

BOARD ORDER:

MGB 012/16

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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 Beaumont, in the Province of Alberta, to annex certain territory lying immediately adjacent thereto and thereby its separation from Leduc County.

BEFORE:

Members:

H. Kim, Presiding Officer
M. Axworthy, Member
T. Golden, Member
R. McDonald, Member
W. Kipp, Member

Secretariat:

R. Duncan, Case Manager
C. Miller Reade, Case Manager

SUMMARY

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

Recommendation

That the annexation be approved in accordance with the following:

The Lieutenant Governor in Council orders that

- (a) effective January 1, 2017, the land described in Appendix A and shown on the sketch in Appendix B is separated from Leduc County and annexed to the Town of Beaumont,
- (b) any taxes owing to Leduc County at the end of December 31, 2016 in respect of the annexed land and any assessable improvements to it are transferred to and become payable to the Town of Beaumont together with any lawful penalties and costs levied

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in respect of those taxes, and the Town of Beaumont upon collecting those taxes, penalties and costs must pay them to Leduc County,

- (c) the assessor for the Town of Beaumont must assess, for the purpose of taxation in 2017 and subsequent years, the annexed land and the assessable improvements to it,

and makes the Order in Appendix C.

Dated at the City of Edmonton, in the Province of Alberta, this 16th day of March 2016.

MUNICIPAL GOVERNMENT BOARD

(SGD.) H. Kim, Presiding Officer

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APPENDIX A

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

ALL THAT PORTION OF SECTION ONE (1), TOWNSHIP FIFTY-ONE (51), RANGE TWENTY-FOUR (24) WEST OF THE FOURTH MERIDIAN NOT WITHIN THE TOWN OF BEAUMONT.

ALL THAT PORTION OF SECTION TWO (2), TOWNSHIP FIFTY-ONE (51), RANGE TWENTY-FOUR (24) WEST OF THE FOURTH MERIDIAN NOT WITHIN THE TOWN OF BEAUMONT.

THE SOUTHEAST QUARTER OF SECTION THREE (3), TOWNSHIP FIFTY-ONE (51), RANGE TWENTY-FOUR (24) WEST OF THE FOURTH MERIDIAN.

SECTION THIRTY-THREE (33), TOWNSHIP FIFTY (50), RANGE TWENTY-FOUR (24) WEST OF THE FOURTH MERIDIAN.

THE NORTH HALF OF SECTION TWENTY-EIGHT (28), TOWNSHIP FIFTY (50), RANGE TWENTY-FOUR (24) WEST OF THE FOURTH MERIDIAN.

ALL THAT PORTION OF THE SOUTHWEST QUARTER OF SECTION TWENTY-EIGHT (28), TOWNSHIP FIFTY (50), RANGE TWENTY-FOUR (24) WEST OF THE FOURTH MERIDIAN LYING NORTH OF THE NORTH BOUNDARY OF PLAN 802-1108 AND NORTH OF THE PROJECTION WEST OF THE NORTH BOUNDARY OF PLAN 802-1108.

ALL THAT PORTION OF THE SOUTHEAST QUARTER OF SECTION TWENTY-EIGHT (28), TOWNSHIP FIFTY (50), RANGE TWENTY-FOUR (24) WEST OF THE FOURTH MERIDIAN LYING NORTH OF THE NORTH BOUNDARY OF PLAN 6371NY.

THE NORTH HALF OF SECTION TWENTY-TWO (22), TOWNSHIP FIFTY (50), RANGE TWENTY-FOUR (24) WEST OF THE FOURTH MERIDIAN INCLUDING ALL THAT LAND LYING NORTH OF SAID HALF SECTION AND SOUTH OF THE SOUTH BOUNDARY OF THE TOWN OF BEAUMONT.

THE NORTH HALF OF SECTION TWENTY-THREE (23), TOWNSHIP FIFTY (50), RANGE TWENTY-FOUR (24) WEST OF THE FOURTH MERIDIAN INCLUDING ALL THAT LAND LYING NORTH OF SAID HALF SECTION AND SOUTH OF THE SOUTH BOUNDARY OF THE TOWN OF BEAUMONT.

THE NORTH-SOUTH ROAD ALLOWANCE ADJOINING THE WEST BOUNDARIES OF THE NORTHWEST QUARTER OF SECTION TWENTY-FOUR (24), TOWNSHIP FIFTY (50), RANGE TWENTY-FOUR (24) WEST OF THE FOURTH MERIDIAN AND THE SOUTHWEST QUARTER OF SECTION TWENTY-FIVE (25), TOWNSHIP FIFTY (50), RANGE TWENTY-FOUR (24) WEST OF THE FOURTH MERIDIAN.

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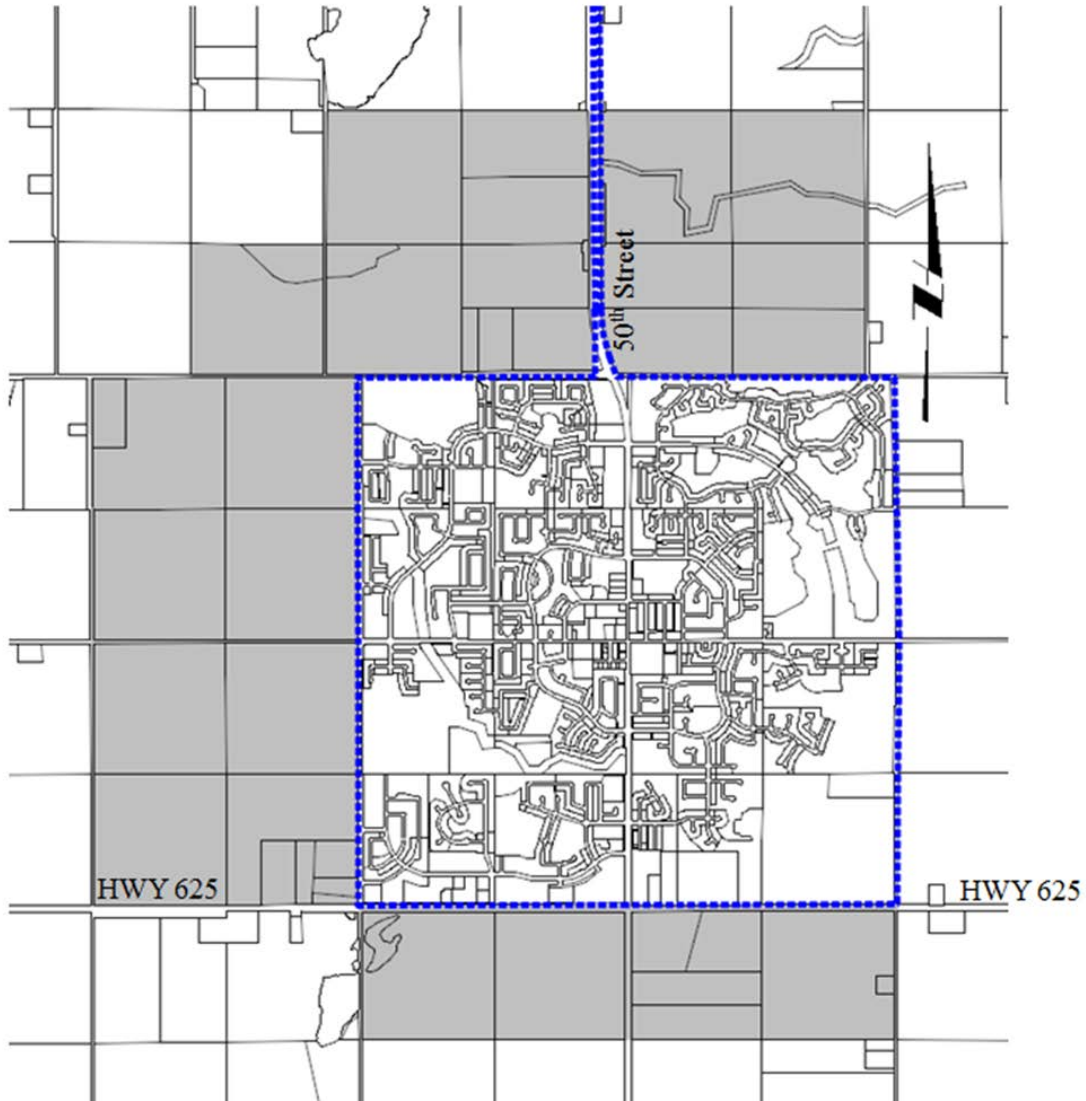
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APPENDIX B

**A SKETCH SHOWING THE GENERAL LOCATION OF THE AREAS
ANNEXED TO THE TOWN OF BEAUMONT**



Legend



Existing Town of Beaumont Boundary



Annexation Area

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APPENDIX C

ORDER

- 1 In this Order, "annexation area" means the land described in Appendix A and shown on the sketch in Appendix B.
- 2(1) For the purposes of taxation in 2017 and in each subsequent year up to and including December 31, 2067, the annexed land and the assessable improvements to it must be taxed by the Town of Beaumont using
 - (a) the municipal tax rate established by Leduc County, or
 - (b) the municipal tax rate established by Town of Beaumont,whichever is lower, for property of the same assessment class.
- (2) For taxation purposes in 2017 and subsequent years up to and including December 31, 2067, the annexed land and assessable improvements to it must be assessed by the Town of Beaumont on the same basis as if they had remained in Leduc County.
- 3 Where, in any taxation year, a portion of the annexed land
 - (a) becomes a new parcel of land created
 - (i) as a result of subdivision,
 - (ii) as a result of separation of title by registered plan of subdivision, or
 - (iii) by instrument or any other method that occurs at the request of or on behalf of the landowner,except where the subdivision of the parcel is from a previously un-subdivided quarter section that is in use for farming purposes at the time of subdivision,
or
 - (b) is redesignated at the request of or on behalf of the landowner, under the land use bylaw in effect at the time for the Town of Beaumont, to a land use designation other than the land use designation that was in effect for that portion immediately before January 1, 2017,section 2 ceases to apply at the end of that taxation year in respect of that portion of the

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annexed land and assessable improvements to it.

- 4 After section 2 ceases to apply to the annexed land or a portion of it, the annexed land or portion and assessable improvements to it must be assessed and taxed for the purposes of property taxes in the following year in the same manner as other property of the same assessment class in the Town of Beaumont is assessed and taxed.

APPENDIX D

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

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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	Full Description
Act	<i>Municipal Government Act</i>
Agreement	Town of Beaumont/Leduc County Annexation Agreement
AMC	Applications Management Consulting Ltd
ASP	Area Structure Plan
AT	Alberta Transportation
B&A	Brown and Associates Planning Group
City	City of Edmonton
Corvus	Corvus Business Advisors
County	Leduc County
CRB	Capital Region Board
CRGP	Capital Region Growth Plan
DL	MGB Decision Letter
du/grha	Dwelling Unit per Gross Residential Hectare
du/nrha	Dwelling Unit per Net Residential Hectare
ER	Environmental Reserve
FSP	Functional Planning Study
Growth Study Update	Town of Beaumont 2014 Growth Study Update
ha	Hectare
Hwy 625	Secondary Highway 625
Hwy 814	Secondary Highway 814
IDP	Intermunicipal Development Plan (Leduc County Bylaw 33-98 and Town of Beaumont Bylaw 485/98)
IRTMP	Capital Region Board 2011 Integrated Regional Transportation Master Plan
ISL	ISL Engineering and Land Services
km	Kilometer
LASP	Local Area Structure Plan
LGC	Lieutenant Governor in Council
LUB	Land Use Bylaw
MDP	Municipal Development Plan
MGB	Municipal Government Board
Minister	Minister of Municipal Affairs
mm	Millimeter
NAM	Nichols Applied Management
NAM Report	Nichols Applied Management Report

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Acronym	Full Description
Notice	Notice of Intent to Annex
OC	Order in Council
PGA	Priority Growth Areas
PGA C	Priority Growth Area Central
PGA Ce	Priority Growth Area Central East
PGA Cw	Priority Growth Area Central West
QEII	Queen Elizabeth II Highway
REF	Regional Evaluation Framework
RR	Range Road
TMP	City of Edmonton 2009 Transportation Master Plan
Town	Town of Beaumont
Twp. Rd	Township Road

EXECUTIVE SUMMARY

[1] On July 3, 2014, the Town of Beaumont (Town) filed an application with the Municipal Government Board (MGB) to annex 1,360 hectares (3,360 acres) of land from the County of Leduc (County). The accompanying letter stated the Town and the County were unable to negotiate or mediate an annexation agreement. Objections to the proposed annexation were also filed by the City of Edmonton (City), the City of Leduc, and a number of affected landowners and members of the public. Accordingly, the MGB conducted public hearings regarding the annexation as required by the *Municipal Government Act* (Act). This Report outlines the MGB's findings and recommendations.

PREHEARING PROCESS

[2] The MGB conducted a preliminary hearing on September 18, 2014 to establish the document exchange timeline, set the dates for the merit hearing, and deal with any preliminary matters. During this hearing, the County identified an overlap between a notice of intent to annex (Notice) filed by the City and the Town's application. The County requested the Town's application be held in abeyance until the City had completed its own annexation application. The MGB noted the Act does not provide any timelines for the submission of a completed annexation application. Moreover, the required negotiations and/or mediations between the Town, the County, and the City in regard to a possible future annexation by the City had not been initiated as yet. Therefore, the MGB did not grant the County's request, since waiting for the City's application would unduly delay the Town's annexation process and create uncertainty for the Town, the affected landowners, and the public.

MERIT HEARING ISSUES

[3] During the merit hearing held from June 8 to 24, 2015, the MGB received submissions from the Town, the County, the City, the City of Leduc, affected landowners, and members of the public. The MGB identified the following issues as critical to its recommendation:

- Intermunicipal cooperation
- Land requirement
- Servicing considerations
- Transportation networks
- Geographical directions for growth
- Financial impacts and transitional provisions
- Other landowner/general public concerns

Intermunicipal Cooperation

[4] Intermunicipal cooperation is an important factor in an annexation. Municipalities typically demonstrate cooperation by producing Intermunicipal Development Plans (IDP) and negotiated agreements. In this case, the Town and the County adopted an IDP in 1998 in

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conjunction with the 1999 Town of Beaumont/Leduc County Annexation Agreement (Agreement). The Agreement allows the Town to apply for an annexation once it reaches a population at least 25,000 or the municipalities agree on an annexation for a particular purpose or as a result of special circumstances. Although the Town and the County attempted negotiation and mediation for over a year, the two municipalities were unable to reach an annexation agreement.

[5] The Town realized it needed to expand in 2007 when it had to relocate its public works yard into the County as there was no suitable vacant land within the Town boundary. The municipalities did work collaboratively in preparing the 2011 Joint Growth Study, but after significant time and effort by both parties, this Study was accepted as information only by the two municipal councils. The Town submitted that it had an urgent need for additional land, but as the County was not prepared to commit to a timeline, the Town prepared its own Growth Study. The Town recognized it has not yet reached the 25,000 threshold; however, it explained that it is the second fastest growing municipality in Alberta and submitted growth projection studies to support its request for an additional 21 quarter sections of land to accommodate a 50 year growth horizon. Further, it argued that the County has already breached the IDP/Agreement by approving the East Vistas Local Area Structure Plan (LASP), which effectively created a nine quarter section urban community on good agricultural land a short distance (1.6 kilometers [km]) 3333 from the Town. The Town argued that the East Vistas LASP breaches the County's obligation under the Agreement to protect agricultural land.

[6] The County submitted the Town is violating the Agreement by proceeding with an annexation application even though the triggering events have not yet occurred. It also argued that the Town has refused the County's past requests to develop a new or updated IDP. In response to the Town's growth projections, the County suggested the Town only requires 12 quarter sections of land for development over a 50 year planning horizon.

[7] The City argued that IDPs do not foster large scale coordination of regional interests, a goal better achieved by collective planning through the Capital Region Board (CRB) and the Capital Region Growth Plan (CRGP). The City of Leduc highlighted the benefits of developing an IDP prior to an annexation and emphasized the acute need for joint growth planning in the context of a CRGP Priority Growth Area (PGA) that crosses multiple municipal boundaries. Submissions from landowners and the public urged the MGB to recommend that the three municipalities work collaboratively for the overall good of the region in the future.

[8] As noted above, intermunicipal cooperation is important, and the MGB typically gives negotiated agreements a great deal of weight. In this case, the two municipalities adopted an IDP, prepared in conjunction with the 1999 Agreement. However, the Town has experienced rapid growth since the Agreement was reached, becoming the second fastest growing municipality in Alberta. Given that the Agreement was signed in 1999, the MGB finds this extraordinary growth could not have been anticipated at that time. Furthermore, the Town, the County, and the City all

submitted that the Town should annex varying amounts of land in various directions; thus, demonstrating that the Town does require additional land to grow as a result of a special circumstance. Essentially, the dispute is about how much additional land is required by the Town and the direction of this growth, rather than whether annexation should occur at all. Therefore, the MGB does not view the trigger requirements in the Agreement as prohibiting the MGB from considering this annexation application.

[9] The MGB accepts the CRGP sets out regional planning for the Capital Region and should be given a great deal of weight. The CRGP establishes PGAs throughout the region, but does not assign jurisdictional boundaries, and does not speak to annexation. The City's position related to compliance with the CRGP was only with respect to density, and not the lack of an IDP. The assumed density issue and compliance with the CRGP is discussed later in this Report.

[10] The City of Leduc rightly emphasizes the advantages of having an IDP before an annexation. However, while IDPs are useful they are not mandatory planning documents under the Act nor is it a requirement under the Act that the Town and County update their existing IDP prior to annexation.

[11] It is unfortunate the two municipalities could not reach an annexation agreement despite significant time and effort spent on negotiation and mediation. However, the Act contemplates such situations and provides a procedure to evaluate applications where there is no general agreement. Accordingly, notwithstanding the lack of intermunicipal planning agreement, the MGB determined it would be appropriate to consider the application on its merits.

Land Requirement

[12] The parties provided differing views about the annexation land requirements. The issues relating to the land requirement focused on whether:

- the 50-year time horizon is justified,
- the population growth projections are reasonable,
- the assumed household size is reasonable,
- the assumed new and infill densities comply with CRGP targets,
- the amount of residential land is reasonable, and
- the amount of non-residential land and gross-up factors are reasonable.

Time Horizon

[13] The Town requested a 50-year time horizon, consistent with a number of recent annexations recommended by the MGB. A longer time horizon eliminates the need for the parties to revisit the same issues too soon. The County did not dispute the 50-year time horizon, but submitted that the Town did not provide support for the 21 quarter sections of land requested. The City argued the Town's application represents enough land for a 75-year time horizon. The City also argued such a long timeframe is unfair as it will need the overlapping lands within 35-

years. Other submissions from the public suggested the time horizon should remain consistent with the CRB population projections to 2044.

[14] Although the CRB population projections are only for a 35-year time frame, the MGB finds a 50 year annexation period is appropriate in this situation. In view of the historical conflict between the two municipalities and the recent extraordinary growth experienced by the Town, the MGB finds that the longer time horizon provides greater certainty for all affected parties. While the City contends it will need the land in the overlap area before the Town does, the amount of overlap - if any - will remain uncertain until the City finalizes its annexation application and submits it to the MGB as well as the neighbouring municipalities for consideration. Moreover, as has already been discussed, the CRGP PGAs do not allocate growth to any specific municipality.

Population Projections

[15] The Town projected its population would be 59,534 in 2065, which is consistent with the historical growth in the comparable bedroom communities of Sherwood Park and St. Albert during the 1970s and 80s. The Town's projection to 2044 is below the midpoint of the 2013 CRB low and high case projections. The City agreed that the Town could realize growth to almost 60,000 in 2065, subject to certain conditions.

[16] The County projected a lower rate of growth for the Town (50,253 by 2065). This projection was based on the average annual growth rate proposed in the 2013 CRB Projections High Case for small cities (except Fort Saskatchewan) to 2044. The growth was then extrapolated forward to 2065, taking into account the population of the East Vistas LASP.

[17] CRB population projections are to 2044 and the annexation land requirement is based on a 50 year supply. To compare the population forecasts, the MGB considered the 2044 population projection of 44,925 in the Growth Study Update, to the 2013 CRB Low (35,800) and High Case (58,200) projections to 2044. The midpoint of the 2013 CRB Low and High Case projections for 2044 is 47,000, which is slightly higher than the 44,925 projected in the Growth Study Update for that same year. Therefore, the MGB finds the Town's 2065 projection of 59,534 is realistic in view of the CRB projections to 2044.

[18] Current economic conditions could affect the rate of population growth in the short term with fewer housing starts and declining activity. It is difficult to predict the magnitude of this impact over the 50-year time frame of the projections; however, on balance, the MGB finds the 59,534 projection of the Growth Study Update to be reasonable.

Household Size

[19] The Town used an average 2.8 people/dwelling unit (du) to determine future land needs. Although the County did not dispute the household size suggested by the Town, the City submitted 3.0 people/du would be more reasonable.

[20] The MGB finds that the current trend in the Town's average household size is declining, which is consistent with the general trend that occurs as a municipality matures. As detailed below, the MGB expects the Town to meet CGRP targets for density with respect to unplanned land within its boundaries. However, as densities increase and multi-family housing forms a greater proportion of residential stock, average people/du will most likely decline. Accordingly, a household size of 2.8 people/du is appropriate to calculate residential land requirement.

New and Infill Density

[21] The Town used a density of 25 du per net residential hectare (du/nrha) in the land to be annexed and 19.4 du/nrha in existing undeveloped land within the current Town. The County noted the CRB target density range for its PGA is 25 - 35 du/nrha and argued the Town's density levels should be higher based on the trends in the Town's newly developed area as well as future redevelopment opportunities. The City agreed with the County that density levels should be higher and suggested applying 25 du/nrha on the lands remaining in the Town and 30 du/nrha on the annexation lands. The City of Leduc noted that the MGB should be cognizant that residential densities in new areas and redeveloping areas have risen historically over time. It was also suggested during the proceedings that efforts should be made to increase density levels to preserve agricultural land.

[22] The amount of undeveloped land within the Town is minimal. The MGB finds that using the 19.4 du/nrha density levels suggested by the Town for existing undeveloped land within the current Town boundary, rather than the CRGP target of 25 du/nrha, would result in a reduction of only 0.3 quarter sections in the land requirement – a relatively minor amount given the size of the proposed annexation. With respect to the annexation area, the CRGP sets out targets for the PGA Ce. In the MGB's view, the stated densities levels in the PGA Ce (25 to 35 du/nrha) is intended to allow municipalities the flexibility to develop at density levels suitable to its municipal context. Although the Town can expect more multi-residential development as it matures, the existing predominantly single-family character of the Town will continue for some time; accordingly, the MGB finds it appropriate to use the lower end of the range (25 du/nrha) to determine residential land needs.

Residential Land Requirement

[23] The Town stated it needs an additional 856.58 ha (13.49 quarter sections) of gross residential land to accommodate its growth for a 50-year horizon. In contrast, the County and the City presented arguments for significantly smaller land requirements. The amount of residential land required is a function of the time horizon, population projection, density levels, number of people per household, and amount of vacant developable land available within the municipality. The MGB has already addressed each of these factors in this report and accepts the Town will need an additional 856.58 ha (13.49 quarter sections) of gross residential land to accommodate its projected residential growth.

Non-Residential Land

[24] Using an 80:20 residential to non-residential ratio, the Town calculated it would require 334.98 gross hectares of non-residential land – a position also supported by a number of landowners. In comparison, the City assumed commercial and industrial land absorption will together account for 15%, suggesting the Town will only need 161.8 ha of land for non-residential use. Additionally, the County’s “employment ratio” approach resulted in a figure of 386.89 gross hectares non-residential land (287 gross ha for commercial/industrial and 99.89 for urban services).

[25] Both the Town and the City used a ratio approach to determine non-residential land requirements. However, the MGB was not convinced the 15% residential to non-residential land split suggested by the City would achieve the sustainability and market opportunities recommended by the Town’s 2011 Nichols Applied Management (NAM) Niche Market Study. Although the Town used the 80:20 land split methodology and the County applied the employment ratio methodology, the difference between the land requirements identified by these two municipalities is relatively small. Given that the Town is asking for less non-residential land than the County’s approach suggests, the MGB is accepts the Town’s request as reasonable.

[26] Therefore, the MGB accepts the Town will need 334.98 gross hectares (4.55 quarter sections) of non-residential land.

“Gross-Up” Factors

[27] Certain lands within the existing Town boundaries and the annexation area will not be available for development, given the need for “overheads” (municipal reserves, public utilities, roads, and walkways) and “market allowances” (lands belonging to owners not motivated to develop). These realities must be accounted for in the land calculation through a “gross up” factor. The deduction requested by the Town amounts to 41.7% of the gross land area. In view of the 40% maximum legislated under the Act (30% for roads and utilities and 10% for municipal reserves), the MGB finds this amount to be reasonable.

[28] The MGB also finds it unrealistic to include lands for items such as highway upgrades and previously developed areas as part of the additional developable land calculations, since it would be difficult for new development to occur there. Consequently, the MGB accepts the additional 168.18 gross ha identified by the Town for this purpose is warranted.

Servicing Considerations

[29] Servicing considerations include water, waste water, and drainage. Not surprisingly, the opinions regarding municipal servicing reflect the relative positions taken with respect to the geographical direction of annexation, which is discussed later in this report. The Town maintained it would be able to provide these services to the areas north, west and south of its current boundary. The County argued it would be more efficient for the Town to provide these municipal services only for the lands to the west and the north of the current Town boundary as

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the provision of these services south of Hwy 625 would be more difficult and costly. The City suggested it would be more economical for the City to provide municipal services in the area north of the Town and suggested it would be easier for the Town to service the lands to the west and south. One landowner argued the Town could also provide municipal services for the lands to the east.

