



Implications of Incorporation for Bridgewater Township

February 2019

Township

City



The Public Finance Group of Northland Securities, Inc.
150 South 5th Street, Suite 3300
Minneapolis, MN 55402
(800) 851-2920
www.northlandsecurities.com/public-finance
Member FINRA and SIPC / Registered with SEC and MSRB

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Introduction

Scope of Study

This report has been prepared for Bridgewater Township (the “Township” or “Bridgewater”) to provide information that will assist Township officials and residents in evaluating the implications of incorporation. This report was prepared using currently available information. The report focuses on the following questions:

- How would incorporation affect the governance and services of Bridgewater?
- What are the financial implications of incorporation?
- How do the findings of this report align with the statutory factors governing incorporation?
- Are there lessons to be learned from other recent incorporations?

The answers to these questions will help Township officials and residents to establish or maintain the form of government that best meets current and future needs.

The statutory requirements for municipal incorporation are contained in Minnesota Statutes (M.S.) Section 414.02 (the “Statute”). The Statute sets forth thirteen factors to be considered in the incorporation decision. This report is not intended to serve as a comprehensive analysis of all 13 factors. This report focuses on factors most closely related to governance, services and finance:

6. Existing levels of governmental services being provided to the subject area, including water and sewer service, fire rating and protection, law enforcement, street improvements and maintenance, administrative services, and recreational facilities and the impact of the proposed action on the delivery of the services;
8. Fiscal impact on the subject area and adjacent units of local government, including present

bonded indebtedness; local tax rates of the county, school district, and other governmental units, including, where applicable, the net tax capacity of platted and unplatted lands and the division of homestead and nonhomestead property; and other tax and governmental aid issues;

10. Whether delivery of services to the subject area can be adequately and economically delivered by the existing government;
11. Analysis of whether necessary governmental services can best be provided through the proposed action or another type of boundary adjustment.

Commentary about the other factors and the statutory incorporation process can be found in Statutory Factors section of this report.

If the Township decides to seek incorporation, the information in this report will be reviewed and modified, as needed, to reflect then current conditions and plans for incorporation. It is expected that this report will be combined with other information required by the Statute to form a comprehensive plan for incorporation.

Credentials

The work on this project was performed by Jessica Green and Rusty Fifield of Northland Public Finance. Their experience and qualifications are an element of the findings and recommendations made in this report.

Jessica Green is a Vice President and licensed Municipal Advisor. She works with a wide range of Minnesota cities on capital finance, financial planning and economic development. Prior to joining Northland, Jessica was most recently Interim City Administrator and Finance Director for the City of Big Lake (MN). Her background provides extensive and practical understanding of small city operations and financing. She currently provides financial advisory services to

the City of Scandia that incorporated in 2005.

Rusty Fifield has worked with Minnesota cities, townships and counties for more than 39 years as a consultant and city manager. He has developed a special expertise in municipal boundary adjustments. He has broad experience in annexation, merger and incorporation. Rusty led the planning process that resulted in the successful incorporation of Columbus in 2005. He played a similar role in the mergers of Elko New Market and Norwood Young America. He also draws on experience as a planning consultant. He has led comprehensive planning projects in Apple Valley, Woodbury, New Ulm, Monticello, Worthington and Luverne.

The combined experience of Jessica and Rusty provides the knowledge and expertise to investigate all of the aspects of incorporation discussed in this report.

Governance

Key Findings

In many respects, Bridgewater Township functions in a manner similar to a small city in Minnesota and the changes from incorporation will be difficult to discern. One exception is in the area of governance. Through the incorporation process, the City of Bridgewater would be a statutory city. Statutory cities have different governance requirements than townships. Bridgewater intends to follow the statutory process to become a “home rule charter city” and adopt a charter to preserve important township characteristics. The ability of a city charter to replicate qualities of township government was not evaluated as part of this study. The City of Bridgewater (regardless of the form of city) would have statutory powers not granted to townships.

Background

Incorporation changes the form of governance from “urban town” to “statutory city”. The incorporation order would establish the City of Bridgewater as an Optional Plan A statutory city. This status represents the standard form of city government used by the majority of Minnesota cities. The Order will set a process for electing a five-member City Council consisting of a Mayor and four Council members. As a statutory city, the City of Bridgewater is able to exercise powers not granted to townships. Notable powers gained by incorporation are:

- Full local control over land use planning and regulations (see discussion in “Land Use” later in this report).
- Elimination of the ability of land to be annexed by adjacent cities (see discussion in “Land Use”).
- Powers to promote economic development through the establishment of tax increment financing (TIF) districts and the establishment of an economic development authority (EDA).

City government does not have an annual meeting or other “grassroots” elements of town government. Bridgewater plans to use the powers of a “home rule charter” city to adapt certain township governance qualities to city government. A charter is a set of locally created and voter approved laws that conveys powers and sets regulations not in general state law. The ability of a city charter to replicate qualities of township government cannot be evaluated without more information.

