

BOARD ORDER NO. MGB 050/18

FILE: AN13/EDMO/C-01 and C-02

IN THE MATTER OF THE *Municipal Government Act* being Chapter M-26 of the Revised Statutes of Alberta 2000 (*Act*).

AND IN THE MATTER OF an application by the City of Edmonton, in the Province of Alberta, to annex certain territory lying immediately adjacent thereto and thereby its separation from Leduc County and the Town of Beaumont.

BEFORE:

Members:

D. Thomas, Presiding Officer

F. Wesseling, Member

L. Yakimchuk, Member

Case Manager:

R. Duncan

C. Miller Reade

SUMMARY

After examining the submissions from the City of Edmonton, Leduc County, Town of Beaumont, affected landowners, and other interested parties, the Municipal Government Board (MGB) makes the following recommendation for the reasons set out in the MGB report, shown as Schedule 3 of this Board Order.

Recommendation

The MGB recommends the Lieutenant Governor in Council orders that

1 In this Order,

- (a) “annexed land” means the land described in Schedule 1 and shown on the sketches in Schedule 2;
- (b) “City Zoning Bylaw” means the City of Edmonton Zoning Bylaw No. 12800 (2017), including any amendments made to that bylaw from time to time;
- (c) “County Land Use Bylaw” means the Leduc County Land Use Bylaw No. 7-08 (2008), including any amendments made to that bylaw before the effective date;
- (d) “effective date” means January 1, 2019.

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2 Effective January 1, 2019, the land described in Schedule 1 and shown on the sketches in Schedule 2 is separated from Leduc County and the Town of Beaumont and annexed to The City of Edmonton.

3(1) Any taxes owing to Leduc County at the end of December 31, 2018 in respect of the annexed land and any assessable improvements to it are transferred to and become payable to The City of Edmonton together with any lawful penalties and costs levied in respect of those taxes, and The City of Edmonton on collecting those taxes, penalties and costs must pay them to Leduc County.

(2) Any taxes owing to the Town of Beaumont at the end of December 31, 2018 in respect of the annexed land and any assessable improvements to it are transferred to and become payable to The City of Edmonton together with any lawful penalties and costs levied in respect of those taxes, and The City of Edmonton on collecting those taxes, penalties and costs must pay them to the Town of Beaumont.

4(1) In 2019 and in each subsequent year up to and including 2068, the annexed land and assessable improvements to it, excluding linear property, must be assessed by The City of Edmonton on the same basis as if they were in Leduc County and taxed using

- (a) the municipal property tax rate established by Leduc County, or
- (b) the municipal property tax rate established by The City of Edmonton,

whichever is lower, for property of the same assessment class.

(2) In 2020 and subsequent years, the assessor for The City of Edmonton must assess and tax the annexed land and the assessable improvements to it.

5(1) Where in 2019 or any subsequent taxation year up to and including 2068 a portion of the annexed land

- (a) becomes a new parcel of land created as a result of subdivision or separation of the title by registered plan of subdivision or by instrument or, any other method that occurs at the request of, or on behalf of, the landowner,

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- (b) is redistricted, at the request of or on behalf of the landowner, under the City Zoning Bylaw to another district,
- (c) is connected, at the request of or on behalf of the landowner, to water or sanitary sewer services provided by or on behalf of The City of Edmonton, or
- (d) is the subject of a development permit for any of the following discretionary uses referred to in Section 9.1.3 of the County Land Use Bylaw:
 - (i) Cultural Facility;
 - (ii) Education Service;
 - (iii) Local Community Facility;
 - (iv) Recreation, Indoor;
 - (v) Religious Assembly;
 - (vi) Utility Service, Major,

subsection (1) ceases to apply at the end of that taxation year in respect of that portion of the annexed land and the assessable improvements to it.

(2) After subsection (1) ceases to apply to a portion of the annexed land in a taxation year, that portion of the annexed land and the assessable improvements to it must be assessed and taxed for the purposes of property taxes in the same manner as other property of the same assessment class in The City of Edmonton is assessed and taxed.

(3) Despite subsections (1) and (2), in 2019 and in each subsequent year up to and including 2043, Discovery Lands, other than linear property, must be assessed by The City of Edmonton on the same basis as if the land had remained in Leduc County and must be taxed by The City of Edmonton using the municipal property tax rate established by Leduc County for property of the same assessment class.

(4) In subsection (3), “Discovery Lands” means the land legally described as:

The Southwest Quarter of Section Thirty-Five (35), Township Fifty (50), Range Twenty Five (25) West of the Fourth Meridian;

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The Northwest Quarter of Section Twenty-Six (26), Township Fifty (50), Range Twenty-Five (25) West of the Fourth Meridian;

The Southeast Quarter of Section Twenty-Seven (27), Township Fifty (50), Range Twenty Five (25) West of the Fourth Meridian;

Block A, Plan 882 1332;

Lot 1, Block 1, Plan 0729782; and

All that portion of the Northeast Quarter of Section Twenty-Six (26), Township Fifty (50), Range Twenty-Five (25) West of the Fourth Meridian Lying West of the West Boundary of Plan 1591 PX and North of the North Boundary of Lot A, Plan 896 NY.

6(1) The City of Edmonton shall pay to Leduc County the sum of three million two hundred thousand dollars (\$3 200 000) not later than 30 days after

- (a) the date this Order in Council is made by the Lieutenant Governor in Council, or
- (b) the effective date,

whichever is later.

(2) In addition to the sum required under subsection (1), The City of Edmonton shall pay to Leduc County

- (a) five hundred and thirty thousand dollars (\$530 000) on or before June 30, 2019,
- (b) five hundred and thirty thousand dollars (\$530 000) on or before June 30, 2020,
- (c) five hundred and thirty thousand dollars (\$530 000) on or before June 30, 2021,
- (d) five hundred and thirty thousand dollars (\$530 000) on or before June 30, 2022,
- (e) five hundred and thirty thousand dollars (\$530 000) on or before June 30, 2023,
- (f) five hundred and thirty thousand dollars (\$530 000) on or before June 30, 2024,
- (g) five hundred and thirty thousand dollars (\$530 000) on or before June 30, 2025,

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- (h) five hundred and thirty thousand dollars (\$530 000) on or before June 30, 2026,
- (i) five hundred and thirty thousand dollars (\$530 000) on or before June 30, 2027, and
- (j) five hundred and thirty thousand dollars (\$530 000) on or before June 30, 2028.

DATED at the City of Edmonton, in the Province of Alberta, this 3rd day of October 2018.

MUNICIPAL GOVERNMENT BOARD

(SGD.) D. Thomas, Presiding Officer

Schedule 1

**DETAILED DESCRIPTION OF THE LANDS SEPARATED FROM LEDUC COUNTY AND THE TOWN
OF BEAUMONT AND
ANNEXED TO THE CITY OF EDMONTON**

WEST ANNEXATION AREA

ALL THAT PORTION OF SECTION EIGHT (8), TOWNSHIP FIFTY-ONE (51), RANGE TWENTY-FIVE (25) WEST OF THE FOURTH MERIDIAN LYING EAST OF THE RIGHT BANK OF THE NORTH SASKATCHEWAN RIVER.

SECTION NINE (9), TOWNSHIP FIFTY-ONE (51), RANGE TWENTY-FIVE (25) WEST OF THE FOURTH MERIDIAN.

SECTION TEN (10), TOWNSHIP FIFTY-ONE (51), RANGE TWENTY-FIVE (25) WEST OF THE FOURTH MERIDIAN.

SECTION ELEVEN (11), TOWNSHIP FIFTY-ONE (51), RANGE TWENTY-FIVE (25) WEST OF THE FOURTH MERIDIAN.

SECTION TWELVE (12), TOWNSHIP FIFTY-ONE (51), RANGE TWENTY-FIVE (25) WEST OF THE FOURTH MERIDIAN.

ALL THAT PORTION OF SECTION SEVEN (7), TOWNSHIP FIFTY-ONE (51), RANGE TWENTY-FOUR (24) WEST OF THE FOURTH MERIDIAN LYING WEST OF THE WEST BOUNDARY OF PLAN 1400 PX.

ALL THAT PORTION OF THE NORTHWEST QUARTER OF SECTION EIGHT (8), TOWNSHIP FIFTY-ONE (51), RANGE TWENTY-FOUR (24) WEST OF THE FOURTH MERIDIAN LYING WEST OF THE WEST BOUNDARY OF PLAN 1400 PX.

ALL THAT PORTION OF SECTION SIX (6), TOWNSHIP FIFTY-ONE (51), RANGE TWENTY-FOUR (24) WEST OF THE FOURTH MERIDIAN LYING WEST OF THE WEST BOUNDARY OF PLAN 1400 PX EXCLUDING THAT PORTION OF THE EAST-WEST GOVERNMENT ROAD ALLOWANCE ADJACENT TO THE SOUTH OF SAID SECTION LYING EAST OF THE PROJECTION OF THE SOUTHWEST CORNER OF PLAN 1400 PX TO THE NORTHWEST CORNER OF PLAN 1591 PX.

SECTION ONE (1), TOWNSHIP FIFTY-ONE (51), RANGE TWENTY-FIVE (25) WEST OF THE FOURTH MERIDIAN.

SECTION TWO (2), TOWNSHIP FIFTY-ONE (51), RANGE TWENTY-FIVE (25) WEST OF THE FOURTH MERIDIAN.

SECTION THREE (3), TOWNSHIP FIFTY-ONE (51), RANGE TWENTY-FIVE (25) WEST OF THE FOURTH MERIDIAN.

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SECTION FOUR (4), TOWNSHIP FIFTY-ONE (51), RANGE TWENTY-FIVE (25) WEST OF THE FOURTH MERIDIAN.

ALL THAT PORTION OF SECTION FIVE (5), TOWNSHIP FIFTY-ONE (51), RANGE TWENTY-FIVE (25) WEST OF THE FOURTH MERIDIAN LYING EAST OF THE RIGHT BANK OF THE NORTH SASKATCHEWAN RIVER.

ALL THAT PORTION OF SECTION SIX (6), TOWNSHIP FIFTY-ONE (51), RANGE TWENTY-FIVE (25) WEST OF THE FOURTH MERIDIAN LYING SOUTH OF THE RIGHT BANK OF THE NORTH SASKATCHEWAN RIVER.

ALL THAT PORTION OF SECTION SEVEN (7), TOWNSHIP FIFTY-ONE (51), RANGE TWENTY-FIVE (25) WEST OF THE FOURTH MERIDIAN LYING SOUTH OF THE RIGHT BANK OF THE NORTH SASKATCHEWAN RIVER.

ALL THAT PORTION OF THE EAST HALF OF SECTION ONE (1), TOWNSHIP FIFTY-ONE (51), RANGE TWENTY-SIX (26) WEST OF THE FOURTH MERIDIAN LYING EAST OF THE RIGHT BANK OF THE NORTH SASKATCHEWAN RIVER.

ALL THAT PORTION OF THE EAST HALF OF SECTION THIRTY-FIVE (35), TOWNSHIP FIFTY (50), RANGE TWENTY-SIX (26) WEST OF THE FOURTH MERIDIAN LYING EAST OF THE RIGHT BANK OF THE NORTH SASKATCHEWAN RIVER.

SECTION THIRTY-SIX (36), TOWNSHIP FIFTY (50), RANGE TWENTY SIX (26) WEST OF THE FOURTH MERIDIAN.

SECTION THIRTY-ONE (31), TOWNSHIP FIFTY (50), RANGE TWENTY-FIVE (25) WEST OF THE FOURTH MERIDIAN.

SECTION THIRTY-TWO (32), TOWNSHIP FIFTY (50), RANGE TWENTY-FIVE (25) WEST OF THE FOURTH MERIDIAN.

SECTION THIRTY-THREE (33), TOWNSHIP FIFTY (50), RANGE TWENTY-FIVE (25) WEST OF THE FOURTH MERIDIAN.

SECTION THIRTY-FOUR (34), TOWNSHIP FIFTY (50), RANGE TWENTY-FIVE (25) WEST OF THE FOURTH MERIDIAN.

ALL THAT PORTION OF SECTION THIRTY-FIVE (35), TOWNSHIP FIFTY (50), RANGE TWENTY-FIVE (25) WEST OF THE FOURTH MERIDIAN LYING WEST OF THE WEST BOUNDARY OF PLAN 1591 PX.

ALL THAT PORTION OF THE NORTHWEST QUARTER OF SECTION THIRTY-SIX (36), TOWNSHIP FIFTY (50), RANGE TWENTY-FIVE (25) WEST OF THE FOURTH MERIDIAN LYING WEST OF THE WEST BOUNDARY OF PLAN 1591 PX.

ALL THAT PORTION OF SECTION TWENTY-SIX (26), TOWNSHIP FIFTY (50), RANGE TWENTY-FIVE (25) WEST OF THE FOURTH MERIDIAN LYING WEST OF THE WEST BOUNDARY OF PLAN 1591 PX INCLUDING ALL THAT LAND SOUTH OF SAID SECTION LYING NORTH OF THE SOUTH BOUNDARY OF PLAN 822 1303 AND WEST OF THE

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PROJECTION NORTH OF THE MOST EASTERLY POINT OF PLAN 822 1303 TO THE NORTH BOUNDARY OF PLAN 1591 PX AND INCLUDING THAT PORTION OF THE NORTH-SOUTH ROAD ALLOWANCE ADJACENT TO THE WEST SIDE OF SAID SECTION EXTENDING SOUTH TO THE NORTH BOUNDARY OF BLOCK A, PLAN 902 2386.

SECTION TWENTY-SEVEN (27), TOWNSHIP FIFTY (50), RANGE TWENTY-FIVE (25) WEST OF THE FOURTH MERIDIAN INCLUDING ALL THAT LAND SOUTH OF THE SOUTH BOUNDARY OF SAID SECTION LYING NORTH OF THE SOUTH BOUNDARY OF PLAN 822 1303 AND INCLUDING THAT PORTION OF THE NORTH-SOUTH ROAD ALLOWANCE ADJACENT TO THE WEST SIDE OF SAID SECTION EXTENDING SOUTH TO THE NORTH BOUNDARY OF BLOCK A, PLAN 902 2386.

SECTION TWENTY-EIGHT (28), TOWNSHIP FIFTY (50), RANGE TWENTY-FIVE (25) WEST OF THE FOURTH MERIDIAN INCLUDING ALL THAT LAND SOUTH OF THE SOUTH BOUNDARY OF SAID SECTION LYING NORTH OF THE SOUTH BOUNDARY OF PLAN 822 1303 AND EXCLUDING THAT PORTION OF PLAN 822 1303 LYING SOUTH OF THE PROJECTION WEST OF THE NORTH BOUNDARY OF BLOCK A, PLAN 902 2386 AND INCLUDING THAT PORTION OF THE NORTH-SOUTH ROAD ALLOWANCE ADJACENT TO THE WEST SIDE OF SAID SECTION EXTENDING SOUTH TO THE PROJECTION WEST OF THE NORTH BOUNDARY OF BLOCK A, PLAN 902 2386.

