

BOARD ORDER NO. MGB 030/09

FILE: AN08/RAYM/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 Raymond, in the Province of Alberta, to annex certain territory lying immediately adjacent thereto and thereby its separation from County of Warner No. 5.

BEFORE:

Members:

W. Morgan, Presiding Officer
W. Gagnon, Member
H. Naboulsi, Member

MGB Staff:

R. Duncan, Case Manager

SUMMARY

After careful examination of the submissions from the Town of Raymond (Town), County of Warner No. 5 (County), affected landowners, and other interested parties, the Municipal Government Board (MGB) makes the following recommendation for the reasons set out in the MGB report, shown as Appendix D of this Board Order.

Recommendation

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 the County of Warner, No. 5 and annexed to the Town of Raymond,
- (b) any taxes owing to the County of Warner, No. 5 at the end of December 31, 2008 in respect of the land referred to in clause (a) are transferred to and become payable to the Town of Raymond together with any lawful penalties and costs levied in respect of those taxes, and the Town of Raymond upon collecting those taxes, penalties and costs must pay them to the County of Warner, No. 5, and

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- (c) the assessor for the Town of Raymond must assess, for the purposes of taxation in 2010 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 31st day of March 2009.

MUNICIPAL GOVERNMENT BOARD

(SGD.) H. Naboulsi, Member

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APPENDIX "A"

**DETAILED DESCRIPTION OF THE LANDS RECOMMENDED FOR SEPARATION
FROM THE COUNTY OF WARNER, NO. 5 AND ANNEXED TO THE TOWN OF
RAYMOND**

ALL THAT PORTION OF THE SOUTHEAST QUARTER OF SECTION EIGHT (8), TOWNSHIP SIX (6), RANGE TWENTY (20), WEST OF THE FOURTH MERIDIAN NOT WITHIN THE TOWN OF RAYMOND

ALL THAT PORTION OF THE SOUTHWEST QUARTER OF SECTION NINE (9), TOWNSHIP SIX (6), RANGE TWENTY (20), WEST OF THE FOURTH MERIDIAN NOT WITHIN THE TOWN OF RAYMOND LYING NORTH OF THE NORTHERLY BOUNDARY OF CANAL RIGHT OF WAY PLAN IRR-40

ALL THAT PORTION OF THE SOUTHEAST QUARTER OF SECTION NINE (9), TOWNSHIP SIX (6), RANGE TWENTY (20), WEST OF THE FOURTH MERIDIAN LYING NORTH AND WEST OF THE NORTH AND WEST BOUNDARY OF CANAL RIGHT OF WAY PLAN 9610785

ALL THAT PORTION OF THE NORTHWEST QUARTER OF SECTION NINE (9), TOWNSHIP SIX (6), RANGE TWENTY (20), WEST OF THE FOURTH MERIDIAN NOT WITHIN THE TOWN OF RAYMOND EXCLUDING THOSE PORTIONS OF BLOCKS 1 & 2, PLAN 7391CT LYING OUTSIDE THE FOLLOWING DESCRIBED BOUNDARIES:

COMMENCING AT THE POINT OF INTERSECTION OF THE SOUTHERN BOUNDARY OF SAID BLOCK 2 WITH THE EASTERN LIMIT OF EAST PARK STREET AS SHOWN ON SAID PLAN, THENCE NORTHERLY ALONG SAID LIMIT OF SAID STREET, A DISTANCE OF 33 FEET, THENCE EASTERLY PARALLEL WITH SAID SOUTHERN BOUNDARY OF BLOCK 2, A DISTANCE OF 657 FEET, THENCE NORTHERLY PARALLEL WITH THE WESTERN BOUNDARIES OF SAID BLOCKS TO THE NORTHERN BOUNDARY OF SAID BLOCK 1, THENCE EASTERLY ALONG SAID NORTHERN BOUNDARY TO THE NORTHEAST CORNER OF SAID BLOCK 1, THENCE SOUTHWESTERLY AND SOUTHERLY ALONG THE SOUTHEASTERLY AND EASTERN BOUNDARIES OF SAID BLOCKS TO THE SAID SOUTHERN BOUNDARY OF BLOCK 2, THENCE WESTERLY ALONG SAID SOUTHERN BOUNDARY TO THE POINT OF COMMENCEMENT

AND EXCLUDING PLAN 1047LK AND EXCLUDING THAT PORTION OF SAID QUARTER SECTION LYING NORTH OF THE SOUTH BOUNDARY OF PLAN 5527HX

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AND EXCLUDING ALL THAT PORTION OF SAID QUARTER SECTION NORTH OF THE SOUTH BOUNDARY OF HIGHWAY 52