M.S. Chapter 410 contains the procedure for becoming a home rule charter city. There are three basic steps:

1. Form a Charter Commission (M.S. 410.05). The Commission is charged with creating the Charter. The City Council submits a resolution to the district court requesting the appointment of a Charter Commission.
2. Create City Charter. State Law (M.S. 410.07) grants wide authority for the proposed Charter to “provide for any scheme of municipal government not inconsistent with the constitution.” This statute further states that the charter “may prescribe methods of procedure in respect to the operation of the government thereby created.” It has been suggested that a draft charter be prepared in advance of incorporation proceedings. While a draft charter could expedite the work of the Charter Commission, there is no statutory authority to bind the Charter Commission to this work. The Charter Commission shall deliver a draft charter to the City Clerk as soon as practicable.
3. Charter Election. The charter must be approved by the voters. The Charter Election is held at a general election if it occurs within six months of delivery of the proposed charter to the City Council. If no general election is scheduled, the Council may schedule a special election.

Services

Key Findings

As noted previously, the Township functions in a manner similar to a small city in Minnesota. The change from township to city should have little direct effect on services received by township residents. Bridgewater currently provides the majority of services through joint powers agreements and service contracts. Incorporation will not alter the viability of this service approach. Any future changes in service delivery will be a function of the needs of Bridgewater residents and the quality and cost of service contracts. These future changes are independent of incorporation. In the short-term, the only expected staffing change is making the Clerk a full-time position. The additional staff capacity needed to manage the day-to-day operations and the transition from township to city incorporation should not have a fundamental impact on governmental services.

Background

Bridgewater provides most services through contracts with other units of government and private entities. This approach is consistent with other similarly sized and located Minnesota cities. Incorporation does not create the need for any service not currently provided by the Township. The ability to continue the current model is a function of the availability of acceptable service providers and not on the form of government.

The demand for municipal services will be the key force influencing Bridgewater. Incorporation means that future development (and the related service demands) remain in Bridgewater rather than annexed into Northfield or Dundas. Given current conditions, it is not likely that the rate, type or amount of development will outpace Bridgewater's ability to expand services. The financial implications of future services are difficult to calculate. While it is easy to determine the property tax base from new development, it is hard to quantify the cost side, as there are too many factors that influence the cost of services and changes related directly to specific development.

Based on the information collected and previous experience in city government, the following service implications are anticipated:

1. The Clerk position will become full-time to manage the transition from township to city and then to provide support to the City Council.

2. Bridgewater will contract with Rice County for police protection.
3. The fire service joint powers agreements must be amended to reflect the change from township to city, however, this change will not affect the service.

The financial implications of incorporation are discussed in the Finance section of this report.

Land Use

Key Findings

The clearest benefits of incorporation comes from local control over land use and development. Bridgewater would no longer be subject to Rice County zoning and land use controls. The change will give Bridgewater greater control over managing development, preserving the rural character of the Township and protecting natural resources. Incorporation fixes the municipal boundaries. Development in Bridgewater would not be subject to annexation. This stability enhances Bridgewater's ability to create and implement long-term development plans. Eliminating the possibility of annexation can also be expected to provide greater stability to the Township's overall financial operations by providing a greater level of predictability to the annual levy. Incorporation gives Bridgewater the ability to use tools, such as tax increment financing, to encourage economic development.

Background

Incorporation conveys complete local control over land use controls to Bridgewater. As a township, Bridgewater has the same statutory powers as a city under Minnesota Statutes, Chapter 462. The authority for planning and land use controls comes from Minnesota Statutes, Sections 462.351 through 462.365. Townships do not, however, have full control of these powers. Minnesota Statutes, Section 394.33 makes County land use controls the minimum standard. A township may not adopt plans or ordinances that are less restrictive than the comparable County regulations. Incorporation eliminates this restriction. Identifying land uses and properties that would benefit from this change is not part of this study.

The Township is in the process of updating its 2007 Comprehensive Plan. State Law (M.S. Section 462.352) defines a comprehensive plan as "a compilation of policy statements, goals, standards, and maps for guiding the physical, social and economic development, both private and public, of the municipality and its environs, and may include, but is not limited to, the following: statements of policies, goals, standards, a land use plan, including proposed densities for development, a community facilities plan, a transportation plan, and recommendations for plan execution." The actual contents of the plan is determined by Bridgewater. At minimum, the plan should contain a land use plan and any other elements needed to guide development. The Comprehensive Plan update provides a framework for residents to discuss Bridgewater's future. Updating the Plan also considers additions