SECTION TWENTY-NINE (29), TOWNSHIP FIFTY (50), RANGE TWENTY-FIVE (25) WEST OF THE FOURTH MERIDIAN INCLUDING ALL THAT LAND SOUTH OF SAID SECTION LYING NORTH OF THE SOUTH BOUNDARY OF PLAN 822 1303 EXCLUDING THAT PORTION OF PLAN 822 1303 LYING SOUTH OF THE PROJECTION WEST OF THE NORTH BOUNDARY OF BLOCK A, PLAN 902 2386 AND INCLUDING THAT PORTION OF THE NORTH-SOUTH ROAD ALLOWANCE ADJACENT TO THE WEST SIDE OF SAID SECTION EXTENDING SOUTH TO THE PROJECTION WEST OF THE SOUTH POINT OF PLAN 822 1303.

SECTION THIRTY (30), TOWNSHIP FIFTY (50), RANGE TWENTY-FIVE (25) WEST OF THE FOURTH MERIDIAN INCLUDING ALL THAT LAND SOUTH OF SAID SECTION LYING NORTH OF THE SOUTH BOUNDARY OF PLAN 822 1303 AND INCLUDING THAT PORTION OF THE NORTH-SOUTH ROAD ALLOWANCE ADJACENT TO THE WEST SIDE OF SAID SECTION EXTENDING SOUTH TO THE PROJECTION WEST OF THE SOUTH POINT OF PLAN 822 1303.

ALL THAT PORTION OF THE EAST HALF OF SECTION TWENTY-FIVE (25), TOWNSHIP FIFTY (50), RANGE TWENTY-SIX (26) WEST OF THE FOURTH MERIDIAN INCLUDING ALL THAT LAND SOUTH OF SAID HALF SECTION LYING NORTH OF THE SOUTH BOUNDARY OF PLAN 792 1757.

ALL THAT PORTION OF THE WEST HALF OF SECTION TWENTY-FIVE (25), TOWNSHIP FIFTY (50), RANGE TWENTY-SIX (26) WEST OF THE FOURTH MERIDIAN INCLUDING ALL THAT PORTION OF LAND SOUTH OF SAID HALF SECTION LYING NORTH OF THE SOUTH BOUNDARY OF PLAN 802 2514 AND INCLUDING THAT PORTION OF THE NORTH-SOUTH ROAD ALLOWANCE ADJACENT TO THE WEST SIDE OF SAID HALF SECTION EXTENDING SOUTH TO THE PROJECTION WEST OF THE SOUTH BOUNDARY OF PLAN 802 2514.

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ALL THAT PORTION OF THE NORTHEAST QUARTER OF SECTION TWENTY SIX (26), TOWNSHIP FIFTY (50), RANGE TWENTY SIX (26) WEST OF THE FOURTH MERIDIAN LYING EAST OF THE MIDDLE THREAD OF AN UNNAMED CREEK RUNNING THROUGH THE SAID QUARTER SECTION THE SAID MIDDLE THREAD INTERSECTION THE SOUTH BOUNDARY THEREOF ONE THOUSAND EIGHT HUNDRED AND EIGHTY ONE (1881) FEET MORE OR LESS EASTERLY FROM THE SOUTHWEST CORNER THEREOF AND INTERSECTING THE NORTH BOUNDARY THREE HUNDRED AND NINETY SIX (396) FEET MORE OR LESS EASTERLY FROM THE NORTHWEST CORNER.

EAST ANNEXATION AREA

SECTION TEN (10), TOWNSHIP FIFTY-ONE (51), RANGE TWENTY-FOUR (24) WEST OF THE FOURTH MERIDIAN.

SECTION ELEVEN (11), TOWNSHIP FIFTY-ONE (51), RANGE TWENTY-FOUR (24) WEST OF THE FOURTH MERIDIAN.

SECTION TWELVE (12), TOWNSHIP FIFTY-ONE (51), RANGE TWENTY-FOUR (24) WEST OF THE FOURTH MERIDIAN.

SECTION SEVEN (7), TOWNSHIP FIFTY-ONE (51), RANGE TWENTY-THREE (23) WEST OF THE FOURTH MERIDIAN.

SECTION EIGHT (8), TOWNSHIP FIFTY-ONE (51), RANGE TWENTY-THREE (23) WEST OF THE FOURTH MERIDIAN.

SECTION FIVE (5), TOWNSHIP FIFTY-ONE (51), RANGE TWENTY-THREE (23) WEST OF THE FOURTH MERIDIAN.

SECTION SIX (6), TOWNSHIP FIFTY-ONE (51), RANGE TWENTY-THREE (23) WEST OF THE FOURTH MERIDIAN EXCLUDING THAT PORTION OF THE EAST-WEST ROAD ALLOWANCE ADJACENT TO THE SOUTH SIDE OF SAID SECTION LYING WEST OF THE PROJECTION NORTH OF THE WEST BOUNDARY OF LOT 3, PLAN 912 1888 AND SOUTH OF THE PROJECTION WEST OF THE NORTH BOUNDARY OF SAID EAST WEST ROAD ALLOWANCE.

THE NORTHEAST QUARTER OF SECTION THREE (3), TOWNSHIP FIFTY-ONE (51), RANGE TWENTY-FOUR (24) WEST OF THE FOURTH MERIDIAN INCLUDING THE NORTH-SOUTH ROAD ALLOWANCE ADJACENT TO THE EAST BOUNDARY OF SAID QUARTER SECTION.

THE WEST HALF OF SECTION THREE (3), TOWNSHIP FIFTY-ONE (51), RANGE TWENTY-FOUR (24) WEST OF THE FOURTH MERIDIAN INCLUDING THAT LAND SOUTH OF THE EAST-WEST ROAD ALLOWANCE ON THE SOUTH SIDE OF SAID HALF SECTION LYING NORTH OF THE NORTH BOUNDARIES OF LOT 5, BLOCK 1, PLAN 182 1856 AND LOT 6, BLOCK 1, PLAN 182 1856 AND EAST OF THE PROJECTION SOUTH OF THE WEST BOUNDARY OF THE NORTH-SOUTH ROAD ALLOWANCE ADJACENT TO THE WEST SIDE OF SAID HALF SECTION AND WEST OF THE PROJECTION NORTH OF THE EAST BOUNDARY OF LOT 6, BLOCK 1, PLAN 182 1856.

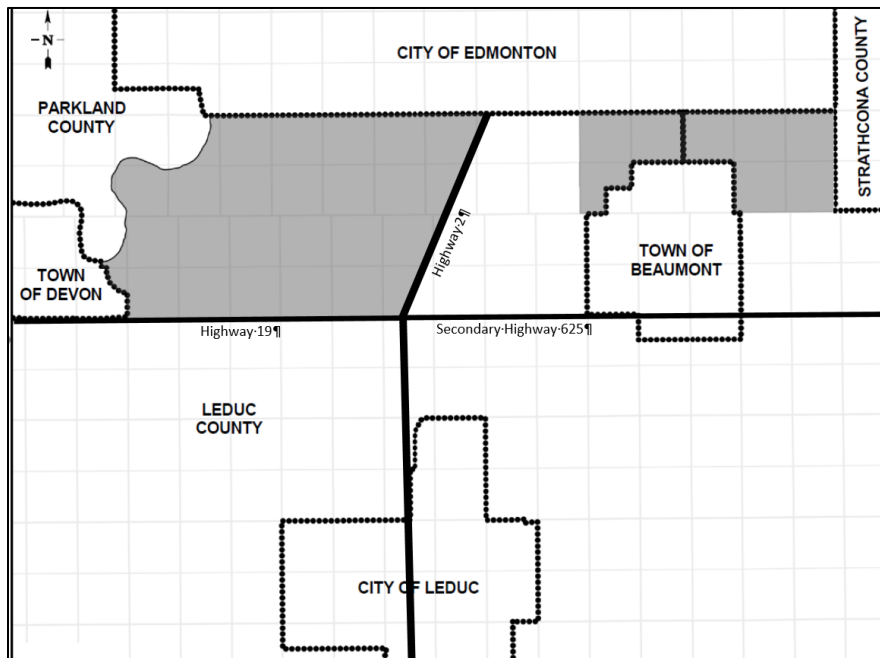
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ALL THAT PORTION OF THE NORTHEAST QUARTER OF SECTION FOUR (4), TOWNSHIP FIFTY-ONE (51), RANGE TWENTY-FOUR (24) WEST OF THE FOURTH MERIDIAN LYING EAST OF THE WEST BOUNDARY OF PLAN 092 7221 EXCLUDING LOT 1, BLOCK 1, PLAN 092 7221 AND EXCLUDING LOT 3, BLOCK 1, PLAN 092 7221.

Schedule 2

SKETCH 1 — SHOWING THE GENERAL LOCATION OF THE AREAS SEPARATED FROM LEDUC COUNTY AND THE TOWN OF BEAUMONT AND ANNEXED TO THE CITY OF EDMONTON



Legend

..... Existing Municipal Boundaries

■ Annexation Areas

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Schedule 3

**MUNICIPAL GOVERNMENT BOARD REPORT TO THE
MINISTER OF MUNICIPAL AFFAIRS
RESPECTING THE CITY OF EDMONTON PROPOSED ANNEXATION
OF TERRITORY FROM LEDUC COUNTY AND THE TOWN OF BEAUMONT**

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Annexation recommendations often include many acronyms and abbreviations. For ease of reference, the following table lists the acronyms and abbreviations used multiple times in this recommendation.

Acronym/Abbreviation	Full Description
<i>Act</i>	<i>Municipal Government Act</i>
Accord	City of Edmonton, Leduc County, City of Leduc and Edmonton Regional Airports Authority Inter-Jurisdictional Cooperation Accord
Annexation Agreement	City of Edmonton – Leduc County Annexation Agreement
ASFF	Alberta School Foundation Fund
ASP	Area Structure Plan
City	City of Edmonton
County	Leduc County
CRB	Capital Region Board
CRSWSC	Capital Region Southwest Water Services Commission
Crossroads ASP	Crossroads Area Structure Plan
du/nrh	Dwelling Units per Net Residential Hectare
EIA	Edmonton International Airport
EMGB	Edmonton Metropolitan Region Board
EMRGP	Edmonton Metropolitan Region Growth Plan
ER	Environmental Reserve
ERAA	Edmonton Regional Airport Authority
GIS	Geographic Information System
Growth Study	City of Edmonton Growth Study
FIA	City of Edmonton Financial Impact Assessment
HDR	High Density Residential
IDP	Intermunicipal Development Plan
IPFA	Intermunicipal Planning Framework Agreement
LDR	Low Density Residential
LGC	Lieutenant Governor in Council
LUB	Land Use Bylaw
MDP	Municipal Development Plan
MDR –A	Medium Density Residential – Apartment
MDR –R	Medium Density Residential – Row
MGB	Municipal Government Board
Minister	Minister of Municipal Affairs
MOU	Memorandum of Understanding
NEF	Noise Exposure Forecast
Notice	Notice of Intent to Annex
OC	Order in Council
PTP	Private Transportation Provider

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Acronym/Abbreviation	Full Description
P/U	People per Unit
Remington	Remington Development Corporation and bcIMC HoldCo (2007) Inc.
SERA	Solstice Environmental Reserve Analysis
SESS	South Edmonton Sanitary Sewer
Town	Town of Beaumont

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EXECUTIVE SUMMARY

[1] On September 28, 2017, the Municipal Government Board (MGB) received an application from the City of Edmonton (City) to annex approximately 8,267 hectares (20,428 acres) of land from Leduc County (County) and the Town Beaumont (Town). The application identified that the Town did not support the proposed annexation and that there were objections to the proposed annexation. In accordance with the *Municipal Government Act*, (Act), the Municipal Government Board (MGB) was required to conduct one or more public hearings regarding this matter.

[2] During the MGB case management process, it was discovered that the Town was willing to attempt mediation. The three municipalities requested additional time to discuss the proposed annexation. As a result, the City, the Town, and the County were able to reach an annexation agreement, which reduced the amount of land to be annexed by the City from the Town. To recognize the agreement, the City filed an amended annexation application.

[3] Although the three municipalities were able to negotiate an agreement, objections from affected landowners and members of the public still required the MGB to conduct a public hearing. The MGB held a preliminary hearing in April 2018 to identify those persons wishing to make submissions about the proposed annexation at a merit hearing, determine the issues to be raised, establish a document exchange timeline, and schedule the merit hearing. MGB Decision Letter 028/18 established a document exchange timeline and set the merit hearing for June 12 and 13, 2018.

[4] The MGB received oral and written submissions for the merit hearing from affected landowners, members of the public, the City, the County, and the Town. In brief, the issues identified by the affected landowners and members of the public included

- the consultation process (notifications, purpose).
- planning/infrastructure (annexation area, water/wastewater).
- financial (assessment and taxation).
- bylaws (animal control, firearms).
- lifestyle (farming operations), and
- municipal services (road maintenance/dust control, weed control, and emergency services).

RECOMMENDATIONS

[5] The MGB recommends the approval of the annexation area listed in Schedule 1 and the assessment and taxation provisions as stipulated beginning on page 1 of this Board Order. The recommended effective date for the annexation is January 1, 2019.

REASONS

[6] When making an annexation recommendation, the MGB considers the oral and written submissions of the parties as well as the annexation principles established by MGB Board Order 123/06. To reduce

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repetition, the party positions and MGB annexation principles will be combined and addressed under the following broad headings: intermunicipal collaboration, consultation, planning, financial matters, and transitional issues.

Intermunicipal Collaboration

[7] The three intermunicipal agreements (the *City of Edmonton – Leduc County Annexation Agreement* (Annexation Agreement), the *City of Edmonton, Leduc County, City of Leduc and Edmonton Regional Airports Authority Inter-Jurisdictional Cooperation Accord* (Accord), and the *Intermunicipal Planning Framework Agreement* (IPFA)) negotiated by the municipalities during the annexation process demonstrated a significant level of intermunicipal collaboration.

Consultation

[8] The consultation process used by the City was inclusive and open. The City's consultation activities included social media, website information, e-mails, newsletters, advertisements, media interviews, letters, open houses to obtain input, and one-on-one meetings. The County also conducted ten open houses and distributed written material to inform interested parties about the proposed annexation.

[9] One landowner asserted the City designed its consultation process to promote the annexation rather than resolve landowner concerns. While this perspective must be considered seriously, the MGB also understands the City's failure to obtain agreement with all affected landowners does not imply failure to listen or consult effectively. The same landowner indicated she did not receive proper notice of the annexation hearing. The MGB attempted to provide notice by publishing an advertisement in four local newspapers for three consecutive weeks and by sending letters to all affected landowners at addresses provided by the City. Although the landowner did not receive the letter, she did receive sufficient notice to attend the merit hearing, and the MGB heard her oral and written submissions at that time.

Planning

[10] The City has addressed the land use planning issues related to this annexation. The annexation area complies with the growth directions and density levels of the Edmonton Metropolitan Region Growth Plan (EMRGP) and was influenced by the various intermunicipal agreements. The City of Edmonton Growth Study (Growth Study) predicts the annexation area will provide the City with enough land to accommodate about 35 years growth for most types of residential units and about 25 years of industrial development. Therefore, the MGB concludes the smaller annexation area requested by the City is reasonable.