[30] The Town submitted that the proposed annexation area can be readily serviced, as both the Capital Region Southeast Water Services Commission (CRSWSC) and the Alberta Capital Region Wastewater Commission (ACRWC) have existing regional lines connecting the Town. Stormwater management is provided through discharge to existing streams and watercourses. The County stated municipal servicing is a function of demand and intermunicipal planning and coordination is necessary to plan for and protect utility corridors that provide major servicing of growth areas. The County submitted that for gravity feed wastewater servicing, the areas south of Hwy 625 and east of the Town would be more difficult and costly to service.

[31] The City anticipates that Irvine Creek will require significant improvement for stormwater management; therefore, the north annexation lands - which are entirely located within the Irvine Creek watershed - are better suited for annexation by the City. Moreover, the area north of the Town will benefit from being part of the City as the future extension of the City's water distribution system will create economies of scale.

[32] Landowners to the east of the Town argued that while their lands are not within the proposed annexation, servicing of the annexation lands should accommodate future development to the east. Other landowners noted the lands to the north could be readily serviced by the Town, while another landowner to the south expressed stormwater drainage concerns.

[33] The MGB finds regional water and wastewater systems are in place and can be expanded as necessary to accommodate growth. The MGB agrees that due to their existing connections to the Town, the regional CRSWSC and ACRWC networks can more readily service the annexation lands than the more distant City services. Based on the engineering reports and testimony, the MGB does not see servicing using gravity alone versus lift stations and force mains to be an overriding factor in favour of City servicing. The MGB does not consider the extension of the water and wastewater systems south of Highway 625 to be detrimental to growth in this direction as argued by the County. With the number of highways, roads and ditches in the Edmonton area, the MGB is confident ACRWC and CRSWSC have the experience to assist the Town in extending these lines. The MGB also expects any additional costs associated with the provision of water and waste water services to the south will be borne by future developers. However, given that services would have to be extended either north or south, the MGB was not convinced that it would be economical to service and annex lands to the east at this time.

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[34] Stormwater management appears to be more of a challenge, in part due to the relatively flat topography, distance to outlets, and historical development in the area. The MGB agrees that a regional stormwater management plan is necessary. Growth and the demands of new development will create impetus to develop a regional plan that will improve the current situation, regardless of which municipality the growth happens to be in.

Transportation Networks

[35] Two highways (Hwy) are located within the proposed annexation area. Hwy 625 runs east-west, abutting the current south boundary of the Town. Hwy 814 (50th Street) runs north-south, intersecting with Hwy 625 at the midpoint of the Town's southern boundary and extending through the Town northward to the City. This north-south route is the major commuter corridor to employment in the City. Nearly all of 50th Street extending to the south boundary of the City was recently twinned to a four-lane divided arterial standard using Town and Provincial funding.

[36] The County submitted that the growth of the Town should occur to the north to best capitalize on existing transportation corridors to Edmonton, where many Town residents are employed. The County also expressed concerns that growth south would require the construction of significant intersections and negatively impact traffic operations. The City argued the transportation network to the north should be within its control. The affected landowners, and members of the public expressed concerns about safety along the two highways, and bylaws restricting heavy and “over dimensional” load traffic within the Town.

[37] The MGB accepts the Town has demonstrated its commitment to provide transportation infrastructure in twinning 50th Street and is satisfied that the existing transportation networks will be upgraded and added to as the Town develops. The Town did not make submissions with respect to the intent of the bylaw restricting heavy vehicles within Town limits; however the MGB expects that with annexation, the bylaw will be amended to accommodate existing agricultural equipment and to attract the desired commercial and industrial uses within the new Town boundaries.

[38] Hwy 625 is under Provincial jurisdiction, and the MGB is satisfied that Alberta Transportation (AT) will not allow development to compromise the function and high load capability of this highway. In this regard, AT has indicated that its requirements can be addressed through Section 14 and 15 of the Subdivision and Development Regulation for an annexation of this type. With growth of the Town, there will be impacts on the volume of traffic on Hwy 625 whether or not development occurs south of Hwy 625.

Geographical Direction for Growth

[39] The 21 quarter sections in the Town's annexation application are made up of nine quarters to the north, eight quarters to the west, and four quarters to the south. Although the County objected to the Town's annexation proposal in its entirety in advance of an IDP, it accepts that the north and west are appropriate directions for Town growth and argues there

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should be no growth to the south. The City objects to the nine quarters in the Town's north annexation area, submitting that the land would more appropriately be annexed to the City. A recurring theme in the presentations of the landowners to the north was their preference to be annexed by the Town rather than the City. A number of landowners to the south also supported annexation in that direction, though one requested provisions to protect agricultural operations. Finally, although not part of the area requested in the Town's application, a number of landowners to the east asked for their land to be included as part of this annexation.

[40] The MGB finds that the Town's proposed directions for growth are reasonable. All parties agreed that it is appropriate for the Town to annex the eight quarters to the west. The MGB recognizes the landowners in the north have made significant progress towards planning on their parcels, and agrees that the development of that area will likely occur within a shorter time frame than the 35-years suggested for the City's needs. The MGB is satisfied that the nine quarters to the north could be readily developed if annexed to the Town. The land to the south is the most appropriate for larger commercial and business park uses aspired to by the Town. It was not disputed that it is reasonable for the Town to attempt to increase its non-residential tax base. Without appropriate parcels of land on which to develop such uses, it is clear that the Town would have no opportunity to realize these aspirations.

Financial Impact

[41] The Town requested assessment and taxation transition conditions to reduce impacts on residents in the annexation lands. The requested conditions are for annexed lands to be assessed and taxed for 50 years as if they remained in the County. A 50-year transition period is much longer than typical. However, these conditions were developed after consultation with affected landowners, and were necessary to achieve public support for the proposal. In this regard, the MGB observes that the Town's mill rate for farmland is now significantly lower than the County's. Further, the 50-year transition period will help landowners who wish to maintain farming operations well into the future, unless there is a triggering event (subdivision or redesignation). The MGB also observes that farmland assessment is regulated, and will be assessed at the regulated rate as long as it is used for farming.

[42] The County argued that the Town should pay the County for depreciated costs associated with roads in the annexation area as well as a one-time payment as compensation for lost property tax revenue. With respect to stranded costs and compensation, the MGB notes that the County's fiscal impact assessment shows that the County will enjoy a net benefit from the Town acquiring the annexation lands, albeit a lesser annual amount. In view of the amount of annual benefit relative to the stranded costs and lost tax revenue, the MGB considers compensation by the Town to the County is not warranted.

[43] The City criticized the Town's financial impact assessment report on the grounds that it does not compare financial impact scenarios with and without annexation. In the MGB's view,

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such criticism is not well founded. The purpose of the Report is to determine whether the annexation proposal is manageable, and the MGB is satisfied that it accomplishes this task.

Effective Date

[44] The Town requested the effective date of the annexation be January 1, 2016; however, the MGB recommends postponing the effective date by one year to January 1, 2017. This will allow the two municipalities time to transfer documents and make preparations for the transfer of jurisdiction. As the assessment and taxation provisions afforded to affected landowners is 50 years, the MGB has also adjusted the transition period to reflect the revised effective date.

Other Landowner and Public Concerns

[45] Many landowner concerns arose during the hearing, including the ability to farm, drainage/wastewater issues, weed control, and various bylaw issues. The Town demonstrated it is aware of these issues and can address them through bylaw amendments as necessary. For example, the MGB accepts the Town will consider possible bylaw changes for livestock. However, the extent of these bylaw changes is a local issue. The Town is equally capable of dealing with drainage issues and is working to correct these matters. Finally, the MGB observes that all municipalities are required to comply with the *Alberta Weed Control Act* and trusts the Town will address weed issues as required by that Act.

CONCLUSION

[46] After reviewing the submitted documentation and hearing from the Town, the County, the City of Edmonton, the City of Leduc, affected landowners, and members of the public, the MGB finds the annexation application to be reasonable. Therefore, the MGB recommends the annexation of the land identified in the Town's annexation application with an effective date of January 1, 2017.

INTRODUCTION

[47] The Town of Beaumont (Town) is located 3.2 km south of the City of Edmonton and 8 km east of the Queen Elizabeth II Highway (QEII) and the Hamlet of Nisku. Historically, this municipality has been a bedroom community of young families with many of the residents employed in the City of Edmonton or the Nisku industrial area. The 2011 federal census found the Town's population to be 13,284, which represented a 48.2% increase over the 2006 federal census. This made the Town the seventh fastest growing municipality in Canada and the second fastest growing in Alberta over that time period. The municipal census conducted by the Town in 2014 determined its population had increased to 15,828.

[48] On July 3, 2014, the Town submitted an application to the MGB to annex approximately 1,360 hectares (3,360 acres) of land from Leduc County (County). The accompanying letter stated that despite the Town and the County having been unable to reach an agreement, the Town wished to proceed with its proposed annexation. As the area being requested by the Town contained lands identified by the "notice of intent to annex" (Notice) filed by the City of Edmonton on March 5, 2013, the City of Edmonton filed an objection with the Municipal Government Board (MGB). Objections to the Town's proposed annexation were also filed with the MGB by the City of Leduc as well as a number of affected landowners and members of the public.

[49] After reviewing the documentation, the MGB concluded there was "No General Agreement" with the Town's proposed annexation. In accordance with Section 121 of the *Municipal Government Act* (Act), the MGB was required to conduct one or more hearings in respect of the annexation and allow any affected person to appear before it.

[50] The MGB conducted two public hearings regarding this matter: a one-day preliminary hearing and a thirteen-day merit hearing. The preliminary hearing was held on September 18, 2014 in Beaumont. The MGB received submissions from the Town, the County, the City of Edmonton, the City of Leduc, affected landowners, and members of the public. MGB DL037/14 established the timeline for the exchange of materials and the dates for the merit hearing. The merit hearing, held from June 8 to 24, 2015 in the Hamlet of Nisku, allowed an opportunity for all parties to present their positions regarding the proposed annexation.

[51] After the public hearing process, the Act requires the MGB to present a written report with its findings and recommendations to the Minister of Municipal Affairs. The following report has been divided into six parts. Part one identifies the role of the MGB in relation to annexation process. Part two provides a chronology of the Notices and application submissions received by the MGB. Part three gives an overview of the preliminary public hearing held by the MGB. Part four describes the activities undertaken in preparation for the merit hearing. Part five summarizes the issues brought forward during the merit proceedings, the positions of the parties

in relation to each issue, the findings of the MGB with respect to each issue, and the recommendations of the MGB in regard to the proposed annexation. Part six provides a summary of the recommendation and concluding remarks. This report fulfills the duties and responsibilities of the MGB under the Act.

PART I – ROLE OF THE MGB

[52] The Act specifies that 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 landowners. Once the Notice has been filed, the municipalities involved with the proposed annexation must negotiate in good faith. If the municipalities are unable to reach an agreement, they must attempt mediation to resolve any outstanding matters.

[53] At the conclusion of the 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 two municipalities and identify any issues the two 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 may include the reasons it did not sign.

[54] The report is then submitted to the MGB. If the initiating municipality requests the MGB to proceed with the annexation, 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. Unless objections are filed with the MGB 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 a public hearing is required, the MGB is required to 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, with the second notice not less than six days before the public hearing.

[55] The MGB has the authority to investigate, analyze and make findings of fact about the proposed annexation. If a public hearing is held, the MGB must allow any affected person to appear and make a submission. After a hearing, the MGB is required to prepare a written report of its findings and recommendations and send it to the Minister of Municipal Affairs (Minister). In making its recommendation, the MGB may consider such things as the annexation provisions

and other relevant sections of the Act, the Provincial Land Use Policies, and previous MGB annexation recommendations. The Minister has the authority to accept or reject in whole or in part 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 of land from the one municipality to the other.

PART II – ANNEXATION NOTICE AND APPLICATION CHRONOLOGY

[56] Part II provides a chronology of the Notice and annexation application submissions received by the MGB.

[57] On March 5, 2013, the MGB received two Notices from the City of Edmonton. One Notice contemplated the annexation of the land in the County lying west of the QE II and extending from the current City of Edmonton boundary to the Edmonton International Airport. The other Notice proposed the annexation of land south of the City of Edmonton's existing boundary and east of the QE II to include land from both the County and the Town. With regard to the land in and around the Town, the City of Edmonton's Notice stated that the land was required for: orderly long term growth, strategic and policy based needs and interests, and regional planning and growth coordination.

[58] On May 2, 2013, the MGB received a Notice from the Town which considered the annexation of land in the County lying north, west, and south of the Town's current boundary. The Town's Notice stated these lands would allow it to expand its tax base, and provide the Town with a 50-year supply of residential and non-residential land. A review of the Notices from the Town and the City of Edmonton determined that the two municipalities were interested in annexing some of the same lands. An eight quarter section overlap existed north of the Town.

[59] The Town submitted an amending Notice on February 14, 2014 to reflect the feedback it received during the public consultation process and its negotiations with the County as well as the City of Edmonton's Notice for the lands around the Town. Although the amended Notice reduced the amount of land north of the Town, there still remained an overlapping area of five quarter sections between the Town's amended Notice and the City of Edmonton's March 5, 2013 Notice.

[60] On July 3, 2014, the Town submitted an application to the MGB to annex approximately 1,360 hectares (3,360 acres) of land from the County. The area requested was the same as the Town's May 2, 2013 amended Notice. The overlap area between the City's March 5, 2013 Notice remained at five quarter sections.

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[61] The MGB conducted a preliminary hearing on September 18, 2014, which among other things established a document exchange timeline for the parties. The City of Edmonton was required to submit its position regarding the Town's annexation application on April 15, 2015. A more detailed summary of the September 18, 2014 preliminary hearing is provided in Part III.

[62] On April 15, 2015 the MGB received an amended Notice from the City of Edmonton extending its proposed annexation area to the existing north boundary of the Town. This increased the overlap area of the City of Edmonton's Amended Notice and the Town's annexation application to nine quarter sections. The amended Notice stated the City of Edmonton could service the lands more efficiently than the Town, the additional lands would accommodate the City of Edmonton's anticipated accelerated growth, and the City of Edmonton's higher density levels would minimize the urban footprint. Although there was a recognition of the Town's need to expand, it was suggested the Town could grow in other directions that would not constrain the City of Edmonton's logical growth path.

PART III – PRELIMINARY PUBLIC HEARING OVERVIEW

[63] Part III summarizes the preliminary hearing conducted by the MGB on September 18, 2014.

[64] Although the Town's annexation application was received by the MGB on July 3, 2014, the start of the proceedings was delayed until September 18, 2014 to permit greater participation from affected landowners and members of the public. Preliminary hearing notices were placed in the **Country Market**, **Beaumont News**, and **Leduc Representative** newspapers the weeks of August 25, September 2 and September 8, 2014.

[65] Originally, the purpose of the preliminary hearing was to identify those persons wishing to make submissions about the proposed annexation, determine the issues to be raised, establish a document exchange timeline, and set a date for the start of the merit hearing. However, on September 12, 2014, the MGB received a letter from the County requesting the MGB to defer the scheduling of the merit hearing on the Town's annexation application pending receipt of the City of Edmonton's application. A letter from the Town dated September 15, 2014 objected to the County's abeyance request. The MGB determined it would have to address the County's abeyance request before it could proceed with setting the exchange and merit hearing dates.

[66] The September 18, 2014 preliminary hearing was attended by 36 affected landowners, members of the public, and representatives from the Town, the County, the City of Edmonton, and the City of Leduc. After considering the submissions of the parties, the MGB issued a decision letter (DL037/14). In DL037/14 the MGB refused the abeyance request. In essence the MGB found that although the City of Edmonton and the Town have expressed an interest in the same area, the extent of overlap, if any, would not be determined until such time as the City of

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Edmonton submits its annexation application and requests the annexation to proceed. As the Act does not specify a timeframe for the completion of an annexation application, waiting for the City of Edmonton's application would unduly delay the Town's annexation process and create unwarranted uncertainty for the Town as well as the landowners and public. DL037/14 set the merit hearing to commence on June 8, 2015 and extend to June 26, 2015, if deemed necessary by the MGB. The following timelines for the exchange of materials were also established:

- October 15, 2014 County to submit requested financial information to the Town
- December 1, 2014 Town to submit reports, legal argument, and witness statements
- March 16, 2015 County to submit response
- April 15, 2015 City of Leduc and City of Edmonton to submit response
- April 30, 2015 Any affected landowners or members of the public to submit written submission or notify the MGB of intent to speak at merit hearing
- May 15, 2015 County to submit additional response
- May 29, 2015 Town to submit rebuttal

[67] DL037/14 further ordered that both the Town and the County were to have the documentation as outlined available for viewing by the affected landowners and the public at their respective municipal offices during normal business hours.

PART IV – PRE-MERIT HEARING PROCESS AND PROCEDURAL MATTERS

[68] Before the hearing, the MGB undertook a number of pre-merit hearing activities and addressed preliminary procedural matters.

Pre-Merit Hearing Process

[69] In accordance with DL037/14, the MGB received the required documentation as scheduled from the Town, the County, the City of Edmonton, and the City of Leduc.

[70] On April 10, 2015, the MGB sent submission instruction notice letters to all known landowners and members of the public, and published notices in the **Country Market**, **Beaumont News**, and **Leduc Representative** newspapers the weeks of April 13 and 20, 2015. The notices advised the parties of the date, time, and location of the merit hearing, and stated that in accordance with DL037/14 affected landowners and members of the public wishing to attend or make oral submissions to the MGB at the merit hearing were to notify the MGB by April 30, 2015. The notices further explained that affected landowners or members of the public intending to provide written submission to the MGB were to provide copies of their submission to the MGB, the Town, the County, the City of Edmonton, and the City of Leduc by April 30, 2015. The notices advised that copies of these submissions would be made available for viewing by

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other affected landowners and the public at the municipal offices of the Town and County during normal business hours.

[71] The MGB received 15 written submissions from landowners and the public regarding this proposed annexation, several of which were entered on behalf of multiple individuals. In view of the high level of interest, the MGB set aside the afternoon of the first day and two evening sessions in addition to the time allotted during the proceedings, to allow for greater opportunity to hear submissions from landowners and the public.

[72] The MGB received the County's additional response on May 15, 2015 and the Town's rebuttal submission on May 29, 2015.

Procedural Matters

[73] At the start of the June 8, 2015 merit hearing and during the proceedings, three procedural matters arose all relating to the status of the City of Edmonton. These included the scope of the submissions by the City, the questioning of witnesses, and the ability to provide summary statements and arguments. As these matters are not directly related to the substance of the merit hearing, the party positions and decisions are noted here.

Scope of Submissions by the City of Edmonton

[74] The City of Leduc did not attend the merit hearing but provided a letter for consideration by the MGB as its sole and final contribution to the proceedings. The City of Edmonton (City) was in attendance and submitted a substantial amount of material. The County filed a preliminary application requesting direction from the MGB to prohibit the City from presenting evidence on its case for annexation of the lands being sought by the Town.

County Position

[75] The County objected to the City attempting to present its case for the City's annexation of the lands to the north of the Town in the context of its submissions, arguing that this was unfair and contrary to the direction of the MGB in DL037/14. It was emphasized that as part of that decision the MGB denied the County's request to defer the Town's annexation hearing pending receipt of the City's annexation application by the MGB, so that both applications could be heard concurrently. The MGB noted in its decision that the extent of overlap, if any, will not be determined until such time as the City submits its annexation application and requests the annexation to proceed.

[76] The City has not filed an annexation application with the MGB and should not be entitled to present its case for annexation in the context of the Town's annexation hearing. The City's submissions should be confined to responding to the Town's submissions and providing argument as to why the Town's annexation application should or should not be allowed, in whole or in part. For example, the City could properly argue that the Town is overstating its land needs,

dispute the Town's ability to service the proposed annexation lands, or question the fiscal impact of necessary infrastructure upgrades. The City overstepped its status as an intervener by filing evidence of its own growth studies and needs, which are clearly intended to support its amended Notice, which announces the City's desire to annex not five, but nine quarter sections of land from the County that overlap with the Town's application.

[77] The annexation process is outlined in the Act, and mandates certain activities before the initiating municipality can file an annexation application. These activities are ongoing, and the MGB cannot allow the City to circumvent the process and present its case for annexation in the subject proceedings as an argument against the Town's annexation. The County highlighted several excerpts from the reports filed in evidence by the City to show they go beyond review or critique, to advocate annexation of the overlapping nine quarter sections by the City instead of the Town. These excerpts included: the City's argument that placing the overlapping nine quarter sections under the jurisdiction of the City will benefit the region to a greater extent than the Town's proposal, and that the City is in the best position to develop the lands at densities that support efficient and cost effective transportation networks and public transit and can integrate that population into the regional transportation network.

[78] The County stated that the City is neither the initiating nor the responding municipality to the subject application and its case for annexation is not properly before the MGB. The County submitted that it would be highly prejudicial to the ongoing negotiations between the County and the City for the City to be allowed to effectively plead its case for annexation under the guise of responding to the Town's annexation application. The County has the right to challenge the validity of the City's case for annexation and intends to do so, if and when the City files an annexation application. Allowing the City to introduce evidence in these proceedings in support of its desire to annex lands from the County is prejudicial to the County and the Town, and compromises the County's ability to adequately respond to the Town's annexation application. Accordingly, any evidence purporting to support the annexation of lands in the County by the City should be ruled inadmissible and disregarded by the MGB.

Town Position

[79] The Town supported the County's position regarding the scope of the City's submissions. The Town identified that the position of the City is that it may want the overlapping land in the future. It was noted the City has not made an annexation application and there has been no negotiation with the Town despite the fact that the City's Notice includes the annexation of land currently in the Town's jurisdiction. The Town argued the City's submissions are not based on the impact of the Town's application on the City, and are not appropriate in these proceedings.

City Position

[80] The City noted that historically there have been very few contested annexations, and the ones that have occurred involved one urban and one rural municipality. This application is located within the Capital Region and there is a finite amount of growth available in the area.

The MGB's annexation principles include accommodation of growth by all municipalities. The procedural requirements for annexation including the mandatory negotiation phase and would result in a race to make an annexation application.

[81] The City was cognizant that there is a fine line in presenting its own growth requirements while commenting on the Town's application. The submissions were not intended to support the City's annexation application, which would take a lot more than the materials provided in these proceedings. However, it was argued that the City should be allowed to give evidence of its own growth needs to provide fulsome discussion of growth within the Capital Region. Due to the location, this application is unlike a typical annexation where one urban municipality is taking land from a rural municipality. The City noted that the MGB can hear any evidence it chooses, and give appropriate weight.

Findings and Decision on the Scope of the City's Submissions

[82] The MGB considered the party positions and noted that these proceedings are held pursuant to Section 121 of the Act, which states that the MGB may investigate, analyze and make findings of fact about the annexation, and must allow any affected person to appear before the MGB at a hearing. The City considers itself an affected person, and the MGB agrees; therefore, the Act mandates the MGB to hear from the City. It is important to note that in annexation proceedings, the MGB does not make a decision, but prepares a report for the Minister with recommendations. In fulfilling its obligation to investigate and analyze in order to prepare the requisite report, the MGB finds that restricting the scope of information presented unduly restricts the examination of this matter.

[83] The MGB acknowledges that City's April 15, 2015 amended Notice overlaps the Town's annexation area, but recognizes the proposed annexation would not properly be before the MGB until such time as the City submits an application. Therefore, the MGB determined that it would allow the City's submissions, but would afford them appropriate weight within the context of the purpose of the subject hearing, which is to evaluate the Town's annexation application.

Questioning of Witnesses by the City

[84] The Town and the County had similar positions regarding the City questioning witnesses.

County and Town Positions

[85] The County and the Town accepted the MGB's decision on the first preliminary matter, but in the course of the hearing objected to the MGB allowing the City to question their witnesses. The County and the Town noted that the City was neither the initiating municipality nor the municipality from which the land is to be annexed. Accordingly, the City does not have the status of a party to this hearing and should not be given the opportunity to ask questions.

City Position

[86] The City stated that it would only be asking questions of clarification if and when necessary. The City argued that it would be reasonable, in view of the scope of the materials in evidence, that it be given the opportunity to do so.

Findings and Decision on Questioning by the City

[87] Having determined that the City had the status of an affected person in these proceedings, it is the usual practice of the MGB to allow an affected person that has provided a substantial amount of evidence to ask clarification questions. The Town had made reference to the City in their presentations. As the City will have one opportunity to present and no opportunity for rebuttal, it is reasonable to allow the City to ask questions of clarification at the time of the parties' presentations in order to make its own position clear. Therefore, the MGB ruled that the City may ask questions, but of clarification only, when and as appropriate.

Summation and Argument by the City

[88] Again, the Town and the County had similar positions regarding City providing summary statements and arguments.

Town and County Positions

[89] Similar to their position on questioning, the County and the Town argued that the City does not have the status to provide summary statements and argument, as this opportunity is not generally afforded to affected persons in a hearing.

City Position

[90] The City stated that it had numerous reports and witnesses in these proceedings, and that it is reasonable to be given the opportunity to summarize and argue the relevance and importance of the considerations raised in the evidence.

