

**BOARD ORDER NO. MGB 010/18**

**FILE: AN17/VIKI/T-01**

**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 Town of Viking, in the Province of Alberta, to annex certain territory lying immediately adjacent thereto and thereby its separation from Beaver County.

**BEFORE:**

Members:

H. Kim, Presiding Officer

M. Axworthy, Member

D. Thomas, Member

Case Manager:

R. Duncan

**SUMMARY**

After examining the submissions from the Town of Viking, Beaver County, 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

That the annexation be approved in accordance with the following:

The Lieutenant Governor in Council orders that

- 1** In this Order, “annexed land” means the land described in Schedule 1 and shown on the sketch in Schedule 2.
- 2** Effective July 1, 2018, the land described in Schedule 1 and shown on the sketch in Schedule 2 is separated from Beaver County and annexed to the Town of Viking.
- 3** Any taxes owing to Beaver County at the end of June 30, 2018 in respect of the annexed land and any assessable improvements to it are transferred to and become payable to the Town of Viking together with any lawful penalties and costs levied in

**BOARD ORDER NO. MGB 010/18**

**FILE: AN17/VIKI/T-01**

respect of those taxes, and the Town of Viking on collecting those taxes, penalties and costs must pay them to Beaver County.

**4(1)** For the purpose of taxation in 2018, Beaver County must assess the annexed land and the assessable improvements to it.

**(2)** Taxes payable for the 2018 taxation year in respect of the annexed land and any assessable improvements to it are to be paid to Beaver County and are to be retained by Beaver County.

**5(1)** For the purpose of taxation in 2019 and subsequent years, the assessor for the Town of Viking must assess the annexed land and the assessable improvements to it.

**(2)** For the purpose of taxation in 2019 and in each subsequent year up to and including 2034, the annexed land and assessable improvements to it

- (a) must be assessed by the Town of Viking on the same basis as if they had remained in Beaver County, and
- (b) must be taxed by the Town of Viking in respect of each assessment class that applies to the annexed land and the assessable improvements to it using the tax rate established by Beaver County for property of the same assessment class.

**6(1)** Where in 2019 or any subsequent taxation year up to and including 2034 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, or
- (b) is redesignated, at the request of or on behalf of the landowner, under the Town of Viking Land Use Bylaw to another designation,

section 5(2) 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 section 5(2) 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

**BOARD ORDER NO. MGB 010/18**

**FILE: AN17/VIKI/T-01**

assessed and taxed for the purposes of property taxes in the same manner as other property of the same assessment class in the Town of Viking is assessed and taxed.

DATED at the City of Edmonton, in the Province of Alberta, this 16<sup>th</sup> day of March 2018.

MUNICIPAL GOVERNMENT BOARD

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(SGD) H. Kim, Presiding Officer

**BOARD ORDER NO. MGB 010/18**

**FILE: AN17/VIKI/T-01**

**Schedule 1**

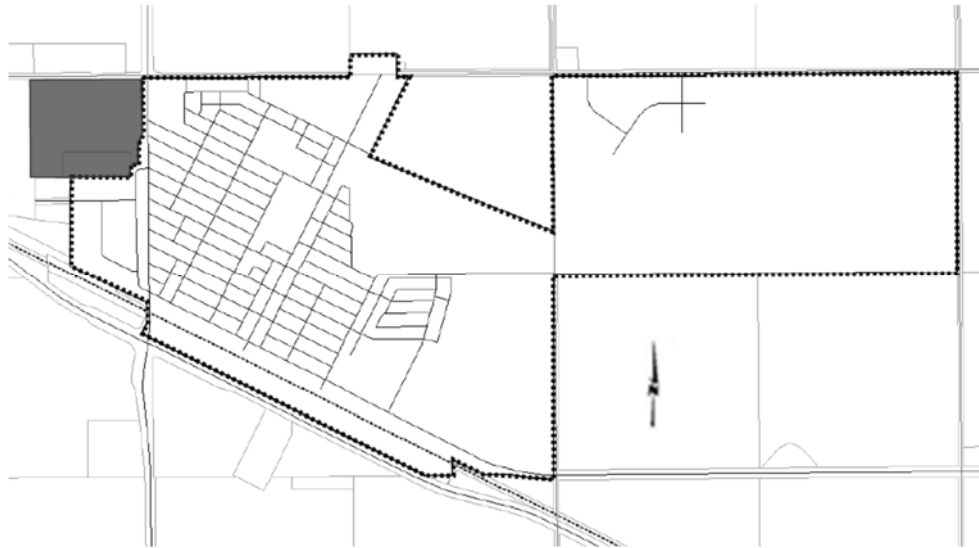
**DETAILED DESCRIPTION OF THE LANDS SEPARATED FROM  
BEAVER COUNTY AND ANNEXED TO THE TOWN OF VIKING**

