

BOARD ORDER NO. MGB 077/09

FILE: AN08/TOFI/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 Tofield, in the Province of Alberta, to annex certain territory lying immediately adjacent thereto and thereby its separation from Beaver County.

BEFORE:

Members:

J. Acker, Presiding Officer
J. Noonan, Member
R. Scotnicki, Member

MGB Staff:

R. Duncan, Case Manager
C. Young, Assistant Case Manager

SUMMARY

After careful examination of the submissions from the Town of Tofield (Town), Beaver County (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

That the annexation be approved in accordance with the following:

The Lieutenant Governor in Council orders that

- (a) effective January 1, 2010, the land described in Appendix A and shown on the sketch in Appendix B is separated from Beaver County and annexed to the Town of Tofield,
- (b) any taxes owing to Beaver County at the end of December 31, 2009 in respect of the annexed lands are transferred to and become payable to the Town of Tofield together with any lawful penalties and costs levied in respect of those taxes, and

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the Town of Tofield upon collecting those taxes, penalties and costs must pay them to Beaver County.

- (c) the assessor for the Town of Tofield must assess, for the purpose 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, 13th day of July 2009.

MUNICIPAL GOVERNMENT BOARD

(SGD.) J. Acker, Presiding Officer

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APPENDIX A

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

ALL THAT PORTION OF THE NORTHWEST QUARTER OF SECTION SIX (6), TOWNSHIP FIFTY-ONE (51), RANGE EIGHTEEN (18) WEST OF THE FOURTH MERIDIAN NOT WITHIN THE TOWN OF TOFIELD

ALL THAT PORTION OF THE SOUTH HALF OF SECTION TWELVE (12), TOWNSHIP FIFTY-ONE (51), RANGE NINETEEN (19) WEST OF THE FOURTH MERIDIAN NOT WITHIN THE TOWN OF TOFIELD

ALL THAT PORTION OF THE NORTHEAST QUARTER OF SECTION THREE (3), TOWNSHIP FIFTY-ONE (51), RANGE NINETEEN (19) WEST OF THE FOURTH MERIDIAN LYING SOUTH OF THE SOUTHERLY BOUNDARY OF PLAN 4084 CH

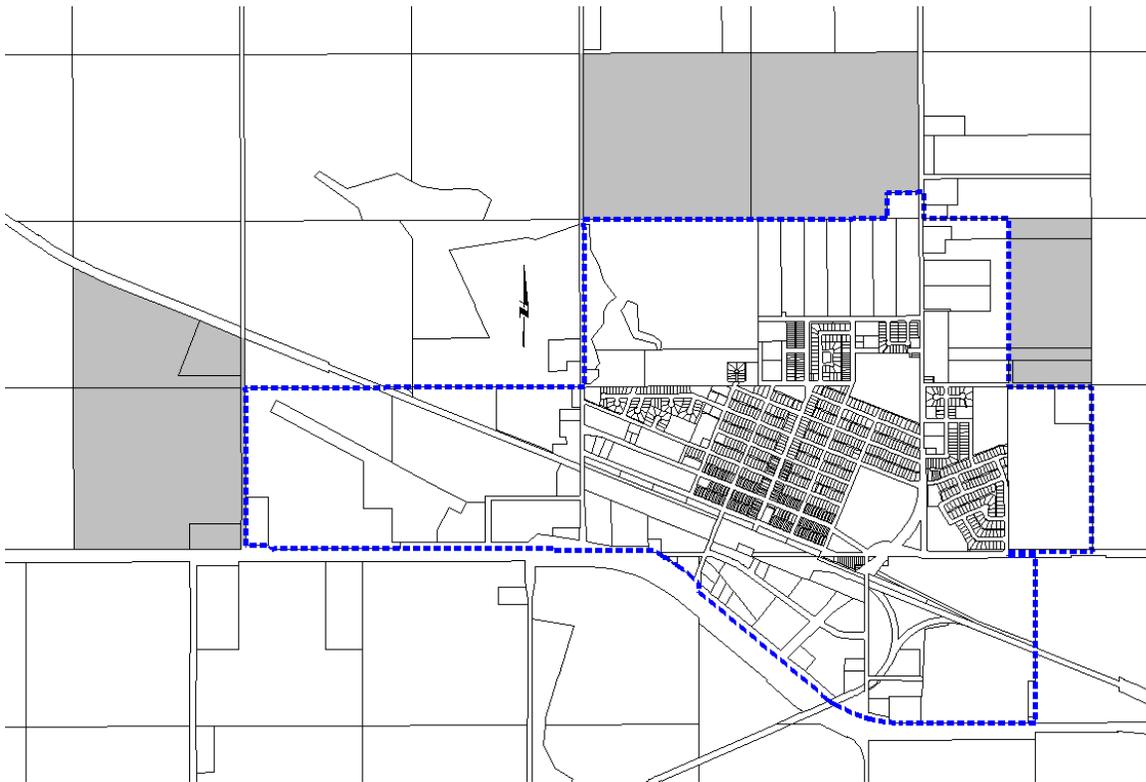
ALL THAT PORTION OF THE SOUTHEAST QUARTER OF SECTION THREE (3), TOWNSHIP FIFTY-ONE (51), RANGE NINETEEN (19) WEST OF THE FOURTH MERIDIAN LYING NORTH OF THE NORTHERLY BOUNDARY OF PLAN 842 0194 AND INCLUDING THAT PORTION OF PLAN 842 0194 LYING NORTH OF THE PRODUCTION EAST OF THE SOUTH BOUNDARY OF PLAN 052 4011