Findings and Decision on Summation and Argument by the City

[91] The MGB notes that opportunity to provide summary and argument has been afforded to affected persons in previous hearings when an affected person has provided a substantial of evidence: for example, when a developer argues for inclusion in an annexation application where the municipalities are in agreement. The Act directs the MGB to investigate, analyze and make findings of fact about the annexation for the purpose of making its recommendation. To that end, the more information available to the MGB the more informed will be its findings. Accordingly, the MGB ruled that the City may provide summary and argument to support its position.

PART V - SUMMARY OF MERIT HEARING

[92] Part VI summarizes the submissions received by the MGB from the Town, the County, the City, the City of Leduc, the affected landowners, and members of the public regarding the

annexation. An overview of the Town's annexation application is followed by the identification of the issues raised during the proceedings.

Application Background

[93] To provide a better understanding of the issues under dispute, the following is a summary of the background leading up to this annexation application.

[94] The Town was established in 1895 as a French community on 30 acres of land, and grew from a population of 65 in the 1941 Federal Census to 337 in 1971. The Village of Beaumont was incorporated in 1973 and its census population grew to 2,638 in 1981. Since becoming incorporated as a Town in 1980, it has annexed land four times:

- In May 1980, the Town applied to annex approximately 1.5 quarter sections south of the Town. The County had no objection to the application. The land was annexed to the Town by Order in Council (OC) 701/81 effective January 1, 1981.
- In September 1984, the Town applied to annex three parcels totalling 17.3 ha (42.76 ac) to take jurisdiction of an existing storm water detention pond and a sewage lagoon at the western boundary of the Town as well as a portion of a parcel on the southwest boundary of the Town for industrial purposes. The County supported the application. The two utility parcels totalling 8.84 ha (21.75 ac) were annexed to the Town by OC 785/84 effective December 31, 1984, but the area to the southwest intended for industrial purposes could not be considered for annexation until it was under a separate title.
- In September 1989 the Town applied to annex three quarter sections and four road plans northeast of the Town and one road plan southwest of the Town totalling 197.23 ha (487.36 ac). The County did not oppose the annexation application. The land was annexed to the Town by OC 227/88 effective December 31, 1988
- In April 1997 the Town filed a Notice to annex 453 ha (1,120 ac) of land from the County. As the Town and County had not reached agreement, the MGB directed that a public hearing be scheduled, but both parties requested a postponement pending attempts to resolve the outstanding issues with the assistance of a mediator. As a result, the Town and County executed the Annexation Agreement (Agreement) in 1999 and adopted an Intermunicipal Development Plan (IDP) in 1998. On this basis, the MGB found there was general agreement for the annexation and made its recommendations without a public hearing. No objections were received, and OC 086/99 effective January 1, 1999 ordered land to the southeast and west of the Town, and the Secondary Hwy 814 (Hwy 814) right of way between the Town and the City to be separated from the County and annexed to the Town. The same OC ordered the Secondary Hwy 625 (Hwy 625) right of way at the south boundary of the Town be separated from the Town and annexed to the County.
- In 2000 - 2001 the Province took jurisdiction over all secondary highways, and Hwy 625 is no longer the responsibility of the County.

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[95] The Agreement was executed on September 28, 1998. The County accepted the Town's annexation proposal subject to the terms of the Agreement and the enactment of an IDP. In the Agreement, the Town agreed not to apply to annex any additional land from the County until the Town's population reached at least 25,000 or the parties otherwise agreed on an annexation for a particular purpose or as a result of special circumstances. The County agreed to protect good agricultural land, and the parties agreed that weed control was a priority and committed to consistent enforcement strategies. Drainage was addressed in some detail. The parties agreed to work co-operatively and collaboratively on drainage issues. Specific provisions included agreeing to appoint and share equally in the cost of an independent expert to study and make recommendations on remedial measures and a fair contribution formula; to jointly make application for funding from the Province; and to share costs equally if funds were unavailable. Roads and related matters were also addressed in detail, with a number of specific roads listed in the Agreement defining which party would be responsible, including commitments to upgrade and pay for certain upgrades, and shared costs of other agreed-to upgrades.

[96] The IDP was given third reading by the County as Bylaw 33-98 and the Town as Bylaw 485/98 on September 22, 1998 and September 23, 1998, respectively. The IDP applies to lands within the Town as well as the 0.8 km area of the County surrounding the Town's 1999 annexation boundary. Provisions in the IDP include planning application referrals and maintaining agricultural zoning within the planning area, and obtaining Town consent for highway commercial development along Hwy 814 between the Town and the City of Edmonton. The IDP established an Inter-Municipal Liaison Committee comprised of equal numbers of representatives from the Town and the County, and a dispute resolution process. The IDP states that it may be amended or repealed by joint by-laws of the Councils. It is still in force and has not been updated.

[97] In 2007 the Town had to relocate its public works yard to a parcel in the County because a commercial/industrial parcel of sufficient size was not available in the Town. In 2008, the Town and County agreed to retain Stantec Consulting Ltd. to prepare a Joint Growth Study, to be overseen by a steering committee made up of elected officials and administrators from both municipalities. The Joint Growth Study was completed in July 2011. However, the steering committee concluded that it could not complete the growth study process due to further discussions planned by the Capital Region Board (CRB) in the following months regarding growth projections. Accordingly, the Joint Growth Study was submitted to both councils as information only, with the intent that once the discussions regarding growth projections had occurred at the CRB level, the steering committee would reconvene to evaluate the context of the Joint Growth Study and identify potential avenues to recommend to each respective Council.

[98] The CRB was created pursuant to the Capital Region Board Regulation, enacted in April 2008, following a process initiated in June 2007 which recommended coordinated land use planning for the Capital Region. The CRB consists of 24 four municipalities within the Capital Region, including the Town and the County. Under the CRB Regulation, if a decision of the

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CRB is to be made by a vote, the decision must be supported by not fewer than 17 representatives from participating municipalities that collectively constitute at least 75% of the population in the Capital Region. The City of Edmonton has 70% of the population of the Capital Region.

[99] The CRB was tasked with the creation of the Capital Region Growth Plan (CRGP) to provide an integrated and strategic approach to planning for the future growth of the Capital Region. Growing Forward: the Capital Region Growth Plan was completed in March 2009 with addendums in October 2009 and December 2009. Of relevance to the subject hearing, the CRGP identified Priority Growth Areas (PGAs) and specific density targets for each PGA. The intent of the density targets established in the CRGP was to significantly increase existing residential densities within the identified PGAs and minimize the regional development footprint over time. The density targets in the October 2009 Addendum reflect a hierarchy, with highest residential densities concentrated in the central area of the Capital Region (the City of Edmonton) and transitioning to lower density targets moving outward, recognizing changes in land use context, overall development pattern and existing residential development densities of these areas. The October 2009 Addendum identified the Town as located in PGA Central (East) (PGA Ce) with a target density of 25 to 30 dwelling units per net residential hectare (du/nrha). At that time, the existing residential density in PGA Ce was 17.5 du/nrha and the Town's density was 14.7 du/nrha.

[100] In November 2010, the Regional Evaluation Framework (REF) was established by Ministerial Order, to be effective March 31, 2010. The REF provided criteria to allow the CRB to evaluate new statutory plans and statutory plan amendments to ensure consistency with the long-term regional interests identified in the CRGP, and the CRB Regulation. It required all new IDPs and Municipal Development Plans, and amendments thereto, and certain other statutory plans, to be referred to the CRB for review. The CRB, by consensus, must approve or reject the statutory plan or statutory plan amendment. In the event that consensus is not achieved, a formal vote of the CRB must be conducted, in accordance with the CRB Regulation and the CRB's procedural bylaw.

[101] In 2012, the Town retained ISL Engineering and Land Services (ISL) to prepare a growth study in support of a proposal to annex land from the County. It concluded that despite the provisions of the 1999 Agreement, the Town would not be able to reach the trigger population of 25,000 within the current municipal boundary. It determined that an annexation area of 24 quarter sections were sufficient to accommodate 52 years of residential, commercial, business park (industrial) and urban services growth, based in part on the Town's actual density of 19.2 du/nrha. The Town adopted the 2012 Growth Study as a supporting document for the Town's annexation application.

[102] In November 2012, the Town passed a resolution to commence negotiations with the County on an annexation proposal. The steering committee reconvened at a meeting on January

16, 2013 where the 2012 Growth Study and annexation were discussed relative to building on the Joint Growth Study and preparing a new IDP. The Town did not agree with preparing the new IDP due to concerns with respect to a commitment on timing of the activities. Another meeting of the steering committee was planned for the following month but it did not take place. On February 12, 2013, the Town passed a resolution to begin mediation with the County, and a number of mediation meetings took place over the following year up to February 2014.

Issues

[103] After considering the evidence and information presented at the hearing, the MGB identified the following issues:

- Intermunicipal cooperation
- Land requirements
 - a. Population growth projections
 - b. Compliance with CRGP and infill densities
 - c. Household size
 - d. Amount of residential land
 - e. Amount of non-residential land
 - f. Gross-up factors
 - g. Time horizon
- Servicing considerations
- Transportation networks
- Geographical directions for growth
- Financial impacts and transitional provisions
- Other landowner/general public concerns

Each of these issues is discussed below. For each issue, the positions of the Town, the County, and the City are set out, as well as submissions from the City of Leduc, affected landowners, and members of the public relevant to that issue. The MGB makes findings on each issue and provides an overall recommendation.

Intermunicipal Cooperation

[104] The Town and the County were unable to reach agreement on the Town's annexation proposal. The current IDP dates from 1998 and was prepared in conjunction with the 1999 Agreement. The Town's population has not reached the 25,000 threshold nor have the two municipalities agreed to an annexation for a particular purpose or as a result of a special circumstance as specified in the Agreement.

Town Position

[105] The Town recognizes that one of the MGB's principles of annexation encourages intermunicipal cooperation and that agreement is lacking in this application. While cooperation is preferable, in some cases, agreement cannot be reached despite concerted efforts to do so. The Town and the County pursued discussions, including mediation, for over a year prior to the submission of the Town's application.

[106] When the Town had to relocate its public works yard into the County in 2007 because it had no suitable available vacant land, it realized that it needed to expand its boundaries. The Town and County did work collaboratively in preparing the 2011 Joint Growth Study, but after significant time and effort by both parties, it was accepted as information only by the two municipal councils. The Town had an urgent need for additional land, while the County was not prepared to commit to a timeline. As a result, the Town prepared its own growth study.

[107] The Town recognizes that in making this application, it is not adhering to the Agreement, initiating annexation prior to reaching the population trigger of 25,000 and was based on a 25-year forecast. As the second fastest growing community in Alberta, and one of the 10 fastest growing communities in all of Canada, the Town is growing at a rate not contemplated in 1999 and will attain the population threshold two years before reaching full build-out. It is not good planning practice for an urban municipality to build-out nearly to its current municipal limits prior to initiating an annexation application. Further, the Town has effectively depleted its supply of commercial and business park (industrial) lands. The inability to develop non-residential lands will seriously impact the Town's ability to remain financially sustainable in the long-term, and will place increased pressure on its tax base in the short term.

[108] The Town notes that the County approved the East Vistas Local Area Structure Plan (LASP) in September 2010 over the objections of the Town, and it was approved by the CRB with only the Town voting against it. The East Vistas LASP covers an area of nearly nine quarter sections, over half the current land area of the Town, effectively creating another urban community within the County 1.6 km west of the Town. The East Vistas LASP is developed on high-capability agricultural land with a planned overall density of 27.3 du/nrha. In the Agreement, the County committed to continue its policy of protecting good agricultural land; thus, the County has also breached the Agreement by approving the East Vistas development.

[109] It is unfortunate that the Town and the County have not been able to reach an agreement. The Town's strong preference would have been for an IDP and negotiated agreement with respect to annexation, but the County would not commit to a timeline. The parties fundamentally disagree on the Town's growth needs. The County's May 2015 response to intervener submissions with respect to intermunicipal planning states that one of the most important things that an IDP would achieve is to establish growth areas for the County in the area around Beaumont. Clearly, this would impede growth of the Town. Further, even if the parties had reached agreement, the City's opposition makes it unlikely that an IDP would be passed by the

CRB. Had the Town waited for the IDP process, it would not have been “plan first, annex later” but “plan first, annex never.” The Town’s urgent need for land necessitated it applying to annex 21 quarter sections without an agreement with the County in place.

[110] Under the Act, an annexation agreement is not a requirement in order to proceed with an annexation. Section 121 contemplates that the parties may not always be able to reach agreement regarding annexation and provides a mechanism for such annexations. The Town referenced previous contested annexations to support its position.

County Position

[111] The County stated the Town’s annexation application is the antithesis of intermunicipal cooperation. The Town does not have an IDP with the County that contemplates the proposed annexation and has refused requests by the County to develop a new or updated IDP. The County recognizes that an IDP is not mandatory, but asserted that what the Town is doing is “annex first, plan later.”

[112] The County highlighted its own history of intermunicipal cooperation, notably the IDPs and collaboration with the City of Leduc and the Town of Devon in their recent annexations, both of which proceeded by consent as a logical outcome of the IDP process. The Town’s proposed annexation request should be resolved through joint growth planning culminating in an IDP, which can determine an appropriate annexation area by agreement between the parties that reflects reasonable growth projections and logical extension of boundaries. In response to the Town’s Growth Study, the County developed an alternative growth scenario based on reasonable assumptions which it believes better reflect known market conditions and support sustainable development. The alternative growth scenario determines that the Town requires 12 quarter sections of land for development over a 50-year planning horizon.

[113] The only intermunicipal planning between the Town and the County is the current 1998 IDP and Agreement. The Town’s proposed annexation is contrary to the current IDP, as the Agreement expressly precludes the Town from applying for annexation of any additional land until the Town’s population is 25,000 or the Town and the County agree on further annexation. The Town’s current population is only 15,828 (2014 census). The County negotiated the Agreement in good faith with the Town and this application is in breach of the Agreement and the IDP. The County stated that due to the lack of intermunicipal cooperation, the annexation application should be recommended for refusal in its entirety.

City Position

[114] IDPs are good in principle but there are challenges in the Capital Region with multiple municipalities around the City, thus the need for a strong CRB, the CRGP, and enforcement mechanisms. The Town and County have no IDP in place with respect to the annexation lands, but the reality for the City and the Capital Region is that IDPs do not foster large scale coordination and integration of the regional interest and context. The need for intermunicipal

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cooperation in the development of the region is better achieved by collective planning, with the CRB and CRGP.

[115] The Town is a member of the CRB but its annexation application does not conform to the CRGP's density targets for PGA Ce (25 to 30 du/nrha). If the proposed annexation lands were developed as per the CRGP targets the Town's need for land would be considerably diminished and the Town would only require 8 quarter sections for a 35-year time frame. Thus, the application has not only failed to provide for intermunicipal cooperation, but is inconsistent with the extensive intermunicipal planning efforts of the CRGP. The CRGP also represents provincial policy and interests and should be given careful consideration, weight and support in accordance with the annexation principle of intermunicipal cooperation. The City submits the Town's annexation application does not satisfy this principle.

The City of Leduc Position

[116] The City of Leduc emphasized in its letter that the benefits of planning prior to development or proceeding with an annexation are significant, and pointed to its experience with the County in relation to the benefits of joint planning in advance of an annexation having completed a Joint Growth Study and adopting an IDP. This resulted in an annexation consented to by all parties with coordinated land use planning, avoiding a costly contested annexation. The benefits of joint planning in fringe areas of anticipated growth are undeniable, and the MGB recognizes the value of IDPs, enshrining intermunicipal cooperation as its first Annexation Principle. The City of Leduc stated that it encourages all parties involved to foster effective communications in order to ensure coordinated efforts in growth management and infrastructure investments at the sub-regional level. The need for joint growth planning is particularly acute in the context of the CRGP and especially within a PGA that crosses multiple municipal boundaries.

Position of Member of the Public

[117] D. Tardif has been a resident of the County for over 50 years, residing on an acreage located just west of the proposed west annexation area. Ms. Tardif submitted that the Town was reckless, irresponsible, and caused extreme and unnecessary expense to municipal and provincial taxpayers by instigating this process instead of working toward a solution with the neighbouring municipalities. In pursuing a contested annexation, the Town has placed the decisions that the communities will live with outside the hands of local residents. Ms. Tardif urged the MGB to recommend that the three municipalities work collaboratively for what is best for the region overall in the future. She also suggested the Town would only need between 4 and 8 quarters to cover growth to 2044.

[118] C. Shields, the owner of a business at the Nisku overpass at QEII, is the Chair of the Leduc County Coalition. It was formed 1-1/2 years ago as a group of County businesses opposed to the City's proposed annexation, to pressure the City to work collaboratively with the County. Mr. Shields found it disappointing that the City amended its annexation application to include

the entire area to the north of the Town, stating that it shows the City is not interested in working collaboratively to achieve a solution that is beneficial for the entire region.

MGB Findings – Intermunicipal Cooperation

[119] The MGB agrees that intermunicipal cooperation is important, and negotiated agreements are given a great deal of weight. In this case, the two municipalities entered into an IDP which was passed in 1998 and was prepared in conjunction with the 1999 Agreement. The Agreement allows the Town to apply for an annexation if the Town and the County “agree on an annexation of land for a particular purpose or as a result of a special circumstance”. The MGB heard the Town is the second fastest growing municipality in Alberta, and finds this extraordinary growth could not have been anticipated at the time of the Agreement. The MGB also received evidence from the County, the City, and a member of the public during the proceedings suggesting the Town should annex differing amounts of land in varying directions. The MGB concludes this demonstrates the parties recognize the Town does require additional land to grow as a result of a special circumstance – the dispute is essentially about how much additional land is required by the Town and the direction of this growth. The dispute resolution process in the IDP allows the municipalities to attempt mediation, but is silent on how the parties are to resolve a disagreement if the two municipalities are not able to mediate a solution. Moreover, the MGB received limited planning evidence to identify how the Town and the County arrived at the 25,000 population annexation threshold specified by the 1999 Agreement. In view of the limited amount of land available to the Town, the inadequate dispute resolution process, and the unsubstantiated annexation population threshold, the MGB does not view the trigger requirements in the Agreement to prohibit the MGB from considering an annexation application at this time.

[120] The IDP applies to the area 0.8 km on either side of the 1998 Town boundary. This limited planning area resulted in the County’s East Vistas LASP, a significant development with great impact on the Town, to be beyond the IDP boundary, and approved over the objections of the Town. The East Vistas LASP is also located on good agricultural land, which the County agreed to protect as part of the IDP. In the opinion of the MGB, this raises question as to the utility and relevance of the IDP.

[121] The MGB agrees with the City that the CRGP sets out regional planning policy for the Capital Region and should be given a great deal of weight. The CRGP establishes priority growth areas throughout the region, but does not assign jurisdictional boundaries, and does not speak to annexation. In effect, this allows the accommodation of growth by all municipalities, as demonstrated by the East Vistas LASP. The City’s position related to compliance with the CRGP was only with respect to density, not the lack of an IDP. The assumed density in the proposed annexation area and compliance with the CRGP density targets is discussed later in this report.

[122] It was unfortunate the two municipalities could not reach an annexation agreement despite the amount of time spent on negotiation and mediation. It was also unfortunate the two municipalities were not able to develop a new IDP. However, the Act contemplates that there

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may be an annexation application which does not have general agreement, and provides a procedure whereby such an application may be evaluated. Moreover, an IDP is not a precursor to annexation nor is it a requirement under the Act that the Town and County update their existing IDP prior to annexation. Accordingly, notwithstanding the lack of intermunicipal planning cooperation, the MGB determined that it would be appropriate to consider the application on its merits.

Land Requirement

[123] The Town's application to annex 1,360 hectares (3,360 acres) or 21 quarter sections is based on projected land needs for a 50-year time horizon. The issues relating to the land requirement focus on assumptions used in determining the amount of land to be annexed, specifically whether:

- the 50-year time horizon is justified,
- the population growth projections are reasonable,
- the assumed new and infill densities comply with CRGP targets,
- the assumed household size is reasonable,
- the amount of residential land is reasonable,
- the amount of non-residential land, and
- gross-up factors are reasonable.

Time Horizon

[124] The parties disagreed on the annexation period on the time horizon.

Town Position

[125] The MGB has recently recommended a number of annexations that have provided a 50-year land supply. The land request granted in 1999 was based on a 25-year forecast. Recent annexation decisions acknowledge that annexation processes are lengthy, taking several years to conclude, and that there must be a diversity of land options to support community growth and financial sustainability. With the exception of one quarter section in the southeast corner of the Town, development has been initiated in all areas within the current Town limits, including those quarter sections annexed in 1999. This demonstrates that the growth and pace of development is greater than was anticipated during the annexation process in 1999.

[126] The 50-year time horizon is consistent with the trend in Alberta towards longer-term planning, and with recent MGB orders. *Town of Drayton Valley v Brazeau County*, MGB 058/11 and 016/12, *City of Airdrie v Rocky View County*, MGB 012/12, *Town of Ponoka v Ponoka County*, MGB 019/11, *Town of Strathmore v Wheatland County*, MGB 034/10, and *Town of Sexsmith v County of Grande Prairie*, MGB 148/08 were all annexations based on a 50-year land supply.

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[127] The Town desires a long term solution, to eliminate the need for small annexations every few years. Contested annexations are costly and can be a divisive process. A 50-year time frame allows the Town, the County, and affected landowners to move forward while a reduced time horizon would likely result in the parties dealing with the same issues within a relatively short time. This would not serve anyone's interests. Accordingly, the Town submits a 50-year time horizon is reasonable and that the 21 quarter sections applied for are justified.

County Position

[128] The County did not present argument to dispute the 50-year time horizon, but submitted that the Town did not provide sufficient support for the total 21 quarter sections of land requested. The County highlighted that the alternative growth scenario in the Brown and Associates Planning Group Planning Review of the Town of Beaumont 2014 Growth Study Update (B&A Report) identifies the need for only 12 quarter sections for future development over the 50-year planning horizon - 8 quarters west of the Town and 4 quarters north of the Town. The Alternative Allocation of Land Uses in the B&A Report presents a more efficient land development pattern of residential and commercial with no new industrial development.

City Position

[129] The City submitted that with appropriate densities applied, the Town's annexation application equates to a land for 75-year land supply, not the 50 years suggested. This is unfair to the City, as it needs the overlapping land within a 35-year time frame. While applications to annex lands to meet 50-year requirements are not uncommon within the wider provincial setting, in this regional context the City will require the overlapping lands in advance of the Town's needs, and the City has few other directional options. It would be more equitable to view the growth requirements of the two municipalities, within broadly the same time perspective - roughly 35-years. Based on a 35-year time frame, at the assumed densities of 25 du/nrha within Town's existing developable lands and 30 du/nrha within annexed lands, the Town would require only 8 quarter sections, including 2 quarters for non-residential purposes. That requirement can be satisfied by the proposed annexation lands to the west of the Town, without the need to extend northward into the growth path of the City.

Position of Member of the Public

[130] D. Tardif noted that the CRB has only developed population projections to 2044, and forecasting becomes less accurate when dealing with longer timeframes. Ms. Tardif suggested that the annexation be limited to between 4 and 8 quarters to cover growth to 2044, and if the Town meets the CRB density targets, further annexation could be considered when the Town faces land constraints.

MGB Findings – Time Horizon

[131] The MGB recognizes that the CRB population projections are for a 35-year time frame, but finds that a 50-year annexation period is appropriate in this situation. In view of the historical conflict between the two municipalities and the unanticipated extraordinary growth experienced

by the Town, the MGB is of the opinion that the longer time horizon provides greater certainty for the affected parties. The MGB strongly encourages cooperation between municipalities and gives considerable weight to annexations that demonstrate this in entering into an IDP. In this case, the IDP is dated and could not anticipate the special circumstances that led to the accelerated growth of the Town. Recent initiatives to update the IDP shows the Town and County have been unsuccessful in cooperative planning. The use of the annexation horizon advocated by the Town may reduce the amount of intermunicipal conflict in the future with regard to planning issues by giving each municipality the ability to make necessary planning decisions.

[132] With regard to the City's contention that it will need the land in the overlap area before the Town, the City does not yet have an annexation application before the MGB. As such, the amount of overlap, if any, will not be determined until such time as the City submits its annexation application. The purpose of these proceedings is to evaluate the Town's annexation application, not to foreshadow a future annexation by the City. Moreover, as discussed elsewhere in this Report, although the CRGP does identify planning criteria for the PGA Ce, this growth is not allocated to any specific municipality.

Population Projections

[133] The MGB received differing views from the parties regarding the Town's future population.

Town Position

[134] The Town retained ISL to provide an update to the 2012 Growth Study that was submitted with the original application. The Town of Beaumont Growth Study Update (Growth Study Update) was completed in November 2014 and included with the Town's submission for the merit hearing. In addition to providing updated information, the Growth Study Update addressed the common concern expressed by the County and the intervener cities at the preliminary hearing related to the Town's density assumption being less than the density target prescribed in the CRGP.

[135] The Growth Study Update noted that the 2009 CRB population forecast for the Town used the 2009 municipal census population of 11,794 as a baseline and projected a 2044 horizon population of 21,577. This CRB forecast projected the Town's population to be 13,872 in 2014. In fact, the Town surpassed that population in the 2012 municipal census and the 2014 population was 15,828. The 30-year population forecast in the updated September 2013 Capital Region Population and Employment Projections prepared for the CRB (2013 CRB Projections) showed a 2044 population for the Town of 35,800 (2.9% average annual growth) for the Low Case and 58,200 (4.2%) for the High Case. The actual growth rates of the Town in 2013 and 2014 were 6.72% and 6.11%, respectively.