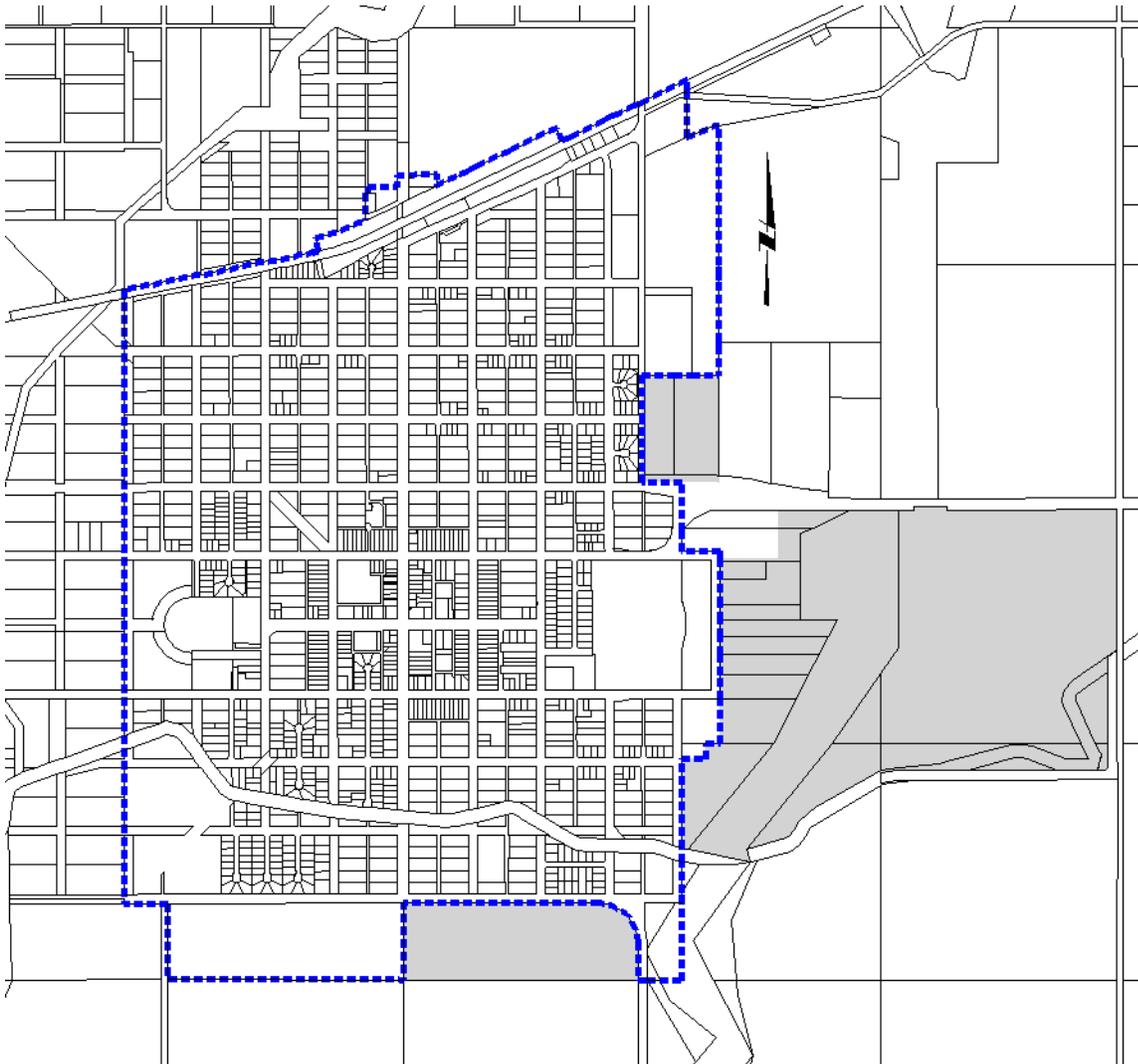
ALL THAT PORTION OF THE NORTHEAST QUARTER OF SECTION NINE (9), TOWNSHIP SIX (6), RANGE TWENTY (20), WEST OF THE FOURTH MERIDIAN EXCLUDING THAT PORTION OF PLAN 5527HX WITHIN SAID QUARTER SECTION AND EXCLUDING ALL THAT PORTION OF SAID QUARTER SECTION NORTH OF THE SOUTH BOUNDARY OF HIGHWAY 52 AND EXCLUDING CANAL RIGHT OF WAY PLAN 9610785

ALL THAT PORTION OF THE SOUTHWEST QUARTER OF SECTION SIXTEEN (16), TOWNSHIP SIX (6), RANGE TWENTY (20), WEST OF THE FOURTH MERIDIAN NOT WITHIN THE TOWN OF RAYMOND LYING WEST OF THE EAST BOUNDARY OF PLAN 7911393 LOT L AND THE PROJECTION SOUTH OF SAID BOUNDARY TO THE NORTH BOUNDARY OF PLAN 7610827 AND SOUTH OF THE PROJECTION WEST OF THE NORTH BOUNDARY OF PLAN 7911393 LOT L AND NORTH OF THE PROJECTION WEST OF THE NORTH BOUNDARY OF PLAN 7610827

ALL THAT PORTION OF GOVERNMENT ROAD ALLOWANCE LOCALLY KNOWN AS 400 EAST NOT WITHIN THE TOWN OF RAYMOND ADJOINING PLANS 7710914, 7911393 AND 7610827

APPENDIX "B"

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



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 2013, the annexed land and the assessable improvements to it

(a) must be assessed by the Town of Raymond on the same basis as if they had remained in the County of Warner, No. 5, and

(b) must be taxed by the Town of Raymond in respect of each assessment class that applies to the annexed land and the assessable improvements to it using the tax rate established by the County of Warner, No. 5.

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 Raymond Land Use Bylaw, or

(c) is connected to water or sanitary sewer services provided by the Town of Raymond,

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.

(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.

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(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 Raymond is assessed and taxed.

4(1) In this section, “compensation amount” means, in respect of a taxation year, the amount of municipal property taxes payable to the Town of Raymond under Part 10 of the Municipal Government Act in respect of the annexed land for the taxation year.

(2) The Town of Raymond must pay to the County of Warner, No. 5

- (a) 100% of the compensation amount for the 2009 taxation year on or before December 31, 2009,
- (b) 80% of the compensation amount for the 2010 taxation year on or before December 31, 2010,
- (c) 60% of the compensation amount for the 2011 taxation year on or before December 31, 2011,
- (d) 40% of the compensation amount for the 2012 taxation year on or before December 31, 2012, and
- (e) 20% of the compensation amount for the 2013 taxation year on or before December 31, 2013.

APPENDIX D

**MUNICIPAL GOVERNMENT BOARD REPORT
TO THE MINISTER OF MUNICIPAL AFFAIRS
RESPECTING THE TOWN OF RAYMOND PROPOSED ANNEXATION OF TERRITORY
FROM THE COUNTY OF WARNER NO. 5**

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Summary

The Town of Raymond (Town) is located in southern Alberta, approximately 34 kilometres south of Lethbridge. On July 11, 2008 the Municipal Government Board (MGB) received two annexation applications from the Town to annex territory from the County of Warner No. 5 (County). In the letter accompanying the two applications, the Town informed the MGB that there were no objections to the proposed Atwood annexation of 52 acres (21.04 hectares) and requested that the annexation of this land to be expedited. The Town also informed the MGB that it was unable to obtain consent from all of the affected landowners in the proposed Jensen *et al* annexation of 352 acres (142.45 hectares).

The Town and County were in agreement with both annexation applications. However, a review of the annexation applications by the MGB determined that both of the proposed annexations were related and integral to each other. Both proposed annexations are located in generally the

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same area and the activities utilized by the Town for the required public and landowner consultation were conducted at the same time. Moreover, the stated purposes of each proposed annexation were identical. Due to the interconnected nature of the applications, the MGB established that both annexation applications should be dealt with concurrently. Since the Jensen *et al* application contained an objection from an affected landowner and concerns from a second affected landowner, the MGB held a public hearing on November 26, 2008 to receive information, evidence and argument on both annexation applications.