LOT 2, BLOCK 3, PLAN 0622660.

LOT 5, BLOCK 3, PLAN 1325131.

**Schedule 2**

**A SKETCH SHOWING THE GENERAL LOCATION OF THE AREAS  
SEPARATED FROM BEAVER COUNTY AND ANNEXED TO THE  
TOWN OF VIKING**



**Legend**

- ..... Existing Town of Viking Boundary
- Annexation Area

**Schedule 3**

**MUNICIPAL GOVERNMENT BOARD REPORT TO THE  
MINISTER OF MUNICIPAL AFFAIRS  
RESPECTING THE TOWN OF VIKING PROPOSED ANNEXATION  
OF TERRITORY FROM BEAVER COUNTY**

**Table of Contents**

**Acronyms/Abbreviations.....7**

**EXECUTIVE SUMMARY .....8**

**PART I INTRODUCTION.....11**

**PART II ROLE OF THE MGB, THE MINISTER, AND THE  
LIEUTENANT GOVERNOR IN COUNCIL .....11**

**PART III ANNEXATION PROCEEDINGS.....12**

**PART IV MGB RECOMMENDATION .....17**

**PART V REASONS.....17**

**Acronyms/Abbreviations**

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.

<b>Acronym/Abbreviation</b>	<b>Full Description</b>
2008 IDP	2008 Town of Viking/Beaver County Intermunicipal Development Plan
Act	<i>Municipal Government Act</i>
AT	Alberta Transportation
County	Beaver County
JDA	Joint Development Area
LGC	Lieutenant Governor in Council
LUB	Town of Viking Land Use Bylaw
MDP	Town of Viking Municipal Development Plan
MGB	Municipal Government Board
Minister	Minister of Municipal Affairs
Notice	Notice of Intent to Annex
Town	Town of Viking

## **EXECUTIVE SUMMARY**

[1] On August 17, 2017, the Municipal Government Board (MGB) received an application from the Town of Viking (Town) to annex approximately 20.1 hectares (49.6 acres) of land from Beaver County (County). Concerns regarding the phasing of the development, leasing arrangements, assessment and taxation transition, bylaws, annexation area, and developer expertise required the MGB to conduct a public hearing on September 15, 2017.

## **RECOMMENDATIONS**

[2] After considering the oral and written submissions received from all parties during the proceedings, the MGB recommends the annexation area requested by the Town with an effective date of July 1, 2018.

## **MAJOR ISSUES AND CONSIDERATIONS**

[3] When making an annexation recommendation the MGB considers the annexation principles summarized by MGB Board Order 123/06 as well as the issues identified by the parties. To reduce repetition, these principles have been addressed under the following broad headings: consultation, annexation area, and transitional matters.

### **Consultation**

[4] The consultation process undertaken by the Town as well as the negotiations between the two municipalities were satisfactory. The Town used a number of communication methods to keep the public and the affected landowner informed of the proposed annexation which facilitated a meaningful dialogue with the parties. The two municipalities were able to negotiate an annexation agreement and there are no outstanding issues. The level of cooperation between the Town and the County shows the municipalities are working together in a way that will benefit the entire region.