ALL THAT PORTION OF THE NORTH-SOUTH ROAD ALLOWANCE ADJACENT TO THE WEST SIDE OF THE SOUTHWEST QUARTER OF SECTION TWO (2), TOWNSHIP FIFTY-ONE (51), RANGE NINETEEN (19) WEST OF THE FOURTH MERIDIAN LYING NORTH OF THE PRODUCTION WEST OF THE NORTH BOUNDARY OF PLAN 832 1963

ALL THAT PORTION OF THE NORTH-SOUTH ROAD ALLOWANCE ADJACENT TO THE WEST SIDE OF THE NORTHWEST QUARTER OF SECTION TWO (2), TOWNSHIP FIFTY-ONE (51), RANGE NINETEEN (19) WEST OF THE FOURTH MERIDIAN LYING SOUTH OF THE PRODUCTION WEST OF THE SOUTH BOUNDARY OF PLAN 4084 CH

APPENDIX "B"

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



Legend



Existing Town Boundary



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 2010 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 Tofield on the same basis as if they had remained in Beaver County, and
 - (b) must be taxed by the Town of Tofield in respect of each assessment class that applies to the annexed land and the assessable improvements to it using the lower of
 - (i) the municipal tax rate established by the Town of Tofield, and
 - (ii) the municipal tax rate established by Beaver 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) becomes a residual portion of 16 hectares or less as the result of the creation of a parcel referred to in clause (a),
 - (c) is redesignated, at the request of or on behalf of the landowner under the Town of Tofield Land Use Bylaw, to a designation other than agricultural or urban reserve,
 - (d) is connected to water or sanitary sewer services provided by the Town of Tofield, or
 - (e) becomes the subject of a local improvement project described in a local improvement bylaw initiated by or with the support of the landowner and pursuant to which water or sanitary sewer services provided by the Town of Tofield are made available to the land,

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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.

(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 Tofield is assessed and taxed.

APPENDIX “D”

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

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Summary

The Town of Tofield (Town) is located approximately 67 kilometres southeast of Edmonton along Highway 14. On March 4, 2009, the Municipal Government Board (MGB) received an annexation application from the Town to annex approximate 255 hectares (631 acres) of territory from Beaver County (County).

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The Town and County were in agreement with respect to the annexation application. However, one affected landowner indicated that they opposed the proposed annexation. Because of this objection, the MGB held a public hearing on April 30, 2009 for the purpose of receiving information, evidence and argument relating to the annexation application.

After reviewing the documentation provided prior and subsequent to the hearing, as well as listening to the presentations by the parties affected by the proposed annexation, the MGB finds that the purpose of the annexation and the amount of land being requested by the Town is reasonable. Further, the MGB finds that the concerns of affected landowners have been given proper consideration throughout the annexation process. The MGB is also pleased that the County has not sought compensation in return for its agreement to the annexation. Only an approximate 0.12% of the County's total assessment base will be forgone to the Town through the annexation. Additionally, the County will see a reduction in road maintenance responsibilities.

The MGB recommends changes to the assessment and taxation conditions proposed by the Town and the County in the Annexation Agreement and at the April 30, 2009 hearing. The proposed taxation and assessment conditions include a 10 year transition period for landowners within the annexation area. The MGB recommends that this transition period be extended to a period of 15 years. This change will serve to provide an increased level of certainty to affected landowners.

Moreover, the MGB reviewed the arguments and evidence of all the parties and concluded that it is in the greater public interest to recommend approval of the proposed annexation. The collaboration exhibited by 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 *Municipal Government Act*.

I Introduction

The Town is located 67 kilometres southeast of Edmonton along Highway 14. The Town is bounded by the County and has a current population of 2,100. Census data indicates that the Town's population increased by 3.2% between 2001 and 2006. The Town's population projections estimate that the population could grow to 5,610 over a 20 year period.