[11] The high level, conceptual analysis of municipal services provided by the City and is convinced the City can provide the required wastewater, water, stormwater, and transportation infrastructure to the annexation area.

[12] The Solstice Environmental Reserve Analysis (SERA) demonstrates the City is sensitive to key environmental features. One landowner objected to Figures 2 and 3 within SERA that show the location

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of wetlands. However, the data these maps are based on is publicly available; accordingly, the MGB does not recommend the removal, redaction, or modification of Figures 2 and 3.

Financial Matters

[13] The MGB accepts that the annexation will have minimal impact on the City, the County, the Town, and the affected landowners.

[14] Agricultural landowners in the annexation area are expected to benefit from the annexation, as the farmland municipal tax rate in the City is about 50% less than that of the County. The 50-year assessment and taxation transition period should also mitigate municipal tax impacts to existing non-farming properties.

[15] The municipalities agreed the properties, excluding linear properties, in the annexation area would be assessed and taxed as if they were in the County for 50 years. The MGB will accept the 50-year transition period as this is part of the Annexation Agreement reached by the three municipalities and was communicated by the City and the County to the affected landowners as part of their public consultation processes.

[16] The MGB finds it is reasonable that the assessment and taxation transition period should end if, at the request of, or on behalf of a landowner, the land

- is subdivided.
- is redesignated under the City Zoning Bylaw.
- connects to City water or wastewater services, or
- receives a development permit for a cultural facility, education service, local community facility, indoor recreation, religious assembly or major utility services in accordance with the County LUB.

[17] Since subdivision, property redesignation, or connecting to municipal services can be time consuming and costly, it is reasonable to expect the landowner would have considered the benefits associated with the requested change and the loss of the assessment and taxation transition period before filing the necessary documentation. The MGB does not normally recommend the loss of the tax protection if a development permit is issued. However, in this case, the development permit triggers suggested by the City contemplate larger scale projects that may require substantial municipal infrastructure support from the City. Given the complex nature of these types of developments, the MGB accepts the permit triggering condition requested by the City.

[18] The MGB accepts the 25-year assessment and taxation transition provisions suggested by the City for the Discovery Lands included as part of the Crossroads Area Structure Plan. The developer, Remington Development Corporation and bcIMC HoldCo (2007) Inc., has committed substantial funds to oversized infrastructure that will facilitate new development in the remainder of the Crossroads ASP far earlier than expected.

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[19] Compensation to be paid by the City to the County (\$8.5 million over 10 years) is acceptable as it has been agreed to by the two municipalities.

Transitional Issues

[20] The MGB is satisfied the City is attempting to mitigate the annexation related bylaw and lifestyle issues identified by the affected landowners.

Bylaws

[21] During the proceedings the MGB heard bylaw related concerns related to taxi service, business licenses, animal control, and farming operations.

Taxi Service

[22] The MGB was provided with no financial or statistical information from a taxi service provider with operations that extend into the annexation area. However, the MGB was informed that the operating area for this business included the County, the Town, and the City of Leduc. To gain an appreciation of the issue, the MGB considered the scope of the annexation in terms of target market. Using the municipal census information and the FIA annexation area population estimates, the MGB calculates the decline in the target market population is 1.1%. Assuming the taxi service only serves half the County and decreasing the County population by 50% (6,890), the target market decrease for this business is still less than 1.3%. The MGB heard no evidence from the taxi service provider to conclude he could not continue to operate in his traditional target market areas (the Town, the County, and the City of Leduc) after the annexation or that his fees in either of the three municipalities would increase. Although the annexation area is quite large, the resulting target market reduction is minimal. Having said that, it is beyond the scope of an annexation to require a municipality to issue a taxi license to a person or for the MGB to broker a deal between a municipality and a third party.

[23] The taxi service provider also expressed an interest in continuing to serve his existing clients. The MGB also recognizes he does not want to operate as an Uber and believes it is unrealistic to purchase a taxi license. However, during the merit hearing the City identified an option of operating as a Private Transportation Provider (PTP). The MGB understands this may require some rebranding of the vehicles and may require the business to operate in a slightly different manner. However, this option will allow him to continue to serve his existing clients.

Business Licenses

[24] The MGB finds the City's commitment to waive business licenses in the annexation area for five years to be reasonable. Home based business licenses generally range from \$125 to \$316, so the five year exemption should give business owners time to adjust their budgets.

Pets

[25] The City has acknowledged that pets are also working animals on a farm and has eliminated the maximum number of animals allowed on farms. The 5-year transition period is reasonable given the amount of development expected in the annexation area.

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Farm Operation Conflicts

[26] Efforts are being made to mitigate the impact on existing farming operations. Conflicts may arise between existing agricultural operations and new urban residential areas in terms of noise, odour, and hours of operation. However the MGB heard that most personnel responding to nuisance complaints consider the context (e.g. smell, noise or other nuisances) in relation to agricultural operations. Moreover, the *Agricultural Operations Practices Act* and Regulations provide a framework for resolving these nuisance related issues.

[27] The MGB understands that City bylaws prohibit the use of firearms within its boundary. To mitigate this, City bylaw officers will provide landowners with traps to capture pest and predatory animals.

Lifestyle

[28] Lifestyle issues identified during the proceedings included waste disposal, communications, and municipal services.

Waste Disposal

[29] The City is attempting to address waste disposal issues. Subject to fire bans, the City will allow the continued use of burning barrels for a 5-year transition period. The MGB also understands that the City will offer agricultural properties that are not primarily residential the opportunity to opt out of City solid waste collection for five years. Moreover, the City is working with the Leduc and District Regional Waste Management Authority to enable farmland properties to have access to these solid waste facilities at the same rates as County residents for a 5-year transition period.

Communications

[30] The City will use training to assist its personnel to understand urban/rural issues, improve communications and comprehend rural priorities.

Civic Addressing

[31] As development in the annexation area happens, it is reasonable to expect that City civic address policies will be used for new developments in the annexation area and will be expanded to existing residences for consistency. It is also possible that parts of the annexation area may require address changes to accommodate the Geographic Information System used by emergency services. Moreover, Canada Post may decide at some time in the future to implement a new addressing system. As these are local issues, they are beyond the scope of an annexation.

Insurance

[32] With regard to the possibility that an address change may increase personal and auto insurance rates, the rates charged by a third party provider are outside the control of a municipality and beyond the scope of an annexation recommendation.

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Municipal Services

[33] The City can provide road maintenance, dust control, ditch cleaning, weed control, and emergency services to the annexation area. The two municipalities have discussed the City contracting weed control with the County. Regardless, the MGB observes that all municipalities must comply with the *Alberta Weed Control Act*. The City has a commitment to providing water trucks for its Fire Services in the same manner as the County. The City also explained that because it uses professional emergency services personnel, its response times are generally shorter than those in the County. Moreover, the City will endeavor to maintain the same emergency service levels in the annexation area as in the rest of the municipality.

Schools

[34] The City consulted with the school boards during the public consultation process. The *School Act* gives the Minister of Education the authority to adjust the boundaries of school boards in Alberta. Furthermore, the *School Transportation Regulation* establishes rules for bussing. As the MGB does not have any authority regarding these two pieces of legislation, these matters are beyond the scope of an annexation.

CONCLUSION

[35] The MGB finds that the proposed annexation complies with the *Act* and addresses the MGB's 15 annexation principles. The conditions of annexations as recommended are certain, unambiguous, enforceable and time specific. The intermunicipal and regional agreements demonstrate a high level of collaboration. Furthermore, the proactive intent of the annexation and the amount of land agreed to by the municipalities is reasonable. The MGB notes that the affected landowners' concerns have been given proper consideration throughout the annexation process. Therefore, the MGB recommends the annexation.

INTRODUCTION

[36] The **Re-imagine. Plan. Build. – Edmonton Metropolitan Region Growth Plan (EMRGP)** projects that the 24 urban and rural municipalities in the region around the City of Edmonton (City) will have a population of somewhere between 1.9 and 2.2 million people by 2044. As the largest urban municipality in the area, it is expected that much of this population growth will locate within the City. To prepare, the City has applied to annex approximately 8,267 hectares (20,428 acres) of land from Leduc County (County) and the Town of Beaumont (Town). The proposed annexation will allow the City to effectively plan the infrastructure upgrades and municipal services required to accommodate its share of the future residential, commercial and industrial development anticipated for the region.

[37] On September 28, 2017, the City submitted the required negotiation report to the Municipal Government Board (MGB) along with a request for the MGB to proceed with the annexation. Although the City and the County had reached an agreement, objections to the proposed annexation required the MGB to conduct two public hearings. The following report outlines the role of the MGB and the Lieutenant Governor in Council, provides an overview of the notice of intent to annex and annexation application chronology, describes the preliminary hearing, summarizes the merit proceedings, and presents the MGB's findings and recommendations. This report to the Minister of Municipal Affairs fulfills the MGB's responsibility in accordance with Part 4, Division 6 of the *Act*.

ROLE OF THE MGB AND THE LIEUTENANT GOVERNOR IN COUNCIL

[38] The MGB is an independent and impartial quasi-judicial board established under the *Act* with the authority to “deal with annexations”. Although the annexation process is specified by the *Act*, the *Act* also allows the MGB to “establish rules regulating its procedures”. The MGB Annexation Procedure Rules have been adopted to provide information about annexation proceedings, facilitate a fair and open process, and increase the efficiency and timeliness of the hearings. This document also summarizes the 15 principles articulated by MGB Board Order 123/06 that help guide the MGB's examination of an annexation.

[39] Pursuant to section 116 of the *Act*, a municipality initiates the annexation process by filing a written notice of intent to annex (Notice) with the municipal authority from which the land is to be annexed, the MGB, and any other local authority the initiating municipality considers may be affected. The Notice must describe the land proposed for annexation, set out the reasons for the proposed annexation, and include proposals for consulting with the public and meeting with the affected landowners. Once the Notice has been distributed, section 117 of the *Act* compels the municipalities involved with the proposed annexation to meet and negotiate in good faith. If the municipalities are unable to reach an agreement, they must attempt mediation to resolve any outstanding matters.

[40] Section 118 of the *Act* requires that at the conclusion of the consultation process and the intermunicipal negotiation/mediation, the initiating municipality must prepare a negotiation report. This report must include a list of issues that have been agreed to by the municipalities and identify any matters that may still be in dispute. If the municipalities were unable to negotiate an annexation agreement, the report must state what mediation attempts were undertaken or, if there was no mediation, give reasons why. The report must also include a description of the public and landowner consultation process and summarize

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the views expressed during this process. The report is then signed by both municipalities. Should one of the municipalities not wish to sign the report, it has the option of including its reasons for not signing the report.

[41] The report is then submitted to the MGB. If the initiating municipality requests the MGB to proceed, pursuant to section 119 of the *Act*, the report becomes the annexation application. If the MGB is satisfied that the affected municipalities and public are generally in agreement, the MGB notifies the parties of its findings and unless objections are filed by a specific date, the MGB makes its recommendation to the Minister without holding a public hearing. If an objection is filed, the MGB must conduct one or more public hearings. If the MGB is required to conduct a hearing, section 122(1) of the *Act* specifies the MGB must publish a notice of hearing at least once a week for two consecutive weeks in a newspaper or other publication circulating in the affected area, the second notice being not less than six days before the hearing.

[42] The MGB has the authority to investigate, analyze and make findings of fact about the annexation, including the probable effect on local authorities and on the residents of an area. If a public hearing is held, the MGB must allow any affected person to appear and make a submission. After reviewing the evidence and submissions from the parties, section 123 of the *Act* states the MGB “must prepare a written report of its findings and recommendations and send it to the Minister”. The Minister has the authority to accept in whole or in part or completely reject the findings and recommendations made by the MGB. The Minister may bring a recommendation forward for consideration to the Lieutenant Governor in Council (LGC). After considering the recommendation, the LGC may order the annexation.

ANNEXATION NOTICE AND APPLICATION CHRONOLOGY

[43] The following provides a chronology of the Notice and annexation application submission documentation received by the MGB.

[44] On March 5, 2013, the City submitted two Notices. One Notice contemplated the lands in the County lying west of Highway 2 and extending south to the south boundary of the Edmonton International Airport (EIA). The second Notice considered lands in the County lying east of Highway 2, and included a portion of the Town. The total area identified by both Notices including the EIA was 15,675 hectares (38,733 acres).

[45] On May 2, 2013, the Town submitted a Notice to annex lands from the County that were adjacent to the Town’s north, east, and south boundaries. The Town’s Notice specified some of the same lands that had already been listed by the City’s Notice. Although the City and the Town filed a series of amending Notices, these amendments only varied the size and location of the overlap.

[46] The Town submitted its completed annexation application to the MGB on July 3, 2014. Objections from the County, the City, the City of Leduc, affected landowners and members of the public required the MGB to conduct public hearings. During a preliminary hearing, the MGB was asked to hold the Town’s annexation application in abeyance until the City submitted its annexation application. The MGB ruled against this request for reasons described in MGB Decision Letter 037/14 and allowed the Town’s annexation request to proceed to a merit hearing.

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[47] The MGB commenced the Town's annexation merit hearing on June 8, 2015. After considering submissions from all parties, the MGB recommended the annexation area requested by the Town. This included the lands that overlapped with the City's Notices. MGB Board Order MGB 012/16 provides the reasons for the MGB's recommendation. Order in Council 302/2016 approving the Town's annexation was signed by the LGC on November 22, 2016.

[48] On September 12, 2017, the MGB received another amending Notice from the City. This amendment removed the Edmonton International Airport and other lands south of Highway 19 from the City's proposed annexation area lying west of Highway 2.

[49] On September 28, 2017, the City submitted its annexation application to the MGB, which combined the lands on the east and west side of Highway 2. The application stated the City was able to negotiate an annexation agreement with the County, but the Town had refused to enter into mediation. During MGB Case Management Meetings, it was discovered that the Town had in fact sent a letter to the City requesting the two municipalities enter mediation. Shortly thereafter, the City, the Town, and the County began discussions and were able to reach an annexation agreement. The City filed an amending Notice with the MGB on February 20, 2018 that removed the land that had been annexed by the Town in 2016.

[50] To recognize the agreement reached by the three municipalities, the City filed an amended annexation application with the MGB on March 7, 2018.

ANNEXATION APPLICATION OVERVIEW

[51] The City's March 7, 2018 amended application proposes the annexation of 8,267 hectares (20,428 acres) of land – 8,260 hectares (20,411 acres) from the County and 7 hectares (17 acres) from the Town. This section describes the consultation process undertaken by the City, land use considerations, and the transitional provisions detailed by the City's annexation application.

Consultation Process

[52] The four-year consultation process undertaken by the City included intermunicipal negotiations with the County and the Town as well as landowner/public and stakeholder engagement activities.

Intermunicipal Negotiations

[53] The City was able to successfully negotiate three intermunicipal agreements during the development of its annexation application, the *City of Edmonton – Leduc County Annexation Agreement*, the *City of Edmonton, Leduc County, City of Leduc and Edmonton Regional Airports Authority Inter-Jurisdictional Cooperation Accord*, and the *Intermunicipal Planning Framework Agreement*.