After reviewing the documentation provided prior to the hearing, as well as listening to the presentations by the parties affected by the proposed annexations, the MGB finds that the purpose of the annexations and amount of land being requested by the Town is reasonable and that the concerns of affected landowners have been given proper consideration. The MGB is also satisfied that the agreed to compensation over a five year period is not excessive and will not cause financial hardship for the Town. Moreover, the MGB reviewed the arguments and evidence of all the parties and concluded that it was in the greater public interest to recommend approval of both annexations. The collaboration between the two municipalities meets the objectives of intermunicipal cooperation outlined in the Provincial Land Use Policies, the annexation principles set out by the MGB, and the Act.

The MGB accepts and recommends the assessment and taxation conditions as proposed by the Town and the County at the November 26, 2008 hearing. The five year taxation and assessment condition period being proposed is in keeping with the general guidelines established through previous annexations. Moreover, the assessment and taxation conditions address the concerns brought forward by the affected landowners.

I Introduction

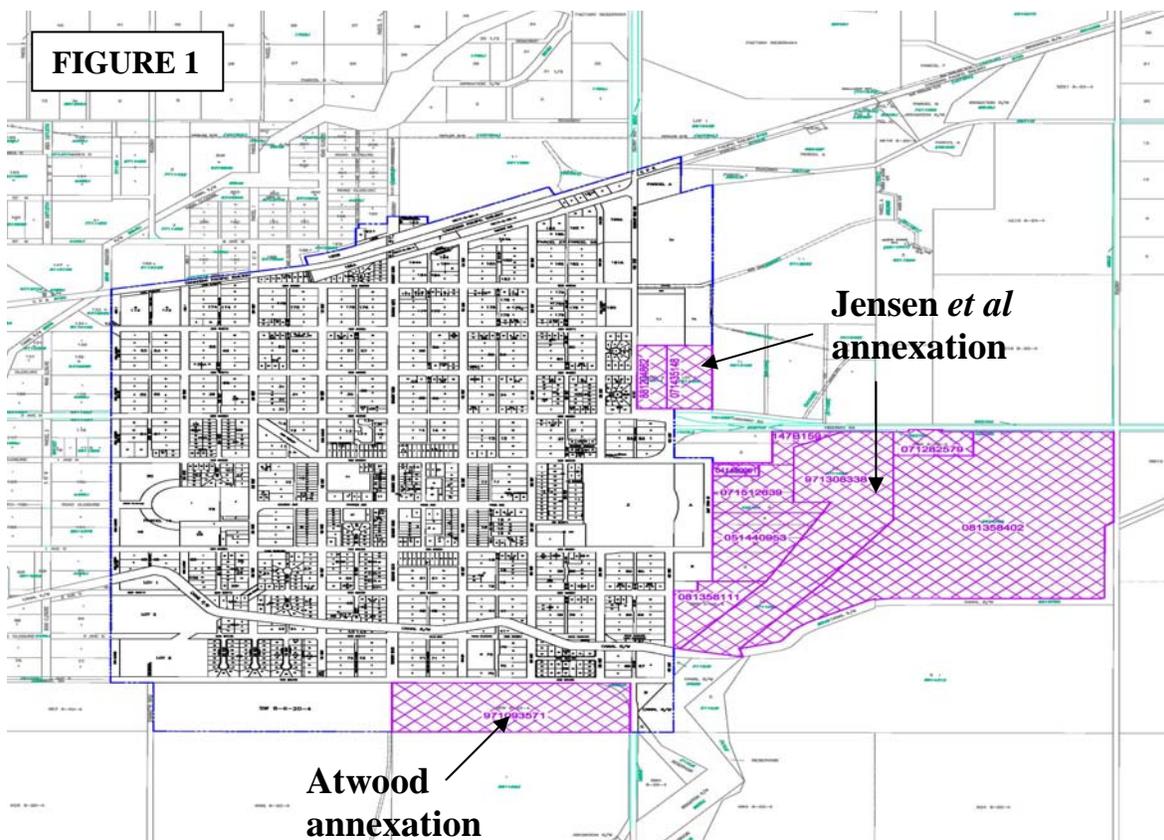
The Town of Raymond (Town) is located in southern Alberta, approximately 34 kilometres south of Lethbridge. The Town is bounded by the County of Warner No. 5 (County), and has a current population of 3,572.

In recent years the Town has experienced a substantial rate of growth. While the Town estimates that its population will increase to 4,244 by 2031, the Town believes that it will experience more substantive growth based upon higher growth rates in 2006 and 2007 together with the continued interest for development.

As a result of recent growth, the Town's existing land inventories are effectively depleted. In 2007, the available residential lots in the Town did not meet the demand for new residential development. The main purpose of this annexation is to bring into the Town an adequate supply of residential land to accommodate growth. The Town estimates that the proposed annexation

territory will bolster the Town's supply of residential land in order to meet its needs for approximately the next 10 years.

On July 11, 2008 the Municipal Government Board (MGB) received two formal annexation applications from the Town. The proposed Atwood annexation included 52 acres (21.04 hectares) and was indicated to be uncontested. The proposed Jensen *et al* annexation included 352 acres (142.45 hectares) and was indicated not to have the consent of all affected landowners. Figure 1 illustrates the relative location of each annexation area.



The Town and County were in agreement with both annexation applications, and the applications indicate that there were no matters that had not been agreed upon by the two municipalities. However, a review of the annexation applications by the MGB determined that the both of the proposed annexations were related and could not be considered independently. Both proposed annexations are located in generally the same area and the activities utilized by the Town for the required public and landowner consultation were conducted at the same time. Moreover, the stated purposes of both proposed annexations were identical. Due to the interconnected nature of

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the applications, the MGB established that both annexation applications should be dealt with concurrently. Since the Jensen *et al* application contained an objection from an affected landowner and concerns from a second affected landowner, the MGB held a public hearing on November 26, 2008 to receive information, evidence and argument on both annexation applications in accordance with section 120 of the Act.

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

The MGB became active in the annexation process once the Town filed its negotiation report with the MGB and requested the MGB to proceed with the annexation, pursuant to section 119(2) of the Act. Although the Town and the County were in agreement with the proposed annexation, the MGB determined that the application submitted by the Town contained objections. Moreover, other objections had previously been filed with the MGB. In accordance with section 120(3)(b) of the Act, the MGB conducted a hearing. The MGB is now required to 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 Applications

The MGB received the Town's annexation applications on July 11, 2008. The following describes the current state of development plans, indicates how municipal services will be provided to the proposed annexation area, outlines the public consultation process used to develop the application, highlights the concerns expressed by landowners and the public during the Town's consultation process, describes the Annexation Agreement between the Town and the County, and states the proposed compensation provisions and assessment and taxation conditions agreed to by the municipalities.

