

**IN THE MATTER OF THE** "*Municipal Government Act*" being Chapter M-26.1 of the Statutes of Alberta 1994 (Act).

**AND IN THE MATTER OF** an application by the Town of Sundre (Town), in the Province of Alberta, to annex certain territory lying immediately adjacent thereto and thereby its separation from the Mountain View County (County).

**BEFORE:**

Members:

A. Savage, Presiding Officer  
J. Church, Member  
R. Telford, Member

Secretariat

A. Yaremchuk

**PROPOSAL**

The Town is proposing an annexation of approximately 305 acres of land from the County. There are three distinct areas involved in the proposal, generally described as follows:

Area A This area contains approximately 165 acres and is located north of the present Town boundary and immediately west of James River Road. Area A is intended for residential development.

Area B This area contains approximately 60 acres located west of the present Town boundary. Area B is also intended for residential development.

Area C This area contains approximately 80 acres located southwest of the present Town boundary. Area C is intended primarily for industrial and commercial development, however the eastern portion of area C is intended for residential development.

**BACKGROUND**

The Town and the County have successfully negotiated an annexation agreement and five of the six landowners involved have consented to the proposed annexation. Landowners, Barry and Norma Dickau, who are opposed to the annexation of their property, submitted written objections

to the MGB. Based on this objection the MGB decided there was no general agreement with the proposal. Following the publication of an advertisement by the MGB in the local newspaper, no other objections or comments were received. On October 4, 2001 the MGB held a public hearing in the Town of Sundre to hear submissions from the Dickaus, the Town and the County respecting the annexation proposal.

### **LANDOWNER OBJECTION**

#### D. Barry and Norma Dickau

The Dickaus currently own a 1.36 acre county residential parcel located within proposed annexation Area A along the James River Road. The Dickaus object to the annexation for the following reasons:

- Increase in property taxes.
- Required connection to Town water and sewer and the associated costs
- Increase in the cost of gas
- Forced into garbage pick-up and the associated costs.

The Dickaus are concerned with the Town's hard water supply as they currently have their own well, which provides soft water.

### **TOWN'S RESPONSE TO THE OBJECTION**

The Town estimated that the taxes on the Dickau property would be an annual increase of approximately \$300.00 due to the proposed annexation.

The Town tendered that they offered to pay the County the equivalent of the taxes generated within the annexation areas but did not consider giving the landowners the same consideration in regard to maintaining the current taxation level.

The Town noted that the Dickau property is located in such a manner that it could not be left out of the annexation proposal. The east and south sides of the Dickau property already form the Town boundary and access into the Dickau property is directly from a roadway already within the Town. The lands immediately west and north of the Dickau property are part of the annexation proposal and are already scheduled for new, urban style development. The exclusion of the Dickau property would mean the adjacent lands would also need to be left out of the annexation.

With respect to servicing, water, sewer and storm drainage systems are already located within the road right-of-way in front of the Dickau property. These services have been over-sized in order to

accommodate the new development proposed for the adjacent lands within this annexation area. There is no direct plan to force hook-ups into the water and sewer system until such time as redevelopment of the Dickau property occurs. Garbage pick-up will be imposed on the Dickau property as part of the Town's normal bylaw requirements.

### **COUNTY'S RESPONSE TO OBJECTIONS AND CONCERNS**

The County did not offer any comments to the objections and concerns identified by the landowners.

### **THE NEED FOR ANNEXATION**

The town site of Sundre offers an interesting physical challenge for development as the Town is separated by the Red Deer River that runs north and south, Bearberry Creek runs east and west, and a spring fed creek also runs west of Town. The Red Deer River divides the east part of Town and is subject to flooding. There has been no previous town water or sewage development within this eastern area of town and would be costly to service, therefore growth direction to the east is not considered an option to accommodate future development.

One of the goals and objectives introduced in the General Municipal Plan (GMP), adopted in 1980, was to encourage the continuation with future residential growth through annexation of lands from the County. In the past, the options for growth within the Town were limited to the northwest, however, in 1980 the Municipal Planning Commission approved development of 80 acres to the north and an additional 80 acres to the south, both of these areas have been fully developed.

Since 1996 the Town has experienced rapid growth with the development of 200 lots. There was a high demand for new subdivisions in 1997, which was superseded with a higher market demand in 1998. There has been an annual increase of seven to eleven single-family residences and 2001 continued with the same demand. There have been no developmental options for mobile homes since 1999 as there are no vacant lots for mobile homes within the Town. There has also been an increased demand for commercial land, however no land is available. Therefore there have been no sales of commercial lots or new development to meet the commercial requirements of the Town.

With respect to servicing, the Town's engineers have pre-planned the location and sizing of water, sewer and storm water services in accordance with the all the areas identified for annexation. Accordingly, the Town has planned its financial responsibilities based on the recommendations of the Town's engineer for this annexation.