### **Annexation Area**

[5] The MGB examined the amount of land, the location, and the ability of the Town to provide municipal services in determining the appropriateness of the annexation area.

### ***Amount of Land***

[6] The amount of land being requested by the Town is acceptable. The 20 year growth inventory level has been agreed to by the two municipalities and is supported by the 2008 Town



**BOARD ORDER NO. MGB 010/18**

**FILE: AN17/VIKI/T-01**

of Viking/Beaver County Intermunicipal Development Plan (2008 IDP). The 20.1 hectares (49.6 acres) of non-residential land will provide the Town with enough vacant land for commercial and light industrial development.

***Location***

[7] The location of the annexation is reasonable. The annexation area is west of Highway 36 and south of Township Road 480 and may be favorable for attracting commercial and/or industrial businesses traveling to Northern Alberta. These lands are also within the Joint Development Area (JDA) specified by the 2008 IDP, which will allow the two municipalities to collaborate on development. Although it was suggested other areas adjacent to the existing Town boundary would be more advantageous, the Town already owns the majority (17.2 hectares / 42.6 acres) of the annexation area. This may make development and servicing easier.

***Municipal Services***

[8] The Town can extend municipal services to the annexation area. Development within the Town is already located to the east and south of the annexation area. It is reasonable to accept that the water and sewer lines required in the annexation area will be able to efficiently connect to the existing Town systems. No concerns were received about drainage issues or environmentally sensitive features in the annexation area. With regard to highway interchange upgrades, the MGB is confident the Town and County will work with AT as development proceeds and traffic volume increases.

**Transitional Matters**

[9] The transitional matters considered by the MGB include the assessment and taxation transition provisions, bylaws, and development.

***Assessment and Taxation Transition Provisions***

[10] The 15 year assessment and taxation transition period corresponds with the request of the landowner. The landowner also benefits as the Town has requested the property in the annexation area be taxed using the municipal tax rate of either the Town or the County, whichever is lower. The assessment and taxation tax protection will be removed prior to the end of the 15 year transition if the landowner requests the land be subdivided or redesignated under the Town's Land Use Bylaw. Both conditions are reasonable as they require some type of action by the landowner. The MGB accepts the Town's suggestion to shift the effective date from January 1, 2018 to July 1, 2018.

***Bylaws***

[11] The Town will mitigate the impact of the annexation on the private landowner by changing a bylaw which will allow up to five horses to be kept on this property, the maximum number permitted for a parcel of this size in the County. Subject to offsite levies and/or servicing charges, the property will be allowed to connect to Town water and sewer services without the loss of the assessment and taxation transition provisions.

***Development***

[12] With regard to the suggestion that the Town should not be a developer, section 3 of the *Act* identifies that the purpose of a municipality is to “provide services, facilities or other things that, in the opinion of council, are necessary or desirable for all or part of the municipality.” Therefore, the Town’s level of involvement in the development of the annexation area is something that should be addressed at the local level. Leasing agreements between the Town and the landowner as well as the determination of development phasing, are issues that are beyond the scope of an annexation.

**CONCLUSION**

[13] The MGB finds that the proposed annexation complies with the *Act* and addresses the appropriate annexation principles. The two municipalities have demonstrated a significant level of cooperation and collaboration. The intent of the annexation is logical and the amount of land being annexed is acceptable. The efforts by the Town to solicit input throughout the process have been suitable and the Town’s efforts to mitigate the concerns of the affected landowner have been commendable. The conditions of annexation, as clarified, are certain, unambiguous, enforceable, and time specific. Therefore, the MGB recommends this annexation.

**PART I INTRODUCTION**

[14] The Town of Viking (Town) is located at the intersection of Highway 14 and Highway 36, approximately 121 km (75 mi) east of Edmonton. The community serves as a major centre for the region, offering healthcare, government, education, and social services. Other important economic drivers for the Town include agriculture, oil and gas, and light manufacturing.

