

TO: MAYOR AND CITY COUNCIL

FROM: JON RADERMACHER, City Administrator

SUBJECT: JOINT RESOLUTION 2824 FOR THE ORDERLY ANNEXATION BETWEEN CANNON FALLS AND RANDOLPH TOWNSHIP

MEETING DATE: August 19, 2025

BACKGROUND

The City has received a petition for annexation and agree to a Resolution for Orderly Annexation Agreement (OAA) with Randolph Township for 238.68 acres to be annexed in the City of Cannon Falls. This land is part of the Tract – Data Center Development. The table below details the key terms of the agreement. The City contribution to the township is for the loss of tax revenue of the existing land for 10 years, and is a standard term in annexation agreements. The cost of this reimbursement will be paid to the City from the developer in our agreements.

The other important element in the agreement for the City is the detachment conditions, which were included to encourage that the City would move forward with supporting the development of the land by providing water and sewer infrastructure. By the agreement the City has 2 years to bid and award the project, and 2 years after that to construct the infrastructure. The cost of this development will be 100% on the developer and included in our agreements. The situation in which the land may be detached, could occur if the development with Tract does not go through, and the City chooses not to extend water and sewer infrastructure to the point in which it can serve the site, and the sellers agree to the detachment.

STAFF RECOMMENDATION

Accept the terms of the Orderly Annexation, approve the resolution, and submit the OAA to the Office of Administrative Hearings and Dakota County, and in 30 days the order goes into effect and becomes part of the City.

REQUESTED COUNCIL ACTION

Approve Joint Resolution 2824 In the Matter of the Orderly Annexation between the City of Cannon Falls and Randolph Township Pursuant to Minnesota Statutes § 414.0325.

Summary of Annexation - Simon and McCoy Property, Randolph Township				As of 8/13/2025	
Reimbursement					
City	\$ 2,231.00 per year	10 years			City portion shall be reimbursed from the Buyer
Buyer	\$ 157,528.80	\$ 660.00 per acre		238.68 acres	Notice to the City from Township on receipt of payment is required
Detachment - property goes back to the Township if conditions are not met					
City bids infrastructure to the site within	2 years		City constructs infrastructure within	2	years of start of construction
Irrigation Wells on the Property					
Buyer can use the well only if amended use is allowed by DNR, limited to 40.3MGY appropriation and for emergency uses if the municipal water					
Buffer Area					
200' natural area along north boundary of the property		Only minimal fencing, berming, underground utilities, and water tower could go in the area.		Have to increase the tree planting in the buffer by 25%	

RANDOLPH TOWNSHIP RESOLUTION NO. _____
CITY OF CANNON FALLS RESOLUTION NO. 2824
MUNICIPAL BOUNDARY ADJUSTMENTS DOCKET NO. _____

JOINT RESOLUTION

**IN THE MATTER OF THE ORDERLY ANNEXATION BETWEEN
THE CITY OF CANNON FALLS AND RANDOLPH TOWNSHIP
PURSUANT TO MINNESOTA STATUTES § 414.0325**

WHEREAS, the City of Cannon Falls (“City”) and Randolph Township (“Township”) designate for orderly annexation, the lands located within Randolph Township, County of Dakota, State of Minnesota, legally described on attached Exhibit A and graphically depicted on attached Exhibit B (“Property”); and

WHEREAS, James C. Simon, as Trustee of the James C. Simon Revocable Trust dated September 26, 2017, and James C. Simon, as Trustee of the Bonnie R. Simon Revocable Trust dated September 26, 2017 (collectively, “Simon Owner”) and Randall E. McCoy, a single individual (collectively with Simon Owner, “Property Owners”), who hold fee title to all of the property legally described on attached Exhibit A have petitioned to be annexed pursuant to the terms of this Joint Resolution; and

WHEREAS, after annexation of lands legally described on Exhibit A, the Parties acknowledge and anticipate that MNLCO Dakota County Two, LLC, a Delaware Limited Liability Company, and/or MNLCO Dakota County Three, LLC a Delaware Limited Liability Company, (collectively “Buyer”) will acquire the Property.

WHEREAS, the City and Township are in agreement as to the orderly annexation of the unincorporated Property and both parties believe annexation of the Property to the City will be to their benefit and to the benefit of their respective residents; and

WHEREAS, Minnesota Statutes § 414.0325 provides a procedure whereby the City and Township may agree on a process of orderly annexation of a designated area.

