

BOARD ORDER NO. MGB 016/09

FILE: AN07/BLFA-T-01

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

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

BEFORE:

Members:

W. Morgan, Presiding Officer
T. Golden, Member
T. Hudson, Member

MGB Staff:

R. Duncan, Case Manager

SUMMARY

After careful examination of the submissions from the Town of Blackfalds (Town), affected landowners, and other interested parties, the Municipal Government Board (MGB) makes the following recommendation for the reasons set out in the MGB report, shown as 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, 2009, the land described in Appendix A and shown on the sketch in Appendix B is separated from Lacombe County and annexed to the Town of Blackfalds,
- (b) any taxes owing to Lacombe County at the end of December 31, 2008 in respect of the annexed lands are transferred to and become payable to the Town of Blackfalds together with any lawful penalties and costs levied in respect of those taxes, and the Town of Blackfalds upon collecting those taxes, penalties and costs must pay them to Lacombe County,

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- (c) the assessor for the Town of Blackfalds must assess, for the purpose of taxation in 2009 and subsequent years, the annexed land and the assessable improvements to it.

Dated at the City of Edmonton, in the Province of Alberta, this 6th day of February 2009.

MUNICIPAL GOVERNMENT BOARD

(SGD.) W. Morgan, Presiding Officer

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APPENDIX "A"

**DETAILED DESCRIPTION OF THE LANDS RECOMMENDED FOR SEPARATION
FROM LACOMBE COUNTY AND ANNEXED TO THE TOWN OF BLACKFALDS**

ALL THAT PORTION OF SECTION THIRTY-FOUR (34), TOWNSHIP THIRTY-NINE (39), RANGE TWENTY-SEVEN (27), WEST OF THE FOURTH MERIDIAN NOT WITHIN THE TOWN OF BLACKFALDS LYING EAST OF THE EASTERLY BOUNDARY OF ROAD PLAN 2058LZ

ALL THAT PORTION OF THE SOUTH HALF OF SECTION THREE (3), TOWNSHIP FORTY (40), RANGE TWENTY-SEVEN (27) WEST OF THE FOURTH MERIDIAN SOUTH OF THE NORTH BOUNDARY OF THE EAST-WEST ROAD ALLOWANCE ON THE SOUTH SIDE OF SAID HALF SECTION AND LYING EAST OF THE PRODUCTION SOUTH OF THE MOST EASTERLY POINT OF ROAD PLAN 2422LZ IN SAID HALF SECTION

ALL THAT PORTION OF THE NORTHWEST QUARTER OF SECTION THIRTY FIVE (35), TOWNSHIP THIRTY-NINE (39), RANGE TWENTY SEVEN (27), WEST OF THE FOURTH MERIDIAN LYING WEST OF THE WESTERLY BOUNDARY OF ROAD PLAN 4011EU

ALL THAT PORTION OF THE SOUTHWEST QUARTER OF SECTION TWO (2), TOWNSHIP FORTY (40), RANGE TWENTY-SEVEN (27) WEST OF THE FOURTH MERIDIAN SOUTH OF THE NORTH BOUNDARY OF THE EAST-WEST ROAD ALLOWANCE ON THE SOUTH SIDE OF SAID QUARTER SECTION AND LYING WEST OF THE CONTINUATION SOUTH OF THE WEST BOUNDARY OF ROAD PLAN 4011EU ACROSS SAID ROAD ALLOWANCE

ALL THAT PORTION OF THE SOUTHWEST QUARTER OF SECTION THIRTY FIVE (35), TOWNSHIP THIRTY-NINE (39), RANGE TWENTY-SEVEN (27), WEST OF THE FOURTH MERIDIAN NOT WITHIN THE TOWN OF BLACKFALDS LYING WEST OF THE WESTERLY BOUNDARY OF PLAN 4011EU AND THE CONTINUATION OF THE WESTERLY BOUNDARY OF PLAN 4011EU ACROSS RAILWAY LINE C&E1 IN SAID QUARTER SECTION

ALL THAT PORTION OF SECTION THIRTY-SIX (36), TOWNSHIP THIRTY-NINE (39), RANGE TWENTY-SEVEN (27) WEST OF THE FOURTH MERIDIAN LYING SOUTH OF THE SOUTH BOUNDARY OF PLAN 872-1954 AND EXCLUDING THAT PORTION OF THE NORTH-SOUTH ROAD ALLOWANCE ON THE WEST SIDE OF SAID SECTION

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LYING NORTH OF THE PRODUCTION WEST OF THE SOUTH BOUNDARY OF PLAN 872-1954

THE NORTH HALF OF SECTION TWENTY-FIVE (25), TOWNSHIP THIRTY-NINE (39), RANGE TWENTY-SEVEN (27) WEST OF THE FOURTH MERIDIAN

THE SOUTHWEST QUARTER OF SECTION TWENTY-FIVE (25), TOWNSHIP THIRTY-NINE (39), RANGE TWENTY-SEVEN (27) WEST OF THE FOURTH MERIDIAN

ALL THAT PORTION OF THE SOUTHEAST QUARTER OF SECTION TWENTY-FIVE (25), TOWNSHIP THIRTY-NINE (39), RANGE TWENTY-SEVEN (27) WEST OF THE FOURTH MERIDIAN LYING NORTH OF THE NORTH BOUNDARY OF THE EAST-WEST ROAD ALLOWANCE ON THE SOUTH SIDE OF SAID QUARTER SECTION