## **TOWN'S POSITION**

Mayor Toone stated the Town has been experiencing high growth rates in recent years and that the annexation would follow the Town's newly proposed Municipal Development Plan (MDP) policies in meeting the opportunities for accommodating future growth for providing options for residential housing types, as well as commercial and industrial development by utilizing the three identified areas to be included into the Town boundaries. The Town encourages and supports the development of a variety of affordable housing types to service the needs of Town residents of various income groups.

Areas "A" and "B" were identified as annexation areas in the Town's general plan, for residential development purposes at a mix of densities. Area A is logical for annexation because of on-going residential development to the east and good road access into the Town. It may also include larger lot sizes due to the topography of the area. Residential uses are a logical extension of those already existing in the Town and the area can be easily serviced as the developed lands to the east of Area A include storm water servicing and were designed to accommodate the annexation area.

Area B will accommodate residential uses as well. This area can be easily serviced and there is good road access from the south within the Town, however, there are some access limitations from the west off of Highway 22. There is residential development to the south, thus this annexation area is a logical extension of the development currently within the Town.

There are many amenities nearby that are attractive for a residential environment for both proposed annexed Area's A and B.

Area C will be developed primarily for light industrial and commercial purposes, although the eastern portion would be an extension of an existing residential development area. There is an existing north-south pipeline that will separate the residential use from the commercial use. Area C is suitable for industrial and commercial uses as this area is close to both Highway 27 and Highway 22 and there are other similar uses on adjacent lands. Both the Town and County agree Area C would be suitable for the Towns' prime industrial and commercial corridor.

Annexation of the three identified areas is required because of high levels of development and a shortage of readily accessible land. In 1998, the total building permits were over \$4.8 million and the total building permits were well over \$4.0 million in 1999. Because of the increasing growth rates over the past years the Town expects this trend to continue.

The Town emphasised how accommodating the County had been throughout the annexation process and stated their appreciation with the co-operation the County offered during negotiations.

## **COUNTY'S POSITION**

More recently, the Town and County have established a planning partnership in regards to planning matters within the study areas. Sections 3.9.5 and 3.9.6 of the County's MDP encourage urban municipalities to discuss their plans with the County. The MDP also indicates that expansion is based on a defined need on the part of the urban municipality. The intent of these policies has been met by the Town as their annexation application is evidence of a co-operative approach to planning. Therefore, the County has no objections to the Town's annexation application.

## **FINDINGS**

After conducting a public hearing and reviewing and reviewing and considering the negotiation report and annexation agreement between the Town and the County and considering the input of the landowners and the general public, the MGB finds:

1. The Town requires the proposed annexation lands in order to accommodate future residential, commercial and industry growth.
2. The Town has oversized its trunk services for water and sewer in anticipation of the annexation of all of Area A.
3. The Dickau property is located in the centre of annexation area A, and cannot be excluded from the annexation application.
4. Annexation without assessment and taxation conditions will immediately increase the property taxes for the Dickau property by approximately \$300.00.
5. The Dickau property will not be required to hook into the water and sewer services already running past their property.

## **RECOMMENDATION**

In consideration of the above, the MGB makes the following recommendations for the reasons set out below:

1. Effective January 1, 2002, the land described in Appendix A and shown on the sketch in Appendix B be separated from the Mountain View County and annexed to the Town of Sundre.
2. Any taxes owing to the Mountain View County on December 31, 2001, in respect of the annexed lands are transferred to and become payable to the Town of Sundre together with

any lawful penalties and costs levied in respect of the those taxes, and the Town of Sundre upon collecting those taxes, penalties or costs shall pay them to the Mountain View County, and

3. The assessor for the Town of Sundre shall assess for the purpose of taxation in 2001, the annexed land and the assessable improvements to it as if located where within Mountain View County.

and makes the Order in Appendix C

## **REASONS**

### The Overall Annexation Proposal

With respect to the full annexation proposal, the MGB finds the successful negotiations with County, the consenting land owners, and the general public demonstrates the effective use of the concepts outlined in the Provincial Land Use Policies for encouraging intermunicipal cooperation and the intermunicipal coordination of land use planning.

Through its Municipal Development Plan, the Town identified its future growth directions and future land use patterns. The proposed annexation conforms to the adopted policies in the MDP. Further, the Town's has already oversized some of its water and sewer trunk lines in order to accommodate the planned growth. This annexation represents the logical extension of servicing in the most economically efficient way.

In the MGB's opinion, the Town has justified its need for the annexation of the three areas identified in the annexation application. The Town stated that recent growth has reduced the options available for different types of residential development and has virtually eliminated lands available for industrial and commercial development.