NOW, THEREFORE, BE IT RESOLVED, jointly by the City Council of the City of Cannon Falls and the Town Board of Randolph Township as follows:

1. **Property.** It is therefore agreed that the Property shall be immediately annexed to the City upon the occurrence of the conditions for annexation set forth in this Agreement.

2. **Acreage/Population/Usage.** That the designated area consists of approximately 238.68 acres, the population in the subject area is 0, and the land use type is vacant land and agricultural.

3. **Jurisdiction.** That Township and the City by submission of this joint resolution to the Municipal Boundary Adjustment Unit of the Office of Administrative Hearings, confers jurisdiction upon the Chief Administrative Law Judge (collectively “Chief Administrative Law Judge” or “OAH”) so as to accomplish said orderly annexation in accordance with the terms of this resolution.

4. **Need For Municipal Services.** That the above-described Property is urban or suburban or about to become so, and since the City is capable of providing services to this area within a reasonable time, the annexation would be in the best interest of the area.

5. **No Alteration.** The City and Township have agreed to all the terms and conditions for the immediate annexation of the above-described lands within this Joint Resolution and the signatories hereto agree that no alteration of the designated area is appropriate and no consideration by the Chief Administrative Law Judge is necessary.

6. **Review and Comment.** The City and Township agree that upon receipt of this resolution, passed and adopted by each party, the Chief Administrative Law Judge may review and comment, but shall within thirty (30) days, order the annexation in accordance with the terms of the resolution.

7. **Reimbursement to Township for lost taxes on annexed Property.**

- A. **Municipal Reimbursement.** For Properties subject to this Joint Resolution, the City agrees that it will provide the Township with an annual payment of \$2,231 per year for ten (10) years as reimbursement for the permanent loss of Township taxes provided that the City is able to tax any of the lands legally described on Exhibit A.
- B. **Buyer Reimbursement.** Unless otherwise agreed, to allow the Township to be reimbursed for the permanent loss of taxable property from Township tax rolls for property annexed pursuant to the terms of this Agreement, the City agrees that it will not initiate annexation or forward a resolution for annexation of any portion of the property legally described on Exhibit A to OAH, or its successor agency, until such time as the Township provides the City with written confirmation that the Township has received reimbursement from the Buyer for the permanent loss of such taxable property in the amount of \$157,528.80 (238.68 acres x \$660 per acre)(“Reimbursement Payment”). Township shall provide written confirmation to the City of the Reimbursement Payment promptly, and in no event later than, two business days after receiving Reimbursement Payment.

- C. **Assessments and Debt.** There are no delinquent taxes, charges, outstanding special assessments or bonded indebtedness on the Property.

8. **Failure to Timely Provide Municipal Services; Detachment.**

- A. **Detachment.** After annexation of lands legally described on Exhibit A, the City shall be responsible for providing municipal governmental services to the respective annexed areas. Unless otherwise agreed to in writing by the parties hereto, municipal sanitary sewer service and municipal water service from the City shall be provided to an area annexed pursuant to this Joint Resolution within two (2) years of the effective date of annexation of the lands legally described on Exhibit A. For purposes of this Section, the City will be deemed to have met the obligation to provide sanitary sewer and water service to the applicable annexed area if within the timeframe specified above in this Section, the City awards a contract to a contractor to construct municipal sanitary sewer and municipal water trunk lines to the annexed area and such utilities are actually provided within two (2) years of the execution of the contract, unless otherwise agreed to in writing by the parties. Upon a failure on the part of the City to provide sanitary sewer and municipal water service within the time specified herein, the Township may by resolution of the Town Board request that the parties initiate detachment proceedings as outlined in Section 8B.
- B. **Execution of Detachment Petition.** Should the Township elect to adopt a resolution requesting that the annexed property be detached from the City, the City and Township, their successors and assigns, agree to execute any documents necessary to jointly petition, together with the Property Owners, the Office of Administrative Hearings Municipal Boundary Adjustments Office, or its successor agency, for detachment of the lands legally described on Exhibit A in accordance with Minnesota Statutes, Section 414.06. Further, the City agrees not to contest in any way and to support the detachment procedure pursuant to Minnesota Statutes, Section 414.06. In such event, the City and Township and their successors and assigns, all acknowledge and agree that the annexed area proposed to be detached will be rural in character and will not be developed for urban residential, commercial, or industrial purposes as no municipal sewer or water services would have been timely provided to the annexed area.