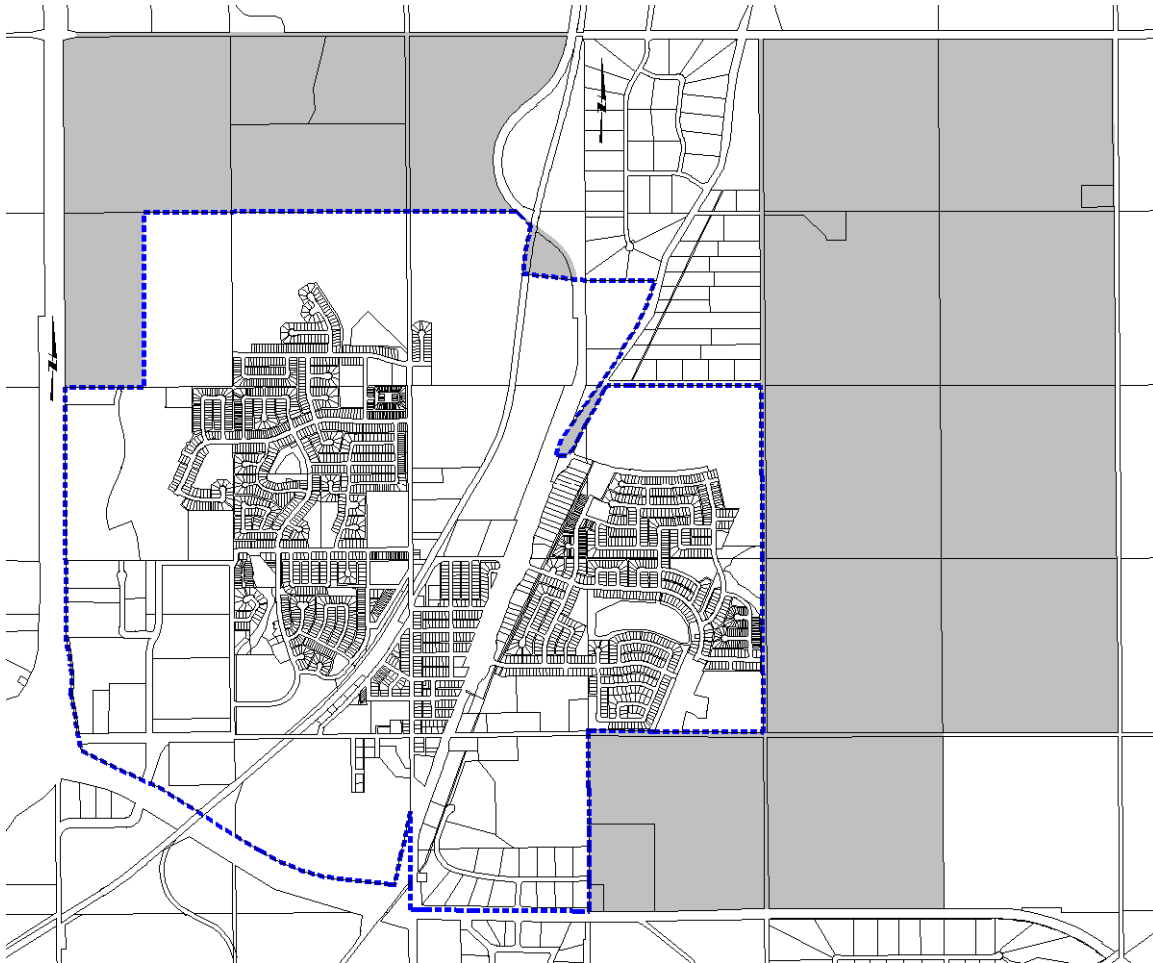
ALL THAT PORTION OF THE NORTHWEST QUARTER OF SECTION TWENTY-FOUR (24), TOWNSHIP THIRTY-NINE (39), RANGE TWENTY-SEVEN (27) WEST OF THE FOURTH MERIDIAN LYING NORTH OF THE NORTH BOUNDARY OF PLAN 792 0192

ALL THAT PORTION OF THE NORTHEAST QUARTER OF SECTION TWENTY-THREE (23), TOWNSHIP THIRTY-NINE (39), RANGE TWENTY-SEVEN (27) WEST OF THE FOURTH MERIDIAN LYING NORTH OF THE NORTH BOUNDARY OF PLAN 792 0192

ALL THAT PORTION OF THE NORTH HALF OF SECTION TWENTY-SIX (26), TOWNSHIP THIRTY-THREE (33), RANGE TWENTY-SEVEN (27) WEST OF THE FOURTH MERIDIAN NOT WITHIN THE TOWN OF BLACKFALDS

APPENDIX "B"

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



Legend



Annexation Area

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APPENDIX C

ORDER

- 1 In this Order, “annexed land” means the land described in Appendix A and shown on the sketch in Appendix B.
- 2 For the purpose of taxation in 2009 and in each subsequent year up to and including 2024, the annexed land and the assessable improvements to it
 - (a) must be assessed by the Town of Blackfalds on the same basis as if they had remained in Lacombe County, and
 - (b) must be taxed by the Town of Blackfalds in respect of each assessment class that applies to the annexed land and the assessable improvements to it using the tax rate established by Lacombe County.
- 3(1) 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,
 - (b) is redesignated at the request of or on behalf of the landowner under the Town of Blackfalds Land Use Bylaw, or
 - (c) is connected to water or sanitary sewer services provided by the Town of Blackfaldssection 2 ceases to apply at the end of that taxation year in respect of that portion of the annexed land and the assessable improvements to it.
- (2) Notwithstanding subsection 3(1)(a), section 2 does not cease to apply if the subdivision is the separation of an existing farmstead from a previously unsubdivided quarter section.
- (3) If under this section, section 2 ceases to apply to a portion of the annexed land in a taxation year, that portion of the annexed land and the assessable improvements to it must be 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 Blackfalds is assessed and taxed.

