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STATE OF MINNESOTA
MUNICIPAL BOARD

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

July 30, 1981

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

RE: Municipal Board Docket Number A-3527 Cottage Grove

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 Cottage Grove
is increased by no change

The population of Township of Grey Cloud
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 July 30, 1981, effective date July 30, 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 Gillaspay, Ph.D.
State Demographer
101 Capitol Square Building

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED
AUG 13 1981

Joan Anderson Horne
Secretary of State

133539 o.d.

BEFORE THE MUNICIPAL BOARD
OF THE STATE OF MINNESOTA

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED
AUG 13 1981

James Anderson
Secretary of State

Thomas J. Simmons
Robert W. Johnson
Robert J. Ferderer
Arthur B. Schaefer, Jr.
Sally Evert

Chairman
Vice Chairman
Member
Ex-Officio Member
Ex-Officio Member

133539

IN THE MATTER OF THE PETITION)
AND RESOLUTION FOR ANNEXATION)
OF CERTAIN LAND TO THE CITY)
OF COTTAGE GROVE)

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 January 22, 1981, at St. Paul Park. The hearing was conducted by Chairman Thomas J. Simmons, pursuant to Minnesota Statutes 414.01, Subd. 12 and was continued to March 25, 26, and 27, 1981. Also in attendance were Municipal Board Members Robert W. Johnson and Robert J. Ferderer and Washington County Commissioners Arthur B. Schaefer, Jr. and Sally Evert, ex-officio members of the Board. The City of Cottage Grove was not represented by legal counsel, the Township of Grey Cloud appeared by and through Bruce Rasmussen and Ian Ball, and the petitioners appeared by and through Raymond A. Haik and Bruce D. Malkerson. Testimony was heard, 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 May 17, 1979, a petition of property owners was filed with the Minnesota Municipal Board. On April 14, 1980, the City of Cottage Grove filed with the Municipal Board a certified copy of its resolution supporting annexation of a portion of the Township of Grey Cloud to the City of Cottage Grove, City Resolution Number 80-21, which had been passed on February 6, 1980. The City of Cottage Grove resolution contained Exhibit "A", a copy of the petition which had been submitted to the Municipal Board on May 17, 1979.

On October 21, 1980, an addendum to the petition of May 17, 1979 was filed with the Municipal Board. Also filed with the Minnesota Municipal Board was the requisite filing fee, as well as a map of the area.

The petition and resolution filed contain all of the information required

by the statute including a description of the property proposed for annexation:

Govt. Lot 3, NW $\frac{1}{4}$ of SE $\frac{1}{4}$, Govt. Lot 4, SW $\frac{1}{4}$ of the SE $\frac{1}{4}$, SE $\frac{1}{4}$ of SE $\frac{1}{4}$, all in Section 26, T 27, R 22, Govt. Lot 1, NW $\frac{1}{4}$ of NE $\frac{1}{4}$, NE $\frac{1}{4}$ of NE $\frac{1}{4}$, Govt. Lot 2, SW $\frac{1}{4}$ of NE $\frac{1}{4}$, SE $\frac{1}{4}$ of the NE $\frac{1}{4}$, Govt. Lot 3, NE $\frac{1}{4}$ of SE $\frac{1}{4}$, Govt. Lot 4, Govt. Lot 5, all in Section 35, T 27, R 22. Govt. Lot 1, in Section 2, T 26, R 22. SW $\frac{1}{4}$ of SW $\frac{1}{4}$, SE $\frac{1}{4}$ of SW $\frac{1}{4}$, all in Section 25, T 27, R 22. The NW $\frac{1}{4}$, the NE $\frac{1}{4}$, NE $\frac{1}{4}$ of SE $\frac{1}{4}$, NW $\frac{1}{4}$ of SE $\frac{1}{4}$, NE $\frac{1}{4}$ of SW $\frac{1}{4}$, NW $\frac{1}{4}$ of SW $\frac{1}{4}$, SW $\frac{1}{4}$ of SW $\frac{1}{4}$, Govt. Lot 1, Govt. Lot 2, Govt. Lot 3, all in Section 36, T 27, R 22. Govt. Lot 1 of Section 1, T 26, R 22.