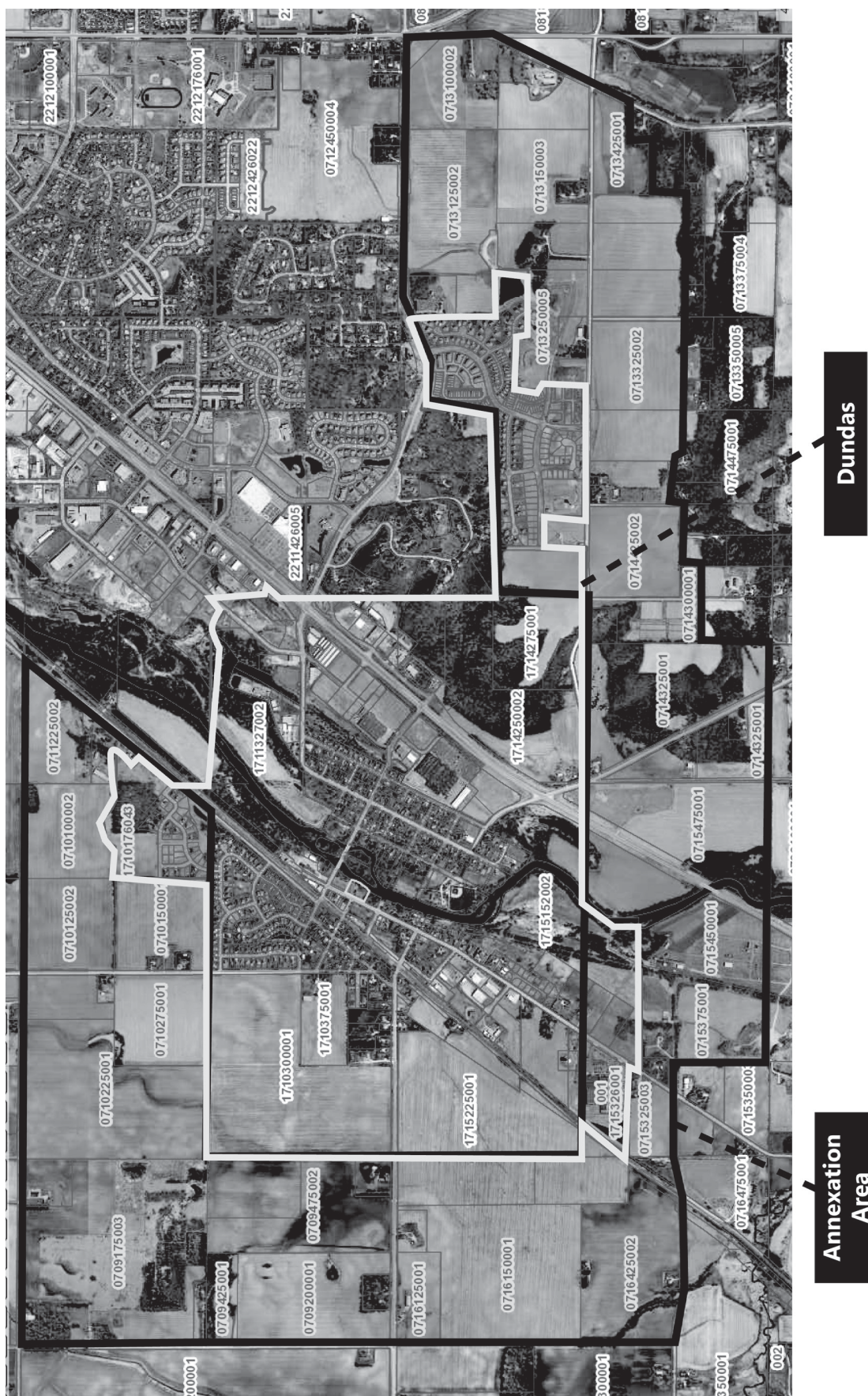
to the Comprehensive Plan that would enhance its usefulness.

Incorporation sets the boundaries of Bridgewater. Property in the Township will no longer be subject to annexation by an adjacent city.

1. Incorporation creates certainty for managing development. Bridgewater will be able to make development decisions without the fear that these properties may be annexed. This certainty also enhances financial planning since annexed properties represent both the demand for services and property tax base.
2. The 2004 Orderly Annexation Agreement with the City of Dundas would be terminated. The map on the next page shows the boundaries of the annexation area with the current corporate boundaries of Dundas.

The Agreement describes two areas in the Township that may be annexed into the City of Dundas subject to the terms of the Agreement. The terms of the Agreement related to property in Growth Stage One expire at the end of 2018. Any property in this area that remains in the Township at the end of 2018 becomes part of Growth Stage Two in 2019. This portion of the Agreement runs through 2033. The scope of this study does not provide for the determination of property rolling from Stage One to Stage Two.

The Agreement requires Dundas to pay Bridgewater "tax rebates" on development in the annexed areas. No payments are made prior to development. When the property is "fully assessed to



include the value of development improvements”, the Township shall receive tax rebates for ten years. The rebates are calculated by multiplying its current tax rate by the current tax capacity value of the developed property. These payments would stop after incorporation

3. The 1999 Orderly Annexation Agreement with the City of Northfield will expire at the end of 2019. This timing coordinates well with potential incorporation.

While incorporation eliminates the ability of an adjacent city to annex land from Bridgewater, cities have another means of boundary adjustment. Concurrent detachment and annexation allows cities to negotiate the shifting of property from one community to another. Incorporation puts Bridgewater on equal footing with adjacent cities in any future boundary adjustments.

Incorporation enhances the ability of Bridgewater to encourage economic development. This conclusion is based on several factors:

- Bridgewater can use planing and zoning powers to guide economic development to locations that best serve its needs.
- Bridgewater gains economic development powers that are only available to cities. Townships do not have the authority to establish tax increment financing (TIF) districts. The City of Bridgewater would be able to create an economic development authority (EDA) and access a broad array of powers.
- Bridgewater can promote economic development without the risk that its investment may be annexed by an adjacent city.