Development Plans

The Town's Municipal Development Plan (MDP) was adopted in 1984, and therefore no longer presents an accurate depiction of the Town's circumstances and needs. The development of a new statutory plan has become a priority for the Town. Consequently, the Town has commissioned the Oldman River Regional Services Commission to work with the Town to complete a new MDP.

The Town has also created, or is in the process of creating, a series of other plans that are intended to conjointly guide development with the new MDP. These plans include a Recreation

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Master Plan, Transportation Master Plan, and Infrastructure Master Plan. The Town has also adopted an Engineering Standards of Practice document, which sets development standards for consistent quality and services. The impact of the annexation has been evaluated next to each of these plans for compatibility prior to the decision to submit an annexation application.

The Transportation Master Plan is being developed with the intention of clearly defining the Town's transportation road network within both the existing and future Town boundaries. The draft plan was submitted to the MGB and includes analysis based on development expected to occur within the proposed annexation areas.

An Intermunicipal Development Plan (IDP) was created between the Town and County in May 2004. The IDP examined urban fringe and urban expansion throughout the document. The proposed annexation area is located within the IDP's "Raymond Fringe District", which is identified for urban expansion and growth. The IDP includes the requirement of an Urbanization Plan to be presented to the County prior to an application for annexation. This plan was presented to the County Council on June 3, 2008 and included information relating to public consultation, design proposal, servicing, municipal budget implications, uses of land, growth projections, a listing of affected landowners, and a timetable for implementation.

Provision of Municipal Services

An Infrastructure Master Plan was completed for the Town in 2007. The plan identified the existing condition and capacity of Town services. Based on this Infrastructure Master Plan and an independent third party review which was commissioned thereafter, the Town believes that the current and planned infrastructure will be able to sustain substantial growth.

Water

The Town is in the process of constructing a new regional water treatment plant, which will service 4,700 residents based on the Town's current per capita treated water consumption. In anticipation of potential future growth beyond 4,700 residents, the Town is:

- 1) promoting water conservation strategies targeted at residents;
- 2) facilitating a project which will allow the majority of institutional and recreational users to switch from treated to raw water; and
- 3) over-sizing the water treatment plant in order to allow for future expansion.

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Sanitary Sewer

The Town's existing sanitary lagoons have a capacity to accommodate 4,200 residents. The Town has expressed a willingness to allocate funds towards the addition of a new lagoon as growth increases. The Town owns sufficient land to add a new lagoon when required. The cost of this lagoon expansion will be off-set by off-site levies.

Storm Drainage

The Town's storm drainage is carried out primarily through surface drainage. The existing distribution system has the capacity to support significant further development. New developments would be required to utilize the established channels for storm water distribution.

Extension of Servicing

The Town commissioned Wilde Bros. Engineering to perform an engineering study in order to validate the suggested servicing routes that had been proposed by developers based in the County and to determine the most likely servicing routes for other developments. These routes were identified and included in the annexation application.

The Landowner and Public Consultation Process

The public consultation process conducted by the Town provided opportunities for affected landowners and the public/adjacent landowners to become informed about the proposed annexation and to express their opinions.

In April 2007, a group meeting was held with landowners in the proposed annexation areas in order to present annexation ideas, gain feedback, and gauge public interest. On April 10, 2008 the Town hosted an Open House attended by 150 residents that included a manned booth discussing the proposed annexations. The Town also held multiple round table discussions with a total of approximately 40 residents between April 2007 and May 2008. Additionally, the Town held ongoing individual meetings with landowners. Following the notice of annexation being issued, the Town hosted an Annexation Open House on May 28, 2008 in order to allow Town and County residents to discuss both annexation proposals.

Identified Landowner and Public Issues

The Town received input from landowners and the public through the consultation process with landowners and the public outlined above.

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In a letter to the Town dated May 29, 2008 the Graves family expressed several concerns relating to the Jensen *et al* annexation area. These concerns related to restrictions on subdivision and an increase in taxation and servicing requirements.

In a letter dated April 11, 2007 Klaus and Mary Lee Schurmann expressed their conditional support of the annexation subject to three conditions:

- a) that property taxes remain under agricultural use until such time as higher density, urban/country residential subdivision occurs,
- b) that the Town will provide a sewer hook-up to their agricultural processing plant, and
- c) that they will be involved in the planning and development of any Area Structure Plan which affects their property.

Consultation with Local and Municipal Authorities

The annexation application indicates that the Town notified the Raymond Irrigation District, Alberta Transportation (AT), ATCO Gas, Triple W Natural Gas, Telus, Fortis Alberta, Chinook Health, and Westwind School Division.

AT provided a letter dated November 21, 2008 in which it indicated no concerns with respect to the proposed annexation, but provided some additional information for consideration. AT noted that since the proposed annexation is Highway 52, subsequent subdivision and development will be subject to the referral processes outlined in the Subdivision and Development Regulation. Subdivision and development could also be subject to requirements such as Area Structure Plans, Traffic Impact Assessments, and Storm Water Management Plans. AT also noted that development of the annexation lands around Highway 52 would be expressly subject to the Highway 845:02 Functional Planning Study which was prepared to address a proposed realignment of Highway 845 with the corporate limits of the Town. Finally, AT reaffirmed its strong commitment to section 7.0 of the Provincial Land Use Policies, which deals with Transportation.

The Town met with the Raymond Irrigation District to discuss the proposed annexations on April 28, 2008. The Raymond Irrigation District's board subsequently provided a letter of support dated May 22, 2008 with respect to the proposals. None of the other authorities notified provided any objections to the proposed annexations.

The Annexation Agreements with the County

The Town and the County came to full agreement regarding the annexation details. A negotiation process was conducted, leading to agreement as to the proposed annexation area, tax and

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assessment provisions, compensation, and transfer date. The Annexation Agreement indicates that the two municipalities are in agreement on all issues relating to the annexation. The Annexation Agreement was signed by both the Town and County.

Compensation

The agreement between the two municipalities includes a tax revenue sharing agreement in accordance with County Policy No. 120.44 which states the following:

It is the policy of the County of Warner No. 5 to share in the property tax revenue on lands and improvements which have been approved for annexation to an adjacent municipality.