II. The petition, addendum, and supporting city resolution merged to satisfy the statutory requirements under M.S. 414.031, Subd. 1.

III. Notice of the January 22, 1981 hearing was mailed to all parties on December 23, 1980.

IV. Notice of the January 22, 1981 hearing was published in the Washington County Bulletin on January 8, 1981 and January 15, 1981.

V. At the initial hearing held on January 22, 1981, all parties to the hearing were represented by counsel and the majority of them were present. Jurisdictional documents were identified by the Chairman and presented to counsel for their consideration. The documents were then made a part of the record with the consent of counsel.

VI. On March 24, 1981 the City of Cottage Grove submitted to the Minnesota Municipal Board, its resolution of March 18, 1981 which supported the annexation of the petitioned property not located on the Upper Grey Cloud Island and which corrected the City of Cottage Grove's resolution of February 6, 1980, that had been received by the Municipal Board on April 14, 1980.

VII: On July 10, 1981 the Minnesota Municipal Board moved to reduce the area under consideration before it to the following described property, which is the petitioned property not located on the Upper Grey Cloud Island and is the subject of these Findings of Fact, Conclusions of Law, and Order (hereinafter referred to as the "reduced area"):

SE $\frac{1}{4}$ of SE $\frac{1}{4}$, all in Section 26, T 27, R 22, Govt. Lot 1, NW $\frac{1}{4}$ of NE $\frac{1}{4}$, NE $\frac{1}{4}$ of NE $\frac{1}{4}$, Govt. Lot 2, SW $\frac{1}{4}$ of NE $\frac{1}{4}$, SE $\frac{1}{4}$ of the NE $\frac{1}{4}$, Govt. Lot 3, NE $\frac{1}{4}$ of SE $\frac{1}{4}$, Govt. Lot 4, Govt. Lot 5, all in Section 35, T 27, R 22. Govt. Lot 1, in Section 2, T 26, R 22. SW $\frac{1}{4}$ of SW $\frac{1}{4}$, SE $\frac{1}{4}$ of SW $\frac{1}{4}$, all in Section 25, T 27, R 22. The NW $\frac{1}{4}$, the NE $\frac{1}{4}$, NE $\frac{1}{4}$ of SE $\frac{1}{4}$, NW $\frac{1}{4}$ of SE $\frac{1}{4}$, NE $\frac{1}{4}$ of SW $\frac{1}{4}$, NW $\frac{1}{4}$ of SW $\frac{1}{4}$, SW $\frac{1}{4}$ of SW $\frac{1}{4}$, Govt. Lot 1, Govt. Lot 2, Govt. Lot 3, all in Section 36, T 27, R 22. Govt. Lot 1 of Section 1, T 26, R 22.

VIII. The "reduced area" for annexation is unincorporated and abuts the City of Cottage Grove (hereinafter referred to as City).

IX. The total land and water area of the "reduced area" is approximately 1200 acres.

X. The perimeter of the total land and water area of the "reduced area" is 36% bordered by the City of Cottage Grove.

XI. The "reduced area's" land area consists of the main lower island and a group of outer islands, located within the Mississippi River. The dry buildable

area of the "reduced area" is surrounded on three sides by river and lakes, and on the fourth side by dry buildable area within the City of Cottage Grove. The terrain is gently rolling; the soils are Hubbard and Sparta loamy sands. The land was mined for sand and aggregate and is now being reclaimed. The remainder of the "reduced area" is small vacant outer islands, flood plain, or water.

XII. Population Data:

A. The City of Cottage Grove:

1. The 1970 population was 13,419.
2. The 1980 and present estimated population is 18,925.
3. By 1990, the projected population is 25,500.