APPENDIX D

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

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Executive Summary

The Town of Blackfalds (Town) is located in Lacombe County (County), approximately halfway between the City of Red Deer and the Town of Lacombe. On June 20, 2008, the Municipal Government Board (MGB) received an annexation negotiations report signed by the Town and County. The proposed annexation would include the transfer of approximately 853 hectares (2,100 acres) of land from the County in order to allow the Town to accommodate future growth, provide for industrial and commercial development, and to ensure proper long-term planning.

The application submitted to the MGB contained objections from several affected landowners. In accordance with the *Municipal Government Act* (Act), the MGB held a public hearing on September 18, 2008 to receive information, evidence and argument on the annexation proposal. The MGB received several presentations at the hearing.

After reviewing the documentation provided prior to the hearing, as well as considering the oral presentations and submissions by the affected parties at the hearing, the MGB finds that the purpose of the annexation and amount of land being requested by the Town is reasonable and that the concerns of the affected and adjacent landowners have been given proper consideration. Moreover, the MGB reviewed the arguments and evidence of all the parties and concluded it was in the greater public interest to recommend approval of the annexation.

The MGB notes that the collaboration documented between the two municipalities in this case meets the objectives of intermunicipal cooperation outlined in the Provincial Land Use Policies, the Act, and the annexation principles established by the MGB.

I Introduction

The Town of Blackfalds (Town), population of 4,741, is located in Lacombe County (County), approximately halfway between the City of Red Deer and the Town of Lacombe. The short commute in either direction provides the residents of the Town access to a wide range of employment opportunities, post secondary educational institutions, and regional scale shopping outlets and entertainment. The Town is committed to maintaining a small town atmosphere while expanding its industrial and residential base and improving the quality of life for its citizens.

On August 23, 2007 the Town provided written notification to the County, the Municipal Government Board (MGB) and other local authorities of the Town's intent to annex approximately 853 hectares (2,100 acres) of land from the County. The notification listed the legal descriptions of the lands being proposed for annexation and identified the process that would be used for soliciting landowner and public input. The notification stated that the annexation would allow the Town to plan for and attract residential and non-residential development.

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The annexation is based on residential and non-residential land needs for a period of 30 years. The Town has experienced a relatively high growth rate in recent years, as illustrated in Table 1. The Town's population is expected to grow to approximately 32,921 by 2036, based on a projection contained in an Engineering Master Plan conducted for the Town.

Table 1 - Population and Growth Rates		
Year	Population	Growth Rate
2001	3,042	-
2002	3,540	16.40%
2003	3,812	7.70%
2004	3,955	3.80%
2005	4,373	10.60%
2006	4,741	8.40%

The application submitted to the MGB stated that the Town and County had agreed to the proposed annexation and that there were no matters that had not been agreed upon by the two municipalities. Moreover, it was stated that the application would facilitate implementation of key directions of the existing Intermunicipal Development Plan (IDP) as well as the Town's Municipal Development Plan (MDP).

The application contained four objections from affected landowners. In accordance with the *Municipal Government Act* (Act), the MGB held a public hearing on September 18, 2008 to receive information, evidence and argument on the annexation proposal.

The following report outlines the role of the MGB, provides a brief overview of the Town's annexation application, identifies landowner issues, identifies the MGB annexation processing methodology, summarizes the September 18, 2008 MGB public hearing, and provides a recommendation to the Minister regarding this matter.

II Role of the MGB, the Minister and the Lieutenant Governor in Council

The MGB becomes active in the annexation process once the initiating municipality has filed its negotiation report with the MGB, pursuant to section 119(1) of the Act. If the initiating municipality requests the MGB to proceed with the annexation, the report becomes the annexation application.

If the MGB is satisfied that the affected municipalities and public are generally in agreement, the MGB notifies the parties of its findings and unless there are objections to the annexation filed with the MGB by a specific date, the MGB will make its recommendation to the Minister

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without holding a public hearing. In this specific case objections to the proposed annexation were contained in the annexation application submitted by the Town to the MGB.

If the MGB finds that there is general agreement but an objection has been filed, the MGB must conduct one or more public hearings (section 120(3)(b) of the Act). In this case, objections have been filed. The MGB may investigate, analyze and make findings of fact about the annexation. The MGB must prepare a written report of its findings and provide a recommendation to the Minister of Municipal Affairs (Minister) and the Lieutenant Governor in Council (LGC).

The Minister and the LGC have the authority to accept in whole or in part or completely reject the findings and recommendations of the MGB report.

III Annexation Application

On June 20, 2008 the MGB received the annexation application submitted by the Town. The following describes the current state of development plans, details how municipal services will be provided to the proposed annexation area, identifies the public consultation process used to develop the Town's application, provides the annexation agreement between the Town and the County, states the proposed assessment and taxation conditions requested by the Town, and summarizes the issues identified by the affected landowners and the public.