Finance

Key Findings

Bridgewater has the capacity to manage the transition from township to city. This Study identified few changes in revenues and expenditures related to incorporation. After accounting for anticipated changes, the projected year 1 post-incorporation budget does not require an increase in property taxes over the 2018 Township Budget. As noted earlier, the long-term financial condition of Bridgewater will be driven by development trends and service demands that are relatively independent of incorporation.

Background

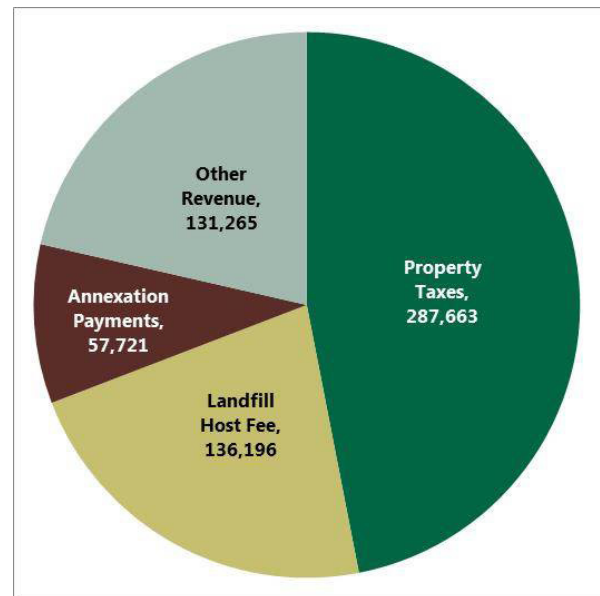
Table 1 on the next page contains Township revenues and expenditures for the years 2014 through 2017. The information in this table was taken from financial reports and reorganized to match city financial reporting. This table illustrates several points about the financing of Township services:

- Bridgewater consistently operated within its budget. Although expenditures exceeded revenues in 2014, total revenue for 2014-2017 was 118% of total expenditures.
- Total expenditures were lower in 2017 than in 2014.
- Almost 80% of operating revenue came from three sources: property taxes, landfill host fee and annexation agreement payments from Dundas and Northfield.

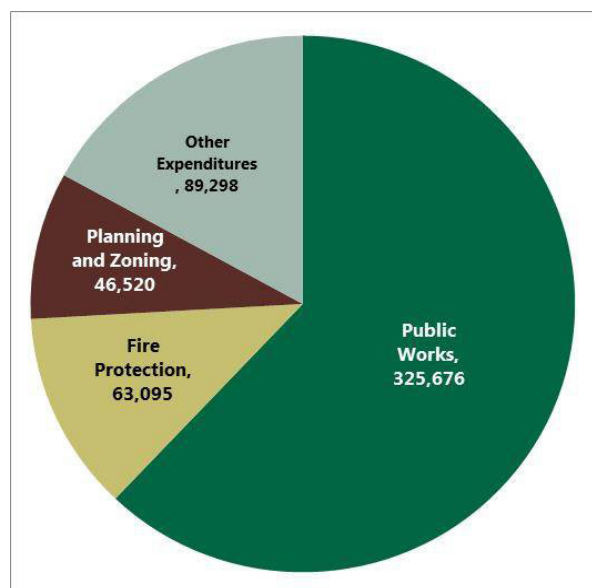
Township expenditures show that the majority of spending goes into resident services. Almost 75% of the average 2014-2017 expenditures were for public works and fire protection. Public Works is largely road maintenance including gravel, dust control, sealcoating and reconstruction.

The information in Table 1 is also useful in identifying elements of the Township that budget that would change due to incorporation. There are only three certain changes directly related to incorporation:

- The annexation agreement payments from Dundas and Northfield will end. The Northfield agreement terminates at the end of 2019.
- Public Safety expenditures will increase. As a city, Bridgewater must provide its own police protection. The City will contract for service with the Rice County Sheriff's Department.