B. In the "reduced area":

1. In 1980, there were 0 residents.
2. The present estimated population is 0.
3. By 1990, the projected population is approximately 150.

C. The Township of Grey Cloud:

1. The 1970 population was 384.
2. The 1980 and present estimated population is 354.

XIII. The pattern of physical development, including land already in use, in the process of being developed, and remaining for various uses:

A. Area in use:

1. In the City of Cottage Grove:

- a. Residential: 3487 acres
- b. Commercial: 155 acres
- c. Industrial: 715 acres
- d. Public: 1113 acres
- e. Streets: 2432 acres
- f. Railroads: 176 acres
- g. Agriculture/Vacant: 13,375 acres

2. In the "reduced area":

- a. Approximately 750 acres in vacant outer islands, water and vacant flood plain.
- b. There is approximately 400 acres of land that is being reclaimed from the mining operation. There are approximately 40 - 50 acres in use as a processing plant and barge fleeting area.

3. In the Township of Grey Cloud:

- a. Residential: 392 acres

- b. Institutional Public: 35 acres
- c. Commercial: 56 Acres
- d. Industrial/Mining: 469 acres
- e. Agricultural: 464 acres
- f. Vacant Land: 1103 acres
- g. Water: 1234 acres

B. Area being developed:

1. In the City of Cottage Grove:

- a. The rapid population growth within the City of Cottage Grove has taken place throughout the City, concentrating in urban areas along the freeway bisecting the City, the southern shoreline along the Mississippi River, the southwestern shoreline across from the reduced area and the southwestern shoreline across from the remainder of Grey Cloud Township on the upper island. Extensive urban population growth has also taken place along the northwestern boundary of the City adjacent to the northern section of the township. This pattern of single family residential development is expected to continue for the next twenty years.

2. In the "reduced area":

- a. Residential development is proposed for the dry buildable area as reclamation is completed.
- b. The vacant outer islands will remain in an undeveloped fashion consistent with the Mississippi River Corridor Critical Area requirements.

3. In the Township:

- a. The township anticipates a growth of approximately 45 new homes in the next 10 years which will fill the remainder of the proposed residential zoned areas available at the proposed density of 10 acres per lot.

C. Area remaining:

- 1. In the City of Cottage Grove: During the next 10 years much of the City's area will be utilized for residential, commercial, industrial, or public uses.
- 2. In the "reduced area" for annexation: During the next 10 years it is projected that all of the dry buildable area will be utilized

for industrial mining and residential uses.

3. In the Township: During the next 10 years any remaining undeveloped area will be utilized for residential, commercial, industrial, mining, agricultural or public uses.

XIV. The City of Cottage Grove has in effect zoning and subdivision regulations; enforces the fire code and the State Building Code. The City's Comprehensive Plan was adopted in 1979 and an updated Comprehensive Plan has been sent to the Metropolitan Council for review. The City has not yet adopted an official map. The City has a capital improvements program. The City is served by a full-time, in-house building inspector; a planning commission; a full-time, in-house professional planning staff; a consulting engineer; Park Recreation and Natural Resources Commission; and a reclamation committee for the lower island. The City has submitted its Critical Area Act Plan to the Metropolitan Council.

XV. The Township of Grey Cloud has in effect zoning and subdivision regulations. The Town's Comprehensive Plan and Critical Area Act Plan have been adopted. The Town has no official map, no capital improvements program, or fire code. The township is served by a planning commission; a building inspector by contract with Washington County; and has no full-time, in-house planning staff.

XVI. The County of Washington has in effect zoning and subdivision regulations. The County's Comprehensive Plan of 1976 is being updated. The County has not yet adopted an official map. The County's fire code is a part of the building code. The County is served by a building inspector and planning commission. The County enforces the State Building Code.

