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**STATE OF MINNESOTA
MUNICIPAL BOARD**

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

May 8, 1981

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

RE: Municipal Board Docket Number A-3637 Thief River Falls

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 Thief River Falls

is increased by no change

The population of Town of North

is decreased by no change

A new municipality named _____

has been created with a population of _____

The _____

has been dissolved.

Official date of the Order May 8, 1981, effective date May 8, 1981

C.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
MAY 14 1981**

James Anderson Howe
Secretary of State
#33418

STATE OF MINNESOTA
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FILED
MAY 14 1981
James Anderson Howe
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BEFORE THE MUNICIPAL BOARD
OF THE STATE OF MINNESOTA

Thomas J. Simmons Chairman
Robert W. Johnson Vice Chairman
Robert J. Ferderer Member
Glenn Tasa Ex-Officio Member
Roger Hoffman Ex-Officio Member

IN THE MATTER OF THE PETITION)
FOR THE ANNEXATION OF CERTAIN)
LAND TO THE CITY OF THIEF RIVER)
FALLS PURSUANT TO MINNESOTA)
STATUTES 414)

FINDINGS OF FACT,
CONCLUSIONS OF LAW,
AND ORDER

The above-entitled matter came on for hearing before the Municipal Board pursuant to Minnesota Statutes 414, as amended on February 18, 1980 at Thief River Falls, Minnesota. The hearing was conducted by Terrence A. Merritt pursuant to Minnesota Statutes 414.01, Subd. 12. Also in attendance were County Commissioners Glenn Tasa and Roger Hoffman, ex-officio members of the board. A hearing on the expanded area was held before the Minnesota Municipal Board pursuant to Minnesota Statutes 414, as amended on January 15, 1981 at Thief River Falls, Minnesota. The hearing on the expanded area was conducted by Thomas J. Simmons pursuant to Minnesota Statutes 414.01, Subd. 12. Also in attendance was County Commissioner Glenn Tasa, ex-officio member of the board. The City of Thief River Falls appeared by and through Paul Ihle, the Town of North appeared by and through Alfred Longren, Township Clerk and the petitioners appeared by and through Kurt Marben, Attorney at Law. 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 the following Findings of Fact, Conclusions of Law and Order.

FINDINGS OF FACT

I. On December 21st, 1979, 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:

A tract of land which is part of the S $\frac{1}{2}$ of the SW $\frac{1}{4}$ of Section 29, T. 154N., R. 43W. bounded as follows:

Beginning at the Southeast corner of said SW $\frac{1}{4}$; thence N 2°45' E along the North/South one-quarter line of said SW $\frac{1}{4}$ to an intersection with the North line extended of Lot 16, Block One, Joppru's Second Subdivision; thence N 87°15' W along the North line of said Lot 16 and the extension thereof to the West line of said Section 29; thence Southerly along said West line to the Southwest corner of said Section 29; thence Easterly along the South line of said Section 29 to the point of beginning; containing 67.9 acres more or less.

XI. The City of Thief River Falls has the following undeveloped acreage, approximately 213.7 acres in residentially zoned land, approximately 104.7 acres in commercially zoned land, approximately 137.6 acres in industrially zoned land, and approximately 328 acres in institutionally zoned property.

XII. There was no testimony concerning the amount of acreage for various uses and remaining for various uses within the Town of North.

XIII. The City of Thief River Falls has a comprehensive plan, a zoning ordinance, a planning commission, a planning director, and a capital improvement program.

XIV. The Town of North has a zoning ordinance.

XV. The area proposed for annexation is primarily industrial/commercial to the west, which is consistent with the City's commercial development lying south of the area proposed for annexation. The eastern portion of the area proposed for annexation is primarily residential in nature and abuts residentially zoned area within the City of Thief River Falls.

In the winter and spring of 1980 the City of Thief River Falls conducted a review of its future land use plans. Community contact was organized and hearings were held. The areas of commercial, residential, and industrial priorities were ranked.

XVI. Within the area proposed for annexation only a small part, approximately one to three acres was included in any of the priorities developed through the city future land use plan and that portion was located east of the area originally petitioned for annexation and was contained in the third commercial priority.

XVII. The City has a schedule of capital improvements program amounting to approximately \$2.1 million in costs, which do not include any improvements in the area proposed for annexation.

XVIII. In 1970 the projected growth for the City of Thief River Falls, the population by 1985 was 18,300.

XIX. The Region One study in which Thief River Falls is located projects that the Region's present population of 97,225 will increase to a population of 103,800 by the year 1985.