[15] On August 17, 2017, the Municipal Government Board (MGB) received an application from the Town to annex approximately 20.1 hectares (49.6 acres) of land from Beaver County (County). The annexation is to provide the Town with land for future commercial use. Although the Town and the County were able to negotiate an agreement, the application contained correspondence from a landowner with conditions to her support of the proposed annexation. After consulting with the Town, the MGB was not convinced there was general agreement with the proposed annexation. In accordance with section 121 of the *Municipal Government Act (Act)*, the MGB held a public hearing on September 15, 2017.

[16] The following report describes the role of the MGB and the Lieutenant Governor in Council, summarizes the public hearing process and the submissions received by the MGB during the proceedings, and provides the MGB's recommendations and reasons. This report fulfills the MGB's responsibility under the *Act* regarding this annexation.

**PART II ROLE OF THE MGB, THE MINISTER, AND THE LIEUTENANT GOVERNOR IN COUNCIL**

[17] The MGB is an independent and impartial quasi-judicial board established under the *Act* to make decisions about land-use planning and assessment matters. The *Act* gives the MGB the authority to "deal with annexation". 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 hearing process.

[18] Pursuant to section 116 of the *Act*, a municipality seeking annexation must initiate the process by giving written notice to 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 filed, the municipalities involved with the proposed annexation must meet and negotiate in good faith. If the municipalities are unable to reach an agreement, they must attempt mediation to resolve any outstanding matters.

**BOARD ORDER NO. MGB 010/18**

**FILE: AN17/VIKI/T-01**

[19] At the conclusion of the intermunicipal negotiations and the consultation process, 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 the municipalities have not been able to agree upon. 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, as well as provide a summary of 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 rationale for not signing the report.

[20] 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 or if the MGB is not satisfied all parties are in agreement with the proposed annexation, the MGB must conduct one or more public hearings. If the MGB is required to conduct a hearing, section 122(1) 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.

[21] 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, 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.

### **PART III ANNEXATION PROCEEDINGS**

[22] Part III of this report outlines the MGB's annexation proceedings. An overview of the process is followed by a summary of the oral and written submissions received by the MGB.

#### **Process Overview**

[23] On January 20, 2017, the MGB received a Notice of Intent to Annex (Notice) from the Town. The Notice identified that the proposed annexation would provide the Town with land for

## BOARD ORDER NO. MGB 010/18

FILE: AN17/VIKI/T-01

future growth, specified the proposed annexation area, and outlined how the Town intended to consult with the public and the affected landowner. The correspondence also identified that copies of the Notice were being sent to the County, the Battle River Regional School Division, the East Central Regional Health Authority, the Highway 14 Regional Water Services Commission, Alberta Transportation, the Battle River Power Co-op, the Iron Creek Gas Co-op, Fortis, and ATCO Gas.

[24] Although the Town and the County support the proposed annexation, the application contained conditional support from an affected landowner. However, the MGB could not determine if the Town was able to resolve all the issues identified by the landowner. In consultation with the Town and in accordance with the *Act*, the MGB scheduled a public hearing on September 15, 2017.

[25] The MGB published hearing notices in the local newspaper, **The Weekly Review**, during the weeks of August 28, September 5 and September 12, 2017. On August 11, 2017, the MGB also mailed hearing notification letters to all affected parties identified by the Town. Both the newspaper and letter notifications requested that anyone wishing to attend the public hearing and/or make an oral submission should notify the MGB by September 8, 2017 and that written presentations from affected landowners or members of the public should be submitted to the MGB by September 8, 2017. The notifications also informed the parties the public hearing would be held at the Viking Carena Complex and commence at 10:00am on September 15, 2017.

### **Summary of Submissions**

[26] The MGB received written and oral submissions from C. Poche, P. McArthur, Alberta Transportation, the Town, and the County. A summary of positions identified by each of these parties is provided below.