XVII. The Metropolitan Council provides the following planning and land use services:

The Metropolitan Council reviews the comprehensive plans and the critical area act plans of the Township, City of Cottage Grove, and Washington County. The Metropolitan Council has developed a Metropolitan Development Guide pursuant to statute.

The Metropolitan Council has labeled the land in the "reduced area" as commercial/industrial in use or urbanizing. Further, the Metropolitan Development Guide places the "reduced area" in a rural service area, which will not receive metropolitan sewer service or urban level transportation service.

Whatever development occurs within the "reduced area" will have to comply with the rural service area constraints. The Metropolitan Council's maps show the use in a majority of the "reduced area" is not rural, but industrial or commercial now.

XVIII. The "reduced area" is presently zoned for commercial mineral extraction. Upon completion, the zoning is projected to revert to a residential zoning classification.

Future development of the property, whether residential or other, will result in either urban development or development that will result in urban problems needing municipal services.

The "reduced area", as well as land in Upper Grey Cloud Island and the City of Cottage Grove is located within a regional park reserve search area. This designation will not change if the area is annexed.

The Critical Areas Plan and requirement of a land use plan consistent with the Metropolitan Council plans and policies are demanded of both Grey Cloud and Cottage Grove. These requirements and constraints on the reduced area will not change if it is annexed.

XIX. The area immediately east of the "reduced area" in Cottage Grove is zoned for commercial mineral extraction and is the primary source of material for the processing plant located within the "reduced area".

XX. The City of Cottage Grove provides its present residents with the following services:

- A. Water .
- B. Sewer .
- C. Police protection, through its full-time department.
- D. Street improvements, through its full-time department.
- E. Street maintenance, through its full-time department.
- F. Recreational opportunities, parks and a full-time recreation department.
- G. Legal, by consultant.
- H. Full-time planning department.
- I. Full-time finance department.
- J. Engineer, by a consultant.
- K. Full-time building inspection department.
- L. Full-time administrator and staff.
- M. Full-time fire department. The City of Cottage Grove's fire rating is 7.

XXI. The City presently provides the "reduced area" and/or the Cottage Grove portion of the Lower Island immediately adjacent to the "reduced area" with the following services:

- A. Fire protection - presently to the Cottage Grove portion of the Lower Island and assists St. Paul Park's volunteer force which provides fire protection to the "reduced area" for annexation.
- B. Police protection - presently to the Cottage Grove portion of the Lower Island and on an emergency basis to the "reduced area".
- C. Street improvements - presently to the Cottage Grove portion of the Lower Island and on all streets which provide access to the "reduced area".

- D. Street maintenance - presently to the Cottage Grove portion of the Lower Island and on all streets which provide access to the "reduced area" for annexation.
- E. Recreational - one park on the Cottage Grove portion of the Lower Island near the "reduced area".
- F. Administrative service - police and fire dispatch services to the Cottage Grove portion of the Lower Island and "reduced area".
- G. Planning services - to the Cottage Grove portion of the Lower Island area.
- H. Finance - to the Cottage Grove portion of the Lower Island area.
- I. Engineer - to the Cottage Grove portion of the Lower Island area.

XXII. The Township of Grey Cloud provides the "reduced area" for annexation with the following in-house services:

- A. Water - none.
- B. Sewer - none.
- C. Fire protection and rating - by contract with the volunteer fire department in the City of St. Paul Park, the rating is 7.
- D. Police protection -- four part-time police officers who work elsewhere. Emergency police protection is provided by the City of Cottage Grove.
- E. Street improvements - none - remainder of the Township is serviced by contract with the county.
- F. Street maintenance - none - remainder of the Township is serviced by contract with the county.
- G. Recreational - none - the only park in the Township is on the Upper Island.
- H. Administrative services - through Town Board.
- I. Legal - provided by consultant.
- J. Planning services - provided by legal counsel.