Development Plans

The application indicates that the annexation is consistent with the IDP established between the municipalities, which has been recently updated. The long range land use concept contains minor changes to the future land use concept contained in the Town's MDP. The application states that the MDP will be amended in order to be made consistent.

A Joint Economic Agreement created on August 30, 2007 between the two municipalities was submitted with the annexation application. The agreement includes a condition by which the Town agrees not to seek the annexation of lands west of Highway 2 except under certain conditions. The proposed annexation area in the subject application is consistent with this restriction. The Agreement also states that the Town and County will share municipal taxes, other special purpose taxes and grants in lieu of municipal or special purpose taxes arising from new commercial, industrial or public use development within the Joint Economic Area.

A comprehensive Engineering Master Plan created by Stantec in May 2008 was also presented along with the annexation application. The Plan's purpose was to provide engineering and planning information to assist the Town in making decisions regarding cost effective future growth and development directions. The proposed annexation is consistent with the findings of this report.

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Provision of Municipal Services

The application addresses the provision of municipal services and infrastructure to the proposed annexation area. It is stated that the annexation will clarify servicing concepts and investments in major utility infrastructure that will be necessary to accommodate the Town's expected population growth. The application notes that the extension of municipal water and sanitary sewer servicing will likely require a direct financial investment by the Town, and that including the annexation area within the Town will allow for the use of development levies and other tools to recover costs. It is suggested that the annexation will allow the Town to spread the cost of necessary major infrastructure and utilities over a larger area and achieve economies of scale.

Municipal garbage and solid waste collection will not be provided to the annexed properties and no charge for these services will be levied against those properties. Once further subdivision or intensification has occurred, the provision of these services and the corresponding charges will be in accordance with the Town's solid waste bylaw.

The Annexation Application states that the Town will assume maintenance responsibilities for roads within the annexation area, but that such roads will not necessarily be paved. As development increases adjacent to the roads, they will be improved as part of the development process. The Town will not initiate road improvements until development pressures dictate the need.

The Landowner and Public Consultation Process

The Town's public consultation process provided opportunities for affected landowners and the public to become informed about the proposed annexation and to express their opinions.

The public consultation process was commenced in June 2007 with the Town contacting owners of land being considered for annexation. Residents received a letter and a package of information regarding the proposed annexation. Following this, an information meeting was hosted by the Town on July 18, 2007. During the meeting, residents were provided with further information and were able to voice concerns. Subsequent to this meeting, further information was sent to landowners with the intent of clarifying aspects of the proposal and responding to concerns raised.

A second meeting involving both the affected landowners and the general public was held on January 31, 2008. A report on the negotiations with the County was also presented to landowners through this process.

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Identified Landowner/Public Issues

Five general issues were identified by the Town as having been raised by the public with respect to the annexation:

1) Impact on Municipal Property Taxes

Concerns were expressed about how municipal property taxes would change for landowners included in the annexation area. As well, concerns were raised with respect to the differences in property assessment between the Town and the County. Landowners wished to know what type of assessment and tax transition would be included with the annexation to deal with this issue.

2) Proposed Boundary and Size of Annexation Area

Some landowners expressed concern that the proposed size of the annexation area is too large.

3) Municipal Services

Questions were raised by landowners regarding what effect the proposed annexation might have on the provision and expansion of municipal services.

4) Use of Existing Private Wells and Sewage Disposal Systems

Landowners and members of the public raised questions with respect to existing private wells and sewage disposal systems. Specifically, individuals were concerned about whether these existing wells and sewage systems would be allowed to remain in place, or whether the Town would require them to connect to its water and sanitary services once they had been extended into the annexation areas.

5) Impact on Farm Operations and Existing Uses and Development

Concerns were also raised regarding the potential impact of annexation on existing land uses, specifically agricultural operations.

Town's Response to Identified Landowner/Public Issues

The Annexation Application identified the Town's response to these concerns expressed by the public and the affected landowners.

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1) Impact on Municipal Property Taxes

The Town responded by indicating that, as part of the annexation, it would be requested that the County's assessment methods and taxation rate be applied to landowners in the annexation area for an extended period of fifteen years rather than the five years initially proposed. The Town indicated that the concern mainly stemmed from those landowners lying along the outer fringe of the annexation area who felt that they would not reap the increased development potential of their land until well beyond five years. Under the assumption that lands adjacent the current Town boundary are more likely to develop over the short-term, the Town was willing to increase the transition timeframe from five to fifteen years to ensure that no landowner would be significantly impacted during the transition to the Town's jurisdiction.

2) Proposed Boundary and Size of Annexation Area

It was explained that the boundary of the annexation area is the product of an intermunicipal negotiation between the Town and County in the creation of the IDP. The intent of the annexation is to give the Town sufficient land to meet long-term comprehensive needs and avoid the need for more frequent annexation requests. The annexation would provide the Town with an approximately 30-year supply of land to meet anticipated needs for residential, commercial and industrial uses.

3) Municipal Services

It was explained that municipal garbage and solid waste collection will not be provided to the annexed properties and no charge for these services will be levied against the annexed properties. Once further subdivision and/or intensification of development of an annexed property has occurred, provision of garbage and solid waste collection services and related charges will be in accordance with the Town's solid waste bylaw. Additionally, annexation will provide landowners with access to a broader range of recreation facilities and provide full-time police protection.