### The Dickau Property

The MGB understands the concerns of the Dickaus, however, it is important to recognize the very limited supply of land within the Town's current boundaries for future residential, industrial, and commercial development. The MGB respects the rights of the Dickau's wishes to maintain the status quo respecting taxes, on-site water and sewer service and opting out of garbage collection fees. However, the MGB feels that the greater public interest is paramount for the inclusion of the Dickau land within annexation Area A. The reason for the MGB taking this position is that the location of the Dickau property is strategic within the annexation area. It cannot be excluded from the annexation without excluding other lands in this annexation area.

The Town did not consider offering the Dickaus or any of the other property owners within the annexation area, concessions respecting future assessment and taxation in order to gain support for the annexation. In other Alberta municipalities, annexation agreements with landowners respecting a delay in changing the assessment and taxation process to urban values and rates have become standard practice, usually for a five-year period. When making its submission to the MGB, the Town did not provide comment on this matter, other than to say that they had not made the offer to any of the landowners.

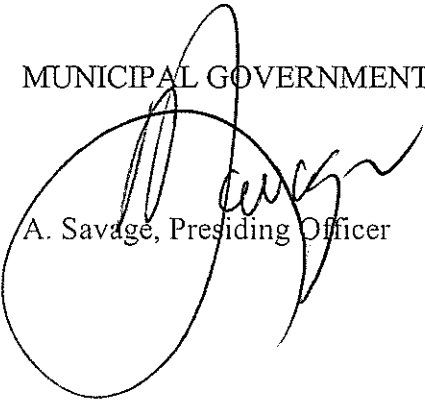
As a result, the MGB is of the opinion that in order to address the immediate concerns of the Dickaus respecting assessment and taxation and to be fair to all the other landowners in the annexation areas, that the conditions of annexation reflect a five year period of assessment and taxation based on the County's valuation and rating unless the lands are rezoned or subdivided before that time. The MGB requests the Minister include these conditions in the annexation Order, even though the Town did not respond with agreement or disagreement when asked by the MGB. Further, the inclusion of these conditions is in keeping with conditions imposed on similar annexation approvals issued to other municipalities since the new Act came into effect in 1995.

Respecting the other concerns identified by the Dickaus, the Town assured the MGB that connection to water and sewer would not be forced on the Dickaus unless the Dickaus decide to subdivide and redevelop their land. The other concern regarding a payment of fees for garbage pick up service is, in the MGB's view, a minor concern when considering a major annexation proposal. In any event, the five-year holiday from the increase of taxes to the urban rate will help offset the cost of a garbage pick up service.

For the reasons stated above, the MGB respectfully requests the Minister recommend approval of the full annexation application with the conditions outlined in Appendix C of this report.

Dated at the City of Edmonton, in the Province of Alberta, 1<sup>st</sup> day of February 2002.

MUNICIPAL GOVERNMENT BOARD



A. Savage, Presiding Officer

**APPENDIX "A"**

**DETAILED DESCRIPTION OF THE LANDS RECOMMENDED FOR SEPARATION FROM THE MOUNTAIN VIEW COUNTY AND ANNEXED TO THE TOWN OF SUNDRE**

**AREA A**

ALL THOSE PORTIONS OF THE SOUTH EAST QUARTER OF SECTIONS NINE (9) AND THE SOUTH WEST QUARTER OF SECTION TEN (10), TOWNSHIP THIRTY THREE (33), RANGE FIVE (5), WEST OF THE FIFTH MERIDIAN, LYING WEST OF THE JAMES RIVER ROAD PLANS 775HP AND 538LK

ALL INTERVENING ROAD ALLOWANCES AND ROAD RIGHTS-OF-WAY.

**AREA B**

THE NORTHERLY ONE-HALF OF THE NORTH WEST QUARTER OF SECTION FOUR (4), TOWNSHIP THIRTY THREE (33), RANGE FIVE (5), WEST OF THE FIFTH MERIDIAN.

THAT PORTION OF HIGHWAY 22, PLAN 8610295 LOCATED WEST OF THE NORTHERLY ONE-HALF OF THE NORTH WEST QUARTER OF SECTION FOUR (4), TOWNSHIP THIRTY THREE (33), RANGE FIVE (5), WEST OF THE FIFTH MERIDIAN.

ALL INTERVENING ROAD ALLOWANCES AND ROAD RIGHTS-OF-WAY.

