



**MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL
OF THE CITY OF STACY IN THE COUNTY OF CHISAGO
AND THE STATE OF MINNESOTA PURSUANT TO DUE
CALL AND NOTICE THEREOF**

**WORK SESSION
DECEMBER 2, 2014, 7:00p.m.
STACY CITY HALL**

Call to Order

The meeting was called to order by Mayor Utecht at 7:00pm.

Roll Call

Present: Jim Ness, Mark Utecht, Charles Lucia, and Michael Carlson

Absent: Cindy Bruss

Others Present: Lyle Johnson, Tony Olivolo, and Mark Statz

Purpose of the Special Meeting

The purpose of the meeting is to discuss a proposal received from Lent Township regarding annexation.

Proposed Annexation Area

The portion of Section 31 which is south of County Road 19, also known as Fawn Lake Drive; also Section 32 the portion that is not already in the City of Stacy.

Background

Currently there is a Resolution in place between the Township and the City that states: "Future Annexations. In consideration of the execution of this agreement, the City and Township agree that for a period of fifteen (15) years from the date hereof the City will not seek annexation by ordinance as defined by Minnesota Statue 414.033 unless initiated by the property owner, nor will it annex by contested case as defined by Minnesota Statute 414.031. However, the Township agrees that during said time period it will not contest any owner application for annexation to Stacy provided that the land abuts the municipality." The agreement expires in 2023.

Discussion

Mr. Johnson said that Gene Olson will not be seeking re-election in the Township which means he will be the senior board member; that is why this is being brought up now.

He said that the parcels not to be included in the annexation in Section 31 are 5122 Fawn Lake Drive, and 4954 Fawn Lake Drive; land owned by these property owner extends into Section 30. However, if the property owners expressed interest in coming into Stacy in the future he is open to discussion.

Mayor Utecht said that looking at development in the future the two parcels mentioned above would be the most likely to be developed;



the City would be able to provide municipal services to those properties. Mr. Johnson said that he agreed those properties would be prime for business or industrial development.

Mayor Utecht asked if there is a way to write the agreement to state something like “properties within X distance of city utilities will be annexed into the city when developed.”

Mr. Johnson asked if the council would be agreeable to some revenue sharing agreement for those properties. Mr. Statz said he has seen this in type of arrangement in other annexations, however, has not seen this done long-term.

Member Ness had several items that will need to be considered in the annexation:

- The annexed parcels would not fit into any of our zoning districts; the creation of a new one would take 4-6 months. There will be costs associated with this.
- The addition of how many miles of roads, costs for maintenance.
- The taking over of the bridge on Fir Trail completely, bridge condition.
- How would the annexation impact the cost sharing percentages of the joint powers?
- Concern that the revenue received from the annexed parcels will off-set the city's costs.

Mr. Johnson said that they have been watching the bridge closely; the dust control was about \$1,300/mile this year.

Mayor Utecht said that his biggest concern is for the people who live on the proposed parcels to be annexed. Would like to show the residents what the annexation would mean in dollars. If they don't want to come into the city and the Township and City enter into an agreement the resident still considers it “hostile” annexation.

Mr. Statz said that the properties proposed for annexation are not sustainable for possible road or sewer improvements; the cost of the improvement may not off-set the benefit to the property. We have nine years on the current agreement, does the city want to extend that another 25 years? Would the Township be agreeable to protect the future use of the properties not annexed? Specifically those noted above.

Other points made:

- There is no reason to annex land if there is no existing plan to improve it.
- Not in favor of bringing properties into Stacy if the impacted property owner's object.
- Could the annexation agreement establish criteria such as

when the land is developed then annexed into the city?

Next steps:

- Mr. Johnson will speak with the property owners at 5122 Fawn Lake Road and 4954 Fawn Lake Road
- Have the City Clerk and Maintenance Supervisor do a “spit ball” guess on what it would take annually to provide city services to the proposed annexation area. Consider costs of grading the roads three times in the spring and twice in the fall, snow removal, etc.
- The City Clerk will contact the County Auditor to find out the valuation difference if the properties were annexed into the City. This will be a high level number.

Adjourn at 8:15pm

Motion by Ness to adjourn. Second by Carlson. Ness, Carlson, Lucia, and Utecht voted yes. Mayor Utecht declared the motion carried.

Sharon MT Payne