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[136] The Growth Study Update projects low, medium and high population growth for the Town to 2065, to consider growth over 50 years plus two “stub” years, 2013 and 2014, to recognize an annexation effective January 1, 2016. The low scenario is based on the CRGP December 2009 Addendum average annual growth rates between 2014 to 2044, but uses the actual 2013 and 2014 population and extends the 1.1% average annual growth rate of the 2029 to 2044 period to 2065. This scenario projects a Town population of 23,544 in 2044 (compared to the 2013 CRB Projections Low Case forecast of 35,800 at the 2044 horizon), and a population increase of 14,708 between 2013 and 2065, for an overall increase of 99% in 52 years. This is significantly lower than two other municipalities in the Capital Region, which, after surpassing 15,000 in 1971-73, have grown by 310% in 38 years (St. Albert) and 332% in just under 40 years (Sherwood Park). Further, the Town most recently doubled its population in the 10-year period between 2004 and 2014. Given the momentum of the Town's recent growth, it is highly unlikely that Beaumont will fall short of doubling its 2013 population by 2065.

[137] The medium scenario recognizes the momentum of the Town's recent high levels of growth, but also recognizes that maintaining a high average annual growth rate over time is not sustainable as a community grows larger because, as the numerator increases, if absolute growth remains the same, the percent growth declines. In this scenario, growth rates of 5.2% initially, declining to 1.2% for an average annual growth rate of 2.7% over the 52-year period were used, resulting in a total population of 59,534 in 2065. This would be an increase of 44,618 for an overall change of 299% between 2013 and 2065. The medium scenario projects the population to be 44,925 in 2044, less than the mid-point between the 2013 CRB Projections Low and High Case scenarios. It is realistic to expect growth over the 52-year time horizon to be less than what Sherwood Park and St. Albert have experienced, due to the more competitive bedroom community market compared to the 1970s and 1980s.

[138] The high scenario is based on the growth experienced by Sherwood Park since surpassing 15,000 in population. It is possible that the Town could achieve similar absolute growth as Sherwood Park over a 40 to 50-year period. In this scenario, growth rates of 6.25% initially, declining to 1.25% for an average annual growth rate of 3.0% over the 52-year period were used, resulting in a total population increase of 54,524 for an overall change of 366% between 2013 and 2065. The high scenario projects a population of 51,328 in 2044, which is 6,872 lower than the 58,200 in the 2013 CRB Projections High Case projection. While total growth of 54,524 by 2065 may be achievable, the current bedroom community market in the Capital Region is competitive with numerous other mid-sized and emerging bedroom communities in the Capital Region.

[139] ISL selected the medium scenario for the Growth Study Update as a realistic and conservative estimate for future population growth. The estimated current population of the annexation lands were added to the baseline, resulting in a slightly higher 2065 population of 59,534 used to determine the land requirement. This horizon population is reasonable in view of

the historic long term growth of Sherwood Park and St. Albert. In both cases, after achieving a population of 15,000 they achieved a population greater than 60,000 within 38 to 40 years.

County Position

[140] The County B&A Report questioned some of the key assumptions of the Town's Growth Study Update. The medium scenario growth rate used in the Growth Study Update is 2.7% average annual growth. This is based on the assumption that the Town will grow in a similar manner to Sherwood Park and St. Albert, but at a slightly slower rate given competition in the bedroom community marketplace. There is no specific rationale provided as to why these communities were chosen as most comparable. The direct link between the future growth trends in Beaumont and the past growth trends in Sherwood Park and St. Albert is not clear. Using them as direct comparative communities appears to be more an indication of the Town's aspirations for future development than a valid statistical comparison.

[141] Competition from the other established and emerging bedroom communities in the Capital Region is noted as a factor that may result in a lower growth rate, but the communities cited are a significant distance from the Town. Although development in those communities may affect the overall growth, the Growth Study Update does not consider the competition from the immediate surrounding area. East Vistas is located 1.6 km to the west of the existing Town boundaries and a range of housing types over two sections of land area is currently being built and developed. The City's overlapping Notice also suggests growth of the City in that direction. A supply of residential housing types in the immediate area will likely affect the overall demand for housing in the Town.

[142] The B&A Report proposes an alternative scenario that assumes the Town will grow in a similar manner to other small cities in the Capital Region as projected by the CRB forecasts as opposed to only comparing the Town's future growth to historical growth in Sherwood Park and St. Albert. The projected population generated in this scenario is 50,253 people to 2065, 15.58% less than the Growth Study Update. This was calculated by matching the average annual growth rate proposed in the 2013 CRB Projections High Case for small cities (except Fort Saskatchewan) to 2044 and extrapolating this growth rate to 2065. This moderated growth projection considers the impact of East Vistas 1.6 km west of the current Town boundary, which would be expected to compete with housing within the Town and was not considered in the Growth Study Update.

City Position

[143] The City retained Nichols Applied Management to review the growth requirements and impacts relating to the Town's proposed annexation (NAM Report). It noted that during past 30-40 years, the Town grew at a relatively steady rate of roughly 200-400 persons per year. Since 2006, the level of annual population growth has more than doubled, in part due to the strong economic and population growth across the region in recent years, but also consistent with the increasing growth experienced in the City's southern quadrants. This pattern is expected to

intensify as development constraints in other outlying areas of the City become more pronounced. The Town's growth projections to almost 60,000 in 2065 appear to be realizable, subject to the following considerations that may moderate the Town's future rates of growth:

- The initial growth rates lead off from recent levels of high activity that may not be sustained over longer periods.
- The smaller town atmosphere of the Town that have attracted young families in the past may be harder to preserve as the Town grows.
- The traditional appeal of the Town's predominantly single-family housing stock may become less relevant in the future as the Town necessarily accommodates a more diverse and compact housing mix.
- Over time, the Town may face difficulty retaining its community distinctiveness as regional growth approaches and surrounds it. The CRGP envisages the area will comprise an increasingly contiguous urban form of development over time, and development in the areas surrounding the Town will influence its growth.
- Substantial residential growth without improvement in the non-residential tax base will pose the challenge of providing services of a much larger community with competitive tax levels. The Town's historical appeal is its residential orientation and the absence of industrial traffic and activity. Encouraging the development of non-residential uses may detract from the Town's residential growth opportunities.

[144] Further, the Town's population projections are premised on the assumption that the Town will have the land capacity it requires to accommodate its projected population. Within the context of the finite supply of undeveloped land in the region and the growth requirements of other municipalities including the City's, it is possible that not all of the Town's potential growth can be accommodated by the Town's current land supply and by other lands that may be transferred jurisdictionally to the community through annexation.

Position of Member of the Public

[145] D. Tardif submitted the Town's May 2014 Census highlights and noted that 9.1% of the population (1,438) is under the age of four and obviously not in separate dwellings from their parents. The Residential Dwelling Permits graph shows growth is tied to economic conditions, peaking prior to the crash in 2008, and population booms linked to housing completions. The closest urban centre to the Town is the City of Leduc. Its population in 2014 was 28,583 compared to the Town at 15,828 which calculates to 55% of the City of Leduc. The Town has a higher percentage growth rate due to lower population: the City of Leduc grew in 2013-2014 by 1,342 new residents compared to 912 for the Town. The City of Leduc agreed, through an IDP with the County, to an annexation of 8 quarters compared to 21 for the Town's application. The changes to the economy from lower oil prices and other world events will affect growth. This impact should be considered in projecting future population.

MGB Findings – Population Projections

[146] The CRB population projections are to a 30-year time frame and the annexation land requirement is based on a 50-year supply. To compare the population forecasts, the MGB considered the projected 2044 population of 44,925 in the recommended medium scenario of the Growth Study Update, to the 2013 CRB Low and High Case projections to 2044 of 35,800 and 58,200. The MGB notes that the midpoint of the 2013 CRB Low and High Case projections for 2044 is 47,000, which is slightly higher than the 44,925 of the Growth Study Update's medium scenario of that same year. The Town's medium scenario extrapolates the current population growth on a gradually declining rate of growth which results in a relatively constant absolute growth of 700 to 1,200 people per year. The MGB finds this to be a realistic projection, and within the range of the Town's actual growth since 2007. Therefore, the MGB finds that the 2065 projection of 59,534 of the Growth Study Update medium scenario is realistic in view of the CRB projections to 2044.

[147] The County argued the Town's medium scenario population projection does not account for the impact of East Vistas as well as competition from other municipalities and suggested the Town would only grow to 50,253 in 2065. However, the City stated that subject to certain conditions the Town's growth projections to almost 60,000 in 2065 appear to be realizable. As the population projections suggested by the Town and the City are similar and the difference between the projections of the Town and the County is only 9,281, the MGB concludes that the Town's projection of 59,534 is reasonable.

[148] The MGB agrees that without sufficient land the growth projections would be affected. Clearly, without any additional land at all, population growth would be minimal and confined to existing town limits. The purpose of projecting population growth is to determine the amount of land that would be required to accommodate that growth, and the suggestion that non-availability of land should be considered in projecting population growth would create a circular construct.

[149] Current economic conditions could affect the rate of population growth in the short term with fewer housing starts and declining activity. It is difficult to predict its impact over the 50-year time frame of the projections. On balance, the MGB considered the Growth Study Update medium scenario to be reasonable and realistic.

Household Size

[150] The parties provided differing views about the average number of people per household.

Town Position

[151] The Growth Study Update adjusted the 3.03 people/dwelling unit (du) average household size assumption of the 2012 Growth Study to 2.8 to better reflect demographic trends in calculating the residential land requirement. The Town's current household size is 3.0 people/du; however, average household sizes decrease over time due to aging population. ISL presented a graph showing the historic average household size trend of St. Albert, decreasing from 3.5

people/du in 1981 to 2.75 in 2011. On the same graph, the Town's average household size increased from 3.3 in 1981 to 3.6 in 1991 but since then has steadily declined, paralleling the St. Albert trend to its current 3.0 people/du. On that basis, the use of an average 2.8 people/du is appropriate for determining future land needs.

County Position

[152] The County did not dispute the 2.8 people/du assumption used in the land requirement calculation.

City Position

[153] The City noted that a reduced household size increases land requirement estimates because it would increase the number of dwelling units required. While the City agrees that household sizes are generally declining, this trend is tempered in fast-growing communities that experience a continuing influx of young families. The Town has the youngest median age of the comparable municipalities in the region, and has a current average household size of 3.0 compared to 2.5 to 2.8 people/du in the other seven. Over time, the Town's household sizes are likely to parallel the downward trend seen elsewhere in more mature communities; however, in the shorter term the assumed reduction is overly conservative. Household sizes will be affected in part by the housing stock available, which is heavily single-family oriented. The City submitted that 3.0 people/du is more reasonable for the remaining undeveloped lands in the Town, expected to be absorbed within 10 years, while 2.8 people/du is acceptable for the annexation lands.

MGB Findings – Household Size

[154] The MGB agrees that the Town's average household size is declining, which is consistent with the general trend which occurs as a municipality matures. It also stands to reason that household size will vary depending on the type of housing stock available. As densities increase, and multi-family forms of housing become a greater proportion of the total residential stock, it is reasonable to conclude the number of people per dwelling unit will decline. As stated earlier, the MGB is of the opinion that the Town should meet CRGP targets for density of unplanned land in-boundary. Accordingly, the MGB finds the application of a household size of 2.8 people/du for the residential land requirement calculation to be appropriate.

New and Infill Densities Relative to CRGP Targets

[155] Having considered the population projections and household size, the MGB turns to the differing views regarding new and infill density levels.

Town Position

[156] The Town's demographic characteristics compared to other urban PGA municipalities in the Capital Region shows the Town has the lowest median age, highest average children per census family, highest average persons per household, highest percentage of low density residential dwellings, and the highest median income. The Town is currently a bedroom

community attractive to young families with high incomes, which translates to high demand for low density residential and lower demand for multi-family dwellings. Due to the Town's young population, it will likely take some time before demand for multi-family residential housing in the Town will reach levels similar to that in other urban PGA municipalities.

[157] ISL was retained by the CRB to assist in the delineation of PGAs and the application of appropriate density targets and is familiar with the process by which the CRGP density targets were established. PGA Ce and Priority Growth Area Central West (PGA Cw) were originally proposed as a single PGA Central (PGA C) with a density target of 25-30 dwelling units per gross residential hectare (du/grha). Density targets were initially expressed as du/grha before being converted to the dwelling units per net residential hectare (du/nrha) used in the final version of the PGA density targets.

[158] In September 2009, the Town submitted a letter stating that the proposed PGA C density target was too high and unrealistic for the Town and requested a density target of 20-25 du/grha, similar to that proposed for the cities of Leduc, Spruce Grove, Stony Plain and Fort Saskatchewan, be applied to the Town. The Town also requested the proposed delineation of PGA C be expanded to include additional lands to the east, southeast and south of the Town. The requests were accommodated in the approved CRGP - PGA C was divided into east and west parts, and a lower density target of 25-35 du/nrha was applied to PGA Ce and a higher 30-40 du/nrha to PGA Cw. The 25-35 du/nrha range allowed the Town to work towards more realistic density targets appropriate to its current state and context, and recognized the higher end of the density target range was more appropriate to the current state and context of southeast Edmonton. The high end of the range was reduced from the originally proposed 40 du/nrha to 35 du/nrha as no light rail transit (LRT) extension into this area was planned.

[159] The Growth Study Update considered the population capacity of the Town within its current absorbed residential lands. At the time of the Study, the net absorbed low density and multi-family residential land was 289.4 ha and 18.8 ha, respectively. Based on a dwelling unit density assumption of 19.2 du/nrha and an average household size assumption of 2.8 people/du, the population capacity of absorbed residential lands is 16,569. Net available residential land was calculated based on 327.3 ha remaining land supply, from which gross commercial, industrial, and urban services land was deducted resulting in 319.17 ha of gross residential land. Deducting overheads of 36.1% comprising municipal reserve, public utilities, roads, and walkways results in net available residential land within the Town of 203.95 ha. Assuming the same 19.4 du/nrha density and 2.8 people/du average household size, the projected population capacity of available residential lands is 10,964 for a total population capacity of 27,533.

[160] The Town contends that since most of the available lands within its boundary are already planned, it would not be possible to achieve the 25 du/nrha CRGP target within the Town's remaining land supply. The Growth Study Update calculated land needs based on 25 du/nrha in the land to be annexed and 19.4 du/nrha in existing undeveloped land within the current Town

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boundary. This is consistent with the density assumptions used in the City of Leduc application which was processed as an uncontested annexation effective January 1, 2014. The Annexation Negotiations Report assumed 20 to 21 du/nrha for the available residential lands within the existing boundaries, and 25 – 30 du/nrha in the proposed annexation lands. Thus, the County agreed that it was appropriate for the City of Leduc to use its existing density as an assumption for build-out within its current boundaries. The Town has conducted its analysis on the same basis.

[161] The Town had one Area Structure Plan (ASP) and ten outline plans that all pre-date the density targets established by the CRB in 2009. The developers have rights under their previous approvals and cannot be compelled to exceed the planned densities in their ASP/outline plan approvals at the subdivision stage. The Town's Municipal Development Plan (MDP) was adopted in 1999 and also pre-dates the CRGP. ISL noted that if the CRGP target density of 25 du/nrha were used for the existing undeveloped land in-boundary instead of the 19.4 du/nrha, it would only reduce the land requirement by 0.3 sections.

[162] ISL disputed the density calculations of the B&A Report for the recent outline plans adopted in the Town. The analysis would involve detailed research into as-built residential densities, which requires reviewing development permit information for multi-family residential parcels. The B&A Report based its calculation from residential density multipliers used in recently amended outline plans, i.e. planned densities. Registered subdivisions in Triomphe Estates amount to as-built residential density of 14.1 du/nrha, which is less than the planned low density residential multiplier of 22 du/nrha in the Triomphe Estates Outline Plan. Planned densities in outline plans and ASPs can differ from the densities that are actually built, as can be seen in the County's East Vistas LASP.

[163] The East Vistas LASP had a planned density of 27.3 du/nrha, which is within the CRGP target range. However, this density can only be achieved if all of the 23 Multi-Dwelling Residential sites identified in the East Vista LASP were built to the 95 du/nrha maximum allowable density in the County's Residential Multi Family (RM1) District. The East Vista LASP describes multi-family dwelling sites to include a range of housing forms, from duplexes to up to six connected townhouses as well as apartment structures, stacked townhouses, condominiums, and communal structures intended for homes for the aged, and proposes the new RM1 District to be added to the Leduc County Land Use Bylaw. The general purpose of this district states that housing in the RM1 district may take the form of semi-detached, townhouse, and apartment dwellings. All three residential built forms mentioned in the general purpose statement are listed as permitted uses in the RM1 District. The RM1 District states "The maximum density shall be 95 units per hectare." Thus, the Town suggested it was unlikely that the 27.3 du/nrha would actually be achieved.

[164] The Town also noted that two single-family residential subdivisions have been registered to date within the East Vistas LASP area. Calculating as-built residential densities by dividing

the total number of single-family residential lots by the total areas of the lots show density of the Medium Density Residential designation is 9.1 du/nrha and 18.0 du/nrha for the High Density Residential designation. This is significantly less than the planned densities of 12 du/nrha and 24.0 du/nrha, respectively. The two subdivisions are only achieving 75% of their originally planned densities. The Town questions whether the overall as-built density will be consistent with the planned density set out in the LASP.

[165] The CRGP does not require the existing developed areas within a PGA to meet the density target of the PGA. If an existing area does not meet the targets, it is not intended for new development to make up the difference. The Town presented an excerpt from the City of Spruce Grove MDP which states as objective 5.2.3 “Increase housing options and densities through limited redevelopment opportunities in established neighbourhoods which fit within the existing context and do not change the essential character of the neighbourhood.” One of the policies is to limit residential density in such areas to a maximum of 25 du/nrha, which is the low end of its 25-30 du/nrha range under the CRGP. This MDP received third reading on July 12, 2010 and required approval from the CRB under the REF. Clearly, it would be impossible to meet the target range if the maximum density is at the low end of the target. If the CRGP required existing areas to meet the target range, CRB approval would not have been given.

County Position

[166] The B&A Report notes that recent residential development trends within the Town suggest that higher-density developments are occurring within the Town boundary. The 19.2 du/nrha overall density within the Town does not reflect current development patterns. For example, the Triomphe Estates Outline Plan proposed low density development of 22 du/nrha and medium density of 40 du/nrha for an average of 23.2 du/nrha, revised in February 2015 to 23.9 du/nrha. The Dansereau Meadows and Ruisseau outline plans adopted in October 2013 have densities of 27.8 and 26.6 du/nrha, respectively. This is strong evidence that future development within the Town can reasonably be expected to achieve a higher density than 19.2 du/nrha over the build-out of the available lands within the existing Town boundary, possibly achieving the CRGP minimum target of 25 du/nrha.

[167] There was also no allocation for redevelopment. The Town’s MDP acknowledges that land uses in the central core shall be developed in accordance with the Central Area Redevelopment Plan, which was updated in 2014 to increase the size of its study area to 44 ha of the downtown core. This area contains some of the oldest housing stock in the Town. Within the 50-year timeframe of the proposed annexation, this housing stock will be approaching 80 years of age. It is reasonable to expect that redevelopment will occur within these areas. Further, the CRB emphasis on sustainable development can be expected to encourage higher rates of redevelopment, to allow for more efficient transit and reduced land consumption. The effect of not including redevelopment within the Growth Study is to increase the overall size of the proposed annexation.

[168] The effect of increasing density within the Town's boundaries can be significant. At 25 du/nrha, 3,300 additional people could be accommodated within the existing Town boundaries, and 5,000 additional people at 28 du/nrha. It is clear that the CRGP intends for existing developed areas to meet the target densities. B&A highlighted the CRB's Implementation Tools Fact Sheet: Land Use Principles, which states that the Land Use Policies of the CRGP provide specific direction for future growth in the Capital Region to minimize the residential development footprint, by focusing on increasing the density of new development areas and existing developed areas while accounting for growth in all member municipalities across the Capital Region. Thus, it is inappropriate for the Growth Study Update to base land needs on a density within current Town boundaries less than the target range for PGA Ce.

[169] The CRB target density range for PGA Ce is 25-35 du/nrha. The Growth Study Update uses the minimum target density of 25 du/nrha in the annexation lands. The Town's Triomphe Estates Outline Plan shows overall density of 23.9 du/nrha. Within the County, the East Vistas LASP achieves a density of 27 du/nrha. The growing proximity of Southeast Edmonton will further enable the Town to support a broad range of household types and densities. It is reasonable to expect the Town will achieve densities higher than the minimum target of 25 du/nrha in the proposed annexation areas. The selection of the low end of the CRB's density target range is not appropriate over the 50-year horizon and overstates the amount of land required.

City Position

[170] The City agrees with the County that the Town overstates land requirements by ignoring capacity within current boundaries and applying inappropriate residential densities. The 2012 Growth Study determined land requirement based on 19.2 du/nrha for the remaining undeveloped land within the Town boundary, and a similar density for the annexation lands. The Growth Study Update increased the assumed densities to 25 du/nrha to recognize the CRGP target density for PGA Ce, but only for the annexation lands. This is the low end of the CRGP target of 25-35 du/nrha for PGA Ce and far below the 34-35 du/nrha densities occurring within the City's new suburban growth areas. Further, the 19.2 du/nrha for undeveloped lands within the Town imply that the total future development by the Town will not meet the minimum target of the CRGP.

[171] The Growth Study Update states that due to current demographics and adoption of outline plans at lesser densities before the CRGP density targets were established, it may be unrealistic to achieve a significant density increase from 19.2 to 25 du/nrha in the short term. The City maintains that over the 50-year time frame requested, the Town should be able to achieve higher densities within the annexation area so as to meet the objectives of the CRGP across the overall area. The City also noted that recent outline plans for new residential areas in the Town show expected densities ranging from 22-28 du/nrha with an average density above 25 du/nrha.

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[172] At 25 du/nrha within the Town's remaining lands and 30 du/nrha on the annexation lands, along with non-density considerations, the Town's annexation requirements would decline to 11 quarter sections. The assumed density of 30 du/nrha is the mid-point of the CRGP density target for PGA Ce. The 25 du/nrha for remaining developable lands within the current boundaries is consistent with recent outline plans, conforms to the minimum CRGP target, and recognizes that higher densities may take some time to effect. Over the longer term, consistently higher densities should be achievable. If the annexation land requirement is calculated at 35 du/nrha, the upper end of the CRGP's current target and consistent with the City's plans, the Town's 50-year annexation needs would fall to less than 10 quarter sections, and to less than 7 quarter sections if 35 du/nrha is assumed for the Town's remaining developable lands.

City of Leduc Position

[173] The City of Leduc stated in its letter that, as expressed at the preliminary hearing, it was concerned with respect to the proposed densities in the Town's 2012 Growth Study. The Growth Study Update indicates that the minimum residential density requirement established in the CRGP will now be utilized within the proposed annexation area. The City of Leduc noted that the MGB should be cognizant that residential densities in new areas and redeveloping areas have risen historically over time reducing the amount of land absorbed. In the context of the 50 year horizon of the annexation application, other participants to the hearing have raised questions of the amount of residential lands needed, and their arguments should be closely considered.

Position of Member of the Public

[174] D. Tardif noted the Town is seeking to increase its footprint by 125% while the City is seeking nearly 39,000 acres. The Town spoke of equal opportunities to grow, but when an urban municipality grows, a County diminishes. The County should also have opportunities to grow, and it developed East Vistas as its first urban density development. Ms. Tardif supports the concept, but the density numbers need to be tripled to make it viable, and with regard to densities in the East Vistas, two wrongs do not make a right. Ms. Tardif intends to continue to lobby the County to be progressive and exceed the highest density targets. The CRB appears to have a monitoring process but no consequences to not meeting targets or protecting high quality agricultural lands. A quote from the CRB website states, "Pressure on Agricultural Lands - There is no policy direction concerning the encroachment of urban development on high quality agricultural lands in the region." It is frightening that rural lands are viewed as land banks for urban growth and this is fatal to the ability to feed the population.

MGB Findings – New and Infill Density

[175] The CRB's Implementation Tools Fact Sheet provides direction for future growth by focusing on increasing the density of existing developed areas. This direction implies that already developed areas are expected to meet the density targets. In theory, planning at the higher end of the density targets could be achieved by introducing other forms of high density residential dwellings on currently undeveloped parcels. However, in practice, such projects will be developed only if the market demand exists. While it is possible to mandate higher density by

planning multi-family parcels and specifying a minimum density for these parcels, such projects will not be developed without market demand. The Town is a bedroom community for young families, so it is doubtful extremely high density residential housing would be attractive in the context of as-built housing in this market.

[176] From a practical perspective, development of smaller single-unit lots would ensure target densities are achieved – albeit at the lower end of the target range. In contrast, designation of higher-density (multi-residential) forms may not be effective if such parcels remain vacant over the longer term and are eventually built out at lower densities. For this reason, abstract discussion of as-built vs. planned density is not constructive. To the extent that a number must be used to calculate the number of dwelling units that can be accommodated on a particular amount of residential land, the density used can only mean the density figure reasonably expected to be achieved.