Average Annual Revenue 2014-2017



Average Annual Expenditures 2014-2017

Table 1
Revenues and Expenditures 2014-2017

	2014	2015	2016	2017
Revenues				
Taxes	224,214.19	280,566.22	306,524.84	339,347.73
Special Assessments	26,978.44	28,469.61	16,851.14	5,274.93
Licenses and Permits	0.00	0.00	0.00	0.00
Charges for Services	292,615.12	218,483.68	230,583.14	224,799.10
Building Permit	40,396.39	30,513.44	23,031.07	40,606.05
Gravel Assessment	15,542.28	16,153.23	10,627.40	10,854.81
Gravel Income	11,688.67	5,127.70	15,292.57	4,071.77
Gravel Tax	53,658.40	0.00	14,609.56	17,530.62
Landfill Host Fee	138,202.39	133,289.28	130,378.00	144,920.00
Agri Credit	1,924.85	3,273.29	6,598.38	6,677.89
Highway User	25,050.04	26,527.91	27,402.73	133.96
Filing Fee	2.00	4.00	2.00	4.00
Dust Control Income	0.00	695.83	0.00	0.00
Plowing Income	6,150.10	2,899.00	2,641.43	0.00
Intergovernmental	54,224.52	43,558.79	76,175.23	58,982.36
Annexation Payment - Dundas	49,610.63	38,720.49	47,922.24	52,890.70
Annexation Payment - Northfield	3,864.89	3,273.30	25,917.25	4,439.66
State Aid	749.00	1,565.00	2,335.74	1,652.00
Fines and Forfeitures	0.00	0.00	0.00	0.00
Investment Earnings	244.64	476.21	127.42	192.99
Miscellaneous Revenue	7,674.75	10,392.00	0.00	4,624.98
Total Revenues	605,951.66	581,946.51	630,261.77	633,222.09
Expenditures				
General Government	101,082.52	115,125.25	112,068.88	125,237.25
Board Compensation	22,942.50	23,250.00	27,585.40	33,357.39
Insurance	7,914.00	9,140.00	3,304.00	5,258.00
Office Expense	7,111.04	4,642.63	5,922.02	7,025.00
Other Expenditures	8,714.9	11,146.8	12,799.7	5,614.1
Zoning Administrator	23,615.20	40,483.20	40,483.20	37,609.60
Other P&Z	5,316.30	5,869.50	8,400.50	6,712.72
Professional Fees	21,114.97	6,862.00	8,888.50	15,273.20
Facilities	4,353.62	13,731.08	4,685.57	14,387.26
Public Works	285,610.89	378,437.66	327,774.59	310,879.57
Public Safety	121,998.09	120,692.71	52,877.34	46,566.84
Fire Protection	103,681.47	104,584.91	40,040.00	44,660.00
Building Inspector	18,316.62	16,107.80	12,837.34	1,906.84
Culture and Recreation	0.00	0.00	0.00	0.00
Capital Outlay	0.00	0.00	0.00	0.00
Debt Service	0.00	0.00	0.00	0.00
Total Expenditures	508,691.50	614,255.62	492,720.81	482,683.66
Revenues Over Expenditures	97,260.16	-32,309.11	137,540.96	150,538.43

- General Government expenditures as the governing body changes from a 3-member Board of Supervisors to a 5-member City Council.

Table 2 on the next page provides a closer look at the impact of incorporation on the annual budget. This table compares revenues and expenditures for actual 2017, budgeted 2018 and estimated 2019 as a city. The base data for 2019 was provided by the Township and adjusted by Northland. The key assumptions for the post-incorporation budget are:

- \$60,000 in additional expense representing staffing, two new City Council positions, annual audit and incorporation implementation.
- \$100,000 for contract with Sheriff's Department,
- Intergovernmental revenues increase by \$52,000 to account for the elimination of annexation agreement payments and addition of Local Government Aid payment from State (estimated to be \$93,000).

Under these assumptions, incorporation does not require an increase in the property tax levy.

Table 2
Operating Budget Comparison

	2017 Actual	2018 Budget	2019 Estimated City
Revenues			
Taxes	339,347.73	326,000.00	328,000.00
Special Assessments	5,274.93	2,000.00	5,000.00
Licenses and Permits	-	-	-
Charges for Services	224,799.10	270,004.00	266,000.00
Intergovernmental	58,982.36	54,000.00	93,000.00
Fines and Forfeitures			
Investment Earnings	192.99	155.00	1,000.00
Miscellaneous Revenues	4,624.98	3,000.00	4,000.00
Total Revenue	633,222.09	655,159.00	697,000.00
Expenditures			
General Government	125,237.25	142,993.16	227,000.00
Public Works	310,879.57	333,500.00	320,000.00
Public Safety	46,566.84	60,566.84	150,000.00
Culture and Recreation			
Capital Outlay			
Debt Service			
Principal Retirement			
Interest and Fiscal Charges			
Total Expenditures	482,683.66	537,060.00	697,000.00
Excess (Deficiency) of Revenues Over Expenditures	150,538.43	118,099.00	-
Other Financing Sources (Uses)			
Transfers In			
Transfers Out			
Sale of Capital Assets			
Proceeds from Issuance of Debt			
Total Other Financing Sources (Uses)	-		
Net Change in Fund Balance	150,538.43	118,099.00	-
Fund Balance (Deficit) - Beginning of Year		150,538.43	268,637.43
Fund Balance (Deficit) - End of Year	\$ 150,538.43	\$ 268,637.43	\$ 268,637.43

Components of Charges for Services		Notes
Landfill Host Fee	150,000	1 2019 Budget estimates provided by Bridgewater Township and reviewed by Northland.
Gravel Tax	12,000	
Gravel Assessment	10,000	2 Intergovernmental Revenue consists solely of estimated Local Government Aid (LGA). No revenue from annexation agreement payments from Northfield and Dundas is included.
Gravel Income	4,000	
Building Permits	40,000	
Building Inspections	10,000	3 Public Safety expenditures include \$100,000 to account for 40 hours of dedicated patrol service fro, the Rice County Sheriff's Department.
Building Plan Reviews	20,000	
Highway User Fee	14,000	
All Other	6,000	
Total	266,000	
Components of General Government		
Mayor & Council	18,000	
Administration	70,000	
Insurance	41,000	
Planning & Zoning	60,000	
Professional Services	13,000	
All Other	25,000	
Total	227,000	

Incorporation does not have a substantial impact on Bridgewater's bonding capacity. Townships and cities are subject to the same statutory debt limit (3% of Estimated Market Value). This debt limit is not, however, an accurate indicator of bonding capacity. Many common types of debt are excluded from the debt limit. As a general rule, bonds that are 100% paid from property taxes are subject to the debt limit.