#### **C. Poche**

[27] C. Poche is a landowner in the annexation area. The February 9, 2017 letter from Ms. Poche contained in the Town's annexation application identifies that she did know of the proposed annexation at the time she purchased her property. However, she was not aware the Town intended to annex the entire property to the north of her. In her letter, Ms. Poche states that she does not object to the proposed annexation, subject to the Town:

- Leasing a portion of the land north of her property to her,
- Agreeing to delay the sale of the portion of land lying north of her property until after all the land adjacent to the highway has been utilized,
- Allowing her land be taxed at the County rates for a period of 15 years, and

- Permitting her to keep the same number of horses on her property as she would be allowed in the County

[28] Ms. Poche did not attend the public hearing or provide any additional written submissions.

### **P. McArthur**

[29] P. McArthur is a former councillor for the Town. Although he does not oppose the annexation, he disagrees with the Town buying the land before it is annexed. Having been involved in land development in other municipalities, Mr. McArthur argued that the Town should not be a land developer. He stressed that the Town does not understand the intricacies of land development and should be trying to attract actual developers so that the work is done properly.

[30] Mr. McArthur submitted that the annexation area was inadequate. He suggested the Town should consider annexing land to the east of its existing boundary and north of the railway. The area along Highway 619 and Highway 36 could be used to service oversize loads heading north. He also questioned why the Government of Alberta did not build an overpass in this area.

### **Alberta Transportation**

[31] Correspondence from Alberta Transportation (AT) confirms it has no objections to the proposed annexation.

### **The Town**

[32] The following section summarizes the written and oral submissions provided by the Town in relation to the annexation area, the consultation process, and concerns expressed by Ms. Poche and Mr. McArthur.

### ***Annexation Area***

[33] The annexation area was shaped by the 2008 Beaver County/Town of Viking Intermunicipal Development Plan (2008 IDP), the growth needs of the Town, and the ability of the Town to provide municipal services.

[34] The 2008 IDP forms the basis of a cooperative effort between the Town and the County to identify growth areas for both municipalities. The Joint Development Area (JDA), an area west of Highway 36 and south of Township Road 480, recognizes the lands the Town and the County have agreed to work together to establish a business industrial park. The lands in the JDA were to be excluded from future annexation applications by the Town and a Memorandum of

**BOARD ORDER NO. MGB 010/18**

**FILE: AN17/VIKI/T-01**

Understanding between the two municipalities details how they will share the costs and revenues associated with development in the JDA. The County Development Area, lands south of Highway 14 and east of Highway 36, is the growth area for the County. The Urban Fringe Area is anticipated to provide short to medium growth for the Town, while the Referral Area is the Town's long term growth area. The IDP also has provisions that will ensure the two municipalities will identify and protect physical and environmentally sensitive areas.

In 2017 the two municipalities updated the 2008 IDP to reflect current conditions. Amendments to the 2008 IDP identified the Town should maintain enough land for 20 years of growth within its boundary. Changes to the JDA were also agreed upon which will allow the annexation of the lands in the JDA being requested by the Town.

[35] The Town submitted that it currently has sufficient land within its boundary to meet its future residential growth needs. However, this annexation will provide the Town with enough suitable highway commercial and light industrial land for the next 20 years. The Town explained that this area is expected to be rezoned to commercial/industrial to coincide with the uses of the joint industrial park co-owned by the town and county.

[36] The 20.1 hectares (49.6 acres) of land in the annexation area consists of two properties, 17.2 hectares (42.6 acres) owned by the Town and 2.8 hectares (6.8 acres) owned by Ms. Poche. Municipal services can be provided to the annexation area. Water, sewer, and roads, can be extended from the Town's existing infrastructure to the annexation area.

[37] The Town has agreed that it will be responsible for all internal roads and access upgrades to Highway 36 as the area begins to develop. Township Road 480, located adjacent to the north of the annexation area, is to remain with the County. However, in accordance with the JDA agreement, the municipalities will share the cost of upgrading Township Road 480. The Town's engineering studies have included provisions to accommodate these lands within its long term capital plan.