XXIII. Presently the City of Cottage Grove can provide the needed municipal services to the "reduced area". No significant increase in expense is anticipated for services of the City's Public Safety Department. Little or no additional work would be necessary by the City's Department of Public Works until such time as new roads are extended into the development. The City's Park and Recreation Department improvements would not be adversely impacted as the present City Grey Cloud Park already exists on the Lower Grey Cloud Island. No substantial increase in fire department expense is anticipated. The City already provides full-time administrative, planning, finance and building inspection and on-site septic system inspec-

tional service to the Lower Island and could provide such services to the "reduced area"

XXIV. The residents of the Lower Island have a community of interest with the City of Cottage Grove.

XXV. Transportation:

A. In the City of Cottage Grove:

1. The present transportation network in the City is city streets, county roads, state and federal highways.
2. Only the city streets do and can provide access to the "reduced area".
3. The road network within the entire Lower Island must be integrated to provide efficient construction, maintenance and traffic patterns consistent with the access available through Cottage Grove:
4. The future residents in the "reduced area" will travel on the City's streets to reach commercial service areas and the existing freeway in the City.

B. In the reduced area:

1. There are no Township streets.
2. The Township would need to traverse city streets to reach the "reduced area" in order to provide service to the area.

XXVI. The existing urban commercial and industrial activity in the "reduced area" is a large and complex one involving many employees, much equipment, a large processing plant, and a large barge fleeting operation. These activities will be continued in one portion of the "reduced area" and will be moved in stages over the next eight years from the "reduced area" into the adjacent land area within the City of Cottage Grove which presently provides the mineral resources for processing. It is a complex industrial and commercial activity which will involve the planning and development of the entire lower island, including the "reduced area". This activity can best be supervised by one governmental unit which has a full-time professional staff to ensure the prevention of environmental problems.

To ensure the compatibility of the extraction and land restoration procedures for the entire Lower Island, the City is the jurisdiction to oversee these activities with its full-time professional staff. The activities that impact upon the whole Lower Island's environment are: Surface water run-off control; sedimentation entrapment and control; creation and maintenance of water bodies, their quantity and quality; restoration of mining areas including use and movement of topsoil; revegetation; operation and the impact on industrial

activity; future relocation of the industrial plant; future phased relocation of the barge fleet; the impact of the access roads to the activities; integration of the development and the industrial activity to best utilize the existing environmental amenities.

XXVII. Tax Base - City of Cottage Grove and Grey Cloud Township:

The market value of land by type for various uses of lands within the Township and the City of Cottage Grove are listed below as derived from the Washington County Assessors Office on March 23, 1981. This represents 1981 valuation for taxes payable in 1982.

Market Value - 1981		
<u>Present uses</u>	<u>City of Cottage Grove</u>	<u>Grey Cloud Township</u>
Farming	\$ 13,827,138	\$1,112,155
Residential	270,898,231	6,777,132
Commercial	16,305,725	0
Industrial	16,753,855	1,437,470
Utilities	5,387,325	46,540
Season Recreational	192,355	0
Homes owned by Blind	489,990	49,806
Dwelling (4 units or more)	1,167,250	0
Homes owned by	<u>515,735</u>	<u>95,052</u>
TOTAL	\$325,537,604	\$9,518,205

XXVIII. Summary of Present Value, Debt, and Levy Information:

VALUE DEBT AND LEVY INFORMATION

<u>UNIT OF GOVERNMENT</u>	<u>ASSESSED VALUATION 1979/1980</u>	<u>INDEBTEDNESS (NET)</u>	<u>MILL RATE</u>	<u>TAXES PAYABLE 1980</u>
Washington Co.	\$451,039,596	1,859,434	26.719	--
Cottage Grove	67,284,058	1,667,173	22.702 (Urban) 17.074 (Rural)	\$1,520,942 \$1,520,942
School District				
833	\$137,714,535	19,215,939	50.686	6,980,199
916 (VTI)	1,381,961,052	1,747,468	1.304	1,802,071
Grey Cloud Tswp.	1,765,524	0	9.743	17,201
St. Paul Park	13,526,431	732,000	21.252	287,464

XXIX. Township 1982/1983 Budget:

The 1982/1983 budget was adopted by the Township on March 10, 1981. The Township raised its budget 89% from \$33,300 to \$62,900. The majority of this increase was due to legal expenses associated with the proposed annexation.