[177] The MGB finds that undeveloped and not yet planned areas within the Town should meet CRGP density targets. However, testimony from ISL establishes that using the 19.4 du/nrha density levels suggested by the Town for existing undeveloped land within its current boundary rather than the CRGP target of 25 du/nrha is minimal and would result in a reduction of only 0.3 quarter sections in the Town's land requirement. Accordingly, the discussion about the achievement of CRGP density levels in these areas of the Town is academic and the result of this variance is insignificant.

[178] With respect to the annexation area, the CRGP sets out targets for the PGA Ce; however, these targets are not allocated to a specific municipality. The MGB considers the use of the density range (25 to 35 du/nrha) identified in the PGA Ce is intended to allow a municipality the flexibility to develop within that range, as opposed to achieving the maximum density identified in that range. For the Town, with an existing predominantly single-family character, it is appropriate to use the lower end of the range (25 du/nrha) to determine its residential land needs and allow the Town to maintain its distinct character.

Residential Land Requirement

[179] Having considered population projections, density levels, and household sizes, the Town's residential land requirements can now be contemplated.

Town Position

[180] The Growth Study Update identified that the Town only has 319.17 ha of gross residential land within its current boundary to accommodate population growth. This amount is reduced to 203.95 ha after deducting 36.1% for municipal reserve, public utilities and circulation (local roads, collector roads and walkways). The Growth Study Update medium growth scenario contends that these lands will be consumed by 2024, assuming all landowners with vacant land participate in development. The Town may actually run out of land earlier than 2024 as in the short term a lack of adjacent servicing, agricultural activity, multiple and fragmented ownership,

and the presence of a solid waste facility may not be conducive to development in the southeast portion of the Town.

[181] Based on the population projections, density levels, and household sizes identified in the preceding sections, ISL that explained the Town will need an additional 856.58 ha (13.49 quarter sections) of gross residential land to accommodate its growth for a 50 year horizon.

County Position

[182] The B&A Report argued there was a lack of justification for some of the underlying assumptions within the ISL Update Report and provided an alternative growth scenario for the Town's residential land requirements. The purpose of the alternative growth scenario was to assess future land requirements based on reasonable assumptions that reflect known market conditions and currently accepted development typologies. The B&A Report accepts the Town has 319.18 ha of vacant residential land within its boundary, but argued this amount should only be reduced by 35% for overheads, which would leave the Town with 207.47 ha. It was explained that 35% is commonly used as it assumes 10% for schools and parks, 10% for public utilities, and 15% for roads. However, it was acknowledged that the 36.1% was within the range of standard assumptions given the maximum dedication of land under Section 662 (30% for roads and utilities) and Section 666 (10% for municipal/school reserves) of the Act is 40 percent.

[183] The B&A Report calculated the Town would only need 366.63 ha (5.66 quarter sections) of gross urban residential and urban services land for a 50-year growth horizon. This was calculated using a projected population of 50,253, a household size of 2.8 people per household, a density of 25 du/nrha on developable land within the Town's current boundary, 30 du/nrha in the annexed area, 35% mark up for overheads, and 15% for urban services.

City Position

[184] The City's NAM Report considered a number of land requirement scenarios. The City's position is that the Town's 50-year growth needs can be met with the total annexation of 10 quarter sections. Two-thirds (7.25 quarter sections) of this area would be for residential purposes. This assumes the annexation area should use the upper levels of the CRGP's current density targets for the PGA Ce in the annexation area, while the vacant land currently within Town limits would remain at levels near Town approved outline plans and at the low end of the CRGP target range.

MGB Findings – Residential Land Requirement

[185] The MGB accepts the Town has 319.17 ha of gross residential land within its current boundary as both the Town and the County are in agreement with that figure. The MGB considers the difference between the net residential land calculations of the Town and the County (3.52 ha) to be negligible.

[186] The amount of residential land required is a function of the time horizon, population projection, density level, number of people per household, and amount of vacant developable land available within the municipality. The MGB has addressed each of these factors in this report and, in summary, accepts the Town will need an additional 856.58 ha (13.49 quarter sections) of gross residential land to accommodate its projected residential growth.

Non-Residential Land

[187] The MGB heard arguments about the amount of Town's non-residential land requirements. This includes the industrial, commercial, and urban services lands.

Town Position

[188] In June 2011, NAM completed a Niche Market Study for the Town. This Study reviewed community sustainability and opportunities to attract more commercial and industrial uses to the Town. It was identified there were high levels of expenditure leakage due to residents working outside the municipality and shopping close to their workplace. For every dollar of revenue from non-residential development, the range of municipal service-based expenditures was \$0.20 to \$0.60, compared to \$1.10 to \$1.20 for every dollar of revenue from residential development. The study recommended eight industry/sectoral clusters as having significant growth potential for the Town as well as actions to be taken for a commercial/industrial investment attraction strategy.

[189] Of the 24 municipalities in Alberta with a population between 10,000 and 100,000, the Town has the second lowest proportion of non-residential assessment at 5.4%, narrowly ahead of the Town of Chestermere at 3.9%. All other municipalities have 12% or greater, with an average of 22%. One of the Key Focus Areas of the Town's 5-Year Strategic Plan is to achieve an assessment split of 80% residential to 20% non-residential compared to the current assessment split of 95% to 5%. The Town has virtually no land available for non-residential uses, and without annexation no progress can be made toward achieving this strategic goal. The fact that the Town had to recently purchase land outside its boundary and construct its public works yard beyond its municipal limits underscores the insufficient amount industrial land inventory.

[190] ISL used the same 80% to 20% desired assessment ratio for the land ratio to estimate the amount of non-residential land required, i.e. the non-residential land area is 25% of the amount of residential land necessary to accommodate the projected population. The non-residential land is half commercial and half business park (industrial). This 80:20 land ratio will not immediately achieve a corresponding 80:20 assessment ratio - the preliminary land use breakdown in the Growth Study Update shows non-residential assessment will increase to 8%. Nevertheless, acquiring land for non-residential purposes will be necessary to achieve any progress toward improving the current assessment ratio.

[191] The Growth Study Update identifies the Town has 2.34 gross ha of commercial and 2.81 gross ha of industrial land available within its current boundary. Given this information, the

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Town calculates it needs an additional 144.63 gross ha of commercial land and 144.16 gross industrial land to achieve its 80:20 assessment split.

[192] The Town also identified it had 2.98 gross ha of land for urban services, which it expects to be depleted in three years. Given it had to recently develop its public works yard outside its municipal boundary, the Town contends it needs land for large scale urban service usage. The Growth Study Update identifies the Town needs 46.19 gross ha for future urban services.

County Position

[193] The County noted that since 1981, the Town annexed land from the County four times. A recurring theme of these annexations is the need for the Town to establish industrial and commercial developments to provide employment opportunities and a more balanced tax base. In the 1981 annexation, the Local Authorities Board (LAB) noted that the Town received 90% of its total tax revenue from residential assessment, and that if the Town is to become more than a dormitory community, it would have to establish industrial and commercial developments within its jurisdiction. In that annexation, the Town was proposing 157 ha be designated for industrial purposes in the south and south west. These annexed lands have since been predominantly developed for residential use. In the 1989 annexation, the LAB reached the conclusion that the Town had developed into a dormitory community with little opportunity for industrial and commercial growth, and that this situation both represented and met the needs of the community. In 1989, the residential component of the Town's assessment was approximately 92%, and currently it is 95%. An 80:20 assessment ratio is unnecessary, unrealistic and inconsistent with decades of Town policy and practice reinforcing its status as a bedroom community.

[194] The Town did not provide an historic rate of absorption of non-residential land, but it has only ever absorbed 6.3 net ha of business park land. This indicates that the Town has not relied upon a significant industrial base over its history to maintain tax rates. The Town has been more successful at attracting commercial development with 34.7 ha of absorbed net commercial land.

[195] Planned non-residential development in close proximity to the Town will affect the Town's ability to attract industrial development. It is questionable whether there would be a market for large-scale non-residential development in the Town given the proximity of: Nisku, the proposed development at the Edmonton International Airport, the Southeast Edmonton Business Park, and the Leduc Business Park. The Town of Chestermere acquired industrial lands across Hwy 1 in its 2009 annexation without conducting a market evaluation. In 2015 the lands are still undeveloped as the Town of Chestermere has been unable to attract any of the businesses to the region.

[196] The Town should be working towards commercial and office uses integrated within mixed use areas and commercial/employment corridors, which would be better supported by local demand as the Town grows. The Town's proposal to locate industrial and commercial uses

across Hwy 625 would add a major barrier to integrating land uses, preventing the efficient integration of future transit and pedestrian linkages.

[197] Further, industrial development has a lower assessment per ha of development than residential or commercial uses. Allowing for 10% industrial land use from the annexation lands will contribute a significantly smaller increase in the non-residential assessment base than the amount of land area.

[198] The B&A Report alternative growth scenario calculates non-residential land requirements based on an employment ratio provided by Applications Management. In 2014, the total employment in the Town was 2,596 with an employment to population ratio of 16.4%. It is projected that in 2065 total employment will grow to 15,076 and with 30% total employment. Using 62.12 employees per net ha of land and including an additional 30% for overhead, the County maintains the Town only needs 287.0 gross ha (4.4 quarter sections) of non-residential (industrial and commercial) land. The B&A Report alternative growth scenario also suggested the Town would only need 99.98 gross ha of land for a range of urban and institutional services.

City Position

[199] The non-residential land need is based on the Town's goal of moving the current 95:5 residential to non-residential assessment ratio toward a preferred ratio of 80:20 through the aggressive economic development and the assignment and achievement of yearly targets. The Town's desired tax base ratio is translated into the same 80:20 ratio of residential to non-residential land in its calculation of land required. The City disputed this methodology, as there is no evidence that the assessment ratio equates to the land ratio. The Town's residential to non-residential land ratio in 2012 was 88:12 while the assessment mix was roughly 95:5. The City agrees that the Town's non-residential assessment mix is among the lowest in the region and that it is reasonable to seek an adequate land supply to meet its realizable non-residential growth opportunities; however, a 80:20 residential to non-residential assessment mix is optimistic. The few urban centres in the Capital Region that have more than a 20% non-residential tax base tend to have a large heavy industrial presence. The City's 26% non-residential tax base is a large and diverse commercial-industrial sector serving a regional market. The Town had little industrial growth over the years, and commercial growth paralleled population growth. The Town's non-residential tax base has remained near current levels for many years. To reach the 20% goal in 50 years, the Town's non-residential sector would need to grow more than four times faster than the Town's population, which itself is projected to grow four-fold during that time.

[200] The Town is disadvantaged in terms of industrial development, with competition from nearby well-established business parks. The Town has no rail access or immediate access to major regional highways and carries the market perception of a residentially-focused community. Commercial retail and business services development are more promising, but proximity to existing large commercial centres geared to a regional marketplace, combined with existing travel patterns, will restrain commercial developments within the Town.

[201] The City considers the assumption in the Growth Study Update that commercial and industrial uses will account for 20% of total land requirements to be overstated. The NAM reassessed the Town's non-residential land requirements, assuming that commercial and industrial land absorption will together account for 15% of the Town's combined residential and non-residential growth. Two-thirds of this non-residential land demand is expected for commercial uses (10%), while the remainder (5%) is projected for industrial purposes. In 2012, the actual non-residential land use in the Town was 10% commercial and 1.8% industrial. The modified assumptions include provision for an increasing share of non-residential land use in the Town as it grows over time, but at a reduced level than that projected by the Town. The NAM Report contends the Town only needs 2.5 quarter sections of land.

Landowner Positions

[202] Villetard Eggs Ltd. and members of the Villetard family own 240 acres in the north annexation area. They have lived and farmed in this location since 1902 but egg production and grading has shifted out of Alberta and their land is now used for grain farming. In 2006, the Villetards retained D. Nord, a realtor and consultant, and there were extensive planning and studies done on the lands in 2006 to 2012 as detailed later in this report. Ms. Nord submitted that good land planning suggests a municipality should have 20 to 25% of its lands as commercial and industrial. The Town has 3% and needs commercial and industrial lands to develop. Ms. Nord disputes the notion that the Town cannot use industrial - it can use clean industrial and business industrial. The Town owns 50th St and needs commercial development along this heavily traveled commuter corridor. The demand exists - Ms. Nord had worked on an ASP proposal in 2011-2012 and had contacted businesses (Wal-Mart, Home Depot, Staples) for the highway commercial component, and the response was very receptive.

[203] D. Snider is a principal at Avison Young, a commercial real estate firm active in the Capital Region. Mr. Snider disclosed that his family has beneficial ownership of the property at NW 20-49-22 W4M located south of Hwy 625. He identified a retail study had been prepared for the Town and the County in 2008. It was updated for his submission in April 2015. The study identified a number of large format retailers that were not located in the Town, and compared the Town's potential to attract destination type retail to other Alberta markets. Mr. Snider submitted that the ideal locations for large format retail land is on 50th St in two separate and distinct nodes located on the north and south edges of the Town, which would support the downtown by generating traffic along 50th St and offer high visibility and good access. Most large destination type retailers seek locations a minimum of 5 miles away from its nearest location, and by locating two new retail nodes 4 and 6 miles from the dominant centre on 50 St and Ellerslie Road, the Town will provide two alternatives within the market. When retailers are planning their retail network they consider their existing locations and plan new store locations that will minimize sale cannibalization at existing stores and create additional sales from a new market. Mr. Snider disputed the City's submission that all land north of Township Road (Twp Rd). Rd 510 should be annexed by the City. The Town needs additional retail services from this location immediately and cannot wait 35-years for the City to "more efficiently" provide services to the

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land north of Twp 510. The Town needs to provide additional retail services, commercial and business park uses to satisfy its growing population and this growth is warranted.

MGB Findings – Non-Residential Land

[204] The MGB agrees that a 20% non-residential land component is not likely to achieve the desired 20% non-residential assessment; however, the 2011 NAM Niche Market Study and the submissions from the landowners demonstrate the Town does have non-residential market potential. By not providing the Town with suitable land the Town would have no ability to encourage or effect such development, which will promote the long term viability of the municipality.

[205] Using the information provided by the Town and the County, the MGB compared the amounts of non-residential land requirements suggested by the two municipalities. By combining the commercial (144.63 gross ha), industrial (144.16 gross ha), and urban services (46.19 gross ha) land requirements from the Town’s Growth Study Update, the MGB calculated the Town needs to annex a total of 334.98 gross ha of land for non-residential land use. The County’s B&A Report indicated the Town would need a total of 386.89 gross ha of land for non-residential purposes: 287.00 gross ha for industrial/commercial and 99.89 for urban services. The B&A Report based its non-residential land need on a smaller projected population. Although the Town used the 80:20 land split methodology and the County used the employment ratio methodology, the difference between the total land requirements identified by these two municipalities is only 51.91 gross ha. Since the Town is asking for less non-residential land than the County is suggesting, the MGB accepts the Town’s request is reasonable.

[206] The MGB then considered the City’s NAM Report which contends the Town only needs 2.5 quarter sections (161.87 gross ha) for non-residential land use. Both the Town and the City used a residential to non-residential ratio approach to determine the non-residential land requirements – the Town suggested an 80:20 ratio while the City suggested a 15:85 ratio. The MGB was convinced the additional lands requested by the Town would provide it with potential to attract the eight industry/sector clusters identified in the 2011 NAM Niche Market Study. Accordingly, the MGB was not convinced the 15% residential to non-residential ratio suggested by the City’s NAM Report would achieve the sustainability and market opportunities recommended needed by the Town. Therefore, the MGB accepts the Town will need 334.98 ha (4.55 quarter sections) for its non-residential land use.

[207] Based on the submissions, the MGB agrees that with increased population, there will be population to support non-residential uses, and demand will likely grow. Limiting the amount of non-residential land would disadvantage the Town in ensuring sustainable growth.

Gross-up Factors

[208] Certain lands within the existing Town boundaries and the annexation area will not be available for development, given the need for “overheads” (municipal reserves, public utilities,

roads, and walkways) and “market allowances” (lands belonging to owners not motivated to develop). These realities must be accounted for in the land calculation through a “gross up” factor. The parties disagreed on the gross up factors and calculations.

Town Position

[209] The total land requirement to accommodate the Town’s future growth as identified by the Growth Study Update is 1,518.86 ha of gross developable lands for residential, commercial, business park (industrial) and urban services. Since it currently has 327.3 gross ha of land within its boundary, the Town will need to annex 1,191.56 gross ha for a 50-year growth horizon. The net developable area deducts 430.2 ha for overheads and 67.05 ha for market allowance. The overheads are 36.1% of the gross developable area and are comprised of land for municipal reserves, public utilities, roads, and walkways. The market allowance of 10% has been included to account for lands within the annexation area in which the owners are not motivated to participate in development. It also recognizes lands in the Town that are within the 300 meter legislated setback of the former landfill on 50th St. near Hwy 625 which cannot be developed until the landfill site is remediated, and land within the annexation area owned by an agricultural society planned for agricultural recreation and interpretive purposes. These lands are an aggregate of 49 ha, or 58% of the land deducted for market allowance.

[210] An additional 10% has been added to account for lands within the annexation area that cannot be developed due to:

- Pipeline, powerline, and utility rights-of-way,
- Future Highway 625 upgrades and interchange construction at 50 Street/Highway 814,
- Environmental reserves, and
- Previously developed properties (Town’s Public Works Yard and recently developed residences.

County Position

[211] The B&A Report questioned the use of 36.1% for overheads as an overly precise, unsupported number, stating it is more typical to use 35% (15% roads, 10% municipal reserve, and 10% public utilities). The market allowance is 5.6%, and it is unclear as to how this percentage was derived. The use of a specific market allowance is questionable. Over a 50-year timeframe, while some landowners will not be motivated to participate in development, development would be directed to other available lands within the municipality, and the market allowance may unnecessarily increase the size of the annexation territory. The B&A Report submitted that overheads should be 35% for residential lands and 30% for commercial land with an additional 15% to the overall gross residential land requirements for urban service and regional uses.

City Position

[212] The market allowance adds roughly five years to the 52-year land requirements of the Town and is unnecessary because, except in the final years of the growth horizon, the undeveloped lands available to the Town through annexation should be ample in terms of providing alternative land and development supply in the event that particular landowners are unprepared to make their lands immediately available for new development. In general, the principle of "highest and best use" and the related market values will draw available lands into urban land supply to accommodate new development. In the initial years of the projection period the Town would have roughly 50-years' supply, including more than a decade of supply within the existing municipal boundaries. The added market allowance is not warranted.

MGB Findings – Gross-Up Factors

[213] The MGB agrees that some lands within the existing Town boundaries and the annexation area may be withheld and may not be available for development. The decision to develop rests with existing and future landowners, not all of whom may be motivated purely by market conditions. Moreover, in the case of the agricultural society, there is a strong possibility that development will not occur in the time horizon contemplated by this annexation. Therefore, the MGB finds it reasonable a 10% gross-up should be accounted for in the land calculation.

[214] The MGB also finds it prudent to consider lands within the annexation area that have already been identified for such things as rights-of-way, and highway upgrades as well as previously developed lands as part of the additional developable land calculations. Clearly, it would be difficult, if not impossible, for residential or non-residential development to occur on these lands. Consequently, the MGB accepts the additional 168.18 gross ha for this purpose is warranted. The MGB also notes that the total deduction for municipal reserves and roads allowable under the Act is 40% (30% for roads and utilities and 10% for municipal reserves). Given the Town is allocating 41.7% for this purpose; the MGB finds the gross-up percentage requested by the Town to be reasonable.

Servicing Considerations

[215] Servicing considerations include water, waste water, and drainage.

Town Position

[216] The Town submitted that the proposed annexation area can be readily serviced. Prior to determining the proposed annexation area, a study area for serviceability was identified in the Joint Growth Study at approximately a two mile radius around the Town. Within the servicing study area, there are existing regional water and wastewater lines. Both the Capital Region Southeast Water Services Commission (CRSWSC) and the Alberta Capital Region Wastewater Commission (ACRWC) have existing regional lines connecting the Town to the northern part of Nisku to the west. The lines are parallel and adjacent to each other. The CRSWSC line is a 400

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millimeter (mm) water main, while the ACRWC line is a 525 mm gravity main. Both lines are anticipated to be upgraded or twinned for additional capacity to accommodate future growth.

[217] For stormwater management, existing streams and watercourses accommodate stormwater discharge within the study area. These include:

- Irvine Creek to the north and a tributary of Blackmud Creek to the south
- Downstream and upstream portions of the LeBlanc Canal to the northwest and south respectively
- A second shorter canal to the northeast that discharges into Irvine Creek at 50 St to the north
- Blackmud Creek which is beyond the study area, to the west.

Cawes Lake, located in the northwest portion of the study area, approximately 1.0 km west of 50 St and 1.7 km north of the Town is essentially dry at present.

[218] An approximate Gravity Utility Servicing Area for wastewater and stormwater purposes identified lands that will likely be serviceable by gravity to the existing Town limits or the ACRWC line to the west for wastewater, and the various creeks and canals within the study area for stormwater. Two potential additional sanitary servicing areas were also identified for which servicing by gravity will depend on the depth of the proposed twinning of the ACRWC's Southeast Regional Trunk Sewer (SERTS) through the western portion of the study area. ACRWC has a mandate to provide wastewater servicing to its members and will twin its transmission system to meet growth needs. The ACRWC requires its members to control their peak wet weather flows based on their Level of Service policy to make the system more efficient.

[219] Overall, nearly all lands within a 2.4 km radius of the Town's current boundary are serviceable for wastewater by gravity. Significant exceptions are those lands to the northwest and north adjacent to and across Irvine Creek. Lift stations and force mains will be required to develop these areas. These investments would be undertaken by the developers at the subdivision stage, with the Town taking on the costs of operation and maintenance thereafter. Stormwater drainage for these lands can discharge to Irvine Creek, some of which may be held in Cawes Lake prior to discharge. Of those lands immediately adjacent to the Town's current limits, the lands to the east will be the most costly to service as they are the furthest away from infrastructure with capacity to accommodate new growth. The quarter section at the southeast corner of Hwys 625 and 814 may have some stormwater drainage difficulties as slopes to the LeBlanc Canal within the quarter section are gradual and, therefore, there is little vertical relief available for a stormwater facility discharging to the canal. Similarly, the quarter sections adjacent to the canal to the northwest of the Town's current limits may also have some challenging storm servicing issues for the same reason. However, these lands could possibly be serviced by Blackmud Creek or the downstream portions of Irvine Creek.

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[220] Wet weather flows from the southern ACRWC communities to the City are managed through a wastewater exchange agreement. The Town disputes the City's position that the north annexation area is more suited to be serviced by the extension of the South Edmonton Sanitary Sewer (SESS) system. The SESS system was not designed to accept any City growth south of the current boundary. A new servicing concept will need to be developed for the City's south annexation as well as long term growth within the southern ACRWC communities. Even if it had capacity for servicing the City's southeast annexation area, it is uncertain that the trunk could be cost effectively extended south to service the Town's north annexation area. The 2005 ACRWC / City of Edmonton Regional Wastewater Planning Study and subsequent wastewater exchange agreement lay the foundation for cost effective regional servicing, which could incorporate a future trunk servicing both the Edmonton south annexation area and growth within the southern ACRWC communities. As part of the wastewater exchange agreement, the ACRWC and City of Edmonton Drainage Services meet regularly to address these types of issues.

[221] With respect to water, the Town's proposed north annexation area will ultimately be serviced from a new connection point to the CRSWSC, a new reservoir and pumphouse. The north, west and south annexation areas are easily serviceable from the CRSWSC 400 mm transmission line, and the north annexation area is only 800 meters away from the CRSWSC line. Beaumont's northern annexation area can be serviced by the CRSWSC through a new reservoir close to the CRSWSC transmission line, which is less than 800m from the north annexation area. The Town disputes the City's position that the north annexation area would benefit from the future extension of City water distribution. Currently, the City's water distribution system is approximately 3.2 km north of the north annexation area. Thus, the Town's northern annexation area is more easily serviced through the CRSWSC system as part of the Town's annexation.

[222] With respect to stormwater, the current lands in the Town, as well as the northern, southern and most of the western annexation areas all drain to Irvine Creek. The Town agrees that the Irvine Creek watershed may require improvements to service the proposed Town's northern and the City's southeast annexations. The Town has been working with the County and Alberta Environment and Sustainable Resources Development for several years to address drainage issues in the Irvine Creek drainage basin. Regardless of the outcome of the annexation applications, the Town, the County and the City will need to work cooperatively to make the necessary improvements.

[223] The Town anticipates no significant barriers within the study area with respect to water servicing.

County Position

[224] The County retained McElhanney Consulting Services Ltd. to prepare a review of the Town's proposal. The report stressed the need for regional planning for services.

[225] Stormwater management is a concern, as the general topography is of flat areas, a small creek and canals and a 30 km distance to the North Saskatchewan River. Stormwater must be regionally planned and coordinated as a watershed, to avoid downstream impacts including flooding. The Town has experienced flooding in heavy rainfall events. A watershed study included as part of an IDP can address stormwater management, with land use assumptions across jurisdictions.

[226] McElhanney evaluated the areas around the Town based on aerial photography and identified constraints.