4) Use of Existing Private Wells and Sewage Disposal Systems

The Town proposes to allow private wells and sewage disposal systems to continue to be used for existing developments. After Town water and sanitary sewer have been extended and are available it is expected that all properties able to be served will eventually connect to the water and sanitary sewer lines. New development or expansion of existing developments will be subject to Town approval in accordance with all relevant land use planning statutes, regulations, and bylaws.

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5) Impact on Farm Operations and Existing Uses and Development

Landowners were noted to have expressed some concerns about the impact of annexation on the continued use of their properties for farming purposes. These concerns involve the planning regulations that may apply to existing uses and development and the various other Town bylaws that may apply to farm properties. From a planning perspective, farm operations are an existing use that is allowed to continue after annexation. Where other bylaws and regulations enforced by the Town may have an effect on the continued use of annexed property for agricultural operations, the Town agreed to use its discretion where possible to avoid placing limits on day-to-day or routine agricultural activities.

Additional discussion of these issues occurred at the MGB hearing and the responses to these and other issues is presented in the section of this report documenting the Town's response to landowners at the MGB hearing.

Consultation with Local and Provincial Authorities

In accordance with the Act, the relevant local authorities as well as Provincial Departments were notified of the application. Alberta Transportation (AT) was the only agency to provide a response.

The Town received correspondence from AT on January 25, 2008 expressing concerns with the preliminary maps and the display of a future interchange at Highway 2 and Range Road 40-0. At the hearing, the MGB was informed that any initial concerns were satisfied and that AT had no remaining concerns with the application.

The Annexation Agreement with Lacombe County

The Town and County conducted intermunicipal negotiations regarding the proposed annexation and were able to negotiate an agreement. It should be noted that no items related to the annexation remain to be negotiated and that agreement was reached with respect to all aspects of the application. On May 6, 2008 the Town Council passed a resolution agreeing to the Report on Negotiation submitted to the MGB.

The annexation agreement indicates that the Town and County have agreed to the following:

1. All lands illustrated in Appendix A of the Town's submission (Appendix B of this report) will be annexed into the Town.

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2. Township Road 40-0 between Highway 2 and Highway 2A will be included as part of the lands annexed into the Town and will fall under Town jurisdiction. All other boundary roads will remain outside the Town's jurisdiction.
3. The proposed effective date of the annexation will be January 1, 2009.
4. Existing land uses within the proposed annexation area will be allowed to continue upon the effective date of the annexation using the preexisting Lacombe County land use bylaw designations.
5. All lands within the proposed annexation area will be assessed and taxed by the Town on the same basis as if they had remained within Lacombe County for a period of fifteen (15) years or until such time as the following occurs:
 - a. A request by, or on behalf of, the landowners for subdivision (with the exception being for a farmstead separation);
 - b. A request by, or on behalf of, the landowners for re-designation; or
 - c. The land is connected to the Town's water or sanitary sewer system.
6. Lacombe County will continue to process all requests for subdivision, development permits, and re-designations within the proposed annexation area until the annexation process is complete.
7. An appeal from a decision made by Lacombe County pursuant to subsection (6) must be made to the Lacombe County Subdivision and Development Appeal Board unless there is authority under section 678(2)(a) of the *Municipal Government Act* to make the appeal to the Municipal Government Board.

Compensation

The Annexation Agreement between the Town and the County indicates that there is to be no compensation with regards to this proposed annexation.

Proposed Assessment and Taxation Provisions

Appendix E of the Town's annexation application contains the following proposed conditions regarding assessment and taxation:

1. "Annexed land" means the land described in Appendix A and shown on Town of Blackfalds – Requested Annexation Areas.

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2. For taxation purposes in 2008 and later years, the annexed land and the assessable improvements to it:
 - a. Must be assessed by the Town of Blackfalds on the same basis as if they had remained in Lacombe County, and
 - b. Must be taxed by the Town of Blackfalds in respect of each assessment class that applies to the annexed land and the assessable improvements to it using the property tax rate established by Lacombe County for the year of taxation.

3. The assessment and taxation arrangements described in Section 2 above will cease to apply under the following conditions:
 - a. Where in any taxation year, a portion of the annexed land
 - i. Becomes a new parcel of land created as a result of subdivision or separation of title by registered plan of subdivision or by instrument or any other method that occurs at the request of, or on behalf of, the landowner;
 - ii. Is redesignated at the request of or on behalf of the landowner under the Town of Blackfalds Land Use Bylaw to another designation; or
 - iii. Is connected to the water or sanitary sewer services provided by the Town of Blackfalds.
 - b. Notwithstanding subsection (a) (i), section 2 does not cease to apply if the subdivision is the separation of an existing farmstead from a previously un-subdivided quarter section.
 - c. In all cases, section 2 ceases to apply after 15 years have passed from the date of annexation.

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

IV MGB Processing of the Annexation Application

In accordance with section 119 of the Act, the MGB received the Town's Annexation Application, including the Negotiation Report on June 20, 2008.

The report submitted by the Town included a copy of the Town's MDP, the IDP, resolutions passed by the Town and County Councils approving the negotiation report and a cheque for the annexation fees.