The projection for development and expansion within the City of Thief River Falls were not borne out by actual development and increased population.

XX. The cost of extending electrical services to the area proposed for annexation would be approximately \$60,000 in total costs of line take-over

cost reimbursement as well as labor and materials. The extension of electrical service to the area originally proposed for annexation would cost approximately \$10,000. The cost of extending electrical service would be borne totally by the City of Thief River Falls under its present policies.

XXI. The most thorough method of extending City water to the area proposed for annexation cost approximately \$475,000, all assessable to the City of Thief River Falls. Further, if City water was extended to the area proposed for annexation, the city water plant has presently no excess capacity and it would be necessary to complete an hydraulic study at a cost of \$20,000 to \$30,000 to determine how service to the area would be supplied. The City would be liable for both the cost of extension of City water and the survey cost under the present city policies.

XXII. The extension of sanitary sewer to the area proposed for annexation would cost the City approximately \$95,000. Further extensions would be dependent upon the development of the land, and presently are not projectible.

XXIII. Presently there is occasional flooding along Highway 1 and 59 resulting from overflow in the ditch along said highways which follows down Barsen Avenue to the south. To solve the problem it will be necessary to involve the township, the city, the county, and the water-shed district. The very preliminary cost to the City is \$27,000 to \$67,500 to improve the ditch. If a storm drainage and underground piping was necessary the cost would be approximately \$460,000. The cost of the study of the proposed improvement would be \$45,000 to the City.

XXIII. In 1979 the assessed valuation of the City of Thief River Falls was \$20,713,790. The City of Thief River Falls market value of the residential property was approximately \$60,000,000 generating \$1.8 million in taxes, the market value of commercial property was \$15,500,000 generating approximately \$801,000 in taxes, the market value of the industrial property was approximately \$3.2 million dollars generating \$164,000 in taxes. The market value of the agricultural property was approximately \$160,000 generating approximately \$5,000 in taxes and the market value of institutional property was approximately \$29,000,000.

XXIV. The assessed valuation of the Town of North in 1979 was \$2,557,946. The market value in the Town of North of the residential property was approximately \$4,600,000 generating approximately \$93,000 in taxes. The commercial property's market value is approximately \$1,500,000 generating approximately \$58,800 in taxes and the agricultural land's market value was approximately \$9,300,000 generating approximately \$285,000 in taxes in 1979.

XXV. The assessed valuation of the area originally proposed for annexation is \$5,950 with a market value of approximately \$23,800. If the area proposed for annexation had been located within the City of Thief River Falls for taxes payable in 1980, the property would have generated an additional \$5,000 for the City of Thief River Falls.

XXVI. The mill rate for the City of Thief River Falls collectable in 1980 is approximately 30.

XXVII. Annexation of the property of the City of Thief River Falls would not impact upon the school district as the property and the City of Thief River Falls are located within the same school district.

XXVIII. The present bonded indebtedness of the City of Thief River Falls as of 1980 is \$8,407,000 with additional interest over the life of the bonds of 20 - 25 years resulting in the need for approximately \$13,000,000 in payment over the next 20+ years.

XXIX. The City of Thief River Falls in 1976 began an asserted effort to lower its bonded indebtedness through the moratorium on bonding of new subdivisions.

XXX. The City of Thief River Falls opposes the proposed annexation as it does not presently fit in with the City's Comprehensive Plan.

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 not now nor about to become urban or suburban in character and the annexing municipality has not indicated that it is capable of presently providing needed services required by the area within a reasonable time without undue hardship to the City itself.

III. The municipal government is presently not required to protect public health, safety, and welfare of the people within the area subject to annexation.

IV. There has not been a showing of reasonable relationship between the increase in revenue for the City of Thief River Falls and the value of the benefits which it must confer upon the area subject to annexation.

V. Annexation of all or a part of the property to an adjacent municipality is impossible since the property abuts only the City of Thief River Falls.

VI. An order should be issued by the Minnesota Municipal Board denying the proposed annexation of the area described herein without prejudice.

ORDER

I. IT IS HEREBY ORDERED: That the proposed petition for annexation and expanded area proposed for annexation as described herein is hereby denied without prejudice.

II. IT IS FURTHER ORDERED: That the effective date of this order is May 8, 1981.

Dated this 8th day of May, 1981

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

Terrence A. Merritt
Terrence A. Merritt
Executive Director

#33418
D.D.