

Town of Three Hills

Order No. 17120

File No. 177(A)6

Before: The Local Authorities Board for the Province of Alberta

In the matter of the Municipal Government Act

AND IN THE MATTER OF an application by the Council of the Town of Three Hills, in the Province of Alberta, to annex certain territory lying immediately adjacent thereto and thereby its separation from the Municipal District of Kneehill No. 48.

Pursuant to Section 20 of the Municipal Government Act, the Council of the Town of Three Hills, in the Province of Alberta, petitioned the Local Authorities Board for the Province of Alberta, for the annexation to the Town of all that territory described as follows:

ALL THAT PORTION OF THE SOUTH WEST QUARTER OF SECTION SIX (6), TOWNSHIP THIRTY-TWO (32), RANGE TWENTY-THREE (23) WEST OF THE FOURTH MERIDIAN NOT WITHIN THE TOWN OF THREE HILLS.

ALL THAT PORTION OF THE SOUTH EAST QUARTER OF SECTION ONE (1), TOWNSHIP THIRTY-TWO (32), RANGE TWENTY-FOUR (24), WEST OF THE FOURTH MERIDIAN WHICH LIES EASTERLY OF THE WESTERLY LIMIT OF THE RAILWAY RIGHT OF WAY SHOWN ON PLAN R.Y. 242 AND NOT WITHIN THE TOWN OF THREE HILLS.

ALL THAT PORTION OF THE NORTH SOUTH GOVERNMENT ROAD ALLOWANCE ADJOINING THE WEST BOUNDARY OF THE SOUTH WEST QUARTER OF SECTION SIX (6), TOWNSHIP THIRTY-TWO (32), RANGE TWENTY-THREE (23), WEST OF THE FOURTH MERIDIAN NOT WITHIN THE TOWN OF THREE HILLS.

ALL THAT PORTION OF THE MOST SOUTHERLY NINETY-EIGHT AND SEVENTY-SIX HUNDREDTHS (98.76) METRES (324 FEET) OF THE NORTH EAST QUARTER OF SECTION ONE (1), TOWNSHIP THIRTY-TWO (32), RANGE TWENTY-FOUR (24), WEST OF THE FOURTH MERIDIAN WHICH LIES EASTERLY OF THE WESTERLY LIMIT OF THE RAILWAY RIGHT OF WAY SHOWN ON PLAN R.Y. 242.

THE MOST SOUTHERLY NINETY-EIGHT AND SEVENTY-SIX HUNDREDTHS (98.76) METRES (342 FEET) OF THE NORTH SOUTH GOVERNMENT ROAD ALLOWANCE ADJOINING THE WEST BOUNDARY OF THE NORTH WEST QUARTER OF SECTION SIX (6), TOWNSHIP THIRTY-TWO (32), RANGE TWENTY-THREE (23), WEST OF THE FOURTH MERIDIAN.

THE ABOVE DESCRIBED LANDS CONTAIN EIGHTY-TWO AND FORTY-THREE HUNDREDTHS (82.43) HECTARES, (203.70 ACRES), MORE OR LESS.

(hereinafter called "the said territory")

which lies immediately adjacent to the Town, and thereby its separation from the Municipal District of Kneehill No. 48, and in respect to which the Board held a public hearing into the matter on October 24, 1984.

Representing the Town of Three Hills were Mayor D. Shea, Councillors R. Dormer, K.A. Wright and C. Davidson, and R. Jenkins, Town Manager, who made the presentation on behalf of the Town.

Deputy Reeve R. Maerz and J.C. Jeffery, Municipal Administrator, appeared on behalf of the Municipal District of Kneehill No. 48.

F.W. Wesseling, Senior Planner, presented the position of the Palliser Regional Planning Commission.

Owners A. Chamberlain and R. Down appeared and made submissions. The major landowner in the said territory, the Prairie Bible Institute, was represented by L.B. Birch, Treasurer, H. Dolson, Chairman, and R. Wilson, Director, who made the submission on behalf of the Institute.

The Town of Three Hills, incorporated in 1912, and the Prairie Bible Institute, incorporated in 1922, have both evolved side by side as urban entities - yet separate and independent. Since its establishment as an agricultural service centre, the Town of Three Hills has grown steadily to a population of over 2,000 persons. The recent annexation of territory to the

Town has provided it with sufficient land within its boundaries to meet the potential future growth in population and development. There have been recent improvements to the utility services, specifically to the water supply servicing all urban developments in the vicinity, which now has a capacity to meet future growth requirements.