Although both the Town and County were in agreement with the annexation, the application contained objections from landowners. The MGB received eight objections to the proposed

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annexation from landowners. The written submissions received by the MGB were provided to the panel and the two municipalities prior to the hearing.

Section 120(3) of the Act requires that if the MGB receives an objection regarding an annexation application, the MGB must conduct one or more hearings in respect of the annexation. The hearing regarding this matter was scheduled for Thursday, September 18, 2008 at the Blackfalds Multiplex in Blackfalds, Alberta.

On July 24, 2008 the MGB sent a letter to each of the affected landowners to notify the parties of the September 18, 2008 hearing. The letter requested any affected landowner that planned to attend the hearing or make a submission at the hearing to notify the MGB on or before September 8, 2008. The MGB also published hearing notices in the **Lacombe Globe**, a newspaper circulating in the affected area, during the weeks of August 25, 2008 and September 3, 2008. The newspaper notifications also requested that anyone that planned to attend the hearing or make a submission at the hearing should notify the MGB on or before September 8, 2008.

The Public Hearing

At the hearing, the MGB received submissions from the Town, the County, affected landowners, and the general public. Twenty-five people registered for the September 18, 2008 hearing.

Town's Submission

Chris Ulmer, the Town representative from Parkland Community Planning Services, made the Town's presentation to the MGB.

Proposed Annexation Lands

The Town explained that the proposed annexation involves approximately 853 hectares (2,100 acres) in all directions around the existing community, generally described as follows:

- **Northwest:** Comprising lands north of the existing boundary between Highways 2 and 2A and south of Lakeside/Sargent Road.
- **Northeast:** Comprising lands contained in Section 36-39-27-W4M bounded to the north by Lakeside/Sargent Road, to the west by Range Road 27-0, and to the east by the existing country residential development;

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- **East:** Comprising lands contained within Section 25-39-27-W4M and bounded to the west by Range Road 27-0, to the east by the Town boundary, and to the south by Township Road 39-4; and
- **Southeast:** Comprising the NE 23-39-27-W4M and NW 24-39-24-W4M bounded to the north by Township Road 39-4, to the east by the Town boundary, and to the south by Highway 597.

Reasons for Annexation

The Town submitted that the proposed annexation is necessary in order to accommodate future residential growth, along with industrial and commercial uses; accommodate landowners who wish to be annexed and develop within the Town; provide market competition; provide for logical engineering and planning units; and to provide for economies of scale in the provision of infrastructure and servicing.

1) Accommodate Future Residential Growth

The Town is expected to grow to 32,921 persons by the year 2036. This population reflects a 10 year growth rate of 8.6%. The Town indicated that its existing boundary could accommodate a population of approximately 14,000. Build-out is expected to occur over the next 15-20 years. An additional 486 hectares of developable land is required in order for the Town to achieve its goal of maintaining a 30-year supply of residential land within its boundary.

2) Provide for Industrial and Commercial Uses

The Town's present supply of industrial and commercial lands is limited in terms of the number of viable locations available for consideration, and by the growing local labor force accompanying the increase in residential development.

The Town submitted that there is also a need to address the tax ratio between the residential and non-residential uses. Currently, 90.7 percent of the Town's assessment base is residential. The Town indicated that it has established a target of doubling the amount of non-residential assessment. This would require approximately 0.65 hectares of commercial and industrial lands for every hectare of residential land. The proposed annexation will assist the Town to achieve its goal by providing enough commercial and industrial land to increase the non-residential assessment to approximately 16.5 percent.

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3) Landowner Interest

Landowner Riser Developments Ltd. was explained to have requested that its property be annexed into the Town for the purposes of residential development. It was stated that during the consultation process, eleven (11) landowners, representing sixteen (16) of the affected parcels had expressed their interest in annexation.

4) Market Competition

Given the current development of most significant existing residential infill areas, the Town submitted that it is concerned that limited remaining opportunities for residential development would serve to reduce competition. The inclusion of the proposed annexation area was cited as a solution to this potential issue.

5) Rational Planning Units

The proposed annexation area was submitted to be a logical extension of the Town's existing development. The Town reiterated that the proposed annexation area is consistent with an IDP that has been adopted by both the Town and the County.

6) Economies of Scale

It was indicated that the extension of municipal water and sanitary sewer services will likely involve some degree of direct financial investment by the Town. The Town suggested that the annexation would allow these costs to be distributed over a larger area. It was explained that the Town would have an increased ability to achieve economies of scale and enhanced ability to recover upfront costs. The application was submitted to provide added confidence for the Town to invest in the major utilities necessary to service the area.

Engineering Master Plan

A comprehensive Engineering Master Plan was presented in support of the annexation. The plan identifies the significant man-made and natural features that act as constraints to development and suggests future development guidelines to recognize these features. The plan also provides the basis for the population projections used in developing the application. Additionally, it establishes the limitations to growth within the existing Town boundary, illustrating that additional lands are needed to provide a 30-year land supply. The Engineering Master Plan then projects the needed infrastructure at various population horizons and conceptually identifies schemes to deal with water supply, water storage, pumping facilities, and water distribution systems for the annexation areas. The plan also rationalizes the required sanitary sewer system

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and collection trunk lines for the annexed areas. Finally, a conceptual storm water management system is proposed for the annexed area.

Based on the technical data found in the Engineering Master Plan, the Town discussed and displayed a proposed land use and transportation system incorporating existing development and infrastructure into the proposed annexation areas. The Town outlined the proposed phasing that would occur, having regard for the cost of servicing and the demand for various land uses.

