

MEMORANDUM

To: City of Pipestone City Council
Deb Nelson, City Administrator

From: Jason M. Hill, City Attorney

Date: June 12, 2025

Re: Detachment of City Property

The City has learned of a potential petition to detach property from the City into Gray Township. This memorandum is intended to provide a summary of the detachment process and the City's role in the process. The specifics of the detachment will be addressed upon the filing of a final draft of the petition.

Detachment Initiation

Detachment of city property is regulated by Minnesota Statutes, section 414.06. The process is initiated as follows:

- Submission of a city resolution requesting the detachment of property from the city to the chief administrative law judge of the Municipal Boundary Adjustments Unit ("MBAU"); or
- Submission of a petition of all of the property owners of the land to be detached, if the area is less than 40 acres or of 75% of the property owners if over 40 acres.

The property must be rural in character and not developed for urban residential, commercial or industrial use. The petition or resolution must include (1) the boundaries and the area of the land to be detached, (2) the number and character of the buildings, (3) the resident population, (4) the city improvements, if any, in the area and (5) a statement of the reasons the petitioners or the city is seeking the detachment. The city or petitioner must also summarize what efforts, if any, were taken to resolve the issues forming the basis for the resolution or petition.

For petitions, the petitioner must also provide notice to the applicable city and township.

Review by the City and the Township

Upon receiving notice, the township in which the property would be attached may submit to the MBAU a resolution stating that the township board supports, opposes or is neutral to the petition. If the township fails to submit a resolution, it will be deemed as being neutral to the petition. If the township submits a resolution of support which is opposed by the city from which the land would be detached, or a resolution in opposition to the petition that is supported by the city, the township becomes a party to the hearing that will then be required.

A city can also submit a resolution supporting, opposing or being neutral to the petition.

Hearing Requirements

A hearing before an administrative law judge may be required upon the filing of a petition or a city resolution. There is no hearing required if –

- a city resolution supporting the detachment and a petition of all of the property owners are submitted, and there is no opposition from the township. In this circumstance, the administrative law judge orders the detachment.
- both the city and the township submit resolutions opposing the petition. In this circumstance, the administrative law judge must deny the petition for detachment.

Under any other circumstances, the administrative law judge shall set a hearing date. The hearing is held before the administrative law judge in accordance with the uniform rules of procedure established for the Office of Administrative Hearings. Generally, the hearing includes taking testimony, the presentation of exhibits/documents and potentially opening and closing arguments. The judge is also required to order the parties to participate in a mediation session.

Upon the completion of the hearing, the judge may order the detachment if they find –

- the required number of property owners have signed the petition, if initiated by the property owners;
- the property is rural in character and not developed for urban residential, commercial or industrial purposes;
- the property is within the boundaries of the city and abuts a boundary;
- the detachment would not unreasonably affect the symmetry of the detaching city; and
- the land is not needed for reasonably anticipated future development.

In making the findings, the judge must consider all the city, township and county comprehensive plans, land use regulations, and land use maps. The judge may deny the detachment if they find that the remainder of the city cannot continue to carry on the functions of government without undue hardship. The judge also has the authority to decrease the area of property to be detached and may include only a part of the proposed area to be detached.

Proposed Petition

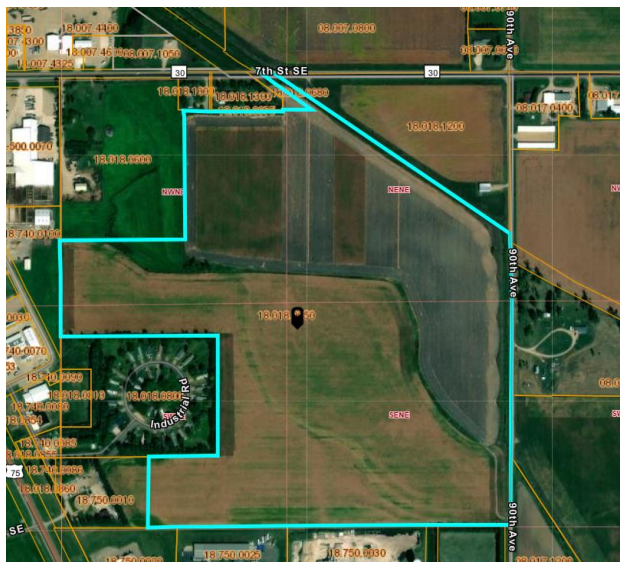
The proposed detachment includes two parcels on the eastern edge of the City owned by Thomas and David Nelson, including:

PID 18.007.0300



and

PID 18.018.0650



1250 Wayzata Blvd E, Unit #1065, Wayzata, MN 55391

As is indicated above, a petition has not been filed with the MBAU, but the properties should be reviewed within the scope of the statutory requirements for detachment (rural character, not developed for urban residential, commercial or industrial purposes, not needed for reasonably anticipated future development). There are also floodplain regulations that may impact the ability of the properties to be developed.

JMH