The campus of the Prairie Bible Institute has grown to over 48.56 hectares (120 acres) with a student enrollment of over 1,000. The Institute has developed administrative and educational facilities to meet its requirements and in addition, residential accommodation on campus is provided for the teaching and administrative staff.

Growing in conjunction with the Prairie Bible Institute were two hamlets, Grantville to the southeast, and Ruarkville to the Institute's north. Grantville was annexed to the Town of Three Hills by Board Order No. 16267 on January 1, 1983; Ruarkville, not being adjacent to the Town, was not then considered for annexation. The majority of residents in the two hamlets are oriented to the Institute by reasons of employment or religious affiliation.

It was explained that the bringing of the urban communities into one municipal jurisdiction has been hindered in the past because of differences between the residents of the various communities. These differences have now been mainly resolved through good public relations and the joint efforts of Council, the administration of the Town of Three Hills and the Board of Directors and staff of the Prairie Bible Institute. Information meetings were held in both the said territory and the Town, with a Town plebiscite on the matter showing two thirds of the votes cast were in favor of the annexation. Letters and tax information were also sent to the residents of the said territory. Response from the said territory, in the form of consent forms, showed that only one owner "objected" outright to the annexation of his property to the Town, while the owners of eighteen properties gave "conditional consent". The conditional consents related to the desire to continue membership in the rural Gas Co-op, which has now been resolved. The remaining owners supported the annexation of their respective properties to the Town or "did not object".

The Town of Three Hills advised that it did not require the said territory for future growth and development although some growth is possible. Further, tax revenues from the said territory would be, basically, offset by the cost of providing the area with municipal services. As the Prairie Bible Institute now provides a number of its own municipal services; such as sewer, water, electrical power and fire protection, tax considerations would be given to offset such future operating costs. As these utilities are now connected to the Town of Three Hills' system and are within the capacity of the various plants, it is anticipated there would be no additional capital costs to any of the parties. Roads within the said territory are not to Town standards, but this could be resolved in a manner similar to that used to upgrade other roads in the Town, namely through local improvements, Town contributions and Provincial Grants.

The chief advantages to the Town of Three Hills in annexing the said territory would be an increase in population, estimated as follows:

Town of Three Hills -	2,059
Ruarkville -	260
Prairie Bible Institute:	
- Permanent Population -	600
- Student Population -	620
Total Estimated Population	3,539 persons

This would mean that the Town would receive higher Provincial Grants and in particular increase the Municipal Assistance Grant, the Alberta Transportation Street Assistance Grant and the Cultural/Recreational Facilities Grant.

It was submitted that the unification of the urban areas into a single municipal jurisdiction would provide for the simplification of administration. A single philosophy on policy and regulation would eliminate

the confusion which has created misunderstandings and, sometimes, hard feelings. Better planning in land use, utility improvements and other municipal services, including recreational, cultural and other social needs would be better achieved - thus meeting the requirements of the total community.

The additional population would also benefit the Town of Three Hills in its promotion of the Town, making it more attractive to industry, commercial ventures and to future residents. The larger population would give the Town greater representation on local boards, such as the Health Unit, the Hospital Board, the School Board, foundations and others.

An understanding has been arrived at between the Town of Three Hills and the Prairie Bible Institute whereby the Institute will continue to operate its own water distribution system, sewage collection system, garbage disposal, street lighting and other internal services. In turn, the Town will refund property taxes in an amount equal to the cost of these services. The Institute is also to remain in the Three Hills Gas Co-op and retain its contract with Alberta Power Limited. The Institute's current land uses would be permitted to continue by the Town.

It was suggested that the residents of the Hamlet of Ruarkville would benefit by becoming fully integrated into the Town of Three Hills. They would enjoy the Town's rates for services and taxation and would be able to participate in the local government. In respect to property taxes, it was noted that since being annexed, most of the owners in what was once called "The Hamlet of Grantville" have been paying less property taxes. This is projected to occur again in Ruarkville.

The Town of Three Hills received a letter from the Municipal District of Kneehill No. 48, dated June 18, 1984, stating in part:

"Council agreed by motion that it would not oppose the annexation but requested the town include within their application the west boundary road."