City of Edmonton – Leduc County Annexation Agreement

[54] Preliminary discussions between the City and the County began on June 26, 2014. The two municipalities established negotiating teams, agreed to hold regular meetings, and retained mediators to assist with the negotiations. To facilitate discussions, the City and the County approved a Framework for

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Agreement on November 30, 2016. This document articulated the desire of both municipalities to collaborate on sustainable growth and identified the key strategic interests of both parties. The interests of the County included a desire to remain viable while pursuing a diversified economic base, protecting priority agricultural lands, and completing long-term joint planning prior to any further boundary adjustments. The interests of the City included achieving financial sustainable assessment base while serving as the environmentally responsible economic, social and cultural center of the region. Both municipalities share a desire to promote the EIA and support the EMRGP. In response to concerns from affected landowners and the interests of the County, the Framework for Agreement resulted in the City removing the EIA as well as the area lying west of the EIA and south of Highway 19 from the proposed annexation area. The County is also to retain the North Nisku Industrial area and the reservoir. The two municipalities also agreed to growth areas, joint planning initiatives and the preservation of agricultural land.

[55] The Framework for Agreement helped guide the remaining negotiation sessions and eventually led to the signing of the *City of Edmonton – Leduc County Annexation Agreement* (Annexation Agreement). The Annexation Agreement also addresses transitional issues, transitional planning, mitigation measures, and compensation. Both parties also recognized the importance of agriculture by agreeing to promote the concept of an agricultural land reserve or some type of similar protection for agricultural land into the future. As a result of the June 30, 2017 Annexation Agreement, there were no matters upon which the two municipalities had not reached agreement.

City of Edmonton, Leduc County, City of Leduc and Edmonton Regional Airports Authority Inter-Jurisdictional Cooperation Accord

[56] During the development of the Annexation Agreement, the City and the County realized they could not resolve a number of issues without the involvement of the Edmonton Regional Airports Authority (ERAA) and the City of Leduc. The four entities have long-standing relationships that have helped to position the airport as a key social and economic driver in the region. Built on a foundation of shared interests, the aim of the *City of Edmonton, Leduc County, City of Leduc and Edmonton Regional Airports Authority Inter-Jurisdictional Cooperation Accord* (Accord) is to establish principles and guidelines for the four parties that will help the EIA reach its potential as an economic driver in the region. In particular, the joint planning envisioned by the Accord will provide an opportunity for the parties to coordinate the municipal infrastructure needed for future development. The Accord discussions resulted in the City removing the EIA from the proposed annexation area and aided the City and the County in the completion of their negotiations and the signing of the Annexation Agreement.

Intermunicipal Planning Framework Agreement

[57] During the MGB annexation case management process, it was discovered that the Town was willing to discuss the City's proposed annexation. Negotiations between the City, the County, and the Town resulted in the *Intermunicipal Planning Framework Agreement* (IPFA). The purpose of the IPFA is to allow the parties to discuss joint planning initiatives that will enhance the level of value to residents and taxpayers. The three municipalities agree high-level plans will be developed for land use, transportation and servicing, cost and benefit sharing, and 50th Street cost sharing. Once these high-level conceptual frameworks are in place, work may begin on detailed planning. The IPFA was signed by all three municipalities in February 2018. With the IPFA in place, the City removed the nine quarter sections that

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lie within the boundary of the Town from its annexation application and the Town agreed to support the City's application. As a result, there were no matters upon which the three municipalities were not in agreement.

[58] Correspondence from the County and the Town confirms the amended annexation application submitted by the City accurately reflects the results of the negotiations between the parties and there are no outstanding matters.

Engagement Activities

[59] The City employed a number of activities throughout the consultation process to engage and obtain feedback from affected landowners, the public, and other stakeholders.

Landowner/Public Engagement

[60] General engagement opportunities for landowners in the proposed annexation area included mail outs (letters and newsletters), small group meetings, one-on-one meetings, and questionnaires. Seven letters and newsletters were mailed directly to landowners to provide updates and support consistent communications. Five small group facilitated meetings involving 113 landowners were held in 2014 to answer questions about the annexation and solicit input. One-on-one meetings with landowners, conducted on an as requested basis, allowed City personnel to answer specific questions. Three separate questionnaires, conducted as part of open houses held in 2013, 2014, and 2017, were used to solicit landowner interests and general comments. In addition to the efforts of the City, the County conducted 10 open houses, distributed 14 newsletter articles, and sent three mailouts to affected landowners and members of the public.

[61] During the consultation process, the City met twice with Remington Development Corporation and bcIMC HoldCo (2007) Inc. (Remington) to discuss their development within the proposed annexation area. The two companies own the Discovery Lands, a 228-hectare (563 acre) development within the Crossroads Area Structure Plan (Crossroads ASP). Initially, the City was unaware of the unique circumstances of the Discovery Lands. However, correspondence from the County confirmed that it had been working with Remington on this development for roughly the last decade and that this partnership had resulted in the start of construction in 2017. The discussions between the City and Remington established that the company had secured all off-site development approvals and had awarded contracts that contained significant upfront investments to oversize lines which will benefit the remainder of the lands in the Crossroads ASP. Given the special circumstances, the City signed a Memorandum of Understanding (MOU) with Remington to mitigate the potential tax impact of the annexation and allow the development to continue. The MOU states that the City will request property tax protection for 25 years without any of triggering events for the duration.

[62] In addition to the general landowner engagement opportunities, letters were sent to linear property owners and mineral property owners to keep them informed of the annexation process. These letters summarized the annexation proposal and process, and provided City staff contact information. Invitations to the final series of public open houses were also sent to the linear property owners.

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[63] Engagement opportunities for the public included website information telephone and e-mail enquiries, public meetings, social media, advertisements and public service announcements/media interviews. The City published webpages to ensure the public could obtain relevant, current and comprehensive information about the proposed annexation and the process. A dedicated telephone number and e-mail account were established by the City so that it could answer annexation related questions and send out information in a timely manner. Ten public meetings were used to disseminate information and follow-up questionnaires were used to solicit input. Social media, newspaper advertisements, and public service announcements/media interviews were used to announce engagement events and inform interested parties about the release of annexation related studies and reports. Advertisements were published in nine local, regional and national newspapers. In response to these efforts, the City received over 200 correspondence items from affected landowners and the public.

[64] The issues identified by the affected landowners and the public during the engagement process related primarily to future updates, servicing, compensation, assessment and taxation, future development, protection of environment/agriculture lands, schools, and lifestyle. In general, the City provided the following responses:

- Future Updates – the City has continually updated its website information and has committed to communicating after a decision about the annexation has been made.
- Emergency Services – fire and police services will be provided by City Fire Rescue Services and the Edmonton Police Service using City standard targets.
- Agricultural Services – the City is attempting to negotiate an agreement with the County Agricultural Services Board to provide services during the transition period. If an agreement is not reached, the City will provide equivalent services through its own operations.
- Social Services – the City has a wide variety of affordable housing. The Leduc Regional Housing Foundation (LRHF) provides affordable accommodation and services to seniors, individuals and families within the region. The City stated that the LRHF does not expect that its residency requirements will impact any of the residents in the annexation area.
- Road Maintenance – the City regularly inspects roads and will endeavor to provide maintenance services to the same level as the County. The City will continue to use its standard for snow and ice control. However, it will not provide private driveway clearing and grading services.
- Solid Waste Management – weekly waste collection will begin after the approval of the annexation for a monthly fee. The City will endeavor to reach an agreement with the Leduc and District Regional Waste Management Authority to enable farmland properties to have access to these facilities at the same rates as County residents for five years. Burn barrels will be allowed for a five-year transition period, subject to fire bans.
- Water/Wastewater – landowners will still be able to use private wells and existing sanitary sewer systems.
- Assessment and taxation – landowners will be afforded 50 years municipal tax protection. However, this period will be shortened if the land is subdivided, rezoned, connects to City water/wastewater, or receives a major development permit.

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- Environment – the Annexation Agreement has provisions to preserve agricultural land. The City and County must follow the same regulations with regard to farm equipment on roads.
- Development – current land uses will be allowed after the annexation. It is unknown when future development will extend to specific properties; however, any future development will have to follow relevant statutory plans and bylaws.
- Rural lifestyle – firearm use is not permitted within the City. Bylaw officers can be contacted to assist with small pest control. Off highway vehicles will be allowed in certain areas.
- Other – school transition issues, highways, and EIA related issues are beyond the scope of an annexation.

Stakeholder Engagement

[65] Several other stakeholders within the proposed annexation area were contacted during the consultation process. Where appropriate, copies of Notices were sent to the municipalities adjacent to the proposed annexation area (City of Leduc, Town of Devon, Parkland County, and Strathcona County), provincial entities (Alberta Health Services Board and Alberta Transportation), regional services commissions and utility companies operating in the proposed annexation area. Additional information was distributed to these groups when appropriate.

[66] City Administration shared information about the annexation with representatives from the local school boards (Black Gold Regional School Board, Edmonton Catholic School Board, Edmonton Public School Board and St. Thomas Aquinas Roman Catholic School Board) early in the annexation process. Additional meetings were also held in 2016. The School Boards were encouraged to work with Alberta Education to develop a school transition plan in the event the annexation request was successful.

[67] Meetings and e-mails with regional service commissions and a number of utility providers in the area were used to share information and assess the viability of conceptual infrastructure studies commissioned by the City.

[68] The feedback obtained from landowners, the public, and stakeholders was used by the City, the County, and the Town during their negotiations of the final annexation area and the transition provisions that would be offered to the affected landowners. The discussions between the City and Remington resulted in the City requesting special transition considerations for the Crossroads ASP.

Land Use

[69] The proposed annexation area requested by the City was influenced by statutory and non-statutory plans, the *City of Edmonton Growth Study*, the *Infrastructure Serviceability Report*, and the *Environmental Reserve Analysis*. An overview of each topic is provided below.

Statutory and Non-Statutory Plans

[70] The statutory and non-statutory plans and bylaws identified by the City that will inform development in the proposed annexation area include the *EMRGP* as well as the municipal planning bylaws.

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Edmonton Metropolitan Region Growth Plan

[71] On April 15, 2008, the Government of Alberta (GoA) created the Capital Region Board (CRB) to prepare a growth study for the 24 member municipalities in the Edmonton area. On October 26, 2017, the GoA proclaimed the Edmonton Metropolitan Region Board (EMRB), which reduced the size of the CRB region and decreased the number of participating municipalities.

[72] The 2017 EMRGP provides a vision of this region for the next 50 years and identifies six interrelated policy areas that support where and how to manage growth. These policy areas include:

- Economic Competitiveness and Employment – foster a diverse and innovative economy that builds upon existing infrastructure and employment areas.
- Natural Living Systems – practice wise environmental stewardship.
- Communities and Housing – recognize diverse communities and promote excellent quality of life across the region.
- Integration of Land Use and Infrastructure – achieve compact growth that optimizes infrastructure.
- Transportation Systems – ensure effective regional mobility.
- Agriculture – ensure wise management of prime agricultural resources.

[73] Using the 2013 CRB population information and 2014 municipal census data, the EMRGP forecasts the region will have a population of between 1.9 and 2.2 million people by 2044. The City's population is expected to be between 1.36 million to 1.471 million by 2044. The EMRGP also identified growth areas and density level targets for the region.

Planning Bylaws and Regulations

[74] Municipal planning related documents relevant to the proposed annexation area identified by the City include:

- Municipal Development Plans (MDP) – The City of Edmonton MDP and Leduc County MDP recognize the need for urban growth. The Town of Beaumont MDP does not have any provisions that relate specifically to 50th Street and does not address growth by the City.
- Area Structure Plans (ASP) – Crossroads ASP North Major ASP govern development in certain parts of the annexation area.
- Zoning and Land Use Bylaws – City of Edmonton Zoning Bylaw and Leduc County Land Use Bylaw identify land use districts and uses.
- Edmonton International Airport Vicinity Protection Regulation – constrains development by restricting residential uses from noise contour areas classed as Noise Exposure Forecast (NEF) 30 or higher. Transport Canada NEF establishes contours around all airports in Canada to minimize noise complaints.

[75] The application states that the proposed annexation complies with the MGB bulletins and the MGB annexation principles.

City of Edmonton Growth Study

[76] The purpose of the *City of Edmonton Growth Study* (Growth Study) is to examine the long-term residential and industrial growth requirements of the City and review and support the proposed annexation within the context of those needs.

Residential Growth Requirements

[77] The Growth Study analyzed the residential potential of the proposed annexation area by updating the population projections for the City, considering north/south geographical demand differences, investigating household type and size trends, identifying existing capacity, and analyzing the suitability and development potential of the proposed annexation area.

[78] The 2015 population projections produced by the CRB were adjusted by the 2017 EMRGP to produce low and high scenario growth figures for its member municipalities and the region to 2044. The Growth Study further updated these population forecasts by including the values from the 2016 federal census and applying modified CRB growth rates for the period from 2044 to 2066. Using these values, the Growth Study projects the City's population will increase from 932,500 in 2016 to between 1,844,200 (low scenario) and 2,167,700 (high scenario) by 2066. The high scenario was selected for the development of the annexation area as it assumes the City will maintain its current share of the regional population (approximately 70%) over a 50-year growth horizon.

[79] Geographical demand preferences within the City were identified by reviewing the building permits issued between 2006 and 2015. During this period, 59% of the new development in the City was south of the North Saskatchewan River. The Growth Study assumes this North/South settlement trend will continue in the future. It also assumes that any unsatisfied demand in the City's south area will transfer to other municipalities in the south region rather than shifting to the north. Residential demand in the proposed annexation area will also be offset somewhat as the City has adopted a residential infill policy designed to reduce new residential development by 25% through the intensification of established and mature areas during redevelopment.

[80] The Growth Study identified that the proposed annexation area contains 4,640 hectares of gross residential land. Geographic Information System (GIS) was used to identify major impediments that would constrict new development. This analysis found that 670 hectares of the land allocated as residential area was non-developable land and an additional 1,435 hectares was classed as non-residential land. Non-developable lands include natural areas, pipelines, powerlines, arterial roads, and other existing uses not meant for development. The non-residential area identify lands that are currently being used for parks, schools, stormwater management, and transportation networks. After removing these areas, the Growth Study determined the annexation area will provide 2,125 net hectares of developable residential as well as 410 net hectares of associated commercial land.

[81] The City offers a mix of housing types to accommodate the needs of a diverse population. Historically, there has been a significant demand for low density dwellings. An analysis of City Building Permits from 2006 to 2015 found the percentage breakdown of current housing types (see Table 1).

Table 1: Current Housing Type Breakdown

Unit Type	Acronym	%	Examples
Low Density Residential	LDR	55	Single Detached Homes, Duplex Units
Medium Density Residential - Apartment	MDR-A	29	Apartment Style Less Than 5 Stories
Medium Density Residential - Row	MDR-R	11	Row Housing, Triplex Units
High Density Residential	HDR	5	Apartment Style 5 or More Stories

[82] Housing type demand is expected to change over time due to shifting municipal development policies that emphasize increased density and consumer preference trends. The Growth Study assumes that in the future housing type demand will be 50% LDR, 29% MDR-A, 13% MDR-R, and 8% HDR.