- North: Irvine Creek flows west through these lands providing a natural drainage course. They would be most readily serviceable from a stormwater perspective. Stormwater ponds could be developed in natural low spots within the creek course to help regulate flows and provide for storage.
- West: LeBlanc Canal bisects the lands west of the Town, conveying stormwater to Irvine Creek through a series of facilities; however, there is limited elevation difference. The canal flows slowly and creates wet and flooded areas along its course. Stormwater ponds will need to continue to be developed within the context of the overall canal and drainage basin, which could alleviate or mitigate some of the stormwater challenges currently faced within the Town limits.
- East: the natural flow is generally from south to north toward Irvine Creek, however, there are no established water courses, with much of the stormwater pooling within agricultural areas. Stormwater management will be difficult without an established outlet for downstream conveyance. A canal or piped system may be required, and large areas of land may be required for stormwater management facilities if there is no ability to connect to Irvine Creek.
- South: LeBlanc Canal begins in this area; however, there is very little vertical elevation change, and any additional water conveyed to the canal would need to be conveyed through the town. Stormwater facilities would be required to manage flows into the LeBlanc Canal. The northwest area of the lands south of Hwy 625 is already a natural wetland which is generally stagnant as there is minimal drainage. These lands would be very difficult to develop from a stormwater perspective as they would need to manage most stormwater on-site and with significant fills to avoid flooding.

[227] Water and wastewater servicing standards differ between the Town and the County. The majority of areas within the County have rural servicing with wells and septic systems or pump-out. However, some smaller portions of the County, such as Nisku, are also fully connected with water supply and wastewater. The Town is developed with service connections to an urban standard.

[228] Servicing is a function of demand. Intermunicipal planning and coordination is necessary to plan for and protect utility corridors that provide major servicing of growth areas. ACRWC

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provides wastewater servicing for the Town and portions of the County through the regional system. This system conveys wastewater by gravity from the south members (the Town, the County and the City of Leduc) to the Gold Bar Wastewater Treatment Plant in the City, where it is treated and released into the North Saskatchewan River. The trunk main begins in the City of Leduc, connecting through Nisku and then north into the City. A branch of this trunk main runs east to the Town, approximately 800 metres south of Township Road 510. The stated intent of the ACRWC is to enable growth and development of member communities. The main transmission facilities would be expanded to match development in the area on an as required basis.

[229] The main trunk sewer line connects to the northwest quadrant of the Town; therefore, the most cost effective connections would be in the sections of land to the west and to the north of the Town. Current capacity beyond the existing Town boundaries suggests that future development may require new connections to the ACRWC trunk main, which may itself have capacity issues that could require investment into storage and conveyance beyond the Town. This further confirms that the most effective wastewater servicing would be to the west and north of the current Town boundary. The southern and eastern areas are more difficult to service as the trunk main would need to be extended through or around the Town to effectively service these areas in the future. Areas to the south could be serviced from the west proposed annexation lands as development occurs; otherwise, there would be significant cost of 2.5 km of wastewater main to connect to the ACRWC trunk main. Land to the east of the Town would similarly require a service main to be constructed through the town. Lands to the south of Hwy 625, would require services to cross the highway, entailing additional costs through pipe casings and the requirement to construct these services at a greater depth to provide adequate cover under the ditching. The lower elevation requirement for sanitary may require a lift station due to the distance from the main wastewater regional connection and the relative depths required.

[230] For these reasons, the County submitted that for wastewater servicing, the most cost effective growth areas are the west and north proposed annexation area. The areas south of Hwy 625 and east of the Town would be more difficult and costly to service.

[231] Regional water is provided by CRSWSC to the Town and the County as well as other municipalities south of the City and the Edmonton International Airport. The CRSWSC purchases water from Epcor's two major water treatment plants, E.L. Smith and Rossdale, both located in the City and sourcing water from the North Saskatchewan River. The water trunk line parallels the wastewater. Demand would dictate that the regional infrastructure developed to meet the needs of customers. The Town is serviced from the St. Vital Reservoir, which was upgraded in 2011 to alleviate water constraints and provide for future growth within the town boundaries at that time. The proposed annexed lands would require one or two additional water reservoir(s) and supporting infrastructure. There would be significant advantages to minimizing the distance to the CRSWSC water line to avoid added costs of the water lines to the reservoir. Due to the proximity of the CRSWSC water line and the ability to concentrate development

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around a central area, from a water servicing perspective the most cost effective growth/development areas are the west and north proposed annexation area. The areas south of Hwy 625 and east of the Town would be more difficult and costly to service due to stormwater challenges, servicing distance (from the trunk main), and would incur extensive cost and challenges to cross Hwy 625.

City Position

[232] The City retained Associated Engineering Alberta Ltd. (Associated) to review the infrastructure serviceability of the Town's annexation application with consideration for the City's immediate and future growth demands. For stormwater management, the City anticipates that Irvine Creek will require significant improvement to sustain the proposed annexations of the City and the Town. The City submits that as the majority of the Irvine Creek watershed is located within the City's southeast annexation proposal, it is expected that the City will be the prime investor in the Creek's improvements. Therefore, the Town's north annexation lands, which are entirely located within the Irvine Creek watershed, are better suited to be annexed by the City.

[233] The Town's proposed west and south annexation lands, located partially within the Irvine Creek and Blackmud watersheds, can be managed by the Town with full jurisdiction on most of the sub-catchment areas. However, portions which contribute to the Irvine Creek watershed will be impeded by downstream improvements required for the municipal canals and Irvine Creek. As Irvine Creek will be situated in the proposed Edmonton annexation lands, the City of Edmonton will be in the best position to collect development charges and invest in Irvine Creek improvements.

[234] The ACRWC collects wastewater from the region through the SERTS line and conveys it to the City's trunk system. The December 2011 Sanitary Servicing Joint Planning Study evaluated the performance of the SERTS system and potential impacts on the City's wastewater system for a regional growth period up to 2040. Although SERTS has adequate dry-weather capacity, wet weather flows diminish its capacity and cause it to surcharge. To protect the SERTS system, connecting municipalities were requested to reduce their wet-weather inflow volumes. The Town addressed this by holding back extra flows in a tank, and it is expected that the holding facilities will be expanded as additional lands are developed. The Sanitary Servicing Joint Planning Study assessed the capacity of the existing trunk mains against projected 2040 future flows based on the CRB population and employment projections, which estimated the Town's 2040 population to be 19,376 people, 115% less than the 41,689 at 2040 projected in the Town's Growth Study Update. Although it is understood that ACRWC will accommodate all future flows from members as required, such increased forecasted growth will require a review of the recommended upgrades and phasing for both the SERTS and City trunks. As such, the Town's increased population projections will have a direct impact on the SERTS and City's collection systems, and must consider regional wastewater solutions.

[235] The Associated Report concluded that the proposed annexation areas to the west and south of the Town would be more economic to service than the north, as services can be provided by extension of the gravity system. Proposed wastewater servicing of the Town's north annexation areas by lift stations/force main is not sustainable and more suited to be serviced by the extension of the SESS system. The extension of the deep SESS trunk mains to areas north of Beaumont could provide serviceability value to the Town should there be future capacity limitations in the SERTS system. Therefore, as Edmonton expands, there may be opportunities to provide service on a larger and more regional basis, resulting in improved efficiencies and economics for the area.

[236] With respect to water distribution, the City will expand its water network to its proposed southwest and southeast annexation areas. The north annexation area will benefit from the future extension of the City's water distribution system through economies of scale. The west and south annexation areas provide the Town with more efficient water distribution opportunity due to the close proximity to the CRSWSC system and potential reduction in the need of internal water distribution improvements.

Landowner Positions

[237] ARW Development Corporation developed the Coloniale Golf Course and the Coloniale Estates subdivision in the Town. It currently has a 5 to 7 year supply of residential land within the Town, and is also part owner of a quarter section immediately east of the current Town boundary, along with Rojab Developments, another developer active in the Town. ARW and Rojab had provided submissions to the Town indicating interest in being included in the proposed annexation area, but were unsuccessful. Nevertheless, the lands are appropriate for future urban development.

[238] ARW retained WSP Canada Inc. to review the technical reports presented in the annexation process. WSP noted that the land fits with the overall planning scheme for the Capital Region: it is in a PGA, contiguous with existing development and located within close proximity to existing transportation corridors with access to existing commercial and recreational services. WSP's preliminary engineering review indicates that the land is serviceable, and in order to ensure future serviceability of the land, the proposed north annexation lands should consider sizing and capacity to account for the subject and other land east of the Town. Elevations of storm ponds within the proposed north annexation lands should be set at an elevation that allows for drainage from the subject lands that currently drains into Irvine Creek, as the difference in elevation makes it practical to account for land east of the Town. The proposed north annexation lands will require a new sanitary trunk line that drains toward the regional line to the west of the Town. While it may not be possible to provide gravity drainage from the subject and other land to the east, a lift station within the land east of Coloniale would solve any servicing concerns, provided the new trunk line is sized accordingly. Water servicing exists on the east side of Coloniale Estates, and water servicing for the proposed annexation will provide additional tie in locations.

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[239] In summary, ARW argued that while the subject and other lands to the east of the Town are not within the proposed annexation, they should be considered in the servicing of the annexation lands. There are minimal incremental costs to oversize infrastructure to service the annexation lands north of Coloniale Estates to accommodate land to the east that the landowners east of Coloniale desire to develop, and development of these lands conform to planning principles supported by the CRB. Thus, it is prudent long term thinking and efficient use of resources to maintain the future development potential of these lands through the appropriate sizing of new services that may be constructed should the annexation application be approved.

[240] R. Kang presented on behalf of himself and other landowners representing a total area of five quarter sections in the north annexation lands. He stated that their lands were serviceable through the existing regional servicing, and could be developed immediately if annexed into the Town, whereas if annexed into the City, the lands could be banked for up to 60 years. He noted areas of the City that had been annexed in 1983 that were only recently in the initial stages of development with ASPs prepared.

[241] Dr. R. Foulston is a landowner in the NE of 23, the quarter at the SE corner of Hwys 625 and 814. The quarter is subdivided into four parcels and Dr. Foulston represents the family members who own the other parcels. He owns and operates two agriculture based businesses, and he and his family have farmed at this location since 1970. Although they are in favour of the Town annexing their land, they have several concerns. With respect to stormwater management, proper drainage is vital to their farming operations. For the past number of years water stagnates in their drainage ditch resulting in suboptimal drainage creating wet, hard to farm conditions magnified with heavy summer rains. The exit culvert from Beaumont Lakes has an artificially high exit height and significant slope back down into the canal which dams up the lake. This is appealing to Town residents surrounding the lake, but creates drainage problems upstream for the farmland south of Beaumont Lakes. In 2001, a heavy rainstorm resulted in 6 inches of rain, affecting many homes in the Town, causing raw sewage to back up and flooding their hay field. There have been reported floods affecting homes in the Town in 1997, 2000, 2008, 2009, 2012. Dr. Foulston recommended prior studies be revisited and a new or updated study of the entire LeBlanc Canal/Irvine Creek drainage system be conducted.

MGB Findings – Servicing Considerations

[242] The Town's annexation application maintained it would be able to provide water, wastewater and drainage services to the areas north, west and south of its current boundary. The County argued it would be more efficient for the Town to provide these municipal services for the lands to the west and the north of the current Town boundary as the provision of these services south of Hwy 625 would be more difficult and costly. The City suggested it would be more economical for it to provide municipal services north of the Town and it would be easier for the Town to service the lands west and south of the Town. One landowner identified the Town could also provide municipal services for the lands to the east. Not surprisingly, the opinions regarding municipal servicing mirror the position taken by the County, the City and the

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landowner in relation to the annexation geographical direction, which will be discussed later in this report. Regardless, there is a general consensus the Town can provide municipal services provided to the west, so the MGB will concentrate on the provision of services to the north and south of the Town.

[243] During the proceedings the municipalities confirmed the mandate of the ACRWC is to enable growth and development of member communities and will accommodate all future flows from members as required. As the Town and the County are members of ACRWC, the MGB is convinced this regional organization would have made it known if it would be unable to provide the wastewater services required to accommodate the population projections suggested by the Town. Evidence was also presented to demonstrate the ACRWC works collaboratively with the City of Edmonton and has undertaken a joint study which laid the foundation for the existing wastewater exchange agreement. Regardless of whether the future population growth of this PGA is within the jurisdiction of the Town, the City, or the County, the MGB is convinced the ACRWC and the City of Edmonton will continue work together to establish recommended upgrades and phasing for both the ACRWC SERTS and City wastewater trunk lines. Accordingly, the MGB finds wastewater service capacity is not a concern.

[244] With regard to providing wastewater services north of the Town's current boundary, the ACRWC connects at the north-west corner of the Town. The City's SESS system was not designed to accept any City growth south of the current boundary. In terms of distance alone, it is reasonable to accept the Town would be able to provide wastewater services more efficiently to the north by extending its lines than the City could by extending its SESS to the south. Lift stations may be required for the Town to provide wastewater services to some of the areas in the north if the depth of the ACRWC SERTS is not sufficient to allow gravity flow. However, these costs will be borne by the developers at the time of subdivision. Accordingly, the MGB does not see wastewater servicing using gravity alone versus lift stations and force mains to be an overriding factor in favour of the City servicing the lands to the north.

[245] With regard to the annexation area to the south, the Town should be able to extend the wastewater lines through the west annexation area as these lands are predominantly agricultural without a lot of urban style development. Again, the costs associated with a lift station or the installation of lines under Highway 625 would be borne by developers. Moreover, the MGB is confident the ACRWC and AT have the expertise needed to ensure the lines passing under Hwy 625 will not impede existing or future traffic patterns and functions. Therefore, the MGB does not consider this to be an impediment to the Town's provision of wastewater services south of Hwy 625.

[246] The Town and the County are members of the CRSWSC, which is the regional water supplier. However, the water distributed to the municipalities by the CRSWSC ultimately comes from water treatment facilities owned and operated by Epcor. As the MGB received no concerns from the CRSWSC or Epcor, the MGB concludes the supply of water is not an issue.

[247] As with the ACRWC, the CRSWSC water line also connects at the north-west corner of the Town. Since the City's water lines are approximately, 3.2 kilometers from the north annexation area, the MGB accepts it would be more efficient for the Town to provide water services to the area north of its current boundary. The Town intends to construct a new reservoir and pump house to serve the annexation area, which will also improve its water distribution system.

[248] The CRSWSC and ACRWC lines run parallel and adjacent to each other as they connect to the Town. The MGB concludes the Town can do the same thing to efficiently provide water services to the south. With the number of highways, roads and ditches in the Edmonton area, the MGB is confident ACRWC and AT have the expertise to ensure water lines passing under Hwy 625 do not disrupt traffic flows or patterns.

[249] Stormwater management appears to be more of a challenge, in part due to the relatively flat topography, distance to outlets, and historical development. The MGB agrees that a regional stormwater management plan is necessary. Growth and the demands of new development will create impetus to develop a regional plan that will improve the current situation, regardless of which municipal jurisdiction the growth happens to be in. Moreover, during the proceedings the MGB was informed the municipalities in the region worked together to develop and implement strategies to mitigate stormwater issues. There was no evidence from the parties for the MGB to conclude the current level of collaboration related to stormwater will decline as a result of the annexation.

[250] The MGB was not convinced that from a servicing perspective it would be economical to provide municipal services to the lands east at this time. Development must occur to the north or south first so associated water and wastewater servicing can be extended to accommodate growth to the east. It would be logical for the Town to plan for this eventuality; however, until this happens development to the east would be cost prohibitive.

Transportation Networks

[251] The parties presented their positions on the impact an annexation would have on the transportation network in the region.

Town Position

[252] Two highways are located within the servicing study area: Hwy 625 traverses east-west abutting the current south boundary of the Town. It is the primary commuter corridor between the Town and employment centres to the west along QEII. Hwy 814 traverses north-south, intersecting with Hwy 625 at the midpoint of the Town's southern boundary, becoming 50 St north of Hwy 625, traveling through the Town northward to the City. It is as the major commuter corridor to employment in the City, as well as other areas to the north via Anthony Henday Drive.

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[253] The 50 Street road right-of-way between the Town's north boundary and the south boundary of the City was annexed to the Town in 1999, and the Town has a Functional Planning Study (FPS) in place. The FPS recommends intersection spacing of 800 m along this 3.2 km stretch, generally located at quarter section lines. Nearly all of this stretch of 50 Street was recently twinned to a four-lane divided arterial standard, with Town funding as well as provincial funding secured by the Town. The Town has undertaken planning and expended funds on transportation infrastructure on roads in its control and that will serve the proposed annexation lands. The Town noted that while the portion of 50 St under the Town's jurisdiction has been twinned, that portion within the City to Ellerslie Road has not, despite subdivision activity in the vicinity south of Ellerslie Road.

[254] The County has a FPS in place for Township Road 510 at the current north boundary of the Town, from 50 St west to 9 St in Nisku. The FPS accommodates future transit and recommends an intersection spacing of 800 m where possible, with minimum 400 m spacing. Twp Road 510 is identified as a potential future service interchange location along QEII.

[255] The Town has already undertaken planning and made financial provisions for upgrading Range Roads (RR) 241 and 243 on the east and the west sides of the current Town boundaries, to ensure that they are developed to support future growth. The Town's Offsite Levy Bylaw includes both RR 241 and RR 243, which are to be upgraded to four-lane arterial roadways. Design of RR 243 to its ultimate four-lane standard is complete as of 2015 and the first two lanes of RR 243 from Hwy 625 to 50 Avenue are complete, and the balance will be completed in 2015. Design of RR 241 is currently underway, with plans to complete construction of the first two lanes from Hwy 625 to Twp Road 510 by the fall of 2017.

[256] The Town is collaborating and coordinating positively with Alberta Transportation (AT) concerning Hwy 625 along its current south border. In June 2014 AT completed an FPS for Hwy 625 from Nisku to Hwy 21. The Town's proposed annexation will not compromise Hwy 625's role as provincially designated over-dimensional corridor. The Town notes that the CRGP designates the area around the Town as a PGA in which urban development is inevitable over the long-term. The Town's proposed growth south of Hwy 625 will be consistent with such urban growth. AT completed its FPS for Hwy 625 with the full knowledge of the approved CRGP, and has nothing that precludes or restricts development of lands south of Hwy 625. The FPS provides for full at-grade intersections on Hwy 625 that are entirely consistent with the Town's plans. The Town worked with AT to address signalization and geometric improvements on Hwy 625 at RR 241 and RR 243 to AT's satisfaction.

[257] There is no timing established for the twinning of Hwy 625, so it is speculative to suggest that the growth will prematurely require major intersections, and further, the costs of intersection improvements if necessary for development south of Hwy 625 would likely be borne by the developer as a condition of approval by AT. The upgrades of RR 241 and RR 243 will allow for three points of access across Hwy 625. Ultimately, the intersections will allow for acceptable

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levels of service in all directions, which will be needed regardless of whether or not the south annexation lands are granted. RR 241, RR 243 and 50 St will ultimately each have capacity in excess of 25,000 vehicles per day. With proper design of internal roadways within the annexation area, traffic is expected to disperse amongst the three intersections and not result in undue delays.

[258] Development to the south of Hwy 625 will not impact goods movement through the region. The Town notes that Hwy 625 also extends through the Nisku Industrial Area with four signalized intersections, four uncontrolled intersections and one at-grade rail crossing within a 2.2 km stretch. The existing Hwy 625 configuration in Nisku has facilitated and enhanced area businesses without detrimental effect on regional goods movement. It is advantageous to have development with direct access to an over-dimensional corridor such as Hwy 625, so that heavy goods do not travel through non-commercial areas to access a designated truck route. There are numerous examples of urban development on both sides of provincially designated over-dimensional vehicle routes in the Capital Region, such as the City of Fort Saskatchewan. The County is planning for two such examples along Hwy 19, which is the westerly extension of Hwy 625 and also a provincially designated over-dimensional vehicle route from Nisku to northwest Alberta. The County recently approved the Crossroads Area Structure Plan (ASP), across from the Edmonton International Airport, and the Town of Devon/Leduc County IDP, across from the Town of Devon. The County recently gave second reading to the new South of Devon ASP that will implement future industrial development across the forthcoming realignment of Hwy 19 from Devon.

[259] The Town's proposed growth south of Hwy 625 will be largely employment-based, allowing Town residents to travel a short distance to new local job opportunities south of the existing Town in an off-peak direction from the existing City-oriented peak travel. This will enable underutilized capacity on 50 St to be utilized rather than placing added pressure on the existing 50 St within and to the north of the Town.

[260] Midway between Hwy 625 and Twp Road 510, 50 Avenue (Twp Road 505) bisects the Town and will serve as Main Street for East Vistas. The East Vistas LASP indicates an opportunity exists for intermunicipal transit on this corridor and that it will have a variable collector road cross-section depending on future land uses within the East Vistas community.

[261] The CRB's 2011 Integrated Regional Transportation Master Plan (IRTMP) classifies 50 St, portions of Hwy 625 and Twp Road 510 as arterial roads, with intersection spacing generally within the 250 m to 400 m range, less than the minimum spacing recommended in the 50 St FPS and Twp Road 510 FPS, and significantly less than AT's intended minimum along Hwy 625. Notwithstanding the inconsistent intersection spacing between the various planning studies and the IRTMP, there will be numerous access opportunities from these facilities to service new urban development within the study area, with a higher frequency of access opportunities available from range roads within the study area.

[262] The Town supports the transit provisions within the IRTMP, and has carried out reviews of the feasibility of transit service through a request for proposals (RFP). Edmonton Transit did not respond to the RFP. The Town continues to pursue establishment of a commuter transit service to Edmonton via 50 St.

[263] Active transportation can be accommodated in all of the proposed annexation areas, but detailed planning of active transportation is more appropriate in the stages following annexation, such as the adoption of an ASP. The Town's commitment to active transportation is evident through its planning and implementation of pedestrian facilities throughout the Town, notably in the recent revitalization and streetscape improvements along 50 St within the central area. These improvements were aimed at enhancing walkability and to temper automobile usage and capacity in favour of active modes.

[264] The Town acknowledges the City's strengths and resources in travel demand modelling; however the City has not provided evidence to suggest that the proposed annexation is in any way detrimental or contradictory to regional transportation interests.

County Position

[265] The McElhanney Report identified the major roadway connections and the vehicular volumes. From a network planning perspective, the development and growth of communities typically occur along transportation facilities, and for efficient use of existing transportation infrastructure, it is most efficient to grow towards the main destinations within the region. For the Town, the 50 St corridor presents the most efficient growth area. Current and projected traffic volumes indicate 50 St is the preferred route for motorists. An important aspect of transportation planning is the regional coordination of transportation corridors. AT's FPS for Hwy 625 provides for protection of the highway network; however additional roads with regional transportation significance are not within AT jurisdiction, including the connecting range and township roads. It is important that a regional plan considers the future use and function of these roads. One of the more efficient ways to protect future transportation corridors is through the development of a regional transportation network plan, often included within an IDP. Regional coordination can help maximize the investment returns on infrastructure as well as set the direction for local municipalities to respond to development and their own more localized planning.

[266] The County noted challenges facing the Town's transportation networks:

- 50 St bisects the Town, connecting to Hwy 625 on the south. Nearly all of the travel trips originating in the Town will utilize a portion of 50 St, which is starting to experience congestion at intersections. It will be difficult to maintain service levels for 50 St as the Town grows. More trips originating towards the north of town and traveling north on 50 St will reduce the impacts and degradation of performance of 50 St through the Town.

- Twp Road 510 is currently the north boundary of the Town, providing access to 50 St at the north end of Town and connection to the east (RR 241) and west (RR 243). With limited east-west connections within the Town, Twp Road 510 provides an efficient corridor to continue to develop. Similar to 50 St, development and growth along the north side of this corridor would minimize traffic impacts on 50 St through the Town.
- RR 243 on the west and RR 241 on the east side of the Town provide potential north-south connections, but are currently rural roads and would require significant investment to upgrade to an urban standard.

[267] Hwy 625 is the second main access into the Town, connecting to Nisku and is under AT jurisdiction. It is regionally significant, connecting QEII and Hwy 21, and is an extension of Hwy 19 from the west. The FPS recommends Hwy 625 as a divided multi-lane facility with 30 meter centerline spacing and classification as an arterial highway. Access management for this highway in the area of the Town includes intersection spacing of 1.6 kilometers, including maintaining intersections at RR 243, 50 St and RR 241. Any development on the south side of Hwy 625 will prematurely require major intersection improvements or potentially the twinning due to traffic across the highway and/or turning on the highway, and may require funding sooner than planned in the FPS as well as degrade existing traffic operations. Hwy 625 currently fulfills the role of a highway bypass around the south of the Town, with adequate access north into the Town; however any development to the south would diminish the role of the highway, bisect the Town as well as impact the movement of goods through the region, which remains an important economic driver for the Capital Region. Impacts and delays on Hwy 625 as a result of increased turning traffic at intersections caused by development to the south will cost time and money for drivers, companies and the movement of goods within and beyond the Nisku Industrial Area.

[268] The County submitted that the growth of the Town from a transportation perspective should also be to the west and north to best capitalize on existing corridors. The proposed annexation lands to the south of Hwy 625 are not efficient for growth due to diminished traffic operations with the need for significant intersections to address growth south of Hwy 625.