The Township Property Owners have entered into a separate Agreement for Detachment of Property wherein Property Owners have agreed to execute any documents necessary to jointly petition, together with the City and the Township, the Office of Administrative Hearings Municipal Boundary Adjustments Office, or its successor agency, for detachment of the lands legally described on Exhibit A in accordance with Minnesota Statutes, Section 414.06 and this Joint Resolution.

- C. **Tax Reimbursement Upon Detachment.** Should the Township i) elect to adopt a resolution requesting that the annexed Property be detachment from the City; and ii) OAH issues an Order granting the detachment petition; or in the event that the annexation petition is withdrawn by the City or OAH issues an Order denying the annexation of the property, the City shall be relieved of making future payments to the Township pursuant to Section 7A of this Agreement and the Township shall reimburse Buyer within thirty (30) days of either the issuance of the Order granting detachment or withdrawal or denial or the annexation petition, as applicable, a pro rata amount (based on acreage of the portion of the Property detached or for which the annexation petition is withdrawn or denied, as applicable) of the Reimbursement Payment to the Township pursuant to Section 7B of this Agreement. For the avoidance of doubt, if all of the Property is detached, or all of the annexation petitions for the entire Property are withdrawn or denied, then the Township shall reimburse Buyer all of such Reimbursement Payment as set forth above.

9. **Wells.** The parties agree that any business located within the annexation area shall have its water source provided primarily from municipal water provided by the City's municipal water system. Specifically, the parties agree that i) no irrigation wells located within the Property shall be used for any purpose other than providing water in exigent circumstances ("Emergency Conditions") to any businesses which may locate within the annexation area; and ii) that such wells are to be sealed by a Minnesota Department of Health licensed well contractor as required by Minnesota law unless such irrigation wells are being put to an allowed use. For the purposes of this section, Emergency Conditions shall include providing a backup water source in the event that the City's municipal water system requires temporary disruptions for any purpose. The City shall provide Township with notice of Emergency Conditions within one (1) day of occurrence. Nothing in this Section shall prohibit the City from incorporating the irrigation wells as part of the City's municipal water system, provided they are actually connected to the City's existing municipal water system and provide water to the City's existing municipal water system. Should the City incorporate the irrigation wells as part of the City's existing municipal water system, the Township requests that the City both notifies the Township of such incorporation and also conduct a well draw down study to verify that there will no negative impacts to residential wells within the Township. Further, nothing in this Section shall prohibit Property Owners from using the irrigation wells for irrigating crops or other farming related purposes. The City agrees to condition any development of the Property on the requirement that if the well permits are amended to serve Emergency Conditions, Buyer will seek an appropriation permit of no more than 40.3 million gallons per year.

10. **Buffer in Annexation Area.** The parties agree to preserve a two hundred (200) foot buffer ("Buffer") along north property line of the Property adjacent to residential dwellings along Hogan Avenue or fronting along Rochester Boulevard. The Buffer shall be generally preserved for landscaping, subject to minimal fencing, berming, underground utilities, a proposed municipal water tower (anticipated to be located in the easternmost 300 feet of the

buffer), and landscaping improvements. The Buffer shall include the following minimum landscaping standards:

- In addition to the planting requirements as set forth under Section 152.278(3)(c) of the Cannon Falls Zoning Ordinance, the minimum required number of trees shall be increased by 25%, requiring a minimum of 71 deciduous trees and 190 evergreen trees planted in the Buffer, to the extent practicable. Landscaping shall be placed in locations that will form a screen between the existing residential uses and the new uses.

11. **Severability.** In the event that any portion of this Joint Resolution is declared null and void or unenforceable by a court of law, the validity of the remaining terms and provisions shall not be affected and the Joint Resolution shall be construed and enforced as if the Joint Resolution did not contain the particular term or provision held to be invalid. The City and Township agree to implement the procedures under Section 13 to correct any such provision that was stricken. However, should any element of Section 7A and/or 7B relating to “Municipal Reimbursement” be deemed unlawful or unenforceable, the Township at its sole discretion may terminate this Joint Resolution and the provisions of Section 8 relating to “Detachment” shall apply.

12. **Resolution of Disputes.** If there is a disagreement as to the interpretation or implementation of the Joint Resolution, the parties shall implement the following dispute resolution procedures in the sequence provided:

- A. **Negotiation:** Representatives of the parties will meet a minimum of one (1) time at a mutually convenient time and place to attempt to resolve the dispute through negotiation.
- B. **Mediation:** If negotiation is not successful, the parties shall participate in a minimum of one (1) mediation session with a mutually agreed upon mediator to resolve the dispute.
- C. **Binding Arbitration/Adjudication:** If mediation is not successful, the parties may agree to submit their respective grievances to binding arbitration or may seek relief through initiation of an action in a court of competent jurisdiction, which may include, but shall not be limited to specific performance to compel the performance as outlined in this Joint Resolution. In addition to the remedies afforded to the parties through law and equity, the Court shall have the authority to award reasonable attorney fees, costs and expenses to a party found to be in violation of the terms of this Joint Resolution.

