

Risk Assessment: No Annexation Agreement with the City of St. Cloud

Haven Township, Sherburne County — what history and Minnesota law show happens to townships without an orderly annexation agreement

Prepared for the Township Board | Sept. 19, 2026 | Companion to the Board brief and counter-proposal

1. Where Haven Township Stands Right Now

Haven Township has operated under a joint resolution/orderly annexation agreement with St. Cloud since 2010 (Township Resolution R-10-03, City Resolution 2010-3), amended most recently by Resolution 2025-02. The Township's own published annexation FAQ states the agreement term ended October 30, 2025, and that a new agreement must be presented — the parties are now negotiating the successor agreement (the subject of the Sept. 15, 2026 Couri & Ruppe memo and the Board's counter-proposal).

“In 2025, the City of St. Cloud and Haven Township agreement will end 10-30-2025. A new agreement will need to be presented prior to that date or the City can annex in blocks of land that connect to the city without township agreements.” — Haven Township, Annexation FAQ (published on haventwp.org)

The question the Board must answer: what is the actual risk profile if no successor agreement is signed? Minnesota's history — and St. Cloud's own record — give a concrete answer.

2. Why Minnesota Built This System — and What Happens Without an Agreement

Before 1959, annexation in Minnesota was a free-for-all. The 1958 Report of the Commission on Municipal Annexation and Consolidation documented “races between villages to be the first to file to annex an area,” annexations solely to preempt tax base, “islands of unincorporated areas surrounded by cities,” and “ludicrous” gerrymandered boundaries. Chapter 414 was enacted in 1959 to replace that chaos with a quasi-judicial process, and its findings state the policy: township government most efficiently serves agricultural, open-space, and rural-residential areas; municipalities serve intensively developed ones (§ 414.01, subds. 1a-1b).

Without an agreement, a township is exposed to every annexation route in chapter 414 — and the practical checks come only from statute, not from contract:

- **Ordinance annexations (no hearing).** A city council can annex land by simple ordinance if: the city owns it (subd. 2(1)); it is landlocked within the city (subd. 2(2)); it abuts the city, is 120 acres or less, is unserved by wastewater, and ALL owners petition (subd. 2(3)); or it is platted into residential lots averaging 21,780 sq. ft. or less within two miles of the city limits (subd. 2(4)). The town board has a 90-day objection window (subds. 3 and 5) that triggers a hearing — but the CALJ's review is limited, and these annexations normally proceed.
- **Petition-driven annexation by order (§ 414.031).** A petition from 20% of property owners (or 100 owners, whichever is less) plus a city resolution starts a contested proceeding before the chief administrative law judge. The judge weighs 17 statutory factors — but the threshold finding is whether the area “is now, or is about to become, urban or suburban in character.” Development pressure creates the facts that win these cases.

- **City-initiated annexation.** The city itself can resolve to annex and force a contested hearing — the outcome of which, for an urbanizing area adjoining the city, historically favors the city.
- **Mandated-service annexation (§ 414.0335).** If the MPCA requires the city to extend sewer service to an unincorporated area, the city may annex the area by ordinance instead of contracting for service.

3. The St. Cloud Record — What This City Actually Does

- **1988 drought → annexation by demand.** In the dry summer of 1988, roughly 50 homes just east of St. Cloud ran out of water; the National Guard hauled water in trucks. The homeowners promptly petitioned to annex. St. Cloud obliged, and the residents received city sewer, water, police, fire, and roads. Service failure converts directly into annexation pressure.
- **32 annexations in 8 years.** Before the 1996 St. Cloud Township merger, the city processed 32 annexation applications in eight years, “on land ranging from a single lot to hundreds of acres,” and its planning director described other rural subdivisions as “ripe for a problem.”
- **The 1996 St. Cloud Township merger.** “By far the largest and most politically contentious” — many residents did not want to give up township status, but septic and well problems “finally became too great.” Result: about 8,800 people and 7,700 acres — a 59% increase in the city's land area — absorbed into St. Cloud.
- **City policy today.** The FAQ states the City's current policy is “not to force annexation” and that annexation is owner-initiated, with the City obligated to decide within 120 days. That is a policy of the current council — not a statutory right, and not a term any future council is bound to keep. It is also already qualified: in December 2025 the City Council unanimously approved annexing more than 85 acres of St. Joseph Township by ordinance under § 414.033, subd. 2(3) for the Stearns County justice center — over a 90-day notice issued at the county's request.
- **Haven's growth area.** The Township's own comp plan materials (Tract 1 and Tract 2 growth-area concepts, the July 2025 draft annexation phases map) show the urbanization frontier already mapped. The 2024 zoning moratorium ordinances (2024-01, as amended 2025-06) show the Board actively managing that pressure — moratoriums are a holding action, not a wall.