Joint Economic Area (Adopted Agreements)

It was emphasized that significant intermunicipal cooperation and planning has occurred between the Town and the County for some time. This was explained to have resulted in a series of documents agreed to by both municipalities. Both an IDP and a Joint Economic Agreement were indicated to be supportive of the subject application. The IDP was explained to include a description of the annexation proposal. The Town submitted that the Joint Economic Agreement was intended to facilitate joint ventures that supported the Town's sustainability. Further, the Joint Economic Agreement includes an agreement by the Town not to seek the annexation of lands west of Highway 2, except as permitted under the agreement. The proposed annexation area in the subject application is consistent with this restriction.

County's Submission

The County Reeve, Mr. Terry Engen, made a brief presentation to the MGB. It was stated that the County enjoyed a good relationship with the Town and that the proposed annexation was agreed to by both parties following successful negotiations. The County indicated that it concurred with the submission made by the Town. The County explained that, in its view, the Town is likely to continue to experience a high rate of growth, and that the annexation is therefore necessary.

Landowner/Public Submissions

At the hearing, the MGB received presentations from several landowners and members of the public. A summary of each presentation is provided below.

Joyce Evans

Joyce Evans explained that she and her husband own a lot of approximately 3.6 acres in the northeast area of the annexation lands. It was her contention that the proposed annexation is premature. She submitted that there are towns in the area with larger populations occupying a smaller area of land. Ms. Evans suggested that if the annexation is to occur, it should be implemented in smaller stages. In the alternative that the annexation should be approved, it was

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suggested that the agreement with respect to property taxes should have no time limit. She reiterated that her family is in opposition to the annexation at current time.

Ella Leiske

Ella Leiske indicated that she and her husband own land that constitutes approximately 5.0 acres in the northeast portion of the proposed annexation area. She explained that they wish to remain within the County and to be excluded from the annexation. It was submitted that a larger adjacent residential development had been left out of the proposed annexation area and that the Leiske's parcel should also be excluded. Additionally, Ms. Leiske indicated an objection to the 15 year property tax arrangement included in the agreement, and suggested that it should be extended to a 30 year period.

Kenneth Atsinger

The Atsinger parcel constitutes approximately 102 acres in the northerly portion of the annexation area and consists of a mixed farming operation. Mr. Atsinger objected to his land being annexed and noted that he would like the property to remain within the County. He indicated that the land has been in his family for 106 years and that, in his opinion, a farming operation like his is better located within a rural jurisdiction. Mr. Atsinger further explained that the proposed annexation boundary would split his titled land, as it is based on the location of Highway 2A. This would result in the farm unit being divided by jurisdictions and therefore subject to two sets of bylaws.

William Brannen

Mr. Brannen indicated that he has title to approximately 157 acres and that he operates a cow calf operation in the southeast portion of the proposed annexation area. Mr. Brannen submitted that there would be no advantage to having his land included in the annexation. He suggested that the land should not be annexed, as it is farmland and will remain that way well into the future. He further submitted that the proposed annexation area is too large for the Town's current needs. Mr. Brannen also argued that an assessment and taxation period of 15 years is insufficient. Finally, he articulated a concern that his cow calf operation could be negatively impacted by the Town's urban bylaws.

Town's Response to the Landowner Submissions

The Town reiterated its position that the lands included in the proposed annexation are necessary, and are the result of a long-term negotiation and planning process with the County. The annexation of these lands was stated to meet the Town's long-term growth needs. The Town submitted that it had been a significant amount of time (25 years) since its last annexation.

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In response to Mr. Atsinger and Mr. Brannen, the two agricultural operators, the Town indicated that it recognized their concerns. The Town submitted that it had agreed to adopt a land use designation that would be the same as what currently exists in the County's LUB. Farmers within the Town would therefore be subject to the same criteria, opportunities, and limitations on development. The Town indicated that it expects no major immediate changes for farming operations to result from the annexation. As an example, the Town cited a poultry operation that was brought into its boundary through a previous annexation and continued to operate after the annexation.

In response to the concerns raised by country residential landowners, the Town suggested that the number of acreages included in the application is somewhat small in number and that the inclusion of those lands would help to accommodate future long term planning and development.

V MGB Recommendation

After reviewing the documentation provided prior to the hearing as well as listening to the presentations by the parties affected by the proposed annexation, the MGB makes the recommendation that the annexation of the lands identified in the Town's application should be allowed to proceed with an effective date of January 1, 2009 subject to the conditions outlined in the Order in Council.

VI Analysis and Reasons

Intermunicipal Cooperation

The MGB has reviewed the process undertaken by the Town and County, finding it to be clear that the municipalities conducted an exhaustive review of the issues surrounding the annexation. The Town and the County have demonstrated in this annexation a high degree of intermunicipal cooperation. The current application is part of a lengthy and comprehensive history of cooperation between the two municipalities. This spirit of cooperation between municipalities is encouraged in both the Act and the Provincial Land Use Policies (PLUP), and is given significant consideration by the MGB in reaching its decision.

In the form of the application, the municipalities have cooperated to prepare a long term solution to the Town's growth needs. The MGB places a great amount of weight upon the agreement reached between the two municipalities in this specific case. The negotiation process undertaken by the Town and County explored the implications of the annexation and led to agreement on all identified issues.