The following guidelines are included in the policy and agreed to by the municipalities:

- 1) In order to have stability in the assessment base and be able to adjust financially, the County requires, as a condition of annexation, the sharing of the property tax generated by the property to be annexed.
- 2) As a minimum, the annexing municipality is responsible to share with the County, the property tax revenue as assessed annually, on a declining basis over a number of years, as follows:
 - a. Year of Annexation 100%
 - b. Year 2 80%
 - c. Year 3 60%
 - d. Year 4 40%
 - e. Year 5 20%
 - f. Year 6 0%
- 3) The municipal property tax to be shared with the County is the municipal portion of the annexing municipality only and is generally calculated as follows:
 - a. Total Annual Property Tax less the amounts generated by the following mill rates:
 - i. Education (ASFF or Separate) Tax Amount,
 - ii. Senior Home/Lodge Requisition Amount,
 - iii. Regional Library,
 - iv. Recreation,
 - v. Ambulance,
 - vi. Planning (e.g. - ORRSC), and
 - vii. Family and Community Support Services (e.g. BEW - FCSS).

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- 4) The implementation of this policy is at the discretion of County Council and may require modifications and adjustments in order that each individual annexation is dealt with in a fair, equitable and responsible manner.
- 5) In the case of a dispute between the two municipalities, an arbitrator, as mutually agreed upon, may be appointed to assist in resolving disagreements regarding a fair and equitable property tax revenue sharing agreement.

Proposed Assessment and Taxation Conditions

The agreement between the Town and the County requests that the following assessment and taxation conditions be attached to the Order in Council:

1. Lands and improvements within the Annexation Territory will be assessed by Raymond in accordance with the Act on a market value basis but will be taxed for a period of 5 years at Warner's mill rate until the earlier of
 - a. the occurrence of a Triggering Event;
 - b. December 31, 2014 if the earliest date on which the Annexation is to be effective for taxation purposes is January 1, 2009; or
 - c. December 31 of the calendar year following five (5) full years from the earliest date specified in the Annexation Order on which the Annexation is to be effective for assessment and taxation purposes, when such date is after January 1, 2009;at which time the lands and improvements in question will be subject to taxation at the same rate as other land and improvements within Raymond.

Section 1.8 of the Agreement defines "Triggering Event" as follows:

"Triggering Event" means the occurrence of any of the following on or after the Effective Date of Annexation either at the request of or on behalf of the landowner:

1. A re-designation application is made to Raymond Council pursuant to Raymond's Land Use Bylaw in effect at the time for re-designation of the parcel to a land use district other than agricultural or urban reserve (or its equivalent), or other than as permitted by a land use designation in effect at the time of annexation pursuant to Raymond's Land Use Bylaw in effect at the time;
2. When any parcel of land and improvements is subject to a local improvement bylaw for a local improvement project which results in the connection of the parcel of land and improvements to Raymond water or sanitary servicing;
3. Any parcel of land and improvements is otherwise directly connected to Raymond's sewer or water services; or

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4. The parcel of land is the subject of a subdivision or separation of title, (whether by registered plan of subdivision, by instrument or any other method), whereby a new parcel of land (including the residual parcel) is created, with the exception of:
 - a. where the parcel of land contains a farmstead prior to subdivision, or
 - b. where the parcel of land contains a farmstead prior to the separation of title into two separate parcels

IV MGB Application Processing Methodology and Public Hearing

The following provides a description of the method used by the MGB to process the Town's annexation application and describes the public hearing held November 26, 2008.

MGB Application Processing

In accordance with section 116 of the Act, the Town submitted its notice of intent to annex to the County, the MGB and other local authorities on May 22, 2008. The notification stated that the Town intended to submit two annexation applications. One of the impending applications was cited to be uncontested, while the Town noted that it was still in negotiations with landowners respecting the second impending application. The Town indicated that the reasons for the proposed annexations would be to:

- a) meet the demand for new building lots;
- b) answer the request for annexation from the County landowners;
- c) ensure that the Town is not bordered by country residential developments at the south end of town as it is in the west end;
- d) mitigate the potential health hazards created by a concentration of country residential septic fields located immediately outside of Raymond limits; and to
- e) save the County from pressure for urban service provision such as garbage pickup, sewer, water, snow removal, urban fire protection, and so forth.

In accordance with section 118 of the Act, the required Negotiation Report was received by the MGB on July 11, 2008. The Town requested the MGB to consider the proposed Atwood and Jensen *et al* annexations as individual applications. It was submitted that the proposed Atwood annexation was uncontested but that the proposed Jensen *et al* annexation was opposed by one landowner. The application submitted by the Town included a copy of the Annexation Agreement between the Town and the County, and a cheque for the annexation fees.

A review of the annexation applications by the MGB determined that the both of the proposed annexations were severely interconnected. As such, the MGB established that both annexation applications should be dealt with concurrently.

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Although the Town and County were in agreement with the annexation, the Jensen *et al* application contained objections from landowners. 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 to commence at 10:00 a.m. on Wednesday, November 26, 2008 at the Raymond Broadway Theatre located at 15 Broadway South in Raymond, Alberta.

In accordance with section 122(1) of the Act, the MGB published a notice of hearing in the **Westwind Weekly**, a local newspaper, during the weeks of November 3 and 10, 2008 to notify the public. The MGB also sent letters to the Town and County with copies to each of the affected landowners to notify the parties of the November 26, 2008 hearing. The letters and notice requested that any person who planned to attend the hearing, or make a submission at the hearing, notify the MGB by November 17, 2008.

The Public Hearing

At the hearing, the MGB received oral submissions from the Town, the County, adjacent landowners, and affected landowners. Fourteen people attended the November 26, 2008 hearing.

Town's Submission

Ethan Gorner, Development Officer, presented the Town's oral submission at the MGB hearing.

Background

The Town explained that it has experienced a tremendous increase in the amount of development since 2004. The Town's close proximity to Lethbridge and the appeal of a more rural lifestyle were cited as primary causes of the increased demand for development. The amount of development has been impeded somewhat in 2007 and 2008 due to a lack of available lots. The Town indicated that many lots within its boundaries are fairly large, but that landowners have largely been uninterested in subdividing their land. The Town submitted that the proposed annexation would allow the Town to meet the increased demand for land by developers.