4. Risk Matrix — No Successor Agreement

Exposure	Likelihood	Impact	Notes
Abutting annexed ordinance, owner-petitioned blocks by (§ 414.033 subd. 2(3))	MED-HIGH	HIGH	St. Cloud's demonstrated December 2025 playbook; developer-collected petitions are routine. No agreement means no phasing map and no conditions.
Platting trigger — small-lot plats within 2 miles (subd. 2(4))	LOW-MED	VERY HIGH	Depends entirely on township zoning discipline. One approved minor-lot plat near the border arms the city. Boundary misalignment between Haven's zoning and the trigger is the permanent exposure.
20% owner petition → contested CALJ proceeding (§ 414.031)	MEDIUM	HIGH	The 17 factors favor the city once water/sewer problems or development pressure appear — the exact dynamic of 1988 and 1996. Defense costs the Township real money.

City-initiated annexation of the urbanizing fringe	LOW-MED	VERY HIGH	Current council policy disavows it; a future council facing growth targets may not. A contested order proceeding risks loss of territory the Township cannot re-litigate.
Service-mandated annexation (MPCA/ § 414.0335)	LOW-MED	HIGH	Triggered by failing septic systems or groundwater problems — plausible in the growth area per the township's own 1990s-era experience next door.
Loss of negotiated protections (tax reimbursement, phasing, road mitigation, JPB zoning)	CERTAIN	HIGH	Every protection in the teal draft and the counter-proposal exists only in contract. Without an agreement: statutory six-year tax phase-in only (§ 414.035), no reimbursement terms, no withdrawal rights, no density covenant.
Fiscal erosion of the township tax base	HIGH (cumul.)	HIGH	Each block annexed removes net tax capacity; the remaining township residents absorb the levy share — the classic death-spiral dynamic townships fear from piecemeal annexation.

5. If the Township Goes Without an Agreement — Partial Mitigations

- **Hold the zoning line.** The single most effective defense is the one the counter-proposal's Sec. 15A makes contractual: keep township zoning at current density so no plat ever reaches the 21,780 sq. ft. average. This blocks subd. 2(4) entirely — but only for as long as the zoning holds, board seat by board seat.
- **Use the objection windows.** Monitor abutting ordinance annexations; the town board's 90-day objection (subds. 3, 5) forces a hearing. It rarely stops the annexation, but it preserves the record and can shape conditions.
- **Track petitions.** Know where the 20%/100-owner threshold stands in every neighborhood. Organized owner groups can also petition — the tool cuts both ways.
- **Price the defense.** A contested CALJ proceeding means attorneys, hydrology, planning experts, and population/fiscal studies. Budget for it now if the Board is serious about the no-agreement posture.
- **Accept the ceiling.** Even with perfect execution, the Township keeps no negotiated tax reimbursement, no phasing map, no service-before-taxes sequencing, and no withdrawal rights. Those exist only in an executed agreement.

6. Bottom Line

The historical record is one-directional. Minnesota's pre-1959 history — races, islands, gerrymanders — is why chapter 414 exists; its post-1959 history shows townships on urbanizing edges lose territory through ordinance annexations, owner petitions, and service crises unless they trade consent for conditions. St. Cloud's own record — the 1988 drought annexations, 32 applications in eight years, the 1996 merger that took 7,700 acres and 8,800 people, and the December 2025 ordinance annexation from St. Joseph Township — shows a city that uses every lawful tool when there is no agreement constraining it. The Township's own FAQ says so plainly.

The choice is not “agreement vs. independence.” It is which rules govern the next decade: a negotiated contract with enforceable conditions — the counter-proposal's owner-consent, services-before-taxes, and density-preservation terms — or the statute's defaults, applied by whoever holds the City Council dais and collects the petitions.

Sources

- Minnesota House Research, Municipal Boundary Adjustments (Oct. 3, 2013) — statutory history, three annexation processes, § 414.031 subd. 4 factors.
- Minn. Stat. §§ 414.01, 414.031, 414.033 (incl. subds. 2(1)–(4), 3, 5), 414.0325, 414.0335, 414.035 (Revisor of Statutes, verified Sept. 2026).
- Federal Reserve Bank of Minneapolis, fedgazette, “In St. Cloud, if you want city services, you join the city — and many want in” (1996) — 1988 drought, 32 applications/8 years, 1996 St. Cloud Township merger.
- Haven Township, Annexation FAQ (haventwp.org) — agreement end date 10-30-2025; City's 120-day decision obligation; no forced connection to sewer/water on annexation.
- Haven Township Resolutions R-10-03 (2010 OAA) and 2025-02 (2025 amendment); Ordinances 2024-01 and 2025-06 (zoning moratorium); Tract 1/Tract 2 materials; draft annexation phases (July 2025).
- City of St. Cloud Council Proceedings, Dec. 15, 2025 (annexation of St. Joseph Township land under § 414.033, subd. 2(3)); St. Cloud Times and KNSI coverage (Sept.–Dec. 2025).