XXX. Mill rate comparison:

<u>Taxes Payable</u>	<u>Mill Rate-Township</u>	<u>Mill Rate - City of Cottage Grove</u>	
		<u>Rural</u>	<u>Urban</u>
1981	13.139	15.443	20.666
1980	9.743	17.074	22.702
1979	9.329	15.364	20.453

XXXI. In the "reduced area", the taxes payable to the township in 1980 was \$2,400, or approximately 14% of the total amount received, based on a 1979 assessed valuation of \$248,912. If the "reduced area" was eliminated from the tax base for the township's 1979 mill levy, the mill levy would have been increased from 9.743 to approximately 11.341 for the township to receive the same amount of taxes payable in 1980.

XXXII. The City will bear increased costs as a result of this annexation. The increased costs to the City will be offset by the present taxes generated and by the increased revenues to be generated as the "reduced area" develops; during which development the entire administrative and governmental functions of the City will be needed to provide services to this area.

The City has the fiscal ability to provide all municipal services required for the development of the "reduced area" so as to provide a level of services needed, including any additional services which will be required for the City as a whole because of the projected growth.

XXXIII. The present assessed valuation of the Township of Grey Cloud is \$1,765,524. The present assessed valuation of the "reduced area" is \$248,912. The new assessed valuation of the Township of Grey Cloud exclusive of other changes, if the reduced area is annexed to the City of Cottage Grove would be \$1,516,612.

XXXIV. No evidence was presented that the annexation of the "reduced area" to the City of Cottage Grove will have any significant adverse effect on the township or any of its residents. The remainder of the township will continue to function.

XXXV: The present urban industrial and commercial use is a single mining operation on the Lower Island within the "reduced area" and property located within the City. The nature of the future use of the operation is such that it will continue to involve land on the Lower Island located both in the "reduced area" and the City of Cottage Grove.

XXXVI. There is no adjacent municipality, other than the City of Cottage Grove, which would be able to serve the interests of the "reduced area".

XXXVII. No evidence was presented that the annexation of the "reduced area" to the City of Cottage Grove will have any adverse affect on communities adjacent to the area or on the school districts Nos. 833 and 916 (AVTI) which are the only school districts within the area.

Presently, school bus service is provided to the Cottage Grove portion of the Lower Island.

XXXVIII. The Town government does not have the staff to deliver municipal services to the "reduced area".

XXXIX. The only land access to the "reduced area" is through the City of Cottage Grove, and the "reduced area" is separated physically from the Township and is

naturally a part of the City.

XL. Necessary governmental services can best be provided by annexation to the City of Cottage Grove.

XLI. A majority of the property owners in the "reduced area" have petitioned the Minnesota Municipal Board requesting annexation.

CONCLUSIONS OF LAW

I. The Minnesota Municipal Board duly acquired jurisdiction and now has jurisdiction over the property referred to hereinafter as the "reduced area" and described as follows:

SE $\frac{1}{4}$ of SE $\frac{1}{4}$, all in Section 26, T 27, R 22. Govt. Lot 1, NW $\frac{1}{4}$ of NE $\frac{1}{4}$, NE $\frac{1}{4}$ of NE $\frac{1}{4}$, Govt. Lot 2, SW $\frac{1}{4}$ of NE $\frac{1}{4}$, SE $\frac{1}{4}$ of the NE $\frac{1}{4}$, Govt. Lot 3, NE $\frac{1}{4}$ of SE $\frac{1}{4}$, Govt. Lot 4, Govt. Lot 5, all in Section 35, T 27, R 22. Govt. Lot 1, in Section 2, T 26, R 22. SW $\frac{1}{4}$ of SW $\frac{1}{4}$, SE $\frac{1}{4}$ of SW $\frac{1}{4}$, all in Section 25, T 27, R 22. The NW $\frac{1}{4}$, the NE $\frac{1}{4}$, NE $\frac{1}{4}$ of SE $\frac{1}{4}$, NW $\frac{1}{4}$ of SE $\frac{1}{4}$, NE $\frac{1}{4}$ of SW $\frac{1}{4}$, NW $\frac{1}{4}$ of SW $\frac{1}{4}$, SW $\frac{1}{4}$ of SW $\frac{1}{4}$, Govt. Lot 1, Govt. Lot 2, Govt. Lot 3, all in Section 36, T 27, R 22. Govt. Lot 1 of Section 1, T 26, R 22.

II. The "reduced area" is now or is about to become urban or suburban in character.

III. The best interests of the "reduced area" will be furthered by annexation.

IV. Municipal government is required to protect the public health, safety and welfare in the "reduced area".

V. The existing town form of government is not adequate to provide the governmental services needed in the "reduced area".

VI. The remainder of the Township of Grey Cloud can carry on the functions of government without undue hardship.

VII. There is a reasonable relationship between the increase in revenue of the City of Cottage Grove and the value of benefits conferred on the "reduced area".

VIII. There is no other adjacent municipality which could serve the "reduced area" and it should be annexed to the City of Cottage Grove.

IX. An order should be issued by the Minnesota Municipal Board annexing the "reduced area" to the City of Cottage Grove.

X. A majority of the property owners in the "reduced area" petitioned for annexation and, therefore, this Municipal Board Order is not subject to an annexation election.

ORDER

I. IT IS HEREBY ORDERED: That the following described property, situated in the County of Washington, State of Minnesota, be and the same is hereby annexed

to the City of Cottage Grove, Minnesota, the same as if it had been originally made a part thereof:

SE $\frac{1}{4}$ of SE $\frac{1}{4}$, all in Section 26, T 27, R 22. Govt. Lot 1, NW $\frac{1}{4}$ of NE $\frac{1}{4}$, NE $\frac{1}{4}$ of NE $\frac{1}{4}$, Govt. Lot 2, SW $\frac{1}{4}$ of NE $\frac{1}{4}$, SE $\frac{1}{4}$ of the NE $\frac{1}{4}$, Govt. Lot 3, NE $\frac{1}{4}$ of SE $\frac{1}{4}$, Govt. Lot 4, Govt. Lot 5, all in Section 35, T 27, R 22. Govt. Lot 1, in Section 2, T 26, R 22. SW $\frac{1}{4}$ of SW $\frac{1}{4}$, SE $\frac{1}{4}$ of SW $\frac{1}{4}$, all in Section 25, T 27, R 22. The NW $\frac{1}{4}$, the NE $\frac{1}{4}$, NE $\frac{1}{4}$ of SE $\frac{1}{4}$, NW $\frac{1}{4}$ of SE $\frac{1}{4}$, NE $\frac{1}{4}$ of SW $\frac{1}{4}$, NW $\frac{1}{4}$ of SW $\frac{1}{4}$, SW $\frac{1}{4}$ of SW $\frac{1}{4}$, Govt. Lot 1, Govt. Lot 2, Govt. Lot 3, all in Section 36, T 27, R 22. Govt. Lot 1 of Section 1, T 26, R 22.

II. IT IS FURTHER ORDERED: That the assets and obligations of the Township of Grey Cloud and the City of Cottage Grove being subject to the provisions of Minnesota Statutes 414.067, are apportioned as follows:

That the City of Cottage Grove will assume none of the bonded indebtedness of the Township of Grey Cloud. Real estate taxes generated from the area annexed as a result of taxes payable in the year 1982 and subsequent years shall be collected for the City of Cottage Grove. The Township retains all of the Township's assets located outside of the "reduced area".

