

## ANNEXATION AGREEMENT KEY POINTS

April 2003

1. The dates of annexation in the agreement are the latest date of annexation. Annexation initiated by property owners can accelerate the process.
2. Annexation will take place in each area in the year indicated. Upon passage of a resolution by the City to that effect and submission of the resolution to Municipal Boundary Adjustment, and following 30 days review and comments, the property shall be annexed.
3. All properties actually annexed in 2004 will receive a three-year tax step up (*1<sup>st</sup> year: Township plus 33%, 2<sup>nd</sup> year: Township plus 66%, 3<sup>rd</sup> year: City taxation level*).
4. If a property owner accelerates the annexation process for properties scheduled for annexation in 2004, the Township and property owner shall determine the fees due and the City will not step taxes. If an area that is designated as being available for a phase-in of the City tax rate is subdivided, the tax step will not be available. The area will immediately go to the full City tax rate.
5. Both the South Shore and Vergus sewer and water projects are supported by the City and annexation will occur in 2024 after the original bond sale or at such time as the original bonds are retired in each area.
6. The City will make every effort to extend sewer and water within two years of annexation subject to Minnesota Statutes Chapter 429 and adequate City or property owner funds for oversizing and property owner support for the project. In the 2008 and 2010 areas, every effort will be made to have sewer and water available to the edge of the district on the year of annexation.
7. Upon execution of this agreement, the City's Comprehensive Plan and Zoning shall be amended and extended immediately to all properties contemplated to be annexed regardless of time period and all land use petitions and building permits shall be issued by the City and subject to City Code.
8. The City supports the re-zoning of the Urban Expansion Reserve Area outside the areas to be annexed to Rural Residential and encourages the County to revisit its Comprehensive Plan and Zoning Ordinance promptly in 2005 to reflect this change.
9. This agreement supercedes the original agreement and all properties not identified for annexation in this agreement are not intended for annexation by the City except as otherwise provided in Minnesota Statutes.
10. The City agrees to work cooperatively with the Township to resolve any issues related to Township owned park property in the annexation area.
11. For properties adjacent to the City by virtue of this annexation agreement and the property owner requests annexation, the Township Board will not oppose the annexation.
12. In consideration of the property taxes forgone by the Township due to annexation, the City will consider reimbursement to the Township the Township's portion of the taxes for 3 years on properties in the 2006, 2008 and 2010 areas on a reducing scale over three years.
13. No other fees will be due from the City to the Township in connection with this agreement.