[83] In order to distribute the City’s future population growth among the specified dwelling unit types, the Growth Study adopted the average household size defined by the City’s *Reference for the Preparation and Amendment of Neighbourhood Structure Plans*. Accordingly, the average household size, or number of people per unit (P/U), residing in a LDR unit is 2.8 P/U, MDR-A unit is 1.5 P/U, MDR-R unit is 2.8 P/U, and HDR unit is 1.5 P/U.

[84] The existing amount of residential capacity within the City was estimated by identifying the number of planned housing units in new growth areas and subtracting the number of units that have already been built. Table 2 shows the estimated remaining supply of housing units in the area south of the North Saskatchewan River.

Remaining Supply of Potential Housing Units (2015)

Unit Type	South Area
LDR	44,620
MDR-A	27,620
MDR-R	9,150
HDR	13,250

[85] The EMRGP identifies three density targets in the proposed annexation area. The area east of the Whitemud Creek and west of Highway 2 is to have a density of 45 dwelling units per net residential hectare (du/nrh). The zone west of the Whitemud Creek is to attain a density level of 35du/nrh. The lands east of Highway 2 are to achieve a density of 35 du/nrh. As the amount of residential land in each of the three regions is different, the percentage of LDR, MDR-A, MDR-R, and HDR housing units can be manipulated to achieve the desired density target for each area. Using the EMRGP density targets, and different housing type mixes for the three areas, the Growth Study concludes the proposed annexation area has the potential to supply 79,310 residential units.

[86] Using the P/U assumptions and applying it to the expected residential units, the Growth Study predicts the lands allocated for residential development in the proposed annexation area will accommodate about 206,000 additional residents. Depending on housing type, the Growth Study expects the residential land in the proposed annexation area will be fully absorbed between 2051 and 2066, (see table 3).

Table 3: Projected Absorption of Annexation Area Residential Land Supply

Unit Type	Annexation Residential Supply Exhausted (Year)
LDR	2051
MDR-A	2055
MDR-R	2055
HDR	2066

Industrial Growth Requirements

[87] The industrial land requirements were established by identifying the historical annual absorption rate, considering the geographical distribution of industrial growth, and applying this to the existing supply of undeveloped industrial land within the City as well as the additional land in the proposed annexation area.

[88] The City’s average annual absorption rate of industrial land was determined by analyzing building permits issued during the period from 2006 and 2015. Demand over this period was influenced by periodic cycles in provincial and regional economic activity and ranged from 44 net hectares per year in 2008 to 291 net hectares per year in 2013. Although the average absorption was 137 net hectares per year, the Growth Study cautions that demand may actually be higher due to appropriate lands not being available within the City.

[89] Currently, the City has three major industrial areas, with each geographical area tending to serve different market segments. The market for the south/southeast area is oil and gas with a mix of industrial and commercial uses. However, a shortage of industrial land in the south combined with competitive pressures from Nisku and Leduc have caused challenges for the City to attract new businesses.

[90] Based on information provided by the City, the amount of industrial land supply in the south/southeast area at the end of 2015 was estimated to be 481 net hectares. The Growth Study acknowledges that it is common for municipalities to re-zone or re-designate industrial areas for other uses and has adjusted this amount by 10 percent. The amount of industrial land in the proposed annexation area is 3,625 gross hectares. However, 1,755 hectares are non-developable (due to such things as natural areas, pipelines, powerlines and roads (855 hectares)), already occupied (40 hectares), or non-industrial, (currently being used for stormwater management and transportation networks (860 hectares)). The Growth Study states that if demand manifests as anticipated, the 1,870 net hectares of industrial land in the proposed annexation area will be fully consumed by 2044.

Serviceability Report

[91] Having established the projected growth in the proposed annexation area and future land uses, the Serviceability Report provides high-level, potential servicing concepts for future wastewater, water, stormwater, and transportation network components.

Wastewater

[92] The sizable amount of land within the proposed annexation will generate large volumes of wastewater. The annexation lands can be predominantly serviced through a gravity feed system connected to the South Edmonton Sanitary Sewer system (SESS) operated by the City. Although there may be some existing capacity in SESS, phased upgrades to the existing system as well as the construction of new infrastructure will have to be implemented to accommodate the proposed annexation area as well as any future regional growth in areas south of the existing City boundary. Phased development will require construction of a new pumping station and forced main, expansion of existing lines, and possible upgrades to the Gold Bar Wastewater Treatment Plan.

Water

[93] Concepts for providing water to the proposed annexation area were established based on the Growth Study population projections and discussions with EPCOR. The City's water is supplied by EPCOR, which also services the Capital Region Southwest Water Services Commission (CRSWSC). The E. L. Smith Water Treatment Plant in the southwestern part of the City is expected to be the main source of water supply for the proposed annexation area. Although EPCOR already operates eight water storage reservoirs across the City, additional water storage facilities will be required to facilitate growth in the south. The proposed Windermere reservoir is expected to supply water to the southeast annexation area, while the southwest annexation area will connect to the proposed Decoteau reservoir. Again, a phased approach will be used for the construction of the lines, meter stations, pressure reducing valve stations, booster station, and reservoirs needed to provide water to the proposed annexation area, the adjacent municipalities, and other future growth areas.

Stormwater

[94] The North Saskatchewan River, the Black Mud Creek and the Whitemud Creek serve as the fallout for the City's stormwater lines west of Highway 2. These waterbodies have adequate capacity to accept flows from development in the proposed annexation area. In the annexation area west of Highway 2, it is suggested that stormwater management facilities be used to control flows and prevent flooding and erosion in these water courses. Stormwater in the annexation area east of Highway 2 will be conveyed through Irvine Creek and Clearwater Creek. Improvements to Irvine Creek will be needed to address poor hydraulic capacity and flooding issues. This will ensure Irvine Creek has enough capacity to convey flows from future development.

Transportation

[95] The City has existing policies and procedures in place to ensure the transportation network in the proposed annexation lands will be comprehensively planned and managed in a way that will allow integration into both the City and regional transportation networks. Upgrades to the regional network can be identified by working with the EMRB. Input from the EIA can help the City coordinate supporting road and transit infrastructure for the airport and mitigate the impact caused by the Airport Vicinity Protection Area Plan and federal zoning regulations.

Fiscal Impact Analysis

[96] The *City of Edmonton Fiscal Impact Analysis* (FIA) examined the immediate and long-term impacts of the proposed annexation on the municipalities and the affected ratepayers.

[97] The FIA states that the proposed annexation will increase the City's land base by 12%, expand its population of 932,546 by 0.1%, and enlarge its \$1.67 billion assessment base by 0.1%. However, tax levels after are expected to increase slightly in 2019 (estimated 0.5%) to offset the amount of compensation the City has agreed to pay the County. In the decade following the approval of the annexation, the impact on the City of the assessment and taxation provisions afforded to landowners in the proposed annexation area will be minimal. In the long term, the fiscal impacts of the annexation will depend on the tax revenue generated by the additional residential, commercial and industrial development in the proposed annexation area. By the end of the 2049, the FIA suggests the additional lands annexed by the City will reduce its tax rates by 9.2 percent.

[98] The proposed annexation will decrease the County's size by 2.0%, reduce its population of 13,760 by 5.0%, and shrink its \$8.1 billion budget by 2.0%. However, the annexation is expected to reduce County municipal revenues by \$800,000 and decrease municipal expenses by \$400,000. The net reduction in municipal revenues of \$400,000 will be offset by the \$3.2 million in compensation to be paid by the City in the first year and the \$5.2 million the City has agreed to pay over the next ten years. Over the long term, the proposed annexation is not expected to impact County tax rates.

[99] There are no anticipated impacts to the Town's population (estimated in 2016 to be 17,396) and tax base from the proposed annexation. However, the Town's municipal expenses are expected to decrease by roughly \$60,000 per year as a result of the City annexing the section of Highway 814/50th Street.

[100] The City has proposed tax protection that will nullify potential negative municipal property tax increases to residential and non-residential lands in the proposed annexation area. These property types will be taxed at the lower of the City and County municipal rates. Farmland will benefit from the proposed annexation as the City municipal tax rate is actually lower than that of the County. As a result, farmland properties will receive a more than a 50% annual municipal tax savings.

Environmental Reserve Analysis

[101] The SERA was commissioned by the City to identify potential environmental reserve (ER) lands in the proposed annexation area, demonstrate a thorough understanding of the present land inventory (including environmental sensitivities) within this area, and incorporate this information into a plan to preserve important features and ecological systems.

[102] Submissions from the City identified that Dr. D.L. Patriquin was the Senior Environmental Scientist for the SERA. Dr. Patriquin has over 25 years of environmental assessment and management experience, holds a Ph. D in Environmental Policy, Governance, and Collaboration from the University of Alberta, and is a member of the Alberta Society of Professional Biologists. During her presentation she explained that the SERA was an expansion of the City of Edmonton's Environmental Sensitivities Project that was already underway. The SERA used GIS remote sensing to map ravine and river slopes, wetlands,

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and streams in the proposed annexation area. Although there were differences in methodology, a review of other studies was used to ensure all known sensitive areas were identified and provide a means of comparison. The SERA found a total of 1,007 hectares of wetland in the proposed annexation area. A review of ER policies determined that the City has higher dedication requirements than the minimum standards established by the Province. Using City dedication requirements (30-meter buffer of waterbodies and 10-meter buffer along ravines) the total possible ER was 1,015 hectares, while the Provincial dedications (6-meter buffer on waterbodies and no buffer on ravines) was 674 hectares.

[103] The ER estimate provided highlights the abundance of wetlands, streams, and ravine areas in the proposed annexation area. Awareness of the location and extent of these resources and their linkages to other regionally important ecological functions can play a critical role in retaining biodiversity and ecological goods and services at a systems level. However, the SERA cautions that the analysis is limited due to its reliance on remote sensing and GIS information. Site specific investigation, such as field surveys and biophysical assessments, completed in support of Area Structure Planning and development planning will confirm mapping and refine ER dedication.

Transition

[104] Transition matters identified by the City's application include assessment and taxation considerations, lifestyle issues, and intermunicipal compensation.

Assessment and Taxation

[105] The application proposes that the lands and the assessable improvements (except for linear property) within the annexation area be taxed for 50 years after annexation using the lower municipal tax rate of either the City or the jurisdiction where the lands were situated before annexation. The transition period will no longer apply to a parcel if a portion of that parcel is subdivided, is redistricted under the City's Zoning Bylaw, is connected to municipal water and sewer, or receives a major development permit. Farm residences and farm buildings are to retain the same exemptions as if they remained in the jurisdiction where situated before the annexation pursuant to the *Matters Relating to Assessment and Taxation Regulation* or any subsequent regulation exempting farm residences or farm buildings from taxation. The tax protection provisions are to continue to apply after the construction of any

- single family detached residence, including any secondary or accessory uses and/or accessory buildings;
- secondary suite in a single detached residence; or
- farm residence or farm building that would otherwise be exempt from assessment, including any accessory uses or accessory buildings

unless one or more of the triggering events described above applies.

[106] The Discovery Lands are to be taxed using the County municipal tax rate for 25 years. The triggers that would remove the assessment and taxation transition provisions identified above are not applicable to these lands.

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Lifestyle

- [107] With regard to lifestyle issues, the application identifies that landowners will be permitted to:
- Use burn barrels on agricultural properties for up to five years from the annexation Order in Council, subject to municipal or provincial fire bans.
 - Use off-highway vehicles within designated areas. A designated area will be a rural area that is not slated for development, as determined by the City.
 - Keep more than the maximum number of domestic pets. However, landowners are required to obtain licenses for their animals within one year from the annexation Order in Council, with fees waived for the first five years.
 - Residents will maintain their current development rights, with the exception of Confined Feeding Operations and Farm based Alcohol Beverage Production Facilities.
 - All businesses will be required to obtain a license within one year of the annexation, with fees waived for the first five.
 - Businesses for Vehicle for Hire will require a license within one year, with fees waived for the first five years.

Intermunicipal Compensation

[108] The City has agreed to pay the County \$3,200,000 within 30 days of the annexation order and make annual payments of \$530,000 on or before June 30 of each year from 2019 to 2028. The County agrees to pay the City all money in place of municipal reserves provided to the County in regard to the Crossroads ASP and all levies collected by the County to fund arterial roadways systems related to the Crossroads ASP. The City and the Town have agreed no compensation is necessary as there are no taxes generated by the annexed land.

PRELIMINARY HEARING

[109] Although the three municipalities were able to negotiate an agreement, objections from affected landowners and members of the public required the MGB to conduct a public hearing. Since there were over 1,000 affected landowners in the proposed annexation area and the number of participants from the public was unknown, the MGB determined it would be beneficial to conduct a preliminary hearing prior to considering the merits of the proposed annexation.

[110] The purpose of the April 25, 2018 preliminary hearing was to identify those persons wishing to make submissions about the proposed annexation at a merit hearing, determine the issues to be raised, establish a document exchange timeline, and schedule the merit hearing. Hearing notifications were published in the **La Nouvelle Beaumont News**, **The Leduc-Wetaskiwin County Market**, and the **Edmonton Journal**, the weeks of April 2, April 9, and April 16, 2018. Hearing notices were also published in **The Leduc Representative** the weeks of April 9 and April 16, 2018. Although not required by the *Act*, the MGB mailed over 1,000 notification letters to landowners in the annexation area. The contact information list supplied by the City was obtained from land title certificates. The list included landowners residing in the annexation area, landowners residing outside the annexation area, businesses that own land in the annexation area, and subsurface landowners that typically reside outside the annexation area. All hearing notices identified that hard copies of the City's annexation application were available for viewing

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by the public at all three municipal offices during normal business hours and identified municipal contacts to obtain more information.

[111] In response to the newspaper notifications, 41 people attended the preliminary hearing. After considering the oral and written submissions of all three municipalities as well as the oral submissions of seven individuals during the hearing, the MGB Decision Letter 028/18 scheduled two days for the merit hearing commencing June 12, 2018. The MGB also set an evening session for June 12, 2018 to receive oral submissions from affected landowners and members of the public unable to attend the proceedings during the day.

[112] The MGB found two days for the merit hearing would be sufficient, since the City had stated that it needed one day to complete its oral submissions and the Town and the County indicated their oral submissions would be brief. Despite publishing hearing notices in four newspapers circulating in the affected area and mailing over 1,000 hearing notifications letters, only 41 people attended the preliminary hearing. The seven oral submissions received by the MGB from affected landowners and the public during the preliminary hearing process identified a number of issues that provide context for the merit hearing; however, there was no evidence to suggest any of these parties would require a substantial amount of time to present their positions to the MGB.

[113] The MGB was mindful of the need for all parties to have the time needed to examine the annexation application and develop their submissions for the merit hearing. The City stated it would not be updating its documentation. The City's amended annexation application had been available for the public and affected landowners to view since March 8, 2018. Representatives from the City and the County also indicated they were available the week of June 11, 2018. Therefore, the MGB concluded that commencing the merit hearing on June 12, 2018 was reasonable.

MERIT HEARING

[114] The following section describes the pre-hearing process and summarizes the submissions received for the merit proceedings.