Incorporation changes the ability of Bridgewater to incur debt with the statutory authority to borrow not granted to townships. The overall list of authorized purposes for cities exceeds those for townships (see Minnesota Statutes, Section 475.52). Some of the debt issuing authority available to cities and not townships include Capital Improvement Plan Bonds to finance certain public facilities and Tax Increment Bonds to finance economic development.

Recent Incorporations

The incorporation of Minnesota townships is not a frequent event. Since 2000, only four townships have become cities - Rice Lake (2014), Nowthen (Burns Township - 2008), Columbus (2005) and Scandia (New Scandia Township - 2005). No incorporation requests were denied during this period. The State's Boundary Adjustment Reporting System shows the last request denied was in 1997 (Spring Lake Township in Scott County). The State's database overlooks the 1999 incorporation effort by Forest Lake Township that ended with the annexation of the entire town by the City of Forest Lake.

Northland's staff has a strong connection to these incorporations. Staff conducted incorporation studies and testified at incorporation hearings for Rice Lake and Columbus. Northland currently provides public finance services to Rice Lake, Columbus and Scandia.

For every incorporation, the Office of Administrative Hearing issues a Finding of Fact, Conclusion and Order. This document summarizes information about the context for incorporation in each place. The table on the next page compares key factors from these incorporations with Bridgewater Township.

The differences in setting and existing township government makes each incorporation unique. None of these incorporations is a strong parallel to Bridgewater. There are, however, some important points to guide Bridgewater's evaluation of incorporation.

- The Findings of Fact in each incorporation contained detailed information about the character of land within the township. This information is outside of the scope of this study.
- The four townships discussed here all faced development pressure from adjacent cities. Three townships were on the northern edge of the Twin Cities metropolitan area. One was located adjacent to Duluth. In each case, the judge concluded that the township was suburban in character or was about to become so. That said, the Conclusions noted the need for incorporation to protect rural character, protect natural resources and guide its development. Additional attention should be given

to growth/development relationship between Bridgewater, Northfield and Dundas. Background information for an incorporation hearing should show anticipated future growth, how Bridgewater is currently equipped to serve this growth and how incorporation enhances existing capabilities. Part of this discussion must focus on the need for incorporation to protect the rural character of the Township.

- Other townships sought annexation with a larger population base. Each township had more than double Bridgewater's current population.
- Each of the township had somewhat more advanced governmental infrastructure. Examples include more administrative staff (capacity), five-member town boards (same number as city council) and existing local land use controls. These factors lessen the change from incorporation. This report describes changes in governmental infrastructure we expect in Bridgewater with incorporation. It will be important to establish a clear transition plan in place and funded prior to the hearing.
- Each township was able to take its unique situation and demonstrate that incorporation was in the best interests of township residents. This should be the guiding principal for Bridgewater, as well.

Additional information about prior incorporation proceedings can be found on the Municipal Boundary Adjustments page of the Minnesota Office of Administrative Hearings' website.

City	Rice Lake	Nowthen	Scandia	Columbus	Bridgewater
Year	2014	2007	2005	2005	<i>To Be Determined</i>
County	St. Louis	Anoka	Washington	Anoka	Rice
Adjacent Cities	Duluth	Ramsey St. Francis Oak Grove Elk River	Forest Lake Hugo Marine on the St. Croix	Forest Lake Blaine East Bethel Lino Lakes Ham Lake Wyoming Hugo	Northfield Dundas
Population	4,065	4,308	3,970	4,062	1,819
Initiated	Resolution	Resolution	Resolution	Petition	To Be Determined
Land Use Controls	Township Zoning and Subdivision Ordinances	Township Zoning and Subdivision Ordinances	Town Develop- ment Code Outside planning consultant	Township Zoning and Subdivision Ordinances	Township Zoning and Subdivision Ordinances
Urban Township	Yes	Yes	Yes	Yes	Yes
Fire	Town Department	JPA with Ramsey	Town department	JPA with Forest Lake	Northfield Rural Fire Protection District
Police	St. Louis County	Anoka County	Washington County	Anoka County	Rice County
Governing Body	3-member Board	5-member Board	5-member Board	5-member Board	3-member Board
Administration	2.0 FTE	3.0 FTE		3 FTE + 1 PT	<i>0.5 FTE Clerk 0.75 FTE P&Z</i>
Public Works	1 FTE + 10 PT	3 PT	2.5 FTE	3 FTE + 2 PT	<i>0.75 FTE</i>
Water	Town water system	Private wells	Private wells	Town water system	Private wells
Sewer	Town Sewer system	Individual septic systems	Individual septic systems Cluster systems	Sewer in I-35 Cor- ridor Individual septic systems	Individual septic systems Cluster systems

Next Steps

This study shows that incorporation is a viable and financially feasible option for Bridgewater Township. In deciding if incorporation is in the best interests of the Township, the next steps include:

- Informing Township residents about the implications of incorporation and engaging them in a discussion about the future of Bridgewater Township.
- Compiling all of the information required by statute to be considered in approving an incorporation.
- Determine other actions to be taken prior to requesting incorporation. Potential actions include obtaining evidence of community support, preparing a draft city charter, and completing the Comprehensive Plan update.
- Prepare a timeline and schedule of events for the incorporation process to guide actions and to coordinate with Township operations.
- Seek the support of related local governments.