***Consultation***

[38] The consultation process undertaken by the Town consisted of negotiating with the County as well as communicating with the public and the affected landowner.

[39] The Town and the County were able to successfully negotiate an annexation agreement. This agreement specifies the annexation area and identifies that the County is to transfer all municipal reserve, environmental reserve, public utility lots, and road right of ways within the annexation area to the Town. To protect the landowners from a significant increase in property taxes as a result of this annexation, the two municipalities agreed that for a 15 year period the lands

**BOARD ORDER NO. MGB 010/18**

**FILE: AN17/VIKI/T-01**

in the annexation area would be assessed as if they had remained in the County and taxed using the lower of the Town or County tax rate. It was suggested that the assessment and tax provisions be removed if the land is subdivided or a development permit is issued for a non-agricultural use in accordance with the Town of Viking Land Use Bylaw (LUB). The Town also agreed that it will be responsible for all internal roads and access upgrades to Highway 36 as the area begins to develop.

[40] The two municipalities have agreed there is to be no intermunicipal compensation; however, the County is to assess, collect, and retain the 2018 taxes. The assessed value of the annexation area is \$458,360, which represents a minimal change to the total assessment of the County (a reduction of less than 0.04%) and the Town (an increase of 0.48%). The lands to be annexed are in the JDA and are subject to the revenue sharing agreement between the two municipalities.

[41] The two municipalities originally agreed to an effective date of January 1, 2018. During its oral presentation, the Town stated that an effective date of July 1, 2018 would ensure everything would be in place before the land transferred jurisdiction.

[42] Consultation with the public and the affected landowner consisted of a mail-out notice and information package, information placed on the Town's internet site, a public meeting, and one-on-one discussions. Letters and advertisements were used to make people aware of the public open house held on February 9, 2017. The Town stated it received little input from the public in response to the consultation activities. The topics raised by the affected landowner included future development, the ability to connect to Town services, and access to roads.

***Landowner Concerns***

[43] To address the landowner's concerns, the Town identified that it was committed to ensuring the land included within the annexation area will continue to be zoned in a way that will permit the same number of horses as a similar sized parcel in the County. Based on the Beaver County Animal Control Bylaw, a maximum of five horses would be permitted on the property owned by Ms. Poche. As development proceeds, the Town will work with the landowner to ensure proper access to her property and, subject to any applicable off-site levy, the landowner can access adjacent municipal services. The Town also clarified that the assessment and taxation provisions are to be removed if the land is redesignated under the LUB; the issuing of a development permit will not affect the transition protection.



**The County**

[44] During the public hearing the County confirmed that the two municipalities have an amicable relationship and were able to negotiate an annexation agreement. Amendments to the 2008 Viking/Beaver County IDP were approved by both the Town and the County to facilitate the annexation and to guide development in certain areas around the boundary of the Town. To alleviate concerns about the impact of development in the annexation area on County roads, the Town agreed to accept responsibility for any upgrades required to Highway 36 and Township Road 480 to ensure safe access and egress.

[45] The County explained that to address concerns from the affected landowner, the two municipalities have agreed that the land will be assessed and taxed as if in the County for 15 years. The Town will also permit the landowner to maintain the same number of horses on the property as in the County. The County confirmed that it has not requested compensation from the Town, but that the County is to collect and retain the 2018 taxes from the annexation area.

**PART IV MGB RECOMMENDATION**

[46] The MGB recommends the annexation area as well as the assessment and taxation provisions as requested by the Town. The MGB also recommends an effective date of July 1, 2018.

**PART V REASONS**

[47] When making an annexation recommendation the MGB considers the issues identified by the parties as well as the annexation principles summarized by MGB Board Order 123/06. To reduce repetition, these principles have been addressed under the following broad headings: consultation, annexation area, and transitional matters.