Pre-Hearing Process

[115] The MGB published merit hearing notices in the **La Nouvelle Beaumont News**, **The Leduc Representative**, **The Leduc-Wetaskiwin County Market**, and the **Edmonton Journal** the weeks of May 14, 21, and 28, 2018. In addition, on May 4, 2018, the MGB mailed hearing notification letters to all affected parties previously identified by the City as well as those individuals identified by the MGB during the preliminary hearing. Both types of notifications stated that written submissions from affected landowners or members of the public should be received by the MGB by 4:00 pm on Monday, June 4, 2018.

Summary of Merit Hearing Submissions

[116] The MGB received oral and written submissions for the merit hearing from affected landowners, members of the public, the City, the County, and the Town. A summary of positions identified by each of these parties is provided below.

Submissions by Affected Landowner/Public

[117] The written and oral submissions received from affected landowners and members of the public are summarized below.

R. Henschell, Ron's Taxi

[118] R. Henschell identified that he and his wife had lived in the proposed annexation area since 1966. He has driven taxi in Edmonton and has operated handicap busses for the City of Edmonton Disabled Adult Transit Service since 1972. He currently operates Ron's Taxi, a taxi business that has provided services in Leduc County, Beaumont, and the City of Leduc since 2010. His three radio dispatched and metered vehicles operate out of his home. Mr. Henschell explained that after the approval of the proposed annexation his business would no longer be viable as he will have to buy City Taxi Licenses for his vehicles to serve his client base that will be in the City.

[119] Although he has discussed this issue with the City, Mr. Henschell stated that the license purchase and ride share options being presented by the City are not acceptable. Mr. Henschell estimated the required City Taxi Licenses would cost about \$50,000 per vehicle. He emphasized that he would not be able to afford the Taxi License and the proposed annexation would seriously diminish the viability of Ron's Taxi. Moreover, he would no longer be able to service the renters that live in the two older houses on his farmyard, his neighbours across the road, and the hundreds of people who live in the annexed area. Mr. Henschell is familiar with Uber and other ride sharing services, but is not in favour of joining these types of firms as they are illegal outside of the City.

[120] Mr Henschell argues that the proposed annexation should not have a negative impact on the businesses operating in the area and is requesting compensation from the City. He is requesting the City either purchase Ron's Taxi or issue Ron's Taxi four City Taxi Licenses.

R. Dorn

[121] Correspondence from R. Dorn listed his concerns as school zones and school bus service, tax rate changes resulting from a building permit or the construction of a house, road maintenance and dust suppression, emergency services wait times, and additional service costs. Mr. Dorn did not attend the merit hearing to provide any additional information.

D. Snider, Avison Young Real Estate Alberta Inc.

[122] Mr. Snider is a Principal with Avison Young Commercial Real Estate with over 33 years of experience. He stated his family has farmed in the area for over 120 years and still owns property south of 41st Avenue. Mr. Snider is in favour of the proposed annexation; however, he requested that Figures 2 and

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3 of the SERA be removed, redacted or modified as they will have an unintended negative impact on the value of the land in the proposed annexation area.

[123] Mr. Snider acknowledges the SERA wetland identification is a preliminary analysis based on remote sensing data. However, he argues that the wetlands shown in Figures 2 and 3 of the SERA may not be accurate and could negatively affect the value of the land in the proposed annexation area. To support his belief, Mr. Snider stated that his family has owned land in the proposed annexation area for over 120 years. Although there are only one or two areas that are wet for a few days in the spring, the SERA has designated his 40-acre property as a potential Class III wetland. Wetland is typically taken by a municipality as environmental reserve (ER). He suggests well informed developers will use the SERA overstated wetland compensation estimates to negotiate reduced land prices with landowners. Mr. Snider requests Figures 2 and 3 of the SERA be removed, redacted, or modified so they do not influence future land values in the proposed annexation area.

P. Grewal, Vantage Point Law Office Representing 1325089 Alberta Ltd.

[124] P. Grewal with the Vantage Point Law Office identified that the company he represents, 1325089 Alberta Ltd., owns land in the proposed annexation area. He submitted that in the past, exponential growth caused by the boom in the oil and gas sector has caused a shortage of affordable housing, traffic problems, and high development costs. The City is to be commended for preparing for the next economic upswing. Mr. Grewal asserted the City will be able to use its capacity and resources to facilitate the development of these lands into a world class industrial/commercial hub. Mr. Grewal stated that his company supports the proposed annexation and requests the approval without any further delay.

G. Stewart-Palmer, Shores Jardine LLP, Representing Remington Development Corporation

[125] G. Stewart-Palmer, Shores Jardine LLP, identified that she represented Remington and that G. Lawrence would attend the merit hearing. Although the representatives from Remington did not make an oral submission during the merit hearing, documentation contained in the City's application identifies that the company supports the proposed annexation.

Capital Region Southwest Water Services Commission

[126] The Capital Region Southwest Water Services Commission (CRSWSC) provided an update to the MGB on its discussions with EPCOR. The CRSWSC has infrastructure in the proposed annexation area that is vital to supplying water to its member municipalities. The CRSWSC and EPCOR are exploring a number of options. Correspondence from the CRSWSC states that regardless of the option chosen by the two water suppliers, EPCOR will provide water for any growth in the proposed annexation area by 2020. The details are expected to be confirmed by a memorandum of understanding between the two companies that is expected to be drafted in the summer of 2018.

D. Hollands

[127] D. Hollands identified that he is one of the 26 members of the Black Mud Creek Water Coop Limited that will be annexed by the City. He expressed concerns that his taxes would increase due to the water supplier shifting from the CRSWSC to EPCOR.

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D. Hornbeck, Black Mud Water Coop Limited

[128] D. Hornbeck, President of the Black Mud Creek Water Coop Limited, expressed concerns about how the assessment and taxation transition provisions would be applied in the future given the Coops water supplier was the CRSWSC.

D. and M. Morris

[129] D. and M. Morris questioned whether they would still be able to farm in the same manner as they did when their land was located in the County and maintain their farm lifestyle after the proposed annexation. They explained they farm 160 acres and operate a 7.9-acre Recreational Vehicle Storage lot in the proposed annexation area. They indicated they cannot increase the size of their farm because land prices were so high and, like all farmers, are investigating other innovative options and income generating activities that will help them maintain their lifestyle.

[130] The concerns expressed by the Morris' include:

- Assessment and taxation protection – the possible loss of the 50-year assessment and taxation transition period for upgrades/changes to their farming operations or farm residence that would be allowed within the County. The Morris' also questioned why they could not receive the same assessment and taxation transition provisions as Remington.
- Assessment methodology – how farm residences and buildings are to be assessed and the information requirements that need to be provided to verify the land is being used for agricultural purposes.
- Home based businesses – licensing requirements and costs, whether a home based business will trigger the loss of the assessment and taxation transition provisions, and the ability to start other business opportunities on their land without the loss of the assessment and taxation protection.
- Ongoing farming operations and rural lifestyle – noise, smells, licensing of animals, pest control (protection of livestock).
- Future development – how to provide input to development plans for lands adjacent to their property.

[131] The Morris' contend the annexation will have an extreme impact on their farming operation and want assurances the City will address their concerns.

P. Dhaliwal

[132] Correspondence from P. Dhaliwal identified that he is one of owners of a property in the proposed annexation area. On behalf of the shareholders, Mr. Dhaliwal confirmed support for the proposed annexation.

Alberta Transportation

[133] Correspondence from Alberta Transportation states that it has no objections to the proposed annexation.

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J. Hiebert Representing B. Hiebert and Family

[134] J. Hiebert reported that her family owns approximately four acres of land adjacent to the City. She indicated that during the consultation process, the City seemed more interested in marketing the annexation rather than addressing the concerns of landowners or obtaining feedback. Moreover, she stated her family was not notified of the MGB hearing.

[135] During her oral presentation, Ms. Hiebert identified concerns about:

- Assessment and tax increases – changes caused by different assessment methodologies and/or improper assessment as well as the impact of expropriation.
- Waste disposal – cost increases for waste disposal, unsuitable collection methodology, and inability to use the Looma Transfer Station or the Leduc & District Regional Waste Management facility at no cost.
- Insurance cost increases – higher home insurance premiums caused by insurance companies applying urban rather than the rural rates to a property as well as the City’s inability to guarantee a minimum water supply for fighting fires.
- Pet license requirements – cats and dogs are needed as they contribute to the safety of the property and keep rodent population down.
- Civic address change – caused by the municipality change.
- Country lifestyle – inability of City to understand country terminology and issues, the loss of other rural services (ditch cleaning), and ability to continue to access County workshops.

[136] In conclusion, Ms. Hiebert stated that she understands change is inevitable. However, her family would like to live on their property as long as possible and minimize future costs. In particular, she would like to opt out of the City’s waste collection program and be allowed to take garbage to the Leduc and District Regional Waste Management Facility without any cost.

City Submission

[137] During the merit hearing, City consultants and staff provided an overview of its annexation application. As a summary of the application has been provided earlier in this report, this section will focus on the City’s written and oral responses to the issues raised by the affected landowners during the merit proceedings.

Response to Mr. Henschell

[138] The written response from City identified the two options for the taxi licensing issue identified by Mr. Henschell were either to operate as a ride share company or remain a taxi service by purchasing plates available on the open market. If Mr. Henschell purchases the taxi plates, the City will waive the operating and application fees for five years. The City highlighted that the Vehicle for Hire Bylaw limits the number of licenses and stated that the City is not prepared to make an exception.

[139] In its oral response during the merit hearing the City identified a third option. Ron’s Taxi could investigate operating as a Private Transportation Provider (PTP). PTP vehicles look like vehicles that

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anyone can own and operate. However, they do not have a toplight, meter, or use the words "taxi", "cab", or "taxicab" on vehicle advertising. Rides must be pre-arranged and vehicles cannot be hailed from the street. PTP vehicle licenses are \$408 per year. The City would still agree to waive the annual operating fees for 5 years. The City concluded that this option may allow the company to continue to serve its existing client base in the annexation area.

Response to R. Dorn

[140] The oral submission from the City during the merit hearing identified that school bus service is the responsibility of the school boards and beyond the authority of the City. It was explained that the 50-year assessment and tax transition will not be triggered unless the landowner applies for a major development permit. The City inspections and standards are used for road maintenance and dust control. Dust control may increase, depending on traffic frequency levels. The City will use the same emergency service time standards in the annexation area as in the rest of the municipality. Since the City uses professional emergency service responders, the response time may be shorter than in the County. In conclusion, the City explained that it is difficult to call the City garbage collection fee a new fee. While County residents are not charged a separate fee for garbage collection, they actually pay for this service as part of their property taxes.

Response to D. Snider

[141] The City stated that the EIA provides information required for the City's application, so it would be inappropriate to redact the maps identified by Mr. Snider. The City stressed that the report clearly states it has been conducted at a high level for the purpose of the annexation application and further surveys would be needed at the area structure plan phase.

Response to D. Hornbeck and D. Hollands

[142] The written response submission from the City confirmed that the Black Mud Creek Water Coop Limited members will not lose the assessment and taxation transition provisions if taken over by EPCOR. However, this tax protection will end if a Coop member initiates any of the other triggers or if the Coop as a whole agrees to make a new connection to municipal water and sewer.

Response to D. and M. Morris

[143] During its oral presentation, the City informed the MGB that it is still working with D. and M. Morris. A summary of the City's written and oral response are provided below.

- Assessment and tax protection – annexation provisions will allow the land to be taxed at the lower of the City or County municipal tax rate. Currently, the municipal agricultural tax rate in the City is 46% less than in the County. The tax protection will continue unless the landowner initiates one of the triggers.
- Assessment methodology – farm buildings and residences will continue to receive the same exemptions as in the County. New construction and exterior alterations to residential and agricultural buildings would not trigger the loss of the assessment and tax provisions.
- Home based businesses – home based businesses will not trigger the loss of the assessment and tax protection, but could cause a farm building to be taxed as commercial use. The cost of home based business licenses generally range from \$125 to \$316. Farming operations do

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not require business licenses, but licenses are required for “farm gate” sales. However, the City will waive business license fees for five years.

- Rural lifestyle – the City does have a firearms bylaw, but the discharging of firearms within any city in Canada is under federal legislation beyond the scope of an annexation. Animal Control officers can help remove pests. With regard to farming operations, all Municipal Bylaw Officers are sensitive to rural and urban context when responding to nuisance (for example smell and noise) related complaints. The *Agricultural Operations Practices Act* and Regulations provide a framework for resolving noise related issues. The City also understands cats and dogs are used for a number of purposes in an agricultural setting and has waived the licensing fee for five years as well as reduced the maximum number of animals allowed on an agricultural parcel.
- Development – after the approval of the annexation, the City will update its MDP. This process will provide opportunities for public engagement. The ASP process also gives landowners the opportunity to provide feedback for more detailed planning.

Response to J. Hiebert

[144] The City stated it undertook an extensive public consultation process. Between 2013 and 2018, the City conducted ten open houses, six landowner meetings, and provided numerous other forums for public input. Moreover, the City is still updating its website information.

[145] With regard to the other concerns, the City explained:

- The lands in the proposed annexation area will be afforded a 50-year assessment and taxation protection period, unless the landowner initiated one of the triggering activities. Expropriation would not trigger the loss of the protection.
- The City charges \$45.00 for waste collection. These fees are not charged by the County because they are included as part of their municipal taxes. During the transition, agricultural parcels that are not primarily residential have the option to opt out of waste collection. The City is also working with the Leduc Regional Waste Facility to allow landowners access to County solid waste facilities. Even if no agreement is reached, landowners will be able to access the transfer/waste management facilities for a fee.
- The cost of insurance is a matter landowners need to discuss with their agents. It was emphasized that the City will be providing water trucks to service the annexation areas, similar to the County. The City also has a full-time fire department and can provide better protection.
- The City understands cats and dogs are used for a number of purposes in an agricultural setting. Dog and cat licensing fees have been waived for five years and there are no maximum number of animals allowed on an agricultural parcel.
- The City contains a mix of rural and urban lands and has been working to ensure its personnel understand both rural and urban terminology. It is also working with its personnel to help them gain a better understanding of the rural perspective. The City is negotiating an agricultural services agreement with the County, which may include ditch maintenance.

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During the hearing it was also identified that non-residents can attend County sponsored education workshops if the course is not full.

Other

[146] The MGB was informed that EPCOR has the water franchise for the City. No further action is required by the City as the CRSWSC and EPCOR are in discussions about the provision of water in the proposed annexation area.

[147] The City appreciates the support for the proposed annexation from Alberta Transportation and those clients represented by Ms. Stewart-Palmer as well as the clients represented by Mr. Grewal.

[148] In response to clarification questions about the assessment and taxation transition triggers from the MGB Panel, the City explained that the Major Development permit would be defined as a development permit for any of the following discretionary uses per section 9.1.3 of the County LUB, cultural facility, education service, local community facility, indoor recreation, religious assembly, and major utility service.

County Submission

[149] During the public hearing, the County confirmed its support for the City's annexation application. The annexation process has helped intermunicipal planning and collaboration in the region. In the future, this annexation may assist the municipalities with the development of an intermunicipal development plan.

