence A. Merritt  
Executive Director