



4646 Dakota St. SE
Prior Lake, MN 55372

March 13, 2015

A Message from the Mayor

SMSC Cooperative Agreement

The argument against the cooperative agreement with the SMSC rests on several important misconceptions. As residents watch the city council wrestle with its decision, you should be aware of these points.

In 1998, the Bureau of Indian Affairs (BIA) denied the application for moving several hundred acres into trust, mainly in Shakopee. Reasons for denial at that time focused on lack of need for housing and the established economic success of the SMSC. Later, this same application was approved. The change did not have to do with Prior Lake switching its position, but rather clearer and revised policies for supporting fee-to-trust applications on the part of the BIA. The BIA and court decisions now include a variety of reasons, among them housing, economic development, cultural preservation and restoration, self-sufficiency, restoring tribal lands, tribal sovereignty and others.

The upcoming draft cooperative agreement and associated fee-to-trust application focuses on important needs for both the City and SMSC. The City's needs center on extending infrastructure (street, sewer, and water) to support orderly growth of the City into the annexation area in Spring Lake Township.

Constructing sewer and water mains any other way would cost many millions more than the route across the former Menden land. In December, the City Council voted unanimously that this project needed to be completed. The draft cooperative agreement with the SMSC would complete this project at significantly lower cost than any other approach.

For different reasons, neither the City nor the SMSC want this project and agreement to set a precedent. For the SMSC, they do not want future fee-to-trust applications to be subject to quid-pro-quo payments to the City. On the City's part, we want to ensure that each fee-to-trust application will be subject to evaluation on its own merits based on many factors. The draft agreement includes a paragraph emphasizing that this particular project is unique and the agreement does not set a precedent for future decisions.

The 2,400 acres of land in the northwest portion of Spring Lake Township has been the subject of the most recent Orderly Annexation Agreement since 2003. More importantly, the northern and western portions of the Township have been subject to annexation agreements and expectations for over 40 years, with families and property owners planning on eventual development.

Orderly suburban development into this area is the exact opposite of promoting sprawl. Do we think that people won't move into Scott County if we block annexation? Of course they will still move here. It's a great place to live. If anything, residential housing demand here is on a long term uptrend. Thousands of jobs are moving into northern Scott County, and we can expect more people will want to move here, not fewer. In addition, land for housing is disappearing quickly in Savage, Shakopee, and the current acreage of Prior Lake. If we don't prepare for this residential housing market by fulfilling 40 years of commitment to annexation, these future residents will move even farther out, causing greater sprawl.

Loss of future potential tax base does not increase the burden on existing taxpayers. City government is not a profit generating activity. Rather, land moving into trust eliminates future growing obligations of the city to serve development on that land, keeping costs down.

In my view, the most legitimate concern over moving land into trust status is “leapfrog” development, where the City extends infrastructure across land that doesn’t use that infrastructure, to serve land farther away. Both the SMSC and City acknowledge this issue, and have taken steps to reduce it. There are certain portions of SMSC neighborhoods that receive sanitary sewer service from the City under contract where they pay similar amounts to any households. We completed a Water Supply Agreement under which we interconnected our water systems, and a significant supply of water comes via wells and treatment facilities constructed by the SMSC. Both administrations hope to build on these successes and establish future agreements to further minimize the costs of leapfrog development.

The decision on the cooperative agreement with the SMSC will set the course of Prior Lake for the next 25 years. Make sure your views are not clouded by misconceptions.

Sincerely,
Mayor Ken Hedberg