City Position

[269] The Growth Study Update identified the main transportation corridors but did not address the impact of expansion beyond the Town's borders on the road network. Associated Engineering's review confirms that in the long term, having a road network that is serviced primarily by the City and complemented by provincial highways is the most effective solution for transportation around the lands east of QEII and south of Anthony Henday Drive. The Town is a bedroom community that relies on the City for employment, goods, and services: the 2014 Municipal Census shows 50% of the Town's population works in the City, and 16% work in Nisku or Leduc, commuting on intermunicipal routes. The City described specific transportation corridors that will be in place to support its proposed SE annexation. Three of the roads described are relevant to the Town's application:

- 50th St is the main north-south route to the Town and has a direct connection to an interchange at Anthony Henday Drive. South of Ellerslie Road, it is a two-lane rural road within the City and a recently twinned four-lane divided rural road within the Town's jurisdiction. The City plans to upgrade 50th St to the same urban arterial standard to Anthony Henday Drive and Ellerslie Road. This urban standard is the best design to accommodate the projected traffic as the area urbanizes, and the City is best equipped to ensure a consistent cross section which will best serve the region and City.
- Twp Rd 510 is an east/west corridor located adjacent to the northern boundary of Beaumont. The County's FPS identified this road as a future divided arterial from 50th St to QEII. Ultimately, this roadway will be a divided urban arterial and form a key part of the overall Capital Region Transportation Network.
- Hwy 625 at the current south boundary of the Town is a provincial over dimensional Route providing access between Nisku Industrial Park to Fort McMurray.

The City submits it is in a stronger position to plan and manage the future infrastructure needs of the north annexation area through superior systems management and economy of scale.

[270] The Town does not currently provide commuter or municipal public transit, and did not identify any long term plans to do so. The City has long-term plans to extend the LRT, ultimately also serving population growth north of Beaumont. Shifting modes away from the private vehicle towards public transit and active transportation is identified as one of the City's Strategic Goals in the 2009 Transportation Master Plan (TMP).

[271] The Growth Study Update does not address active transportation. Growth of an interconnected active transportation network supports the City's TMP strategic goals of transportation modal shift and improving health and safety through active lifestyles. As the residential population extends south, the interconnected network of recreational and commuter trails in the southeast sector of the City will also expand. The City currently maintains a comprehensive regional travel demand model, which connects to other regional models. The City is in the strongest position to ensure that transportation planning through the region is handled in a consistent and comprehensive manner using volumes and patterns on Capital Region roadways identified through data developed with the travel demand model.

City of Leduc Position

[272] The City of Leduc submitted in its letter that Hwy 625 must be protected and urged the MGB to ensure that the status and functionality of this critical infrastructure is not altered or compromised by annexation. Hwy 625 is a strategic high load transportation corridor for the movement of goods and services from the City of Leduc industrial parks to major companies primarily within northern Alberta that are key economic drivers. This is a crucial economic corridor for the City of Leduc, the Capital Region, and the Province that needs to be protected,

and any development contemplated in the vicinity of this corridor needs to be coordinated tightly with AT and other potentially impacted stakeholders.

Landowner Positions

[273] D. Snider addressed transportation issues in his submission in support of commercial uses south of Hwy 625. He submitted that AT, the County and other parties including land owners have been strong supporters of maintaining and protecting Hwy 625 as a major transportation corridor. Retail, commercial and business park uses can co-exist and will perform better next to a major roadway. AT indicated Hwy 625 will require upgrades to intersections at RR 243, a future interchange at 50th St/Hwy 814 and the eventual twinning of the roadway. These upgrades will be required whether or not development is permitted south of Hwy 625. The CRGP core principles include increasing transportation choice and ensuring efficient provision of services. Development south of Hwy 625 would ensure that the roadway upgrades would benefit more users and avoid duplication elsewhere. Hwy 625 and 50th St have been identified as a future transit route within the Capital Region Plan. A proposed bus terminal on the south end of Beaumont and a park and ride facility on 50th St north of Twp. Rd 510 will be best utilized if development is permitted south of Hwy 625 and north of Twp. Rd 510. This is an excellent example of how additional development will increase transportation choice within the Capital Region.

[274] Dr. R. Foulston's concerns regarding transportation relates to Bylaw 837-14, the Heavy Vehicles and Dangerous Goods Bylaw, passed by the Town in 2014 imposing a 5500 kg GVW limit on trucks driving within town limits. This equates to a one-ton truck, and his farming operation requires the use of grain trucks that exceed this weight restriction. With annexation, the restriction on heavy trucks would create difficulties in transporting to and from their farming operation. There is no current road allowance to accommodate transportation of hay bales from the northwest corner of the Town to his farm. No municipality can have strong commercial business without truck transportation. This bylaw also raises concern for what influence the Town may have on attempting to restrict heavy truck traffic from Nisku if the annexation includes lands south of Hwy 625. The viability of Nisku Industrial Park is important to all residents of the County.

Position of Members of the Public

[275] D. Tardif submitted that the importance of Hwy 625 as a high load corridor should not be downplayed, diminished or dismissed. Affecting the corridor would impact the Nisku Industrial Park, a regional economic driver. While there are lights and a rail crossing on Hwy 625 in Nisku, four module fabrication yards are east of the lights and unaffected. If there were a multiple sets of lights in the vicinity of the Town, the increased difficulty and expense could cause industry to relocate to areas such as Strathcona County. Further, AT allowed the Town's Bylaw 837-14 to apply to 50th St, the portion of Hwy 814 that passes through the Town, and could grant permission to do the same to Hwy 625. The bylaw is not business or farm friendly - a neighbour on RR 243 must drive his grain truck in a large circle around the Town to his farms on the north

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side of the Town, and a school bus operation had to move their buses parked in the Town into the County. The Town has been steadfast in its drive to maintain a small town feel: the newest construction on 50th St is no more than 5 feet from the sidewalk, suggesting no plan to widen the current main street to accommodate a growing community. This is counterintuitive to the goal of growing residential with sharply increased non-residential assessments. Ms. Tardif also noted that residents of the Four Season Estates subdivision in the Town's southwest cannot access the remainder of the Town directly but must use RR 243 or Hwy 625 for access.

[276] C. Shields stated that over 25 years Nisku grew into the biggest oilfield industrial park in western Canada, and the expansion of both Hwy 19 and Hwy 625 has been promised for years. Mr. Shields stressed that it is critical that any development south of Hwy 625 be put on hold until the highway is expanded to 4 lanes. Anything that can be done to speed up the process will have a dramatic impact on this region.

[277] The Leduc-Nisku Economic Development Association provided a written submission with respect to the interests of businesses that access the Hwy 625 high load corridor between QEII and Hwy 21. Hwy 625 provides the sole access for oil and gas related manufacturing businesses to the high load corridor to Alberta's Industrial Heartland and the Athabasca Oil Sands. Between September 2014 and February 2015, 548 permits were issued for high load shipments from this area to Fort McMurray, approximately three loads per day. The economic impact to the regional success of the County and its municipalities must not be underestimated. Access to logistics and transportation corridors is a key reason for locating in the Nisku and Leduc Business Parks. If the high load corridor route is compromised, there could be attrition of businesses to other areas where there is the access needed to move large loads, and this would be significantly detrimental to the growth of the entire region.

MGB Findings – Transportation Networks

[278] The MGB accepts the Town has demonstrated its commitment to providing suitable transportation infrastructure to the north in a number of ways. The Town annexed a narrow portion of land in 1999, which extended from the Town's north boundary to the City's south boundary. This allowed the Town to control and twin 50th Street and clearly shows the importance the Town places on this arterial road as well as the steps the Town is willing to take to improve this transportation corridor which is vital to its residents employed in Edmonton. It is unfortunate the twinning of this heavily used road has not extended to Ellerslie Road as yet. The planning and development of pedestrian facilities as well as the streetscape improvements along 50th Street encourage people to consider active transportation rather than using automobiles. The Town has also investigated commuter transit options to Edmonton via 50 Street. The expenditures and effort incurred by the Town for this important commuter corridor is commended.

[279] The MGB is satisfied that the existing transportation networks will be upgraded and added to as the Town develops. The Town has already undertaken the planning required to

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upgrade Range Roads 241 and 243. Offsite levies will be used by the Town to fund the upgrading these roads to four lane arterial roads in the future. Although the Town's future population growth may impact the County's road system, as this area is in a CRGP PGA this impact would happen regardless of whether the growth was in the Town or the County.

[280] The MGB accepts that the Town understands the importance of Hwy 625 to the region and will take the necessary steps to ensure the integrity of this important east-west road similar to its handling of 50th Street. Hwy 625 is under Provincial jurisdiction and the MGB considers it highly unlikely that AT would allow development to compromise the function of the highway in terms of traffic flow or high load capability of Hwy 625. The MGB notes the March, 2014 letter from AT states for an annexation of this type along a highway AT's issues can be addressed under Section 14 and/or 15 of the *Subdivision and Development Regulation*. Moreover, the MGB expects AT will ensure the safe and unimpeded flow of heavy and over-dimension load traffic for this portion of Hwy 625 in the same manner as in the Nisku Industrial Area and the City of Fort Saskatchewan. The MGB is not empowered to require the twinning of Hwy 625 to be expedited; however, the CRGP has established this area as a PGA, so development is inevitable. Regardless of whether the population growth is in the Town or in another municipality's jurisdiction, impacts on the volume of traffic on Hwy 625 may affect AT's timing of improvements to Hwy 625.

[281] The Town did not make submissions with respect to the intent of the bylaw restricting heavy vehicles within Town limits; however the MGB expects that with annexation it will be amended to accommodate existing agricultural equipment conveyance and to attract the desired commercial and industrial uses within the new Town boundaries.

Geographical Directions for Growth

[282] Having addressed the land requirements, servicing considerations, and transportation networks, the MGB now considers the growth directions proposed for the annexation area.

Town Position

[283] The 21 quarter sections in the annexation application comprise nine quarters to the north for commercial and residential uses, eight quarters to the west, also for commercial and residential uses, and four quarters to the south for commercial and business park (industrial) uses. The Town also requested the inclusion of that portion of Range Road 242 adjacent to the west boundary of Section 2, Township 51, Range 24 west of the 4th meridian as part of the annexation area. The Town explained it is not proposing to annex land to the east due to the higher costs of servicing.

[284] Both the County and the City agree that the Town requires additional land in the range of 11 to 12 quarter sections, and that Town growth to the west is logical, but only 8 quarter sections are available to the west as the County's East Vistas LASP constrains further growth to the west.

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Although the City argues that the Town should not grow at all to the north and that all lands to the Town's north boundary should be annexed to the City, the Town contends these lands include the Town's public works yard as well as a portion of 50th St that is within the Town's current boundary. The County takes the position that the Town should not grow at all to the south and that all lands to the south of the Town should remain in the County. However, the Town emphasized the County's intention regarding the development of these lands is not clear. These lands are located within PGA Ce in the CGRP and designated for future urban development. As such, these lands will be developed at some point in the future regardless of municipal jurisdiction.

[285] The lands to the east are the most difficult and costly to service. Servicing of the lands to east will have to be either from the north or south via the Town's proposed annexation areas. If the Town is not allowed to expand north or south, then the lands to the east effectively will be cut off and the Town will not be able to provide services to them.

[286] While the County and the City dispute that the Town requires the 21 quarters applied for, they both acknowledge that the Town requires 11 to 12 quarter sections to accommodate its growth needs over the next 50-years. If the County's and the City's positions prevail, the only area available for Town growth will be the 8 quarter sections to the west, which is insufficient land to accommodate the Town's future growth needs.

County Position

[287] Although the County objects to the Town's annexation proposal in its entirety in advance of an IDP, it allows that the north and west are appropriate directions for Town growth, as is the east, although servicing is more costly. The County contends that the south is not an appropriate growth direction.

[288] With respect to growth to the north, both the City's NAM Report and County's B&A Report acknowledge that the 50th St corridor is a logical area for future commercial development. It is the primary commuter corridor used by the residents of the Town who work in the City, and it is reasonable to expect urban growth to follow live-work patterns. The Town historically had only enough commercial growth to support the local population, but may assume some of the regional commercial market share to establish a more balanced assessment base for rate payers over the long-term. Coordinated regional development through an IDP could allocate some regional non-residential growth to the Town over the long term. The lands north of the Town are most efficiently serviced by the ACRWC lines west of the Town, from both a proximity and ground profile perspective. The watershed for Irvine Creek includes the City, Town, and County. All jurisdictions will need to develop a working plan for the creek to accommodate additional development in the area as it will impact all of the jurisdictions. This can be achieved through comprehensive intermunicipal cooperation and adoption of an IDP.

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[289] Lands to the east are more expensive to develop, as utility servicing comes into the Town from the west. As stated by ARW in their submission, servicing to the east could be provided by appropriate oversizing of the connections to a future trunk main and sewer to the area north of the Town. Other than cost of servicing, lands to the east do not appear to have significant constraints. Future commercial and non-residential development for the Town could be considered within the lands to the east as part of an IDP between the County and the Town.

[290] Lands to the west represent a logical growth direction for the Town, subject to appropriate intermunicipal planning. These lands are cost-effective to service, primarily due to the closer proximity to the regional connections to both water and wastewater, and have no significant development constraints. The Town would need to invest in major system upgrades to meet future population growth.

[291] The lands south of Hwy 625 are not an appropriate growth direction for the Town, notwithstanding the submissions highlighting interest in non-residential development in that location. Hwy 625 is a very important regional transportation corridor, and allowing urban growth south of Hwy 625 will compromise the effectiveness of this high load corridor. The County endorses the submission of the City of Leduc and the Leduc Nisku Economic Development Association on the necessity of protecting Hwy 625. Location of business uses across the highway from the primary residential areas would create a distinct barrier to integration of these uses with the existing and future Town, contrary to generally accepted principles of sustainable community design. The Town is not, and will not be, a strong industrial draw within the region. Existing significant regional non-residential development would compete directly with the small allotment of lands south of Hwy 625 proposed for non-residential within the Town annexation. Servicing lands south of Hwy 625 would require a major utility crossing of Hwy 625, which would add complexity and cost. Wastewater servicing to the land south of the Town may require a lift station/force main system. Most importantly, industrial/commercial development south of Hwy 625 will increase north/south traffic moving across the highway and impact the function of this important high-load corridor.

City Position

[292] The City objects to the nine quarters in the Town's north annexation area, submitting that the land would be more appropriately annexed to the City. The proposed annexation lands north of the Town do not represent a logical extension of growth patterns, transportation and infrastructure servicing for the Town or for the area as a whole. The entire proposed annexation is in a PGA and is expected to absorb a considerable portion of the forecast population growth in the Capital Region. Despite this, the Town has proposed to develop at CRB minimum densities in the annexation lands and below minimum densities within the existing boundaries. This proposal is particularly illogical in light of the more intensive development proposed and planned by the City in its southeast annexation area.

[293] The most appropriate lands for the Town to accommodate future growth are the lands to the west of the Town as these will be the most efficient and economical to service. Lands to the north are more efficiently serviced by Edmonton. The City has the ability to integrate those lands into regional infrastructure and provide a coordinated regional approach to the servicing of those lands. The Town is surrounded on all sides by potentially developable land, whereas the City is limited in its directional options for growth. There is a limited land supply in the area, particularly to the north of Beaumont. Any increase to Beaumont's boundaries should not occur at the expense of the City's growth needs particularly where it is proposing to develop at much higher densities, in keeping with the spirit and intent of the CRGP.

Landowner Positions – North Annexation Area

[294] A recurring theme in the presentations of the landowners to the north was their preference in being annexed by the Town and not by the City.

[295] R. Kang spoke on behalf of himself and other landowners representing a total of five quarter sections in the north annexation area, 4.5 quarters west of 50th St and 0.5 east of 50th St. He stated that his family had been buying land in the area since 1976, and he has lived north of the Town for 10 years. While he is actually a resident of the County, he described himself and his family identifying more as Town residents. His children go to school in the Town and are actively involved in the Town's community hockey teams. His group had made efforts to propose an ASP for their lands and four quarter sections on the east side of 50th St. He and the other owners he represents would prefer to be annexed to the Town than the City.

[296] W. Dushenski owns 80 acres in NE 1-51-24-W4 and stated that further southward encroachment by the City would not be appreciated. Mr. Dushenski stated that the problem in the City is one of size and there are little services for the taxes paid. Inefficiencies of the City should not be brought south. He and his neighbours look to the Town for the services and sense of community from a small town. His brother B. Dushenski concurred, stating that he works in Nisku and likes the area, but would like the Town to annex their property, not the City.

[297] D. Nord, consultant to the Villettards, described the process up to 2012 in preparing an ASP for their lands. In January 2012, Invistec prepared the Vincelles ASP encompassing 4.5 quarter sections east of 50th St and south of Irvine Creek. An ASP in the County must first obtain Council approval for the potential application before it can be made or directions obtained for required studies. After a great deal of work in preparing the Vincelles ASP, the proponents were advised in July 2012 that an ASP for 12 quarter sections would be required, and were provided with a Key Plan and Ownership map indicating the 12 sections. While they were still considering this, in November 2012 the Town Council passed a resolution to start negotiations with Leduc County regarding annexation. At this time discussions regarding the proposed area structure plan were halted. The B&A Report's Alternative Allocation of Land Uses Map 1 shows annexation of a half mile on each side of 50th St, effectively drawing a line through the Villettards' property and leaving their 80 acre parcel in NE 1-51-24-W4 landlocked in the County with its access from

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50th St in the Town. It is imperative that all of their properties be in one municipality and they want all of their lands to be annexed by the Town. All of their lands are under contract with a large land developer ready, willing, and able to develop the lands.

[298] L. Villetard and his brothers made presentations with respect to their personal preferences to be annexed to the Town. Mr. Villetard stated that his grandfather homesteaded the family farm over a hundred years ago and he has lived here for 66 years. His children and grandchildren live in the Town. They have very deep ties in the Town community. In March a devastating fire levelled half the farm and the land will have to be leased out with the rental not enough to pay the taxes. He is happy with services from the Town, and the upgrade and maintenance of 50th St.

[299] G. Villetard presented a written submission, and stated that 50th St is the gateway to the Town, which owns 50th St and needs highway commercial development immediately. Developers are waiting to start as soon as the jurisdiction issue is settled. If the City annexes this area, development of lands south of Irvine Creek would be delayed at least 50-years. While the City maintains it could do a better job of transportation planning, when the Beaumont Corridor Development Society campaigned for the twinning of 50th St, the City refused to twin the section within the City. It was not in their 50-year plan despite almost 20,000 vehicles per day on a single lane road. There is still no timeline, so the City cannot be relied on to prioritize upgrading 50th St within the City or to supply services. As part of the twinning project, AT allowed for access every 1/2 mile on both sides of 50th St. One such access point was planned at the northwest corner of their parcel at NW 1-51-24-W4, which is also bounded by Irvine Creek. Land was purchased by the Town from the neighbour to the north to provide for this future access to be built, on the north side of Irvine Creek. If the annexation area is reduced as suggested by the County to the quarter section line (the south side of Irvine Creek) the land purchased by the Town for the future access point would be in the County. The north area must be included in the annexation, so that timely planning can occur.

[300] R. Villetard lives and works in the Town. He joined his brothers in saying he would prefer their lands to be annexed to the Town.

[301] G. Khehra and his wife own 20 acres of agricultural land in the County on TWP Road 510. He fully supports the Town's application. Although their land is in the County, they have always considered themselves to be part of the Town. The Town is seeking to annex land in its immediate vicinity, and economies can result from the coordination of services which are already provided by the Town in the area. The Town is growing and the widening of 50th St demonstrates the Town's longer vision, commitment and strategies for development. The population is now over 15,000 and it is no longer a bedroom community. There is need for unified planning and zoning in a logical manner within the existing regulatory framework to assure orderly growth. The servicing of their land is more pragmatic through the regional water and sewer line servicing the Town vs. the City's Southeast system which will take 30-40 years to

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develop. Annexation to the Town will give residents a voice in the local government in which they emotionally, psychologically, and physically live.

[302] B. Vukovic and his family own a 50 acre parcel on the northwest corner of the intersection of 50th St and TWP 510. Mr. Vukovic stated the City's request for an additional 640 acres is overly aggressive and the studies in support of the City's latest position do not consider that the Town needs additional retail and commercial space. Good planning practice would place these uses at the north end of Beaumont immediately adjacent to the existing commercial services. The Town needs these services now and it would be inefficient and a lengthy process to wait for the City to complete the task. The lands to the north will help the Town reach its goal of 20:80 commercial to residential ratio, promoting sustainable development. The Town's recently built maintenance facility consists of 20 acres within this area. It seems unreasonable for the City to take key infrastructure from another community. The Town completed two growth studies and engineering studies that support the efficient servicing of these lands. The Town twinned 50th St 2 miles north of its existing boundary, while the City has done nothing to improve the roadway within its jurisdiction. The Vukovics are adamantly against their land becoming part of the City and believe it should be part of the Town for the betterment of all involved in that area and the community in general.

[303] A. Morin is an executor and beneficiary for the estate of T. Aaron and a Director for Aaron Holdings Ltd. and represents the owners of the quarter section at NW 2-51-24-W4M and 50 acres in SE 2-51-24-W4M. Ms. Morin provided a written submission strongly supporting the annexation by the Town of their two properties, due to proximity to the Town and the 50th St corridor. The land will be serviced in a timely manner if services come from the Town, whereas if the land becomes part of the City it will not get serviced for at least 30 to 40 years, being the very last to be reached and servicing will ultimately be more costly. Annexation by the Town will increase the likelihood of the land being more attractive to developers. The Town is growing and nearby whereas their land is extremely far from the outer limits of the City. It is getting more difficult for farmers to move equipment in this area, and income from rental to farmers that helps cover costs of ownership may be lost.

[304] J. Trelenberg had sent a written submission on May 1, 2015 on behalf of the Trelenberg family, owners of two quarters on the east side of 50th St in the north annexation area. The May 1 letter detailed concerns, being grain farmers, with respect to the impact of annexation and expressed preference to stay in the County. On July 12, 2015 Ms. Trelenberg sent a letter by email stating that the Trelenberg family fully supports the Town annexing their lands, given the close proximity to the Town and the work put into the ASP which included their lands. The letter also stated that they do not want to be annexed by the City as it will be decades before it is developed, and that they were confident that the concerns raised in their previous letter will be addressed amicably with the Town as they are seasonal in nature and need only be addressed should they arise.

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Landowner Positions – West annexation area

[305] D. Morris, the development manager of Dream Developments, a major landowner in the west annexation area and K. Liu of Invistec Consulting Ltd. presented the progress of the ASP for the two sections at 28 and 33-50-24-W4M between the Town and East Vistas, to be called the Elan ASP. The County Council provided authorization to proceed in January 2014, but advised that the land falls within the boundary of lands the Town has applied to annex which may complicate or delay approval of the draft ASP. The letter also advised that a letter would be sent to the Town requesting collaborative intermunicipal review of the proposed ASP. From their perspective, they would be able to work with either the Town or the County going forward, they have been meeting with the Town as well. The progress on the Elan ASP to date was presented, as well as the tentative timeline for future activities, with an expected construction start of summer 2017.

Landowner Positions – South annexation area

[306] Dr. R. Foulston requested that if their land is included in the annexation, that there be appropriate conditions applied in order to address the concerns presented, to protect agricultural landowners to still function and prosper through to the transition of land development

[307] E. Lange and S. Walter are part owners of NW-22-50-24-W4M. They provided a written submission in full support of annexation of their property south of Hwy 625, having bought the property with the understanding it was to be annexed and developed as part of the Town. They agree that the Town needs the ability to grow, and moving south of Hwy 625 is logical.

[308] G. LeBlanc provided a written submission stating that he strongly supports the proposed annexation. Mr. LeBlanc owns and lives on the south half of NE23-50-24-W4M, on the same quarter section for 48 years, which was previously his father's and grandfather's land. He always considered himself a resident of the Town, and annexation would allow him to fully be a Town resident. The Town needs space to grow and crossing highway 625 is an intelligent direction, creating a natural buffer for the residents. The intersection of 50th St and Hwy 625 has a high volume of traffic, a good location for commercial. The Cities of Leduc and Edmonton have businesses that face main arterial roadways. Other towns such as Westlock and Devon have businesses that parallel the highway. Sherwood Park has main roads lined with businesses that help them prosper. Other municipalities use this format, the Town should have the opportunity to do the same, and allow young residents to gain local employment which will reduce the number of vehicles on the congested commuter routes.

[309] D. and R. LeBlanc own the north half of NE23-50-24-W4M and provided a written submission fully supporting the Town's application for annexation for reasons similar to G. LeBlanc. Additionally, annexation would allow them to vote for Town Council and have more influence on the issues facing residents of a town they feel a part of. The LeBlancs believe that the Town will continue to be responsive to landowner considerations in the future and will

examine their current bylaws to determine if changes are required to accommodate issues they may not currently deal with should the annexation proposal be successful.

[310] A. and D. Anklam who own a 2 acre parcel within NE-22-50-24-W4M, sent a written submission stating that they are opposed to the proposed annexation and would like to remain County primarily for tax reasons. They stated that the property is their retirement home, and that they have no intention or desire to relocate.

[311] M. Ziegler, J. Ziegler, L. Ziegler (D'Angelo), and S. Ziegler (Martin) own the balance of the quarter at NE-22-50-24-W4M. They submitted an email in support of the Town's bid to annex their property.

Landowner Positions – East annexation area

[312] Mr. K. Chaudhary represented two landowners, N. Chaudhary and V. Chaudhary, owners of a parcel of land one quarter section removed from the east boundary of the Town on Twp Road 505A, the extension of 50th Avenue in the Town. Mr. Chaudhary's consultant, H. Zuzak acknowledges the Town's current annexation application excludes any growth to the east; however is strongly supportive of an eastward urban expansion of the Town, as a concentric growth pattern generally lends itself to a logical and efficient extension of municipal infrastructure. The lands to the east of the Town are still in an agricultural state but have poor soils. There is a relatively minimal number (15) of subdivided parcels in the area, which facilitates urban development. The landform and geotechnical elements present no constraints, and annexation of lands to the east could provide for varying land uses other than residential. There is virtually no industrial land uses within the Town to assist in strengthening its tax base. The Town should proceed in the near future to carry out the necessary studies to determine an annexation area of eastern lands.