This latter issue was not dealt with at the hearing as it was not a part of the Town's application. The Town of Three Hills in its submission estimated the Municipal District of Kneehill No. 48, when tax revenues were offset by expenditures for the said territory, would suffer a net loss of about \$19,000, or one quarter of one percent of its total revenues for 1983. Further, there would be a reduction of \$8,000 in Alberta Transportation's annual grant.

While the Palliser Regional Planning Commission did not take a position on the proposed annexation, the Commission staff did consider the matter and in recommending annexation of the said territory to the Town of Three Hills, gave the following reasons:

- "(a) The amalgamation of the urban areas of Three Hills into a common jurisdiction would enhance the administration and operation of such municipal services as streets, water and sewer utility systems, recreation facilities and programs.
- (b) The annexation will facilitate long-range planning and enhance land use control.
- (c) The Town's population will increase by approximately 1,500 people to a level of 3,500 people. Because many government grants are based at least partially on population, the Town has projected an increase of \$156,000 annually in major grant receipts. In terms of capital grants, the Town will realize an additional \$116,000 under the Street Assistance Grant.
- (d) The M.D. of Kneehill, the Prairie Bible Institute and the residents of Ruarkville do not object to the annexation.
- (e) The residents of Ruarkville and P.B.I. will be able to participate politically in the affairs of the Municipality with which they have long been associated.

- (f) The increased reported population will enhance economic development promotion, as a population of 3,500 will be more attractive than 2,000 to those individuals interested in establishing commercial and/or industrial enterprises.
- (g) Tourist promotion will be enhanced."

Alberta Transportation, in a memorandum to the Board dated July 19, 1984, advised as follows:

"The area shown in your sketch plan dated May 1984, proposed to be annexed to the Town of Three Hills, lies 800 metres west of Highway 21, and is already well developed. Annexation of this area to the town will not alter these conditions, therefore, there is no concern from the highway point of view.

Although a portion of the area to be annexed bounds on Secondary Road 583, it does not appear that any problems will be created.

Favorable consideration of the proposed annexation is recommended."

The following observations on the matter were made by Alberta Environment, in a letter to the Board dated July 27, 1984:

"A site inspection of the area intended to be annexed to the Town of Three Hills has been conducted by a Department representative. As most of the area has been developed and is fully serviced, the proposed annexation would seem logical from a planning point of view.

The majority of the subject property is presently occupied by the Prairie Bible Institute. This area contains schools, dormitories, sport facilities, park areas, playgrounds, a firehall and various workshops. In addition, approximately 10 to 15 acres in total are utilized for gardens by the P.B.I..

The remainder of the area which is intended to be annexed is comprised of residential housing within the Hamlet of Rhuarkville(sic). The streets are paved and gravelled, however, no curbs, gutters, or storm sewers have been installed.

The Town of Three Hills supplies water and sewer services to the entire annexation area and it is fully serviced with gas supplied by Three Hills Gas Co-op and I.C.G. Utilities Limited.

In summary, our Department would offer no objections to the proposed annexation."

Alberta Agriculture, in a memorandum to the Board, dated July 19, 1984, submitted the following comments:

1. Canada Land Inventory (CLI) agricultural capability rating for the parcel under consideration is Class 2D. As such, these lands have moderately high to high productivity for a fairly wide range of crops. Based on Alberta Hail and Crop Insurance Corporation data for lands under cultivation, this parcel has a productivity rating of 90-94 percent.
2. Alberta Agriculture recognizes all of the areas under consideration for annexation as prime agricultural land. However, no lower quality alternative lands exist in the immediate vicinity of Three Hills, and the proposed area is currently used for non-agricultural purposes, including Prairie Bible Institute.

Alberta Agriculture has no objections to the proposed annexation provided the LAB are satisfied the lands are required by the town."



The Prairie Bible Institute, being the major landowner with 66.96 hectares (165.45 acres) set out its position in a letter to the Town of Three Hills dated May 25, 1984:

"As previously indicated to you, our Board's next scheduled meeting is June 4. We, however, called a special meeting of our Executive Committee which has full Board authority and unanimously passed the following motion:

'That Prairie Bible Institute agree to support the Council of the Town of Three Hills in its decision to make application to the Local Authorities Board for annexation of Prairie Bible Institute.'