[150] The County noted that during its negotiations with the City, the two municipalities collaborated on transitional issues such as future service provision, landowner impacts, wildlife mitigation, and compensation. During its oral presentation, the County emphasized the need for the annexation conditions to provide certainty and comfort for the landowners.

[151] Subsequent to the hearing, the County informed the MGB that it has not received any money in place of municipal reserves or levies to fund the arterial roadway system related to the Crossroads ASP. In response, the City communicated that it does not oppose the removal of these items from the compensation agreement.

Town Submission

[152] The Town confirmed that it supports the annexation requested by the City. The Town looks forward to working on the Intermunicipal Planning Framework.

MGB RECOMMENDATION

[153] The MGB recommends the approval of the annexation area listed in Schedule 1 and the assessment and taxation provisions as stipulated beginning on page 1 of this Board Order. The recommended effective date for the annexation is January 1, 2019.

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REASONS

[154] When making an annexation recommendation, the MGB considers the oral and written submissions of the parties as well as the annexation principles established by MGB Board Order 123/06. To reduce repetition, the party positions and MGB annexation principles will be combined and addressed under the following broad headings: intermunicipal collaboration, consultation, planning, financial matters, and transitional issues.

Intermunicipal Collaboration

[155] The MGB finds the three intermunicipal agreements negotiated by the municipalities during the annexation process demonstrated a significant level of intermunicipal collaboration.

[156] Although the City and the County do not have an Intermunicipal Development Plan (IDP), the Framework for Agreement and the Annexation Agreement clearly show a high level of collaboration between these two municipalities. The *Framework for Agreement* identified that both municipalities were interested in promoting the success of the EIA, maintaining the economic sustainability of their municipality, and seeking predictable growth. Adjustments made by the City to its originally proposed annexation area combined with a commitment to joint planning in the transportation corridors will facilitate development and increase infrastructure efficiency for both municipalities as well as the EIA. By agreeing to remove of the lands to the north of Nisku from the annexation area originally proposed, the City accommodates future development opportunities for the County and may attract smaller complementary businesses to the City. The exclusion of the area lying west of the EIA and south of Highway 19 leaves the City with a stable land base for predictable growth and facilitates the desire of both municipalities to protect agricultural land. Moreover, the dispute resolution process contained in the Annexation Agreement provides a method for the municipalities to resolve any future conflicts in a non-adversarial manner.

[157] The IPFA demonstrates intermunicipal cooperation between the City, the County and the Town. A commitment by the three municipalities to discuss joint planning initiatives will provide certainty for future development in the east annexation area. In recognition of this commitment, the City removed the nine quarter sections within the Town from its annexation request, the Town withdrew its objection to the proposed annexation, and the County agreed with the annexation area change.

[158] The Accord establishes the collaboration between the City, the County, the ERAA, and the City of Leduc. All four entities acknowledge the importance of the EIA to the economy of the region. Commitments to joint planning can reduce infrastructure duplication and may lead to future cost and revenue sharing opportunities. The Accord will also allow each entity to leverage their strengths. The signing of this Accord provided the additional input needed for the City and the County to complete their Annexation Agreement.

Consultation

[159] The MGB accepts the consultation process used by the City was inclusive and open. The City's social media, website information, and e-mails allowed affected landowners and members of the public to

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obtain updated information about the annexation. The City distributed newsletters, placed advertisements in local newspapers, conducted media interviews, and responded to letters to connect with people who may not wish to use electronic communications. Ten open houses and numerous one-on-one discussions with landowners provided opportunities for face-to-face interactions between City personnel and interested parties. In addition to the communication activities of the City, the County conducted ten open houses and distributed written material to inform interested parties about the proposed annexation.

[160] A landowner in the east annexation area asserted that the consultation process was flawed in that the City used the public meetings to market the annexation rather than genuinely listen to landowner feedback and resolve concerns. She stressed that despite attending multiple open houses and providing input, the City did not change its proposal. Moreover, she asserted that the City did not read her correspondence or provide answers to all her questions. During its oral presentation, the City submitted a letter it sent to the landowner during its consultation process. The letter does attempt to address her issues and explain that some of the concerns are beyond the control of the City and outside the scope of an annexation. The MGB understands that the inability of two parties to come to an agreement does not necessarily mean that the parties were not listening or that they were not willing to address concerns. The MGB does not consider the lack of consensus shows the City's public consultation process was faulty.

[161] The landowner also expressed concerns that she was not properly notified of the annexation merit hearing. The *Act* states an annexation notice of hearing must be published at least once a week for two consecutive weeks in a newspaper circulating in the affected area. The MGB exceeded this requirement by publishing hearing notifications in four local newspapers for three consecutive weeks prior to the start of the merit hearing. Although not required by the *Act*, the MGB also used the contact information provided by the City to distribute merit hearing notification letters to landowners. Both the newspaper and letter notifications specified that people wishing to make oral and/or written submissions should register with the MGB by June 4, 2018. The MGB recognizes that despite its best efforts the landowner did not receive a hearing notification letter; fortunately, she was able to attend the hearing. To ensure the annexation process was open and inclusive, the MGB accepted her oral and written submissions during the merit hearing and allowed the City, the County, and the Town to present a response during the proceeding.

Planning

[162] The MGB accepts the City has addressed the land use planning issues related to this annexation. The issues considered by the MGB include statutory/non-statutory plan compliance, area/location, municipal servicing, and environmental conditions.

Statutory/Non-Statutory Plan Compliance

[163] This annexation complies with a number of municipal and regional land-use planning documents. The annexation area is within growth area specified by the EMRGP, which has policies to promote efficient and effective development within the proposed annexation area and the Edmonton region. The City Zoning Bylaw and the County MDP recognize the need for urban growth and allow the municipalities to consider an annexation to the south of the City. Although not statutory plans, the City and the County LUBs will guide any future development in the proposed annexation area.

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[164] During the proceedings, the MGB received a concern about future development in the annexation area. The MGB notes that section 135(1)(d) of the *Act* identifies that all bylaws and resolutions of the County and the Town that apply specifically to the annexation area continue to apply until repealed by the City. The MGB understands the Town does not have any land related bylaws that are specific to 50th Street. In the County, the existing land uses and area structure plans will not arbitrarily change as a result of the land shifting from the County to the City. The consultation process required by the *Act* for amendments to an existing ASP or the City's MDP and Zoning Bylaw for future development will give landowners and the public an opportunity to express their opinions about any potential development adjacent to their property.

Area/Location

[165] The MGB understands the size and location of the annexation area requested by the City was influenced by the various agreements. To determine whether the annexation is appropriate, the MGB considered population projections, annexation area, existing vacant land, density levels, and time horizon.

[166] The Growth Study's assertion that the City's population will grow from 932,500 in 2016 to about 2,167,700 in 2066 is reasonable. This projection extends the population figures accepted by the EMRGP by using updated census information and applying demographic trends that are specific to the City. The Growth Study also identified that, based development information gathered by the City, 59% of this new growth will locate south of the North Saskatchewan River. As the geographical information was based on actual development and there was no argument from the Town or the County, the MGB will accept this geographical population ratio allocation.

[167] In 2016, the Growth Study recommended the City should annex about 15,700 gross hectares (38,795 gross acres). This amount of land may have been practical at that time given that the County, the City of Leduc, the EIA, and the Town were expected to object to the proposed annexation. The City may have wanted the expanded annexation area to protect its future growth corridor and/or mitigate the cost of incremental annexation proceedings in the future. However, the Annexation Agreement, the Accord, and the IPFA helped resolve the differences between the parties and allowed the City to reduce its proposed annexation area to 8,267 gross hectares (20,428 gross acres). The GIS information used by the Growth Study to identify development constraints such as non-developable land (natural areas, pipelines, powerlines, arterial roads) and non-residential areas (parks, schools, stormwater management, transportation networks) is acceptable for the purposes of this annexation. Therefore, the MGB accepts the annexation area will supply 2,125 net hectares (5,251 net acres) of developable residential and commercial land and 1,870 net hectares (4,621 net acres) of developable industrial land.

[168] In regard to the location of the lands being requested, the MGB finds the west annexation area to be reasonable. Highway 2, Highway 19, and the North Saskatchewan River are logical boundaries. The east annexation area is somewhat irregular in that the south boundary of the annexation area does not extend east to Highway 2. However, the MGB gives considerable weight to annexations that demonstrate intermunicipal cooperation. Given the efforts made by the parties to develop the Annexation Agreement, the IPFA, and the Accord, the MGB accepts the location of the annexation lands requested by the City.

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[169] The Growth Study's estimates of vacant developable land within the City lying south of the North Saskatchewan River are reasonable. The use of residential units projections identifies the net amount of land available for development and eliminates lands that have constraints (ER, public use, etc.) or units that have already been constructed. The Growth Study's estimates of existing vacant industrial land are the actual vacant lands. The MGB also finds the 10% adjustment for redesignation to other uses is reasonable as it is similar to the amount used by other municipalities.

[170] City infill policies combined with EMRGP density targets reflect a desire by the City, the region and the Province to decrease the urban footprint. By manipulating unit types, the Growth Plan has identified the mix of residential unit types needed in each of the three density zones to achieve the EMRGP targets. The number of people per unit is a function of expected unit type demand and changing demographics. The number of people per unit type used by the Growth Study is the same as that suggested by the City for new development – LDR unit is 2.8 P/U, MDR-A unit is 1.5 P/U, MDR-R unit is 2.8 P/U, and HDR unit is 1.5 P/U. The use of this information to estimate future population in the vacant areas existing within the City as well as the annexation area is logical.

[171] Given the annexation area, the Growth Study predicts the annexation area will provide the City with enough land to accommodate about 35 years growth for most types of residential units and about 25 years of industrial development. Both these time horizons are consistent with most annexations recommended by the MGB where the municipalities have been able to negotiate an agreement. Therefore, the MGB concludes the smaller annexation area and the resulting shorter time horizon requested by the City is reasonable.

Municipal Servicing

[172] The MGB accepts the high level, conceptual analysis of municipal services and is convinced the City can provide the required wastewater, water, stormwater, and transportation infrastructure to the annexation area.

[173] Wastewater services in the annexation area will connect to the existing SESS system. The City acknowledges that upgrades will be needed to the existing SESS lines as new development in the annexation area comes on line. The suggested phased approach is reasonable in that it can extend infrastructure costs over a longer period. This may allow the City to access grants or access other funding sources prior to the start of each phase to offset upgrade costs.

[174] City water services are provided by EPCOR. In the short term it is expected that water distribution lines can be extended from existing water reservoirs in South Edmonton to serve new development in the annexation area. It is understandable that as development in the annexation area extends further south, additional distribution lines and reservoirs will need to be constructed. Again, the phased approach may help the City access additional grants and/or other funding sources to offset infrastructure costs.

[175] In the west annexation area, stormwater outfall will be to the North Saskatchewan River, the Whitemud Creek and the Black Mud Creek. In accordance with City and Provincial policies, outfall flows will be kept at pre-development levels by using attenuation systems. Minimal improvements will be

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required to these watercourses. The stormwater outfall for the east annexation area is Irvine Creek and Clearwater Creek. A regional solution may be needed to mitigate erosion issues for Irvine Creek. Given the drainage issue involves a number of municipalities, joint planning and funding may be appropriate to offset these costs.

[176] The MGB accepts the City will be able to extend its transportation system into the annexation area. City transportation policies combined with the City's ongoing positive working relationship with Alberta Transportation can be used to ensure the safety of the traveling public.

Environmental Conditions

[177] The SERA clearly demonstrates the City is sensitive to key environmental features. The use of GIS provided the preliminary identification of wetlands and other natural features of local, regional, and provincial significance. The SERA also identified that the City has stricter setback policies than the Province. The maps contained within the SERA identify environmentally sensitive lands that may need to be considered for protection during development of the proposed annexation area. The MGB also accepts the SERA is limited and that a site specific analysis will need to be completed at the ASP stage to determine the actual amount of ER that should be taken by the City or Province.

[178] During the merit proceedings a landowner disagreed with the findings of the SERA and requested the removal, redaction, or modification of SERA Figures 2 and 3. He argued that his property is not wetland as identified by the maps in Figures 2 and 3 and stated that publication of these maps would place landowners wanting to sell their land at a disadvantage.

[179] Given her qualifications and experience with environmental assessments, the MGB accepts Figures 2 and 3 of SERA as delineated by Dr. Patriquin to show environmentally sensitive lands in the annexation area at a high level. Since the empirical sources used to produce these maps, GIS mapping and previous environmental studies, are available to the public, the MGB concludes the analysis conducted by the SERA could be replicated. The MGB understands the landowner has more site specific information that could be used as part of a more detailed study prior to development; however, the MGB cannot consider the SERA information to be incorrect or confidential. Moreover, the SERA clearly identifies that the analysis is limited and that an on-site analysis will need to be conducted to determine exact wetland areas and ER requirements for a particular property. Therefore, the MGB does not recommend the removal, redaction, or modification of Figures 2 and 3.

Financial Matters

[180] Financial matters include fiscal impact assessment, assessment and taxation transition provisions, effective date, and intermunicipal compensation.

Fiscal Impact Assessment

[181] The MGB accepts that the annexation will have minimal impact on the City, the County, the Town, and the affected landowners.

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[182] The FIA identifies that the annexation allow the City to grow by 12%, but will cause an insignificant increase to its population (0.1%) and assessment base (0.1%). City municipal tax rates are expected to grow slightly in 2019 to accommodate the \$3,200,000 the City agreed to pay the County for compensation in the first year. The annual compensation payments of \$530,000 for the next 10 years should not cause any significant impacts to the City's financial position. In the long term, City tax rates are expected to decline as the annexation area develops. Although there is a short term increase, the MGB accepts the financial impact on the City will be minimal.

[183] The annexation will decrease the size of the County by 2% and reduce its current population by 5%. The FIA states that the net \$400,000 decline in County municipal revenue will be offset by the \$530,000 annual compensation payments it will receive from the City for ten years. In the long term the FIA expects the financial impact of this annexation to the County will be negligible. Therefore, the MGB concludes the annexation will not have a substantial impact on the financial viability of the County.

[184] The only area to be annexed from the Town is 50th Street. As the road is not taxed, the Town will not lose any municipal tax revenue or decrease its population. However, the MGB accepts the FIA statement that the Town will benefit from the annexation by about \$60,000 per year due to decreased road maintenance and operational expenditures.

[185] Agricultural landowners in the annexation area are expected to benefit from the annexation as the farmland municipal tax rate in the City is about 50% less than that of the County. The 50-year assessment and taxation transition period should nullify any municipal tax impacts to existing non-farming properties. The FIA and Annexation Agreement only addresses the municipal portion of the tax bill and does not consider levies for things like the Alberta School Foundation Fund (ASFF), which the municipalities do not control. However, in 2017 the ASFF mil rate for the City was 2.4550 and for the County was 2.5000. As both mil rates are similar, the MGB concludes that any tax change caused by requisitions from the ASFF or other entities will be minimal.

Annexation Taxation Provisions

[186] The annexation transition provisions address the transition period, the subject to removal conditions/triggering events, assessment methodology, designated industrial property, Discovery lands, and effective date.