13. **Amendment.** The Parties may amend this joint resolution by mutual written consent at any time. Prior written consent of Buyer is required prior to amending Sections 7B, 8A, 8B, 8C, 9, or 10 such approval or consent shall not be unreasonably withheld, conditioned or delayed. In the event that there are errors, omissions or any other problems with the legal

description, mapping, or tax reimbursement provided in the attached Exhibits the parties agree to make such corrections and file any additional documentation, including a new Exhibit making the corrections requested or required by the Office of Administrative Hearings, Boundary Adjustments as necessary to make effective the annexation of said area in accordance with the terms of this Joint Resolution, without the necessity of re-adopting this Joint Resolution.

14. **Heading and Captions:** Headings and Captions are for convenience only and are not intended to alter any of the provisions of this Joint Resolution for Orderly Annexation.

15. **Successors and Assigns.** This Joint Resolution for Orderly Annexation shall be binding upon and extend to the representatives, heirs, successors and assigns of the parties hereto.

16. **Severability.** If any portion, section, subsection, sentence, clause, paragraph or phrase of this Joint Resolution is for any reason held invalid by a Court of competent jurisdiction, such decision shall not affect the validity of the remaining portion of this Joint Resolution for Orderly Annexation.

17. **Effective Date.** This Joint Resolution for Orderly Annexation shall not go into effect unless the City and Township sign this Joint Resolution agreeing to the terms and conditions contained.

18. **Agreement Effect.** This Joint Resolution shall run with the Property and be binding upon and extend to the representatives, heirs, successors and assigns of the parties hereto.

19. **Third Party Beneficiaries.** The Property Owners and Buyer are designated as third-party beneficiaries of Sections 8A, and 8B of this Joint Resolution and agreement, granting them the right to enforce such terms, including the right to initiate legal proceedings to ensure compliance, including seeking specific performance or injunctive relief. In addition, Buyer is designated as a third-party beneficiary of Section 8C, as it relates to the Township's obligation to reimburse the Reimbursement Payment, and Section 14 of this Joint Resolution and agreement, granting Buyer the right to enforce such terms, including the right to initiate legal proceedings to ensure compliance, including seeking specific performance or injunctive relief.

PASSED, ADOPTED AND APPROVED by the Randolph Town Board of Supervisors, Dakota County, Minnesota this _____ day of _____ 2025.

RANDOLPH TOWNSHIP

Tom Krauter, Chairperson

Brenda Taylor, Clerk

STATE OF MINNESOTA)
) ss.
COUNTY OF DAKOTA)

The foregoing instrument was acknowledged before me this _____ day of _____
2025, by Tom Krauter, Chairperson of Randolph Township, Dakota County Minnesota, pursuant to
the authority granted by its Town Board.

NOTARY PUBLIC

STATE OF MINNESOTA)
) ss.
COUNTY OF DAKOTA)

The foregoing instrument was acknowledged before me this _____ day of _____
2005, by Brenda Taylor, Clerk of Randolph Township, Dakota County Minnesota, pursuant to the
authority granted by its Town Board.

NOTARY PUBLIC

PASSED, ADOPTED AND APPROVED by the Cannon Falls City Council, Goodhue County,
State of Minnesota this _____ day of _____ 2025.

CITY OF CANNON FALLS

Matt Montgomery, Mayor

Jon Radermacher, City Administrator

STATE OF MINNESOTA)
) ss.
COUNTY OF GOODHUE)

The foregoing instrument was acknowledged before me this _____ day of _____
2025, by Matt Montgomery, Mayor of the City of Cannon Falls, Goodhue County Minnesota,
pursuant to the authority granted by its City Council.

NOTARY PUBLIC

STATE OF MINNESOTA)
) ss.
COUNTY OF GOODHUE)

The foregoing instrument was acknowledged before me this _____ day of _____
2025, by Jon Radermacher, City Administrator for the City of Cannon Falls, Goodhue County
Minnesota, pursuant to the authority granted by its City Council.