The table that follows contains suggested strategies for compiling the information required by statute for the incorporation proceedings.

Statutory Factors	Suggested Strategies
1. Present population and number of households, past population and projected population growth for the subject area	This information should be created as part of the Comprehensive Plan update process.
2. Quantity of land within the subject area; the natural terrain including recognizable physical features, general topography, major watersheds, soil conditions and such natural features as rivers, lakes and major bluffs	
3. Present pattern of physical development, planning, and intended land uses in the subject area including residential, industrial, commercial, agricultural, and institutional land uses and the impact of the proposed action on those uses	
4. The present transportation network and potential transportation issues, including proposed highway development	Rice County transportation plans and capital improvement plans (CIP) will be good sources of information. Planned future development in Bridgewater may affect these plans.
5. Land use controls and planning presently being utilized in the subject area, including comprehensive plans, policies of the Metropolitan Council; and whether there are inconsistencies between proposed development and existing land use controls	No changes in land use controls should be needed as a direct result of incorporation. Zoning revisions may be needed to implement the Comprehensive Plan update.

Statutory Factors	Suggested Strategies
6. Existing levels of governmental services being provided to the subject area, including water and sewer service, fire rating and protection, law enforcement, street improvements and maintenance, administrative services, and recreational facilities and the impact of the proposed action on the delivery of the services	This report addresses this factor. The description of services would be expanded to support an incorporation process.
7. Existing or potential environmental problems and whether the proposed action is likely to improve or resolve these problems	There are several environmental areas within Bridgewater, including a MPCA brownfield site), County Landfill and gravel mining sites. Ideally, the Comprehensive Plan process would be used to address this factor. They are important elements of land use in Bridgewater.
8. Fiscal impact on the subject area and adjacent units of local government, including present bonded indebtedness; local tax rates of the county, school district, and other governmental units, including, where applicable, the net tax capacity of platted and unplatted lands and the division of homestead and non-homestead property; and other tax and governmental aid issues	This report lays the foundation for addressing this factor. Much of the factor involves collecting and assembling available data. The analysis of fiscal impacts should be done after all other data has been collected so that all relevant information can be incorporated.
9. Relationship and effect of the proposed action on affected and adjacent school districts and communities	The impacts on adjacent cities are discussed in this report. Incorporation will not have an impact on the school district.
10. Whether delivery of services to the subject area can be adequately and economically delivered by the existing government	While this analysis has not been done, the findings in this report support the determination that Bridgewater has the capacity to adequately and economically provide the necessary municipal services.
11. Analysis of whether necessary governmental services can best be provided through the proposed action or another type of boundary adjustment	This factor relates directly to #10. There is nothing to support an assertion that another form of boundary adjustment (i.e. annexation) provides better services.
12. Degree of contiguity of the boundaries of the subject area and adjacent units of local government	Easy to address in assembling the mapping related to other factors.

Statutory Factors	Suggested Strategies
13. Analysis of the applicability of the State Building Code	No change from current policy.