[313] B. Singh Rama is a Director and Shareholder of the company that owns the largest portion of the quarter section at NE 3-5-24-W4M, consisting of 53.6 ha located on the south side of Twp Road 510, one quarter section away from the Town's east boundary. The property is not part of the Town's annexation, but if the annexation is successful it could affect future development in terms of serviceability of the company's property, as major utility lines would pass through the annexed lands. The company is not opposed to the Town's application but future expansion of the Town should be to the east. The company supports detailed studies for a future annexation application for lands to the east of the Town.

MGB Findings – Geographical Directions for Growth

[314] The MGB finds that the Town's proposed directions for growth are reasonable. The Town, the County and the City agreed that it would be appropriate for the Town to annex the eight quarter sections to the west. Affected landowners were also in agreement, including the proponent for the Elan LASP that is planned for those quarters.

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[315] With respect to the areas to the north of the Town, the MGB recognizes the landowners have made significant progress towards planning on their parcels, and agrees that development of that area will likely occur within a shorter time frame than the 35-years suggested for the City's needs. The MGB is satisfied that the nine quarters to the north could be readily developed if annexed to the Town. In view of the Town's pressing need for land to grow, it is reasonable to annex these lands to the Town at this time. While the City made a case for not annexing the lands to the Town on the basis that they should be annexed to the City, and that it had limited directions in which to grow, the MGB notes that the overlapping land represents 9 of a total 61 quarter sections in the City's proposed southeast annexation, and of a total 247 quarters in both proposed annexations. Further, there is no annexation application from the City at this time, and the affected landowners overwhelmingly prefer annexation to the Town.

[316] The land to the south is the most appropriate for larger commercial and business park uses aspired to by the Town. While the parties argued the Town's ability to attract such uses, it was not disputed that it was reasonable for the Town to wish to increase its non-residential tax base. Without appropriate parcels of land on which to develop such uses, it is clear that the Town would have no opportunity to realize its residential to non-residential ratio aspirations.

[317] The MGB agrees that the land to the east of the Town is costliest to service. While the landowners that made submissions during the proceedings wished to be included in the annexation, it is clear that servicing would have to come from the west through currently undeveloped areas. Logical and efficient growth patterns support development contiguous with existing services, and the MGB agrees that the lands to the east should be developed at a time when the services are more economically available. It is clear that the Town intends to develop infrastructure to service the PGA around the Town, and the MGB expects that capacity would be sized accordingly.

[318] In essence, Section 141 of the Act identifies that if the boundary of a municipality is described by reference to a township or section, the road allowances on the south and west side of a quarter section are automatically included as a part of the said township or section. Therefore, the road allowance specifically requested by the Town adjacent to the west side of Northwest Quarter of Section 2, Township 51, Range 24, West of the 4th Meridian would be automatically included as part of the annexation area. However, the Town did not address the north-south road allowance adjacent to the east side of the Northeast Quarter of Section 23, Township 50, Range 24, West of the 4th Meridian. The MGB noted that this road allowance provides the only access to a small subdivided parcel of land located on that quarter. In order to reduce possible confusion over transportation responsibilities, the MGB recommends that this road be included as part of the annexation area.

Financial Impacts and Transitional Provisions

[319] The MGB considered the financial implication of the annexation to the municipalities as well as the affected landowners.

Town Position

[320] In order to reduce impacts on residents in the annexation lands, the Town requested the MGB to recommend assessment and taxation conditions as follows:

1. In this Order, "Annexation Area" means the land described in Appendix A and shown on the sketch in Appendix B.
2. (1) For taxation purposes in 2016 and subsequent years up to and including December 31, 2066, the annexed land and the assessable improvements to it must be taxed by the Town of Beaumont using
 - (a) the municipal tax rate established by Leduc County, or
 - (b) the municipal tax rate established by the Town of Beaumont, whichever is lower, for property of the same assessment class.(2) For taxation purposes in 2017 and subsequent years up to and including December 31, 2066, the annexed land and the assessable improvements to it must be assessed by the Town of Beaumont on the same basis as if they had remained in Leduc County.
3. Where, in any taxation year, a portion of the annexed land
 - (a) becomes a new parcel of land created
 - (i) as a result of subdivision,
 - (ii) as a result of separation of title by registered plan of subdivision, or
 - (iii) by instrument or any other method that occurs at the request of or on behalf of the landowner, except the subdivision of one parcel (with or without a farmstead) from an unsubdivided quarter section in use for farming purposes does not constitute a triggering event; or
 - (b) is redesignated, at the request of or on behalf of the landowner, under the Town of Beaumont's 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.
4. After section 2 ceases to apply to the annexed land or a portion of it, the annexed land or portion and the assessable improvements to it must be assessed and taxed for the purposes of property taxes in the following year in the same manner as other property of the same assessment class in the Town of Beaumont is assessed and taxed.

The Town did not include connecting to sewer and water in the triggering events as the servicing is regional in nature.

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[321] The Town retained Corvus Business Advisors (Corvus) to prepare a fiscal impact analysis of the annexation proposal. The Courvus Report analyzed the financial impacts associated with growth within the current Town boundary and the proposed annexation area for a 25-year period compared to the 50-year annexation time horizon period. A 25-year review period was selected because it was sufficient to: demonstrate the financial viability of the proposal, adequately show the impact on the County, illustrate that infrastructure plans generally remain within the current technological base, and give the capital/operating plan greater certainty within a shorter review period. Therefore, the financial impact assessment focused on land that would be consumed between 2016 and 2040 based on the development staging in the Growth Plan Update, and not the entire annexation area.

[322] The capital infrastructure investment for the expanded urban community over the 25-year review period is \$466.9M with investment ranging from utility services, roads, protective services, recreation and culture investments, various equipment and systems, and other capital investments. Capital infrastructure costs are reflected in year of construction dollars based upon 2012 construction prices and escalated 3% per annum to the date of construction. The Town has prepared a capital financing plan of \$466.9M over a 25-year period to meet capital plan requirements. Financing has been grouped into 6 broad categories including general/tax levy, debenture/debt, utility reserves, offsite levies and development charges, third party contributions, and grants. In some cases, financing options are limited and funding is specifically earmarked for a project; in other cases the project financing methods can be used interchangeably. Capital financing requirements coincide with the timing of infrastructure construction and the timing of infrastructure construction is predicated upon the financial capacity of the municipality.

[323] The Town has developed an operating plan for the 25-year review period, which outlines program services that will be provided to residents, operating and maintenance costs associated with supporting community infrastructure, and debt repayment and other financial charges applicable to capital and other investments. The operating plan also highlights user fee revenues and other non-tax levy related recoveries that are anticipated from operations. Total expenditures are projected to rise from \$31.95M in 2016 to \$123.07M in 2040, while revenues and recoveries are expected to increase from \$15.42M in 2016 to \$61.75M in 2040.

[324] The Corvus Report reviewed the Town's existing base assessment. The assessment values were not altered over the 25-year review period to reflect changes in market value and are indicated at a constant \$2,351.85M over the 2016 to 2040 time period. Though there is opportunity to reduce tax increases by taking advantage of market increases it has been the Town's policy to reduce/adjust mill rates such that market increases have no impact on tax rates and recoveries. Assessment growth within the existing Town boundary is projected to increase from \$319.26M in 2016 to \$1,955.49M in 2040. The base assessment within the annexation area is \$29.63M and, as for the existing annexation base within the Town, is projected to be constant over the 25-year review period. Growth within the annexation area is assumed to mirror the growth that occurs in the existing Town boundary. This growth in assessment is relatively small

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in the early years of the plan as growth is being driven by land development primarily within the Town's current boundary. As lands are exhausted within the current boundary, more development will occur in the annexation area and assessment grows accordingly. The projected increase in assessment in the annexation area is \$75.99M in 2016 to \$1,045.01M in 2028 to \$3,270.52M in 2040. Thus the total assessment growth in all areas is projected to be \$2,776.72M in 2016 to \$6,690.56M in 2040.

[325] Tax levy impacts were considered. Net operating costs increase from \$17.15M in 2016 to \$62.58M in 2040. The total tax requirement including school and library requisitions, direct capital allocations, and contingencies increase from \$24.76M in 2016 to \$88.00M in 2040. The overall impact on residential taxes; however, is reasonable due to an increase in the overall assessment base. Taxes are anticipated to increase 2.7% per year (2016 to 2020), 0.3% per year (2021 to 2025), 0.9% per year (2026 to 2030), 0.75% per year (2031 to 2035), and 2.0% per year (2036 to 2040). In determining the tax levy impact, taxation associated with existing development in the annexation area is determined by applying an inflation-adjusted County mill rate to the base annexation assessment but applying the Town's mill rate to new development in the annexation area.

[326] Utility rate impacts were also considered. Sanitary sewer rates are projected to increase 2% per annum, from \$1 .73/m³ in 2014 to \$2.89/m³ in 2040. Water rates are also projected to increase 2% per annum, from \$2.05/m³ in 2014 to \$3.43/m³ in 2040.

[327] The Act and related Regulation set out the debt limits of a municipality. The Corvus Report considered the impact of annexation on the Town's debt limits and debt servicing. Neither the debt limit nor the debt service limit is breached during the 25-year review period. The debt limit is anticipated to peak at approximately 79% in 2017 and decrease to 22% by the end of the 25-year review period. The debt servicing limit peaks at approximately 47% in 2017 and decreases to 17% by the end of the 25-year review period.

[328] The fiscal impact on the County will be minimal. The annexation lands represent \$29.7M in assessment (0.40% of the total County assessment of \$7.42B) and generated \$53,008.43 in taxes in 2014. In addition to taxes, the transfer of the annexation lands from the County to the Town will result in a loss of other revenue to the County. This revenue loss was calculated based on the County's 2011 Financial Return provided to Alberta Municipal Affairs. Total other revenues were \$3,429,227 in 2011 and \$20,763 was allocated to the annexation area using a population ratio for some program areas and a land ratio for others. This amount was estimated to be \$23,000 in 2014.

[329] In addition to taxes and other revenues, the transfer of the annexation lands from the County to the Town will result in reduced expenses for the County. This reduction is calculated using the 2011 Financial Return, with expenses allocated to the annexation area on the same basis as other revenues. Expenses attributed to the annexation area were \$326,803 in 2011 and

estimated to be approximately \$357,000 in 2014. The net impact to the County, based on estimated taxes and other revenue lost, less expenses reduced, results in a gain of approximately \$281,409 each year. With regard to other potential mitigations, the County has identified two recent capital infrastructure investments associated with the proposed annexation area:

- a. Twp Road 510/50 St Signalization: This project was constructed in 2012 and the County's capital cost contribution was \$61,380.00.
- b. Twp Road 510 Paving from RR 244 to RR 241. This project was constructed in two phases:
 - i. RR 242 to RR 243 was constructed in 2006 and the County's capital cost contribution was \$160,518.99.
 - ii. RR 241 to RR 242 was constructed in 2010 and the County's capital cost contribution was \$221,976.23.

[330] The County has indicated that no third party costs were recovered for either of these projects. Accordingly, the stranded costs of these two projects, net of depreciation, are \$351,328. In view of the significant net gain to the County, the Town submitted it was unnecessary to pay the County compensation for lost tax revenue or stranded costs.

[331] The Town submits that its annexation proposal is financially viable, with manageable impacts on the Town and a small positive financial impact on the County.

County Position

[332] The County retained Applications Management Consulting Ltd (AMC) to prepare a fiscal impact analysis in response to the Town's application. The lands within the proposed annexation area are generally in the Agriculture land use district and primarily undeveloped, with 27 occupied dwelling units and some commercial and oilfield structures. Based on 2014 estimates, with the proposed annexation lands, the Town will have a direct increase in population and dwelling units of 0.52%, an increase in taxable assessment base of 0.59% and an increase in the inventory of roads maintained of 15.8%. The County's population and dwelling unit count would decrease by 0.61% and 0.54% respectively, taxable assessment base would decrease by 0.19% and the inventory of maintained roads would decrease by 0.53%. Land area would change significantly with annexation, an increase of approximately 130% for the Town, compared to a 0.50% decrease for the County.

[333] AMC noted deficiencies in the Corvus Report:

- It is not a fiscal impact analysis of the proposed annexation, but a financial projection of the Town with annexation. An evaluation of impact should consider a financial forecast of the Town both with and without annexation.
- It does not contain a full fiscal impact analysis of the proposed annexation on County ratepayers. There is a review of some of the factors relevant to 'impact', but this

- analysis is not complete as there are no projections of the financial position of the County with and without annexation.
- It does not analyze the impact of the Town’s proposed annexation on ratepayers in the proposed annexation area. As the Town has proposed that ratepayers in the proposed annexation area should be afforded tax protection for up to 50-years, subject to some conditions, the importance of tax protection was not analyzed, and lost revenue not considered.
 - It includes inflation on cost and revenue estimates but not on the assessment base, creating internal inconsistency in the financial forecast.
 - Life cycle costs/replacement costs have not been addressed – while they may be necessary after the 25 year time frame of the fiscal analysis, they should be included, similar to condominium reserve funds, otherwise the full capital costs are understated.
 - Existing debt and debenture payments are not addressed in the financial forecast, nor is payment of the County’s stranded costs and compensation for lost tax revenues on the proposed annexation lands considered.
 - Estimated cost savings to the County are identified but the financial plan does not appear to include these costs to the Town.

As a result, AMC submits that the calculated municipal tax rates are under estimated.

[334] The potential impact of the Town’s annexation proposal on ratepayers in the annexation area is significant. The Town has offered tax protection to all properties in the proposed annexation area for a period of up to 50-years, and it is important that comprehensive tax protection be a condition of annexation, so that the affected ratepayers are protected from significant tax increases they may face without it. Residential properties potentially face the largest tax increase as a result of the Town’s proposed annexation, equivalent to approximately 70% to almost a 100% increase in municipal tax rates. Non-residential properties would also face a significant, albeit lower, potential increase in municipal property taxes, ranging from approximately 10% to 27%. Farm properties would have lower property tax rates; however, this would be offset by the elimination of farm exemptions that are currently available in a rural municipality, but not in an urban municipality.

[335] AMC estimated the impact of the proposed annexation on the County’s ratepayers. The change in municipal tax rates with and without annexation shows that the expected impact of the Town’s proposed annexation will be very small on County ratepayers. The most significant impact occurs in the first year of the annexation, from the Town to the County to cover the County’s cost for stranded assets that would become the responsibility of the Town with annexation (\$357,000), and a one time payment of \$53,000 for the lost municipal property taxes in the first year of annexation. AMC agrees that in each year following annexation, the County is expected to receive a net benefit of approximately \$78,000 per year from a reduction in the cost of providing municipal services to the proposed annexation area relative to tax revenue. The

fiscal analysis did not include payment for stranded costs due to this benefit; however this is not relevant. The County paid for the assets and should be compensated.

City Position

[336] The NAM Report, similar to AMC, noted that the Corvus Report is not a conventional impact assessment, as it does not review the impact of scenarios with and without annexation. It only projects the Town's revenues, expenditures, and tax levels on a single going forward basis that is tied to the Growth Study Update, its underlying growth assumptions, and approval of the annexation as proposed. There is no independent examination of the Town's current financial situation and outlook, only that 20% non-residential to total land is desired to ensure that the tax burden can be shared appropriately between businesses and residents. NAM also noted deficiencies in the Corvus Report: the financial projections are expressed in inflated dollars, making it difficult to interpret in constant dollars, and the lack of a scenario without annexation makes it difficult to ascertain the net impacts of the proposed annexation or the implications of alternative annexations or assumptions. The Corvus Report concludes that the annexation plan is viable, with manageable impacts on the Town, but it is premised on projections that non-residential assessment growth will comprise 8.9% of the Town's total assessment growth over 25 years, and that the Town's overall residential to non-residential assessment mix will reach 7.8% by 2040.

[337] NAM's growth analyses indicate that the Town does not require the entirety of the annexation lands encompassed within its annexation application within a 50-year time frame and that an area roughly one-half of the 21 quarters proposed would meet the Town's growth needs. The Town's current application equates approximately to a 75-year annexation. Less land would provide greater efficiency and reduced the costs associated with infrastructure development and service provision. This would enhance the municipal fiscal outputs reflected in the Corvus Report: a reduction in the Town's vacant land base, through greater land use intensity and efficiency would have the effect of lowering the Town's long-term operational and maintenance costs that would be incurred by holding an excessive supply of undeveloped land. This also would be expected to improve the Town's financial results relative to those ascertained in the Town's financial report.

[338] NAM's analysis also indicates that the City, growing from the north, would require the overlapping lands for development earlier than the Town growing from the south. If the Town does not require the overlapping lands within 50-years, removing the lands from the proposed annexation likely would have positive fiscal implications to the Town, as the undeveloped lands would generate limited tax revenue but require the on-going costs of providing services. Removal of the contested nine quarters would not negatively affect the Town's achievement of 80:20 land use and related 80:20 assessment goals. The roughly 10% of the lands to the north of the Town that is designated for non-residential use lies below the current percentage of non-residential land in the Town, and well below the Town's goal of achieving a 20% non-residential share of its combined residential and non-residential land base.

Landowner Position

[339] Dr. R. Foulston raised concerns that the taxation structure was based on dates as opposed to land use. This is founded due to annexations of the past in the City where farmers were pushed out either by tax rates or the demolishing of farm buildings. Farms need to remain viable until the land is converted to developed land. Progressive farming decisions are hindered by municipal tax rate bylaws restricting expansion.

MGB Findings – Financial Impacts and Transitional Provisions

[340] The MGB does not fault the Town for preparing a fiscal impact assessment for the annexation proposal without including the impact without annexation. The purpose of the study is to determine whether the annexation proposal is manageable and the MGB is satisfied that the Corvus Report demonstrates that it is. The fiscal impact of alternate scenarios that differ from the Town's proposal was not necessary to support the subject application.

[341] With respect to stranded costs and compensation, the MGB notes that the County's fiscal impact assessment also shows that the County will enjoy an annual net benefit from the Town acquiring the annexation lands. Under such circumstances, and in view of the amount of annual benefit relative to the amount of stranded costs and lost tax revenue, the MGB considers compensation by the Town to the County is not warranted. Moreover, the MGB concludes the annexation is not simply a tax initiative by the Town.

[342] The suggested taxation conditions are significantly longer ranging than typical, and do not include the typical triggering effect of connecting to sewer and water. Assessment and taxation transition provisions will also not be removed if an unsubdivided quarter section in use for farming is subdivided, regardless of whether the parcel has or does not have a farmstead. The MGB agrees that not including connecting to water or wastewater services as a triggering event is reasonable given these services are supplied regionally. However, in view of the disparity in residential mill rates between the Town and the County, the MGB accepts the Town's proposed taxation condition, developed after consultation with the affected landowners, were necessary to achieve public support for its proposal. Moreover, the 50-year tax transition period will assist landowners wishing to maintain their farming operations well into the future unless there is some type of triggering event. With respect to the landowner's concern, the MGB notes that the farmland rate is regulated and as long as the land is used for farming operations, it will be taxed at the regulated rate. The MGB also notes that the Town's mill rate for farmland is lower than the County's.

[343] The Town requested the effective date of the annexation to be January 1, 2016; however, no comments regarding the effective date were by either of the other municipalities, the affected landowners of the public. After considering this matter the MGB recommends the effective date of the annexation should be January 1, 2017. This will allow the two municipalities time to transfer documents and make preparations prior to the effective date of the annexation and the transfer of the land. As the assessment and taxation provisions afforded to affected landowners is

50-years, the MGB has also adjusted the transition period to reflect the changed effective date. The MGB accepts the assessment and taxation transition provisions and the effective date are certain, unambiguous, and enforceable and reduce the impact of the annexation on the affected landowners.

Other Landowner and Public Concerns

[344] The MGB received a number of submissions from affected landowners and members of the public expressing other concerns not addressed previously in this report.

[345] Dr. R. Foulston raised concerns with respect to the ability to continue to farm and criticized past and current actions of the Town. The prevailing winds result in garbage blowing onto fields and causing crop loss and equipment damage. Perimeter fencing of active sites could be required to reduce the amount of construction debris. Noxious weeds from undeveloped, unoccupied or poorly managed sites, including the abandoned former Town public works yard are an ongoing problem for farmers. It was noted in the 1999 annexation, but the problem continues. The Town should be required to have a full-time trained weed inspector, that may be appointed pursuant to the *Alberta Weed Control Act* and existing bylaws should be enforced. Another concern is the cattle and horses that have used part of the land for grazing since 1970, and whether the Town's current or future bylaws will inhibit livestock on farmland within Town boundaries.

[346] The Beaumont Corridor Development Society was formed in March 2008 by the landowners north of the Town to lobby for improvements to the 2 mile stretch of 50 St between the Town and City boundaries. J. Trelenberg, chair of the Society, had written a letter in July 2013 following the Town's annexation open houses on behalf of the owners of 24 parcels within the original north annexation area outlining many areas of concern and stating that they could not support this annexation without having more information as there are too many unanswered questions. By email on June 12, 2015 Ms. Trelenberg advised that the initial letter was written when the annexation boundaries were different and that they and the other landowners that formed the Society now support the annexation application.

[347] D. Tardif stated that the Town has not remediated its own in-boundary issues such as spilling of raw sewage in a storm event, stormwater management, transportation networks within the Town or considering lesser capacity agricultural land to the east. East Vistas, Elan and the Town's annexation would create urban development potential to exceed needs for 50-years, sadly, on prime agricultural land.

Town Position

[348] The Town identified it complies with the *Alberta Weed Control Act* and acted once the weeds on its property were brought to its attention. With regard to livestock, the Town will consider changes to bylaws once the annexation is complete. The Town is aware of the

stormwater issues and is working on mitigating wastewater discharge issues related to abnormal conditions.

MGB Findings – Other Landowner and Public Concerns

[349] All municipalities are required to comply with provincial legislation and have the ability to pass bylaws that provide for good government. However, how a municipality complies with the provincial legislation and enforces its municipal bylaws is a local issue; in the MGB's view, it is inappropriate for these matters to be dealt with as part of an annexation order. The MGB observes that all municipalities must comply with the *Alberta Weed Control Act* and trusts the Town will address weed issues as required by that Act. Similarly, bylaws and programs for garbage control and litter are best dealt with by a municipality. The requirement for developers to construct perimeter fencing is generally dealt with in a Land Use Bylaw. The MGB notes the *Agricultural Operations Practices Act* allows existing farming operations to continue and accepts that the Town will consider possible bylaw changes to accommodate the keeping of livestock. As wastewater discharge issues are within the purview of Alberta Environment, the MGB trusts the Town will work with Alberta Environment and the other municipalities in the region regarding this matter. The MGB understands the need to protect agricultural land and has already recommended assessment and taxation provisions to facilitate continuation of farming operations within the annexation area. The MGB has also already determined it would be too costly for the Town to service the lands to the east, so annexing land to the east is not feasible.

PART VI - SUMMARY OF FINDINGS AND RECOMMENDATION

[350] In this annexation application, beyond the two municipalities directly involved, broader regional implications had to be considered. The MGB examined the impact of the proposed annexation on the Town, the County, the City, other municipalities in the region, the landowners, and members of the general public. The MGB notes that the Town and the County attempted to negotiate joint growth and an annexation agreement since 2008 without success, and all parties accept that the Town is in urgent need of land. Under such circumstances, the MGB is of the view a long term solution is needed.

[351] The impact on the County is minimal. The greatest concern of the County, affected landowners, and members of the public is that development south of Hwy 625 will impact the efficient functioning of the high load corridor. The MGB is satisfied that growth within the Town north of the highway would in any event require upgrades to the intersections, whether or not there is development to the south.

[352] The City argued that it needed the land between the Town and its south boundary as it has limited directions to grow and has filed a Notice with the MGB. However, the City does not have an application before the MGB, the overlapping land identified by the Notice represents a

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very small proportion of the area being considered for annexation by the City, and the affected landowners all prefer annexation into the Town.

[353] In summary, the MGB finds the population projections, density levels, and directions for growth set out in the Town's annexation application to be reasonable, as described in the detailed findings. Therefore, the annexation of 21 quarter sections of land is supportable. The regional networks for water and wastewater are in place and the regional providers have a mandate to expand services as needed. Stormwater management will require a regional solution, but the MGB is satisfied that the necessary intermunicipal cooperation will take place. With respect to roadway network planning, the MGB finds that the Town has been proactive in upgrading key transportation routes and will provide these municipal services to the annexation area as development takes place. The MGB considered arguments from both the County and the Town with regard to compensation. The MGB found that compensation for this annexation was not necessary given the net financial benefit to the County of not having to provide municipal services to the annexation area. The MGB is satisfied that agricultural uses within the annexation area will be protected and the Town will be receptive to bylaw modifications to accommodate the needs of agricultural uses in a larger land area. With regard to affected landowner annexation conditions the MGB finds that due to the significant difference in residential mill rates, the length of the assessment and taxation transition period is reasonable, particularly given that the majority of the land will not be left in an unsubdivided state over the longer term.

CONCLUSION

[354] After reviewing the submitted documentation and hearing from the Town, the County, the City of Edmonton, the City of Leduc, affected landowners and members of the public, the MGB finds the annexation application to be reasonable and supportable. Therefore, the MGB recommends the annexation of the land identified in the Town's annexation application with an effective date of January 1, 2017.