We appreciate the Council's intention that the manner in which Prairie Bible Institute operates will be preserved if annexation is successful. I understand we will sit down together in days to come to officially work out these agreements on paper and make them a part of the annexation contract. The main items as I see them are as follows:

-The matter of continuing our membership in the Gas Co-op.

-The matter of our being able to maintain contract with Alberta Power.

-The matter of future land development. We are presently under a land-use bylaw in the M.D. which is zoned for institutional development and which includes our property as being private.

-The matter of maintaining some municipal services for which we would receive equitable rebate.

I would like to assure you that we will make every effort at fully cooperating with you in this annexation proposal."

Concerns expressed by the other owners present were answered to their satisfaction and consent was given by the respective parties.

The Board, having considered the evidence presented to it at the hearing, has reached the following conclusions:

1. That because of its historical pattern as an educational and agricultural service centre and with growing amenities, the Town of Three Hills may remain a growth centre.
2. That the said territory, being primarily urban in character, may best be administered within the context of an urban municipality.
3. That the Town of Three Hills will gain financially, while the effect on the Municipal District of Kneehill No. 48 will be minimal.
4. That the incorporation of the said territory into the Town of Three Hills will promote a single, healthy community with a common identity and purpose.
5. That there being no major objections, the application by the Council of the Town of Three Hills to annex the said territory into its jurisdiction and thereby its separation from the Municipal District of Kneehill No. 48 should be GRANTED IN FULL.

THEREFORE, subject to the Lieutenant Governor in Council approving this Order, or prescribing conditions that the Order is subject to and approving the Order subject to those conditions, or varying the Order and approving the Order as varied, IT IS ORDERED AS FOLLOWS:

- I. That there be annexed to the Town of Three Hills, in the Province of Alberta, and thereupon be separated from the Municipal District of Kneehill No. 48 the following described territory:

ALL THAT PORTION OF THE SOUTH WEST QUARTER OF SECTION SIX (6), TOWNSHIP THIRTY-TWO (32), RANGE TWENTY-THREE (23) WEST OF THE FOURTH MERIDIAN NOT WITHIN THE TOWN OF THREE HILLS.

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(A sketch showing the general location of the annexed lands is attached as Schedule "A".)

- II. That any taxes owing to the Municipal District of Kneehill No. 48 as at December 31, 1984, in respect of the aforementioned properties shall transfer to and become payable to the Town of Three Hills together with any lawful penalties and costs levied thereon in respect of any such taxes; however, upon the Town of Three Hills collecting any or all of such taxes, penalties or costs, such collection shall forthwith be paid by the Town to the Municipal District of Kneehill No. 48.
- III. That the assessor for the Town of Three Hills shall, for taxation purposes in the year 1985, reassess the annexed lands and assessable improvements thereon, which are by this Order annexed to the Town of Three Hills so that the assessment thereof shall be fair and equitable with other lands and assessable improvements in the Town of Three Hills, and the provisions of the Municipal Taxation Act regarding the assessment roll shall mutatis mutandis apply to such assessment.
- IV. That the Chief Provincial Assessor, appointed pursuant to the provisions of the Municipalities Assessment and Equalization Act, shall, for taxation or grant purposes commencing in the year 1985, reassess or revalue, as the case may be, all properties that are assessable or subject to valuation under the terms of the Electric Power and Pipe Line Assessment Act and the Municipal and Provincial Properties Valuation Act, and which lie within the areas that are by this Order annexed to the Town of Three Hills, so that the assessment or valuation shall be fair and equitable with properties of a similar nature.
- V. That the effective date of this Order is the Thirty-first (31st) day of December, 1984.

DATED and signed at the City of Edmonton, in the Province of Alberta, this Thirty-first (31st) day of October, 1984.

LOCAL AUTHORITIES BOARD

CERTIFIED A TRUE COPY:

(SGD.) C. I. SHELLEY  
CHAIRMAN

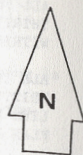
  
SECRETARY

(SGD.) JOHN A. HAMMOND  
MEMBER

## SCHEDULE "A"

A SKETCH SHOWING THE GENERAL LOCATION OF THE  
AREAS AFFECTED BY BOARD ORDER No. 17120

EFFECTIVE DATE: DECEMBER 31, 1984



AFFECTED AREA(S)

