

<b>City of Northfield, Minnesota</b>	<b>Policy Number: 1.03</b>
<b>ADMINISTRATIVE POLICY</b>	<b>Adopted: 05/04/2010 Motion M2010-0077</b>
<b>Annexation Policies</b>	<b>Revised:</b>

## CITY OF NORTHFIELD

## Annexation Policy

Background

The Comprehensive Plan describes a development preference for infill, redevelopment and intensification of property already within the corporate limits of the City. At the same time, the Comprehensive Plan indicates that "Greenfield", edge development through annexation that would extend the City limits outward, can also occur as long as it is selective and strategic. The policy and position statements that follow are intended to be general in scope and serve as guiding principles for the City in addressing certain annexation issues. The City Council, however, in approving such policies expressly recognizes that annexation law may change over time and annexation issues tend to arise in the context of unique and fact-specific circumstances. The City Council therefore will, and reserves the right in the future to, analyze all annexation matters on a case-by-case basis. Nothing herein should be construed or interpreted as limiting the City Council's discretion with respect to considering specific annexation matters or to take a position that is not contained herein or is contrary to a position contained herein, should unforeseen circumstances warrant in a particular case or should such position be deemed in the best interest of the City based on the circumstances at the time.

General Annexation Policies

- Annexation will be guided based on the principle of opportunity primarily in response to a request from a property owner where to the requested annexation would meet one or more of the following factors:
  - Assist in the implementation of and be consistent with the Comprehensive Plan;
  - Advance the potential to protect or enhance an environmental resource or abate an existing or potential environmental problem;
  - Enhance the efficient and cost-effective extension of infrastructure, municipal services and transportation systems;
  - Result in a significant tax base or job creation potential;
  - Accomplish some other identified goal or strategy of the City Council.
- Annexation fundamentally involves a change in the governmental jurisdiction of a piece of property from the Township to the City.
- Annexation will be evaluated from both a regional context and City perspective and a decision to annex will involve the consideration of the effects of annexation on the applicable Township or other government jurisdictions.
- Annexation will reflect a general policy of growing from inside out and will be guided by the designated priority growth boundary of the Comprehensive Plan, where annexation would occur within the priority growth boundary area before extending out to the Urban Expansion Boundary area.
- The City's preference is for annexation to be initiated by property owner petition.

- The City will strive to accomplish annexations under the orderly annexation procedures established in state statutes such that annexation results in a mutually beneficial agreement and fairness is experienced by the Township and the City;
- The City will strive to accomplish annexations in areas contiguous to City corporate limits, unless there is a compelling reason to consider a non-contiguous annexation.
- Annexation decisions will be guided by an analysis of infrastructure capacity, ease of infrastructure extension and cost effectiveness of extending infrastructure.
- Annexation will be guided by an analysis of the impact of annexation on environmental resources and the impact of potential transportation improvements on environmental resources.
- Annexation analyses should include, where applicable, such matters as an accurate projection of tax base expansion, housing units created, job creation, and salary and wage creation.
- Annexation should be guided by an analysis of potential holding costs related to the area annexed including any agreed upon tax reimbursement to a Township, if applicable.

#### Annexation Tax Reimbursement Policies

- Tax reimbursement payments are intended to compensate the Township for a defined statutory period for the loss of property taxes previously received from an annexed area and to transition from the Township to the City the future responsibility to provide property tax supported services to the annexed area.
- Tax reimbursement payments will be structured to comply with governing law contained in Minnesota statutes.
- The amount of tax reimbursement should be based on an amount that approximates the lost property taxes that the Township would have received from the annexed area had property not been annexed over the statutorily defined duration and may include, depending on the circumstances and applicable law, a reimbursement to the Township for special assessments assigned by the Township to the annexed property, and any portion of debt incurred by the Township prior to the annexation and attributable to the property to be annexed but for which no special assessments are outstanding.