**AREA C**

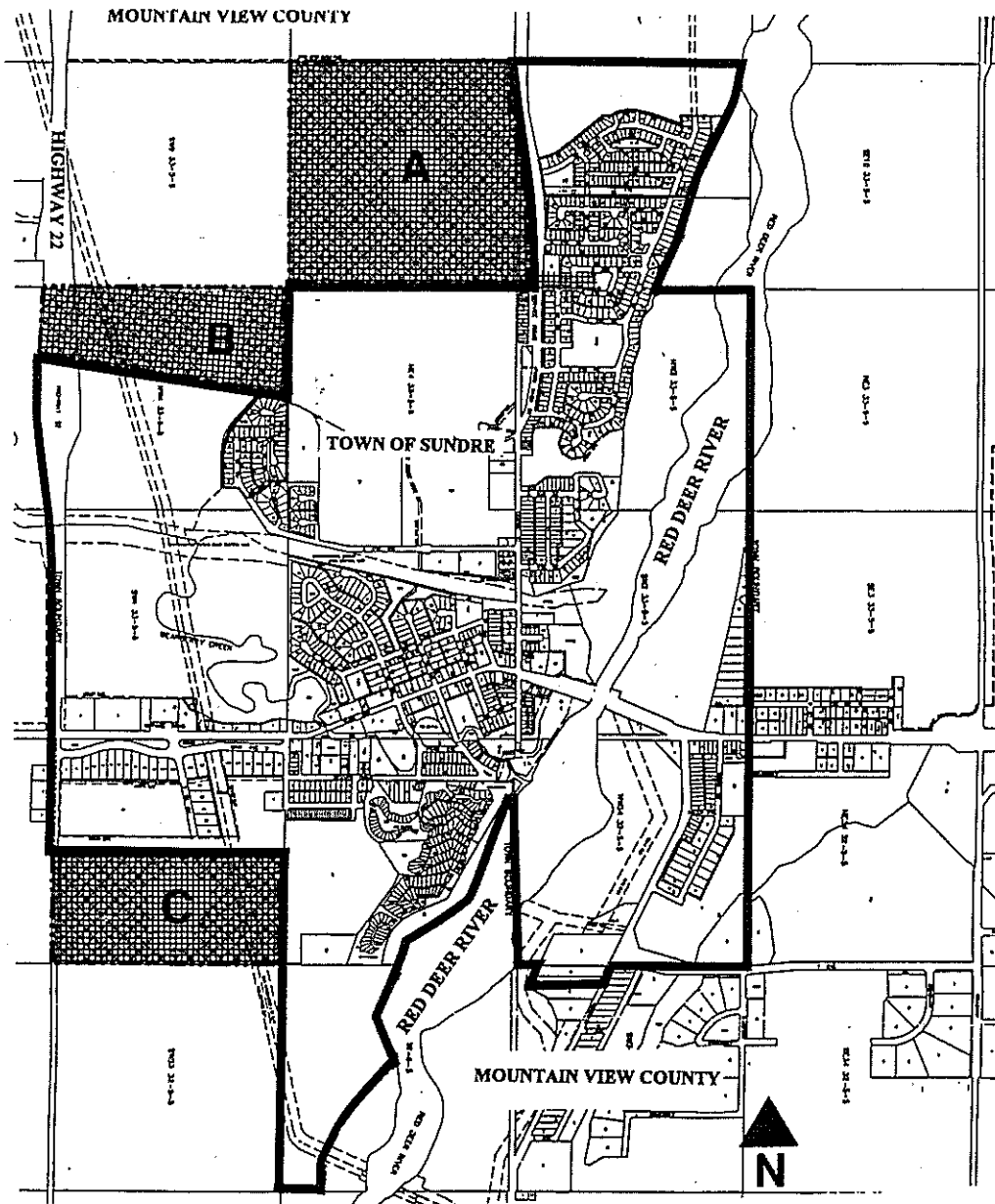
BLOCK 1, PLAN 9612539

THE GOVERNMENT ROAD ALLOWANCE LYING WEST OF BLOCK 1, PLAN 9612539.



**APPENDIX "B"**

**A SKETCH SHOWING THE GENERAL LOCATION OF THE AREAS  
RECOMMENDED FOR ANNEXATION TO THE TOWN OF SUNDRE**



**AREAS ANNEXED FROM MOUNTAIN VIEW COUNTY  
TO THE TOWN OF SUNDRE**

**APPENDIX C**

**ORDER**

- 1 In this Order "annexed land" means the land described in Appendix A and shown on the sketch in Appendix B.
- 2 For taxation purposes in 2002 and later years up to and including 2006, the annexed land and the assessable improvements to it
  - (a) must be assessed by the Town of Sundre on the same basis as if they had remained in Mountain View County, and
  - (b) must be taxed by the Town of Sundre in respect of each assessment class that applies to the annexed land and the assessable improvements to it using the tax rate established by Mountain View County.
- 3 Where, in any taxation year, a portion of the annexed land
  - (a) becomes a new parcel of land created as a result of subdivision or separation of 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,
  - (b) becomes a residual portion of 3 acres or less after a new parcel referred to in clause (a) has been created, or
  - (c) is redesignated at the request of or on behalf of the landowner under the Town of Sundre Land Use Bylaw to another designation.

section 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.