Purpose of Annexation

The Town reiterated that it had experienced substantial growth in the last four years and requires additional land to meet the increased demand for new building lots. The Town also submitted that by annexing the fringe areas to the east and south, it will have the ability to ensure that any potential development in these areas will meet its objectives and that the Town's growth avenues

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will not be blocked by country residential development. Mitigating the potential health hazards created by a concentration of country residential septic fields located immediately outside the Town limits was also cited as a reason for the proposed annexation. Finally, the Town suggested that the annexation would prevent the County from the pressure to provide urban servicing such as garbage pickup, sewer, water, snow removal, and urban fire protection.

Application Development Process

The process leading up to submission of the annexation application was described by the Town.

In April 2007, a public information meeting was held in order to present the annexation concept to the public, gather feedback, and gauge public interest. On November 20, 2007 the Town Council passed a motion officially directing the administration to proceed with the annexation process. Over a period from November 2007 to May 2008 various group and one-on-one meetings were held with every affected landowner. Additionally, multiple roundtable discussions were held with approximately forty residents in total.

On April 10, 2008 an Open House was held and attended by approximately 150 residents. The Open House included a manned booth presenting and discussing the proposed annexation with landowners and the public. On April 28, 2008 a meeting was held with the Raymond Irrigation District to discuss the proposed annexation. The Irrigation District subsequently sent a letter indicating their support of the annexation. On May 28, 2008 a further Open House was held to address the annexation and discuss issues with the public. On June 3, 2008 a meeting was held with the County Council, at which the annexation proposal was approved.

Provision of Municipal Services

The Town explained that it is in the process of building a new regional water treatment plant capable of servicing 4,700 residents based on current consumption levels. The Town also indicated that it is pursuing strategies to lower water consumption and that it is over-sizing the new treatment plant in order to allow for future expansion.

The Town's sanitary sewer lagoons were explained to have the capacity to accommodate 4,200 residents. The Town submitted that funds will be allocated toward the addition of a new lagoon as growth increases, and that the cost will be off-set by the use of off-site levies. It was also submitted that the Town currently owns sufficient land to provide for the eventual development of a new lagoon.

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Storm drainage within the Town is carried out primarily through surface drainage. The Town indicated that the existing distribution system has the capacity to support significant further development, and that new developments would be required to utilize the established channels.

Financial Capacity

The Town noted that its current debt is \$1.2 million (as of year-end 2007). Current debentures include a RCMP building (for which the RCMP will be repaying the Town), a sewage lagoon, a lift station, a water treatment plant, a new pool, and arena upgrades. The Town's allowable debt limit is \$8.2 million, and it has therefore only utilized 15% of that limit.

Debt servicing was described to only encompass 5.4% of the Town's annual revenue. The Town also indicated that its asset to liability ratio was 4:1. The Town submitted that it is in good fiscal shape and has the fiscal capacity to successfully carry out the annexation.

Impact on Affected Parties

The Town submitted that the County Council had agreed to the proposed annexation. With respect to landowners, the Town indicated that the annexed land will be taxed at the County rate for five years after the annexation. Additionally, the annexed land will continue to be zoned under the current County zoning until the nature or use of the land changes (such as through subdivision). It was clarified that all affected landowners would be treated the same with respect to these provisions.

Annexation Agreement

The Town explained that the agreement reached between the two municipalities includes a provision whereby the Town will share a portion of the gross municipal tax revenue from the annexation area, as assessed annually, with the County for a period of five years. The portion of the revenue transferred to the County would be reduced each year. The County would receive 100% of the tax revenue in Year One, 80% in Year Two, 60% in Year Three, 40% in Year Four, and 20% in Year Five.

The Town submitted that this agreement respecting compensation is fair to both municipalities and is consistent with County policy. The Town noted that there is currently no infrastructure or roads within the proposed annexation area, no matters of County investment in the area, and very little tax revenue from the affected lands (\$11,518.90 in 2007).

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Public Consultation Feedback: Support/No Objections

The Town submitted that most affected landowners have signed letters stating that they are not in opposition to the proposed annexation. Additionally, the Town explained that it had provided notice of the application to ATCO Gas, Triple W Natural Gas, Telus, Fortis Alberta, Chinook Health, Westwind School Division, the Raymond Irrigation District, and AT. It was indicated by the Town that none of the above authorities expressed opposition to the proposed annexation.

While AT indicated that it did not object to the annexation, it noted that the annexation territory is adjacent to Highway 52 and that subdivision and development restrictions and referral processes may therefore apply. AT also noted that certain development would be subject to the Highway 845:02 Functional Planning Study which was prepared to address a proposed realignment of Highway 845 with the corporate limits of the Town. The Town affirmed that it would comply with these conditions.

Public Consultation Feedback: Objections

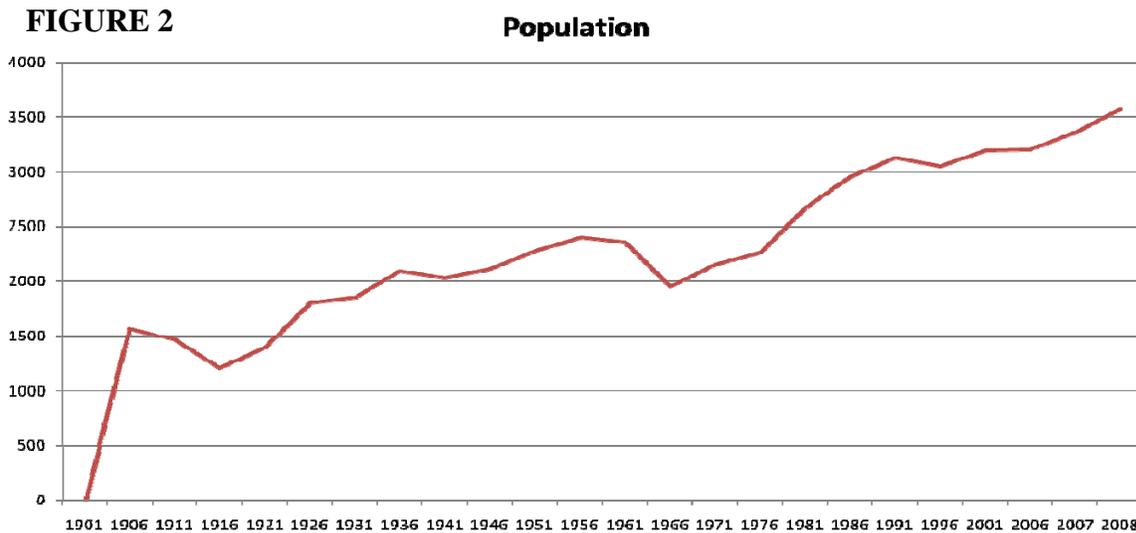
The Schurmann family was noted to have initially raised concerns relating to the potential impact of the proposed annexation on taxation and land zoning. The Town indicated that the Schurmann's lands would continue to be taxed at County rates for five (5) years unless there is a change in the use of their lands. Additionally, pursuant to Part 17 of the Act, the Schurmanns will necessarily be involved with any Area Structure Plan, MDP, or LUB amendment that impacts their lands. The issue of servicing will be addressed as servicing is extended into the area. The Town submitted that the concerns raised had been addressed and resolved. The Schurmanns were submitted to have withdrawn their concerns, as confirmed in a telephone call on November 24, 2008.