**Consultation**

[48] The consultation process undertaken by the Town as well as the negotiations between the two municipalities were satisfactory.

[49] The Town used a number of methods to communicate the proposed annexation and solicit public input. Copies of the Notice were sent to the local authorities in the area, the utility companies operating in the region, and AT. Direct mail, website information, and a public hearing were used to inform the residents of the Town and the County of the annexation and provided them with a number of opportunities to express their opinions. The only correspondence in response to the Notice was from AT, which confirmed that it does not object to the proposed annexation. It is

**BOARD ORDER NO. MGB 010/18**

**FILE: AN17/VIKI/T-01**

reasonable to expect that the local authorities and the utility companies would have contacted the Town upon receipt of the Notice or during the public consultation process if they had any concerns about the annexation. Despite not being able to reach a full agreement, the correspondence from Ms. Poche confirms the Town did meet with her to solicit her input about the proposed annexation.

[50] Documentation within the annexation application as well as the oral presentations from the Town and the County demonstrates a considerable amount of intermunicipal collaboration. The two municipalities were able to negotiate an annexation agreement, so there are no outstanding intermunicipal issues that need to be adjudicated by the MGB. This combined with the 2008 IDP and the 2008 IDP amendments that allowed the Town to annex land in the JDA shows the municipalities are willing to work together in a way that benefits the region. Although there is no intermunicipal compensation, the two municipalities have agreed that the County will assess, collect, and retain the tax revenue from the annexed lands in 2018. This agreement is acceptable as it does not appear the Town will incur any substantial expenses associated with the provision of municipal services to the annexed properties for the July 1 to December 31, 2018 period. It is also reasonable to accept that the annexation will not infringe on the local autonomy given both municipalities reached an annexation agreement and passed amendments to the 2008 IDP that facilitated the annexation.

**Annexation Area**

[51] The MGB examined the amount of land, the location, and the ability of the Town to provide municipal services in determining the appropriateness of the annexation area.

***Amount of Land***

[52] Although Mr. MacArthur argued that the annexation should be larger, the MGB finds the amount of land being requested by the Town is acceptable. The two municipalities have agreed that the Town should maintain enough land within its boundary to accommodate 20 years of growth. Many municipalities are now considering longer annexation growth horizons and larger annexation areas. However, in this case the 20 year growth inventory level has been agreed to by the two municipalities and is supported by the 2008 IDP. The Town stated that it has enough vacant developable land to support 20 years of residential growth, so additional lands are not required for this purpose. Although the annexation application asserts that the Town needs to increase its inventory of suitable non-residential land in order to attract commercial and light industrial development, no calculations were provided to establish if the amount of land requested will allow the Town to achieve the agreed upon inventory levels. However, as the two municipalities have agreed to the 20.1 hectares (49.6 acres) annexation, the MGB accepts the Town has not understated its request. In addition to the IDP the two municipalities have a good working

relationship, so a lengthier annexation time horizon is not critical to ensuring longer term intermunicipal cooperation.

***Location***

[53] The location of the annexation lands agreed to by the two municipalities is reasonable. An annexation must accommodate growth by both the rural and the urban municipalities. The Town and the County stated they both have an interest in development adjacent to highways that traverse the area. The 2008 IDP acknowledges this by specifying the growth areas for both municipalities. The amendment to the 2008 IDP that allows the Town to annex land in the JDA will permit the two municipalities to collaborate on the development of the 20.1 hectares (49.6 acres) parcel of land adjacent to the west side of Highway 36 and south of Township Road 480. This location may be favourable for attracting commercial and/or industrial businesses that provide services to traffic traveling to Northern Alberta as proposed by one of the presenters during the hearing. The MGB was not convinced other areas would be better suited for annexation. The Town already owns most (17.2 hectares / 42.6 acres) of the annexation area, which will facilitate development and servicing.