NOTARY PUBLIC

DRAFTED BY:
Couri & Ruppe, P.L.L.P.
705 Central Avenue East
P.O. Box 369
St. Michael, MN 55376
(763) 497-1930

EXHIBIT A

Proposed Legal Description (Simon P1 & P2)

Parcel 1:

That part of the Southwest Quarter of Section 1, Township 112, Range 18, Dakota County, Minnesota, lying east of the easterly right of way line of Trunk Highway No. 52.

TOGETHER WITH

Parcel 2:

That part of the Southeast Quarter of Section 1, Township 112, Range 18, Dakota County, Minnesota, lying south of County Road No. 86.

EXCEPTING

That part of the above described property being described as:

Commencing at the southeast corner of said Southeast Quarter of Section 1; thence North 00 degrees 16 minutes 48 seconds West, assumed bearing, along the east line of said Southeast Quarter, a distance of 425.92 feet to the point of beginning of the parcel to be described; thence North 89 degrees 36 minutes 26 seconds West, a distance of 230.40 feet; thence North 00 degrees 24 minutes 07 seconds West, a distance of 95.43 feet; thence North 89 degrees 36 minutes 26 seconds West, a distance of 373.66 feet; thence North 00 degrees 24 minutes 20 seconds West, a distance of 1312.91 feet to the southerly right of way line of said County Road No. 86, a.k.a. County State Aid Highway No. 86, as shown on Dakota County Right of Way Map No. 410, filed in the Office of the County Recorder in and for said Dakota County as Doc. No. 3040659; thence South 56 degrees 59 minutes 18 seconds East, along said southerly right of way line, a distance of 427.21 feet; thence North 00 degrees 17 minutes 07 seconds West, continuing along said southerly right of way line, a distance of 5.98 feet; thence South 56 degrees 59 minutes 18 seconds East, continuing along said southerly right of way line, a distance of 228.96 feet; thence southeasterly 71.36 feet, continuing along said southerly right of way line, along a tangential curve, concave to the southwest, having a radius of 1382.29 feet and a central angle of 02 degrees 57 minutes 29 seconds, to said east line of the Southeast Quarter; thence South 00 degrees 16 minutes 48 seconds East, along said east line, a distance of 1020.54 feet to the point of beginning.

Dakota County, Minnesota
Abstract Property

Proposed Legal Description (Simon P3 & P4)
That part of the following described property:

That part of Government Lot 10 in Section 6, Township 112 North, Range 17 West in Goodhue County and State of Minnesota lying west of the centerline of Old Highway 52, and more particularly described as follows, to-wit:

Beginning at the northwest corner of said Lot 10; running thence South 20 chains to the southwest corner of said Lot 10; thence East 22 chains and 50 links to St. Paul Road; thence North 46 degrees West 29 chains to the north line of said Lot 10; thence West 1 chain and 50 links to place of beginning, excepting therefrom the following:

Beginning at a point on the South line of said Government Lot 10, 22 chains and 50 links east of the Southwest corner thereof on the westerly line of the St. Paul Road; thence North 46 degrees West along said line for 18.6 chains to center line of former State Highway 52; thence southeasterly along said center line for 11.4 chains, more or less, to the south line of Government Lot 10; thence East along said South line 7.3 chains, more or less, to place of beginning.

Being described as:

Beginning at the southwest corner of said Government Lot 10; thence North 00 degrees 16 minutes 48 seconds West, assumed bearing, along the west line of said Government Lot 10, a distance of 425.92 feet; thence North 39 degrees 30 minutes 44 seconds East, a distance of 725.47 feet to the centerline of Goodhue County Road No. 29; thence South 31 degrees 00 minutes 01 second East, along said centerline, a distance of 1150.61 feet to the intersection of said centerline with the south line of said Government Lot No. 10 in Section 6, Township 112, Range 17; thence North 89 degrees 57 minutes 51 seconds West, along said south line, a distance of 1052.11 feet to the point of beginning.

Goodhue County, Minnesota
Abstract Property

Proposed Legal Description (McCoy)

All that part of the Northeast Quarter of the Northwest Quarter of Section 12, Township 112, Range 18, lying easterly of State Trunk Highway No. 52.

AND

All that part of the Northeast Quarter of Section 12, Township 112, Range 18, lying easterly of the centerline of State Trunk Highway No. 52, except a strip of land 100 feet in width owned by the Chicago and Northwestern Transportation Company.

EXCEPTING that part of said Northeast Quarter of Section 12 lying southerly of said 100 feet wide strip of land owned by the Chicago and Northwestern Transportation Group.

Dakota County, Minnesota
Abstract Property

EXHIBIT B