The Graves family was explained to have expressed opposition to the annexation. This opposition was also submitted to relate to taxation and land zoning. The Town's submission indicates that it was able to address these concerns. The Town confirmed that the Graves family lands would be taxed at the County rate for the next five years unless there is a change with respect to the nature or use of the land, and that their lands would continue to be zoned under the current County zoning until the nature or use of the lands changes. The Town submitted that, as a result, the Graves family have withdrawn their opposition, as confirmed in a telephone call on November 21, 2008.

The Town submitted that after an extensive public consultation process, no other parties expressed opposition to the annexation application. It was attested that the Town was not aware of any remaining objections.

Population Growth

The Town presented data showing that its population has been steadily increasing, along with future growth projections. Figure 2 illustrates the Town’s historical population growth. It was submitted that this data supports the Town’s need for additional land.



Conclusion

The Town concluded its presentation by emphasizing the ongoing intermunicipal cooperation between the two municipalities, and reiterating that the County recognizes the merit of the proposed annexation. It was committed that the Town and County will continue to work together to ensure that there is a smooth transition associated with the annexation for all those involved. The Town submitted that the proposed annexation is the result of a cooperative process and illustrates that the Town endeavours to treat citizens in a respectful manner.

County’s Submission

Allan Romeril presented the County’s oral submission at the MGB hearing.

County Support for the Application

The County indicated that it was in support of the application and that County Council had passed a resolution on June 3, 2008 approving the annexation. The Annexation Agreement was stated to be in compliance with the County’s policy concerning the sharing of property tax

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revenues. The County went on to explain that the two municipalities would share the gross municipal taxation from the annexed area on a declining basis for the next five years. The County noted that it does not own or operate any water or sewer infrastructure within the proposed annexation area, and that it therefore did not request any further compensation.

Public Consultation

It was submitted that the Jensens and Atwoods have talked with the County at length about the possibility of creating group country residential and/or smaller residential lots. The smaller residential lots posed concerns over proper sewage disposal. The County submitted that these landowners, along with the majority of those located in the proposed annexation area had signed statements supporting the annexation.

The initial concerns raised by the Schurmanns and the Graves family, and described above, were also noted. The County explained that it felt that the lands belonging to these landowners were best included in the annexation. It was suggested that the Graves lands are more suitable for urban residential development rather than country residential and that it is expected that future landowners will wish to be connected to the Town's services. It was also submitted that all adjacent landowners surrounding the Graves property were in support of being annexed.

Assessment of the Annexation Lands

The County explained that the 2008 total assessed value of the lands being annexed is \$1,287,190. It is broken up into the following classifications:

1) Farmland/Residential	\$736,420
2) Commercial	\$248,340
3) Exempt	
a) Town of Raymond	\$4,500
b) Raymond Golf Course	\$259,810
c) Farm Residences	\$38,120

Conclusion

The County concluded by stating that it enjoys a good working relationship with the Town and that the annexation process has been a positive experience.

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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.

Mary Lee Schurmann

Ms. Schurmann explained that she currently has a home and business located within the proposed annexation area. The business was stated to be a meat processing and sausage plant. Ms. Schurmann submitted that she has no objections to the annexation proceeding and is looking forward to working with the Town.

Dennis Jensen

Dennis Jensen expressed that the Town, County, and Irrigation District have been working well together. He also noted that the Town is unable to expand to the west or north. Mr. Jensen submitted that the proposed annexation is a good opportunity for the Town as it ran out of lots in 2007, and that the annexation should be allowed proceed as soon as possible.

Derryl Atwood

Derryl Atwood indicated that he has had a lot of enquiries with respect to his property in the annexation area. He explained that he has a plan for the development of 168 lots, and that adjacent infrastructure is already in place. Mr. Atwood submitted that the annexation would benefit both the Town and surrounding area and should be permitted to move forward.

The Graves Family

While the Graves family had previously expressed opposition to the proposed annexation, they were not present at the MGB hearing.

V MGB Recommendations

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 recommends the annexation of the lands as identified in the Town's annexation application for proceed with an effective date of effective January 1, 2009.

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VI Reasons

The MGB finds that the substantial growth experienced by the Town in recent years has created a legitimate need for additional land in order to meet the increased demand for new building lots. Additionally, the MGB recognizes that the annexation will prevent the Town's growth avenues from being blocked by surrounding country residential development. At the same time, the MGB finds that the annexation will not serve to hinder the County's ability to achieve its own rational growth directions.

While the Town's MDP was adopted in 1984 and was acknowledged to be out of date, the Town indicated that the development of a new MDP has been made a priority. The MGB also recognizes that the Town has initiated the development of a series of other plans intended to jointly guide development along with the new MDP, including a Recreation Master Plan, Transportation Master Plan, and Infrastructure Master Plan. Additionally, an Urbanization Plan was developed by the Town and presented to the County prior to an application for annexation. The Urbanization Plan contains considerable information relating to public consultation, design proposal, servicing, municipal budget implications, uses of land, growth projections, a listing of affected landowners, and a timetable for implementation. The Town indicated that the annexation application is consistent with each of the above documents.

In addition to the above, an IDP was created between the Town and County in May 2004. The MGB accepts that the IDP gave particular attention to the topics of urban fringe and urban expansion. The proposed annexation area is located within the IDP's "Raymond Fringe District," which is identified for urban expansion and growth. Because of the annexation's consistency with the IDP and other planning documents noted above, the MGB finds that it is a logical progression for the annexation area to be included within the Town boundary.