III. IT IS FURTHER ORDERED: That the effective date of this Order is July 30, 1981.

Dated this 30th day of July, 1981.

MINNESOTA MUNICIPAL BOARD
165 Metro Square Building
Saint Paul, Minnesota 55101

Terrence A. Merritt

Terrence A. Merritt
Executive Director

M E M O R A N D U M

In approving the annexation of land to the City of Cottage Grove, the Municipal Board focused on statutory factors which it must consider in the proceeding before it. As outlined in its Findings of Fact, Conclusions of Law, and Order, these factors have been addressed. The Minnesota Municipal Board members were all present at the hearings or read the transcript of those portions not attended. Prior to making its decision, the Municipal Board reviewed all of the exhibits and testimony. Further, counsel for both the township and petitioners were given an opportunity to present draft Findings of Fact, Conclusions of Law, and Order, which the Municipal Board reviewed.

Presently, the major land use on the lower island is commercial/industrial mineral extraction. The processing plant and barge fleeting operation is located within the reduced area for annexation. Almost all of the area from which sand and gravel is being extracted is located within the City of Cottage Grove. Thus, the mining operation cannot presently be planned for or controlled by a single governmental unit. It must deal with two distinct permitting agencies for its single operation. By annexing the property to the city, this mining operation comes under one governmental unit and control.

This mining operation is occurring in the Mississippi River Critical Area. The City of Cottage Grove, and its full-time staff, have the potential for more thoroughly governing this land use and ensuring that this valuable resource is mined in such a fashion as to be consistent with the needs of a Mississippi River Critical Area designation.

Incumbent with the mining operation is the subsequent reclamation of the property. As with the mining operation, it is necessary that the reclamation procedures occur under one governmental unit. The total reclamation plan for the lower island would encompass both Grey Cloud and Cottage Grove. The reclamation plan must be comprehensive and coordinated so that the various uses do not conflict with or impinge adversely upon other reclamation uses. By annexing the property to Cottage Grove, the city's full-time professional staff will be in a position to oversee the reclamation procedures to ensure conformity with the Critical Area Plan, as well as conformity with the entire reclamation project.

The reclamation procedures will result in further demands upon the access routes to the lower island; access to the lower island is solely through the City of Cottage Grove. Access to the reclamation area will be critical to ensure its use. The assurance of access can only be guaranteed by the City of Cottage Grove, since

it has the sole access presently to the lower island.

The Michaud property located on the lower island and the property in the original petition located in the upper island were not the subject of sufficient testimony to enable the board to make a determination as to the appropriateness of annexing that property to the City of Cottage Grove. The property located in the extreme northerly portion of the lower island which had been omitted by the property owners in their petition, can be annexed to the City of Cottage Grove through an annexation by ordinance proceeding.

Geographically, the lower island is a single unit. It is described as the lower island not only because of its southerly location from the other Grey Cloud island, but also because of its lower topography than the upper island. As a single geographic unit, the property is best controlled by a single governmental unit. By ensuring this sole control, the development of the lower island will be considered with an overall plan supervised by a single governmental unit through its full-time professional staff.

The park reserve is presently projected to include portions of the lower island that are presently in Cottage Grove and Grey Cloud. By placing the lower island under a single governmental unit, control of the necessary attendant services to such a development can be more thoroughly addressed.

The use of the majority of the land is commercial/industrial. The Grey Cloud Critical Area Plan, the Metropolitan Council maps of land uses, and the Washington County Zoning maps all designate the majority of the area as commercial/industrial mineral extraction. This use encompasses portions of the lower island. This urban use would best be dealt with by a city which has a professional staff trained to deal with the problems and needs of urban and suburban development. The subsequent use of the reclaimed land will generate urban or suburban issues and needs which can best be addressed by the city.

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