



4646 Dakota Street SE | Prior Lake, MN 55372
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November 7, 2023

Spring Lake Township
Attn: Melissa Hanson
20381 Fairlawn Avenue
Prior Lake, MN 55372

Re: Orderly Annexation Agreement Considerations

Dear Ms. Hanson:

We would like to start by thanking the Township, Scott County staff, and the Scott County CDA for participating in our working group for the past several months. We have had good discussions and are appreciative of the progress that has been made to get us to this point. We are in receipt of your email of October 25th regarding considerations for moving forward with a new Orderly Annexation Agreement (OAA). We recognize and agree with the goal of economic vitality for both the City and the Township. We also believe there needs to be recognition for the following items as we embark on a new agreement:

- The investments Prior Lake has made by constructing and maintaining two parks located within the Township for the past 20+ years.
- The investments Prior Lake has made of nearly 10 million dollars in infrastructure to provide for growth as collaboratively agreed upon through our Comprehensive Plans and current OAA.
- Failing septic systems have significant impacts that have been, and continue to be, an issue for the Township that they cannot resolve on their own.
- The lack of an OAA puts in peril the economic investment individual property owners have made within the OAA and the financial return they have been anticipating and deserve.

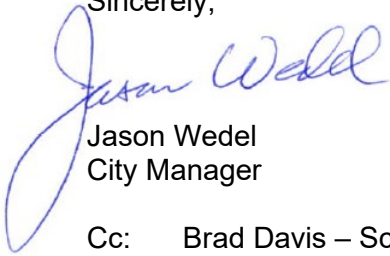
Based on the recognition of these statements, the City welcomes continued conversations and would consider a new OAA with the following provisions:

- 24.1 and 24.2 stay in Spring Lake Township permanently.
 - City will continue to support rural industrial development in Lydia as outlined in the letter we sent to Scott County dated October 3, 2023.
 - City of Prior Lake will agree to annex the island neighborhoods (7.1 & 10.3) despite the negative cost implications to the City.
 - The City will agree to divest and contribute South Shore Park and Raymond Park and related equipment to the Township. The Township will assume all maintenance responsibilities moving forward.
 - The remainder of the OAA is annexed upon execution of a new agreement.
 - 1-year taxes to Spring Lake Township for the entire OAA, except for the islands.
 - No OAA board.
 - We reserve the right to charge a fair but higher rate for utility service in 24.1 and 24.2 which will be determined by the City as needed to provide service to an area outside of our municipal boundaries.
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We recognize several considerations identified in your October 25th email are directed to Scott County and we will allow them to respond to those individual items directly.

In the interest of keeping things moving forward, we would appreciate a response to this letter within the next two weeks. We look forward to working with the Township on a new OAA and are available to meet to discuss next steps as quickly as possible.

Sincerely,



Jason Wedel
City Manager

Cc: Brad Davis – Scott County
Lisa Freese – Scott County
Barry Stock – Scott County CDA
Jo Foust – Scott County CDA
Matt Stordahl – Township Engineer