Transition Period

[187] The municipalities agreed the properties, excluding designated industrial properties, in the annexation area would be assessed and taxed as if they were in the County for 50 years. The MGB notes that the annexation planning time horizons for residential and industrial lands are about 35 and 25 years respectively. Annexations that provide a municipality with enough land for 35 years of growth are generally only granted a 5 to 15 year assessment and taxation transition period. MGB Annexation Bulletin No. 1-2005 states that "timelines greater than 15 years would require significant rationale". However, the MGB does give considerable weight to intermunicipal collaboration. In this case, the MGB will accept the 50-year transition period as this is part of the Annexation Agreement reached by the three municipalities and was communicated by the City and the County to the affected landowners as part of their public consultation

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processes. Moreover, the MGB was convinced the extended transition period will not financially impact the operations of the City or adversely affect the taxes of its existing residents.

[188] The consultation process undertaken by the City involved the utility providers and owners of sub-surface rights within the annexation area. No submissions were received regarding the exclusion of the linear property from the assessment and taxation transition provisions from either of these groups. The MGB observes that changes to the *Act* have incorporated railways within the category of linear property. The MGB does not anticipate this change will have a material impact on either taxpayers or the municipality. Therefore, the MGB accepts the City's suggestion that linear properties not be afforded any assessment and tax protection period.

Subject to Removal Conditions/Triggering Events

[189] The MGB finds it is reasonable that the assessment and taxation transition period should end if, at the request of or on behalf of a landowner, the land

- is subdivided.
- is redesignated under the City Zoning Bylaw.
- connects to City water or wastewater services, or
- receives a development permit for a cultural facility, education service, local community facility, indoor recreation, religious assembly or major utility services in accordance with the County LUB.

[190] The MGB understands that things such as expropriations or road widening may cause the subdivision of a property or that a property may be redesignated as part of the ASP planning process for adjacent land development. A landowner may also be requested by a municipality to connect to water or wastewater services in order to ensure the proper operation of the distribution system. As these activities are beyond the control of the landowner, the premature termination of the assessment and taxation transition period would be inequitable. However, a landowner that initiates a subdivision, the redesignation of the property, or the connection to municipal services must obtain approval from the City. Since these processes can be time consuming and costly, it is reasonable to expect the landowner would have weighed the benefits associated with the requested change with the loss of the assessment and taxation transition period in advance of filing the necessary documentation. These types of subject to removal conditions or triggering events are typical. The MGB does not normally recommend the loss of the tax protection if a development permit is issued. However, in this case, the development permit triggers suggested by the City contemplate larger scale projects that may require substantial municipal infrastructure support from the City. Given the complex nature of these types of developments, the MGB accepts the permit triggering condition requested by the City.

[191] The MGB notes that while its recommended Order in Council (OC) does not contain all the phrases requested by the City, the OC provisions do achieve the intent of the Annexation Agreement Conditions of Annexation provided by the City during the merit hearing. Of note is the Conditions of Annexation clause specifying the continuation assessment exemptions for farm residences and farm buildings as if they had remained in the jurisdiction where they were situated prior to the annexation. While this wording may provide greater clarification for the Annexation Agreement, it is redundant as the OC stipulates that all land

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in the annexation area, except linear, and the assessable improvements to it must be assessed by the City as if it had remained in the County.

[192] The Conditions of Annexation clause in the Annexation Agreement regarding the transfer of Crossroads ASP municipal reserve funds from the County to the City is not required. Information from the County identifies that it has not received any money in place of municipal reserves for the Crossroads ASP. Both the City and the County have agreed the OC does not need to contain this provision. Also, the Conditions of Annexation clause regarding the continuation of the tax protection after the construction of a single family residence, secondary suite, farm residence, farm building, or farm accessory building is not necessary. The development permit clarification provided by the City during the merit proceedings identifies the specific discretionary use development permits that would cause the loss of tax protection. The identification of exempt development permit types may cause confusion as to whether tax protection is to be removed if the City issues development permits for other types of construction not contemplated by the OC.

Assessment Methodology

[193] During the proceedings two landowners expressed concerns the City would change the assessment methodology, which would increase their taxes or cause additional reporting requirements. The *Act* identifies that an assessor must apply property valuations in a fair and equitable manner and that an assessor can request the information necessary from a landowner to accomplish this duty. The *Act* also requires an assessor to comply with the standards set out the regulations and to follow the procedures specified by the regulations. The Province also conducts audits to ensure assessments meet the regulated quality standards. The MGB has no authority to direct how an assessor determines the fair and equitable value of a property. However, if the assessment methodology is changed a landowner does have the ability to file an appeal with the appropriate assessment review board to ascertain if the methodology does produce the correct value. The MGB notes that while the assessment methodology for agricultural land may increase the amount of paperwork for farmers, this should be offset by the 50% decrease in the municipal tax rate for farmland applied by the City.

Discovery Lands

[194] The MGB accepts the 25-year assessment and taxation transition provisions suggested by the City for the Discovery Lands. The MGB understands the Discovery Lands are part of the Crossroads ASP and that the County has been working with Remington for the past ten years on this development. A considerable amount of planning has already been undertaken and the company has made substantial commitments to oversize infrastructure that will facilitate new development in the remainder of the Crossroads ASP far earlier than expected. In recognition of the additional work and expenditures already undertaken by Remington, the MGB finds the 25-year assessment and taxation transition period to be reasonable. The MGB also understands that since the transition period for Remington has been reduced and the planning phase of this development is now being implemented, the agreement between Remington, the City, and the County to exclude any conditions that would remove the assessment and taxation conditions is reasonable. As no other landowner showed the level of planning and monetary commitment exhibited by Remington, the MGB does not find it would be appropriate to extend similar assessment and taxation provisions to any other property in the annexation area.

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Effective Date

[195] The MGB recommends an effective date of January 1, 2019, as requested by the City and agreed to by the County and the Town. The MGB finds this timeframe should provide enough time for the municipalities to exchange the required documents and prepare for the transfer of the lands between jurisdiction. Moreover, the January 1, 2019 effective date will create a smooth transition period for the affected landowners.

Intermunicipal Compensation

[196] Given the size of the proposed annexation, the MGB accepts the intermunicipal compensation agreement between the City and the County. In accordance with the Annexation Agreement, the MGB recommends the following:

- The City of Edmonton shall pay to Leduc County the sum of three million, two hundred thousand dollars (\$3,200,000) not later than 30 days after:
 - (a) the date this Order in Council is made by the Lieutenant Governor in Council, or
 - (b) the effective date,

whichever is later.

- In addition the City shall pay the County
 - (a) five hundred and thirty thousand dollars (\$530,000) on or before June 30, 2019,
 - (b) five hundred and thirty thousand dollars (\$530,000) on or before June 30, 2020,
 - (c) five hundred and thirty thousand dollars (\$530,000) on or before June 30, 2021,
 - (d) five hundred and thirty thousand dollars (\$530,000) on or before June 30, 2022,
 - (e) five hundred and thirty thousand dollars (\$530,000) on or before June 30, 2023,
 - (f) five hundred and thirty thousand dollars (\$530,000) on or before June 30, 2024,
 - (g) five hundred and thirty thousand dollars (\$530,000) on or before June 30, 2025,
 - (h) five hundred and thirty thousand dollars (\$530,000) on or before June 30, 2026,
 - (i) five hundred and thirty thousand dollars (\$530,000) on or before June 30, 2027, and
 - (j) five hundred and thirty thousand dollars (\$530,000) on or before June 30, 2028.

[197] The MGB understands the amount of land to be annexed from the Town is minimal (7 hectares/17 acres). Therefore, the MGB accepts there is to be no intermunicipal compensation to be paid by the City to the Town.

Transitional Issues

[198] The MGB is satisfied the City is attempting to mitigate the annexation related bylaw and lifestyle issues identified by the affected landowners in a manner that will allow a smoother transition to their new jurisdiction.

Bylaws

[199] During the proceedings the MGB heard bylaw related concerns related to taxi service, business licenses, animal control, and farming operations.

Taxi Service

[200] The MGB understands the City and Mr. Henschell could not come to an agreement with regard to taxi service issue. Mr. Henschell argues that the annexation will impact the viability of his business and prevent him from servicing his existing clients. His solutions are for the City to give him three taxi licenses or to purchase his business.

[201] With regard to the business viability interest, the MGB was provided with no financial or statistical information from Mr. Henschell. However, he did identify that the operating area for his business included the County, the Town, and the City of Leduc. To gain an appreciation of the issue, the MGB considered the scope of the annexation in terms of target market. Population figures provided by the Annexation Application for the Town and the County as well as information from the Alberta Municipal Affairs website for the City of Leduc identifies that the combined population of these three municipalities in 2016 was 61,674 (City of Leduc – 30,498, County – 13,780, and Town – 17,396). The FIA identified the annexation will reduce the population of the County by 5% or by 688 people. This is reasonable as the annexation area is predominantly agricultural land where population density is relatively low. Using the municipal census information the MGB calculates the decline in the target market population caused by the annexation is 1.1%. Assuming the business only serves half the County and decreasing the County population by 50% (6,890), the target market decrease for this business is still less than 1.3%. Although the annexation area is quite large, the resulting target market reduction is at best minimal. Moreover, the MGB heard no evidence from Mr. Henschell to conclude he could not shift his business model, as suggested by the City, to continue to operate in his traditional target market areas (the Town, the County, and the City of Leduc) after the annexation or that his fees in any of these three municipalities would increase. Furthermore, it is beyond the usual scope of an annexation order to require a municipality to issue taxi licenses or to broker a deal between a municipality and a third party.

[202] Mr. Henschell also expressed an interest in continuing to serve his existing clients. The MGB recognizes Mr. Henschell does not want to operate as an Uber and believes it is unrealistic for him to purchase a taxi license. However, during the merit hearing the City identified the option of operating as a PTP. The MGB understands this option may require Mr. Henschell to rebrand his vehicles and operate in a slightly different manner. However, this option may allow him to continue to serve his existing clients.

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Business Licenses

[203] The MGB finds the City's commitment to waive business licenses in the annexation area for five years to be reasonable. During the proceedings, the City identified that business licenses are not required for farming operations and that home based business licenses generally range from \$125 to \$316. The MGB accepts that even after the 5-year exemption period, the business license fee should not be a significant impediment to a small business or home based business. Moreover, the 5-year exemption should give business owners time to adjust their budgets.

Pets

[204] The City has acknowledged that pets are also working animals on a farm. To support this, the City has proposed to eliminate the ceiling on the number of animals on farms in the annexation area. The 5-year transition period is reasonable given the amount of development expected in the annexation area. The MGB finds this measure is reasonable as it will provide people with a period of adjustment. The reimbursement of dog and cat license fees for lost or deceased animals is a local matter and is beyond the scope of an annexation.

Farm Operation Conflicts

[205] Although there may be a period of adjustment, the MGB is satisfied that efforts are being taken to mitigate impact of the annexation on existing farming operations. Both municipalities have expressed a desire to facilitate agricultural operations. However, development pressures have increased the amount of urban style development south of the City. Even in the County, conflicts may arise between existing agricultural operations and new urban residential areas in terms of noise, odour, and hours of operation. Regardless of which jurisdiction the land is in, it is the standard practice of most personnel responding to complaints to consider the context of any nuisance bylaw complaint (e.g. smell, noise or other nuisances) in relation to agricultural operations. Moreover, the *Agricultural Operations Practices Act* and Regulations provide a framework for resolving noise related issues.

[206] The MGB understands that City bylaws prohibit the use of firearms within its boundary. To mitigate the inconvenience to the landowners in the annexation area, City bylaw officers will provide traps to capture pest and predatory animals. Although the use of animal traps may not be optimal, it is a reasonable alternative. Given the rate of urban style development in the annexation area as well as the rest of the County, the use of firearms may not be allowed by the *Wildlife Act*, which prohibits the discharge of a firearm within 200 yards of a house. The issue of compensation for animals killed by predators is beyond the scope of an annexation.

Lifestyle

[207] Lifestyle issues identified during the proceedings included waste disposal, communications, and municipal services.

Waste Disposal

[208] The MGB accepts the City is attempting to address the waste disposal issues identified by affected landowners. Subject to fire bans, the City will allow the continued use of burning barrels for a five-year transition period. The MGB also understands that the City will offer agricultural properties that are not

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primarily residential the opportunity to opt out of City solid waste collection for five years. Moreover, the City is working with the Leduc and District Regional Waste Management Authority to enable farmland properties to have access to these solid waste facilities at the same rates as County residents for a five year transition period.

Communications

[209] The MGB understands there are differences between rural and urban lifestyles and priorities. However, the City has other agricultural lands within its boundary. The MGB accepts the City will use training to assist its personnel to understand urban/rural issues, improve communications with landowners, and comprehend rural priorities.

Civic Addressing

[210] As development in the annexation area happens, it is reasonable to expect that City civic address policies will be used for new developments in the annexation area and expanded to existing residences for consistency. It is also possible that parts of the annexation area may require address changes to accommodate the GIS used by emergency services. Moreover, Canada Post may decide at some time in the future to implement a new addressing system. As these are local issues that may be required some time in the future, involvement in civic addressing is beyond the scope of an annexation.

Insurance

[211] With regard to the possibility that an address change may increase personal and auto insurance rates, the rates charged by a third party provider are outside the control of a municipality and beyond the scope of an annexation recommendation.

Municipal Services

[212] The MGB was convinced the City can provide road maintenance, dust control, ditch cleaning, weed control, and emergency services to the annexation area. City transportation maintenance standards will be applied in the annexation area and traffic flow assessments may actually result in more dust suppression being applied to some of the roads in the annexation area. The City can undertake ditch cleaning, and like any other municipality will use its standards to determine the frequency. The two municipalities have discussed the City contracting weed control with the County. Regardless, the MGB observes that all municipalities must comply with the *Alberta Weed Control Act* and trusts the City will address weed issues as required. The MGB accepts that the City has a commitment to providing water trucks for its Fire Services in the same manner as the County. The City also explained that because it uses professional emergency services personnel, its response times are generally shorter than those in the County. Moreover, the MGB accepts the City will endeavor to maintain the same emergency service levels in the annexation area as in the rest of the municipality.

Schools

[213] The MGB accepts that the City consulted with the Black Gold Regional School Board, Edmonton Catholic School Board, Edmonton Public School Board and St. Thomas Aquinas Roman Catholic School Board during the consultation process. The *School Act* gives the Minister of Education the authority to adjust the boundaries of school boards in Alberta. Furthermore, the *School Transportation Regulation*

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establishes rules for bussing. As the MGB does not have any authority regarding these two pieces of legislation, these matters are beyond the scope of an annexation.

CONCLUSION

[214] The MGB finds that the proposed annexation complies with the *Act* and addresses the MGB's 15 annexation principles. The conditions of annexations as recommended are certain, unambiguous, enforceable and time specific. The intermunicipal and regional agreements demonstrate a high level of collaboration. Furthermore, the proactive intent of the annexation and the amount of land agreed to by the municipalities is reasonable. The MGB notes that the affected landowners' concerns have been given proper consideration throughout the annexation process. Therefore, the MGB recommends the annexation.