Background

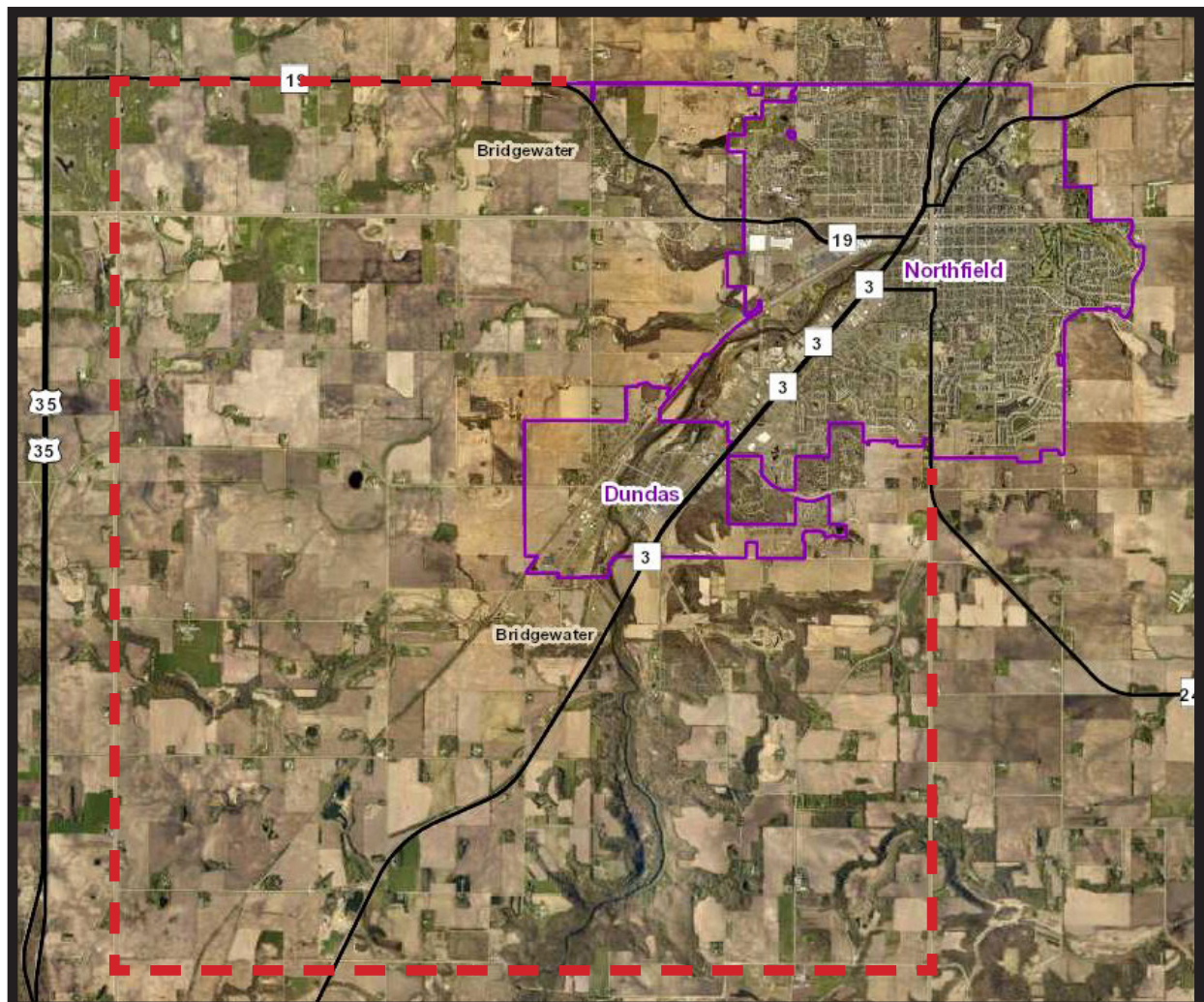
Bridgewater Township is a rural community located in the Northeast corner of Rice County, Minnesota. The area was first settled in 1844, and Bridgewater was officially organized as a Township by the Rice County Board of Commissioners in 1853.

The map below shows the boundaries of the Township in relation to the adjacent cities of Northfield and Dundas and to major roads. The map is based on 2016 aerial photography. Bridgewater Township contains mixture of “suburban” residential and commercial, ru-

ral residential, agricultural and natural resource land uses. An analysis of current land use in the Township is not part of this study.

► Governance

The three-member Board of Supervisors is the governing body for Bridgewater Township. The Supervisors are elected by direct ballot of eligible electors at an annual election. The Supervisors serve alternating three-year terms. The Board hires staff and contracts



for services as needed to deliver necessary services.

The Township operates as an “urban township” pursuant to Minnesota Statutes, Chapter 368. These powers are similar to those of a statutory city. The Township may build infrastructure and assess benefited properties, build or acquire buildings for public purposes, acquire equipment, adopt land use controls, regulate the disposal of sewage, regulate the water supply, and enter into agreements for the exercise of joint powers with other units of government.

The Township is also subject to the general township laws in M.S. Chapter 365. A key feature of townships is the requirement for an “annual meeting”. Town-

ships must hold an annual meeting every year on the second Tuesday in March. The Town Board creates an agenda for the Meeting, but items may be added to the agenda by electors at the meeting. The Town’s budget and tax levy are approved at the Annual Meeting. M.S. Section 365.10 lists the powers of the electors. For most powers, the approval of electors at the Annual Meeting authorizes the Board to take certain actions, but does not require the Board to exercise that authority.

► Services

Bridgewater Township provides the services necessary to meet the needs of its current population. The table below summarizes the current service structure.

Service	Description
Administration	Administrative functions are the responsibility of the Township Clerk (0.5 FTE) and Township Treasurer working with the Board of Supervisors. Township administrative services include financial management, management of service contracts and agreements, record keeping and elections.
Streets/Roads	The Township owns equipment for road maintenance and snow plowing. This equipment is operated by the Road Superintendent (0.75 FTE). Other equipment operators may be engaged on an as-needed basis.
Planning and Zoning	Enforcement of local land use regulations is provided by the Zoning Administrator on a contract for service basis. The Zoning Administrator is also responsible for the issuance of building permits. A 7-member Planning Commission oversees the Comprehensive Plan and Zoning Ordinance.
Police	The Rice County Sheriff’s Department provides police protection/law enforcement for all unincorporated section of the County, including Bridgewater.
Fire	Bridgewater Township is a member of the Northfield Area Fire and Rescue Service (NAFRS). NAFRS is a joint power entity that provides fire protection and technical and non-rescue emergency medical services to 26,000 people covering 144 square miles..