***Municipal Services***

[54] The Town can extend municipal services to the annexation area. Township Road 480 will remain within the County; however, the Town will be responsible for any roads within the annexation area as well as any required upgrades to Highway 36. This is logical as the portion of Highway 36 from Highway 14 to the northern boundary of the Town will be within the Town's jurisdiction. It is also logical for the Town to be responsible for all roads within the annexation area as it will control any future development in the annexation area and will have the ability to charge off-site levies to offset infrastructure costs. Moreover, Highway 36 and Township Road 480 can be used in conjunction with other buffering techniques specified by the Town's MDP and Land Use Bylaw to reduce possible land use conflicts between the existing residential areas and any future commercial or industrial development. Development within the Town is already located to the east and south of the annexation area. Therefore, it is reasonable to accept that the water and sewer lines required in the annexation area will be able to be efficiently connected to the existing Town system. No concerns were received about drainage issues or environmentally sensitive features in the annexation area. With regard to interchange upgrades, the MGB is confident the Town and County will work with AT as development proceeds.

**Transitional Matters**

[55] The transitional matters considered by the MGB include the assessment and taxation transition provisions, bylaws, and development.

***Assessment and Taxation Provisions***

[56] The 15 year assessment and taxation transition period and the conditions that would result in the elimination of this benefit as suggested by the Town are acceptable. This transition period corresponds with the request of the landowner and is consistent with other annexations with similar time horizons. The landowner benefits as the Town has also requested the property in the annexation area be taxed using the municipal tax rate of either the Town or the County, whichever is lower. There were no concerns raised about the assessment and taxation transition provisions only applying to the municipal tax rate; therefore, these provisions do not include the revenue raised by the Town to pay for other requisitions such as the Alberta School Foundation Fund.

[57] Two conditions have been accepted that will cause the removal of the assessment and taxation tax protection prior to the end of the 15 year transition: the approval of a subdivision at the request of the landowner, and the approval of a request by the landowner to change the land use designation of the property under the Town's LUB. Both conditions are reasonable as they require some type of action by the landowner. As obtaining the approval of a subdivision or changing the land use designation of a property are complicated and lengthy processes, it is reasonable to expect the landowner will consider the assessment and tax implications prior to submitting applications. Circumstances beyond the control of the landowner, such as a subdivision caused by an expropriation of land for road widening or the redesignation of the property to accommodate another development, will not result in the premature loss of the assessment and taxation provisions.

***Bylaws***

[58] The Town has attempted to reduce the impact of the annexation on the private landowner. Although beyond the scope of an annexation order, the Town has committed to making changes that will allow the landowner to keep up to five horses on this property, the maximum number permitted for a parcel of this size in the County. Subject to offsite levies and/or servicing charges established by Town Bylaws, the connection of the property to Town water and sewer services will not cause the loss of the assessment and taxation transition provisions. This benefits the landowner given access to these municipal services may not be available to similar properties in the County.

***Development***

[59] With regard to the suggestion that the Town not be a developer, section 3 of the *Act* identifies that the purpose of a municipality is to "provide services, facilities or other things that, in the opinion of council, are necessary or desirable for all or part of the municipality." Therefore, the Town's level of involvement in the development of the annexation area is something that

**BOARD ORDER NO. MGB 010/18**

**FILE: AN17/VIKI/T-01**

should be addressed at the local level. Leasing agreements between the Town and the landowner as well as the determination of development phasing are issues that are beyond the scope of an annexation and should be dealt with at the local level.

**CONCLUSION**

[60] The MGB finds that the proposed annexation complies with the *Act* and addresses the appropriate annexation principles. The two municipalities have demonstrated a significant level of cooperation and collaboration. The intent of the annexation is logical and the amount of land being annexed is acceptable. The efforts by the Town to solicit input throughout the process have been suitable and the Town's attempts to mitigate the concerns of the affected landowner have been commendable. The conditions of annexation, as clarified, are certain, unambiguous, enforceable, and time specific. Therefore, the MGB recommends this annexation.