The MGB finds that the successful negotiations between the Town and County illustrates the effective use of the concepts outlined in the PLUP for encouraging intermunicipal cooperation and the intermunicipal coordination of land use planning. The Annexation Agreement and prior intermunicipal planning demonstrate a high degree of ongoing collaboration between the Town and County. Further, the MGB finds that it does not appear that the annexation or annexation conditions will infringe on the local autonomy given to municipalities under the Act.

The MGB was concerned that in the course of the formal hearings the parties may have overlooked certain technical but necessary aspects of annexation (i.e., infrastructure, sewer and water, and transportation studies, etc.) in an attempt to expedite the hearing process. The MGB appreciates that the parties were in substantial agreement with the application. However, the tabling of such studies and other pertinent information provides the evidence necessary for the

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MGB to make its recommendation to the Minister. In the end, the MGB was satisfied that the material filed provided the necessary information

The MGB accepts that the Town has adequately examined the issue of extending services to the annexation area. An Infrastructure Master Plan was completed for the Town in 2007, which was explained to identify the existing condition and capacity of Town services. The MGB accepts that the Infrastructure Master Plan and an independent third party review suggest that the current and planned infrastructure will be able to sustain substantial growth.

The MGB also accepts that an engineering study was performed by Wilde Bros. Engineering in order to determine servicing routes. The MGB finds that the Town has taken considerable effort to study related issues and develop a satisfactory approach to the extension of municipal services.

Similarly, the MGB is satisfied that the Draft Transportation Master Plan provided by the Town illustrates that the Town has recently considered both present and future transportation needs. The plan anticipates the road network within both the existing and future Town boundaries. The MGB is satisfied that the plan includes analysis based on development expected to occur within the proposed annexation area and therefore illustrates a proactive approach to planning for future transportation needs.

The Town is in the process of constructing a new regional water treatment plant, capable of servicing 4,700 residents based on the current per capita treated water consumption. This plan was explained to be over-sized in order to allow for future expansion. Further, the Town is promoting various strategies to reduce water consumption including residential water conservation and the use of raw water by institutional and recreational users. The MGB finds that the Town has taken a proactive approach to ensuring the continuance of an adequate supply of treated water.

The Town's existing sanitary lagoons were explained to have the capacity to accommodate 4,200 residents. The MGB accepts that the Town has expressed a willingness to allocate funds towards the addition of a new lagoon as growth increases and is satisfied that the Town owns sufficient land to add a new lagoon when required. The cost of this lagoon expansion will be off-set by off-site levies, which will ensure that the Town residents will not be excessively burdened with the associated costs. With respect to storm drainage, the MGB accepts the Town's submission that the existing drainage system has the capacity to support significant further development.

The MGB notes that the Town has notified relevant entities of the proposed annexation, including AT, ATCO Gas, Triple W Natural Gas, Telus, Fortis Alberta, The Chinook Health District, the Westwood School Division, and the Raymond Irrigation District. Having received a

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response from AT, the Town is aware of requirements regarding future transportation planning the referral processes which may impact future subdivision and development. The MGB is satisfied that AT does not object to the annexation proceeding. After consultation with the Town, the Raymond Irrigation District also indicated its support for the annexation.

The primary environmental and natural feature located in the proposed annexation area was described to be a creek that runs through the Raymond Golf Course. As these lands are already owned by the Town, the MGB finds that the environmental feature will not be affected by the annexation.

The MGB is satisfied that the provisions included in the Annexation Agreement respecting the sharing of tax revenue from the annexation area with the County for a period of five years are reasonable. The MGB accepts that the amount of compensation to be provided from the Town to the County was based on existing County policy. The MGB is satisfied that the Urbanization Plan submitted indicates that the initial implications of the annexation on the Town budget will be minimal due to the high percentage of the land which has yet to be improved. Because there is currently very little tax revenue from the affected lands, the MGB accepts that the compensation agreed to will be relatively small and will not impose a serious financial burden upon the Town.

The MGB is satisfied that the Town provided adequate notification to landowners, and undertook a sufficient level of consultation through holding an open house on April 10, 2008 and a second open house on May 28, 2008. Additionally, the MGB finds that the Town made efforts to discuss the proposal further through a series of roundtable meetings with smaller groups of residents throughout the process. The public consultation process conducted by the Town provided opportunities for affected landowners and the public/adjacent landowners to become informed about the proposed annexation and to express their opinions.

The MGB finds that the Town has taken reasonable steps to address the concerns initially raised by landowners during the public consultation process. These steps include the assessment and taxation transition period included in the Annexation Agreement. The MGB's 2005 Annexation Bulletin No. 1 states that: "In some recent annexations timelines have ranged from five to 15 years." As noted in the MGB bulletin, previous annexations have generally allowed for assessment and taxation transition periods to span up to 15 years. The five year transition period included in the subject application therefore falls within these guidelines. The MGB is satisfied that these provisions will serve to provide a period of adjustment and certainty for affected landowners.

Although the Graves family had previously expressed opposition to the proposed annexation, they were not present at the MGB hearing. The Town's presentation indicated that, after further discussions, the Graves have decided to withdraw their opposition to the application. The

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primary objection noted to have been raised by the Graves concerned assessment and taxation, which the MGB concludes has been addressed through the inclusion of a five year transition period in the Annexation Agreement

The Schurmanns initially expressed conditional support for the annexation. Their concerns were summarized as relating to assessment and taxation, the provision of a sewer hook-up, and involvement in the development of any Area Structure Plan which will affect their property. Mary Lee Schurmann appeared at the MGB hearing and indicated that their concerns had been resolved. The MGB accepts that the concern relating to assessment and taxation has been addressed through the inclusion of the transition period. Additionally, the MGB is satisfied by the Town's indication that the issue of a sanitary sewer hook-up would be addressed as servicing was extended into the area. The input of landowners with respect to any new Area Structure Plan is ensured through the provisions contained in the Act. The MGB is therefore satisfied that the Town has adequately addressed the concerns brought forward.

No landowners made oral presentations at the hearing in direct opposition to the proposed annexation area. The MGB therefore observes that local consensus appears to have been reached in favour of allowing the annexation to proceed and considers this to be a persuasive factor in reaching its recommendation of approval.

The MGB finds that the proposed annexation reflects legitimate local needs and concerns. As such, the MGB feels it appropriate to recommend approval of the proposed annexation with the conditions as articulated in the Order in Council.