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The MGB also notes that the Town and County have entered into intermunicipal agreements, including those for the provision of services and tax sharing agreements with respect to industrial lands in the region. The MGB finds that this too presents compelling evidence of intermunicipal cooperation in the spirit envisioned by the Act.

Interests of the Town and County

The MGB is satisfied that the annexation will allow both the Town and the County to achieve their own rational growth strategies and directions. As stated above, the demonstrated intermunicipal cooperation in this annexation proposal furthers the objectives of each municipality. Fiscal accountability and the cost effective utilization of resources is achieved through the agreement and pending implementation of various servicing agreements. Both municipalities have demonstrated that they can carry out the mandate required of them under the Act, and that the annexation will not have a negative impact on their operations.

The MGB finds that in order for the Town to become increasingly self-sufficient and sustainable, additional lands are needed in order to expand its existing economic base. The annexation accommodates this need through the provision of additional lands for industrial and commercial development, as well as for residential purposes.

Accommodating Growth

The MGB was presented with evidence that over the last 30 years, the Town's population quadrupled to a total of 4,571 residents in 2006. After experiencing a slower rate of growth in the 1990's, annual population growth rates have risen to in excess of 8% annually over the last 10 years. It was presented that the existing Town boundary can accommodate considerably fewer people than the figure contained in the 30 year population projection. The Town's presentation also indicated that all significant tracts of land within the current boundary are already developed or engaged in the development process. The Engineering Master Plan suggests that between 684 hectares (1690 acres) to 856 hectares (2115 acres) of land will be necessary in order to accommodate the next 30 years of anticipated population growth, indicating a legitimate need for more land.

The Engineering Master Plan also states that the current supply of commercial and industrial lands is low, owing to the rapid population growth in the past several years. Further, the report shows that over 90% of the Town's assessment base is residential. Both of these factors have led the MGB to find that additional land is necessary in order to allow increased commercial and industrial development for the purpose of diversifying the Town's assessment base.

The MGB finds that the Town presented a credible argument that the growth rate would exhaust available lands in the near future. All vacant lands in the Town are currently included in some

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phase of planning approval, some more advanced than others. The MGB is satisfied that additional lands will be required for future Town growth.

Supporting Planning Documents

The MGB is satisfied that the Town, through its planners and engineers, presented comprehensive information regarding the suitability of the lands for development, environmental constraints and solutions, phasing of development, hard servicing and transportation systems. An IDP, Joint Economic Agreement, and detailed Engineering Master Plan were all presented in support of the annexation. Some deviation from the future land use concept set out in the Town's MDP was identified, but the Town attested that the change was minor in scope. The MGB is satisfied that the Town has closely studied the proposed annexation and provided a high level of consideration and planning to the matter, as illustrated by the supporting documents. The MGB finds that the Town has established an ability to incorporate the annexed lands into its urban systems, and that the annexed land will work to achieve a logical extension of growth patterns, transportation and infrastructure servicing. The alignment with existing plans further serves to demonstrate coordination and cost effective use of resources.

The MGB finds that the Engineering Master Plan identifies significant natural features and has developed guidelines to recognize those features. The MGB views this as an illustration of respect for key environmental and natural features as called for by the Provincial Land Use Policies.

Financial Impact on Town and County

Both municipalities demonstrated that the proposed annexation was not a tax grab and that the annexation was part of a rationale strategy to manage growth between the Town and the County. The MGB finds that the annexation will help solidify the Town's financial situation by allowing for the development of a more diversified assessment base. The MGB accepts that each of the municipalities has given due consideration to the anticipated fiscal impacts of the annexation. No serious concerns were identified with respect to the annexation's expected impact on the financial state of either municipality.

Landowner and Public Impact

The MGB finds that the consultation process conducted by the Town prior to submitting the annexation application was comprehensive. Affected landowners, the public, other local authorities and AT were given opportunities to provide input regarding the annexation process. Overall, the MGB found relatively little opposition to the annexation. During the Town's consultation process there were several issues identified and few objections received.

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At the time of the MGB hearings, only a few objections remained. The MGB accepts that the Town attempted to address and resolve the concerns raised. A major issue raised at the MGB hearing involved the continuation of farming operations in the proposed annexation area. The MGB finds that the Town addressed this matter very directly through a commitment to utilize the County's LUB regulations in order to allow existing agricultural operations to continue. This solution is also built into the agreement between the Town and County.

The objections raised by owners of smaller country residential properties did not sufficiently convince the MGB that any serious undue impacts would occur due to the annexation. The MGB is satisfied that the 15 year assessment and taxation transition period, along with the additional assurances offered by the Town regarding municipal services, has ensured that the interests of those living on acreages within the annexation area have been properly considered.

While the MGB recognizes that the annexation will split Mr. Atsinger's title within NW 35-39-27-W4M between jurisdictions, it finds the proposed boundary reasonable. The MGB finds that the annexation boundary corresponds to Highway 2A, which constitutes a logical and reasonable border between the municipalities. The MGB also gives weight to the fact that the boundary was established through negotiations between the two municipalities and is consistent with existing planning documents.

Summary

The MGB finds that the Annexation Agreement meets the criteria of outlining conditions that are certain, enforceable, and time specific. The annexation application presented, along with the testimony of the Town and County, indicate the criteria for annexation are met. As such, the MGB recommends approval of the proposed annexation.