On March 4, 2009 the MGB received a formal annexation application from the Town. The proposed annexation constitutes the acquisition of an approximate total of 255 hectares (631 acres) of land.

By means of the proposed annexation, the Town is seeking to acquire a sufficient supply of land to provide for a mix of additional residential, commercial, and industrial development. The

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Town estimates that the proposed annexation territory will bolster its supply of land in order to meet its needs for approximately the next 20 years.

The Town and County were in agreement with the annexation application, and the application indicates that there were no matters that had not been agreed upon by the two municipalities. However, since the application contained an objection from an affected landowner, the MGB held a public hearing on April 30, 2009 to receive information, evidence and arguments regarding the proposed annexation.

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 an objection from landowners. 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 Application

The MGB received the Town's annexation application on March 4, 2009. The following section describes the proposed annexation area, 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.

Annexation Area

The proposed annexation area includes those portions of NW6-51-18-W4M and the south half of 12-51-19-W4M not currently within the Town boundaries, along with SE 3-51-19-W4M and the portion of NE 3-51-19-W4M lying south of the railway line.

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Development Plans

An Intermunicipal Development Plan (IDP) was created between the Town and County in 2008. The IDP was intended to address, among other things, future growth and development areas for both municipalities. The application also suggests that a number of strategic interests identified in the IDP are achieved through the proposed annexation. The application states that:

- a) the lands to be annexed present fewer environmental and engineering challenges to urban development than other lands, while minimizing the amount of land that is removed from agricultural production;
- b) greater cost efficiencies can be expected for urban development on those lands proposed to be annexed; and
- c) anticipated residential, commercial, and industrial growth corresponding to a period of 20 years can be accommodated within the lands proposed to be annexed.

Provision of Municipal Services

The annexation application indicates that the proposed annexation area is outside the scope of the Town's current long term servicing studies. However, the application contains information with respect to the Town's capability to extend its services.

Water will be brought into the annexation area through existing lines in adjacent neighbourhoods. The supply of water is not expected to be problematic due to the existence of a regional water service line which provides treated water from Edmonton.

New sewer trunk lines will need to be installed to service the annexation lands. These lines will provide enough capacity to service the entire annexation area. The Town is presently working with the Town Engineer to develop a plan to expand its wastewater treatment facilities. The application indicates that these plans will be finalized before development occurs within the annexation area.

Stormwater management plans for the annexation territory will need to be completed as part of an Area Structure Plan and/or as an update to the current stormwater management plan. There are existing natural drainage features in portions of the annexation area that can provide a framework for the development of the future drainage system.

The Town is developing a policy to require offsite levies to be paid when vacant lands are developed. These levies will be collected to cover the costs of shared infrastructure, a practice that will continue as the annexed lands are developed to an urban standard.

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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.

The Town hosted a landowner information session on August 19, 2008. Following this session, the Town provided additional information to landowners on a one-on-one basis through phone calls and emails. As a result of ongoing negotiations between the Town and the County, some boundary and land use changes were made to both the annexation proposal and the draft IDP. On October 7, 2008 a landowner meeting was held in order to allow further questions to be directed to the Town and to provide landowners with an opportunity to express concerns. An additional public meeting was held on October 15, 2008 as part of the IDP process. One landowner spoke in objection to the annexation at this meeting.

Identified Landowner and Public Issues

The Town received input from landowners and the public through the consultation process outlined above. Of the twelve affected landowners, ten indicated their support of the annexation, one indicated opposition, and one did not provide a response to the Town. The primary objection to the annexation was with respect to plans for the western area to be utilized for future industrial development.

Consultation with Local Authorities and Agencies

The annexation application includes a copy of a letter sent on September 24, 2008 which notifies the MGB, Alberta Transportation (AT), Alberta Health Services, the Battle River School Division, the Beaver Regional Waste Management Services Commission, and the Highway 14 Regional Water Services Commission of the Town's intent to annex land.

In a letter dated October 9, 2008 AT indicated that it had reviewed the proposed annexation and had no objections. AT advised the Town that access management guidelines will limit the number and the location of access points to the provincial highway adjacent to the proposed annexation area. The Town is responsible for addressing impacts to the provincial highway network which may arise as a result of a new subdivision and/or development. Highway access must be identified and approved by AT at the subdivision or Area Structure Plan stage.

Responses were also received from the Highway 14 Regional Water Services Commission and the Beaver Region Waste Management Services Commission. Neither commission expressed objections to the proposed annexation.

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The Annexation Agreement 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 assessment provisions, and transfer date. The annexation application was signed by both the Town and County, indicating their approval of the Negotiation Report.

Compensation

No provisions regarding monetary compensation were included in the Annexation Agreement.

Proposed Assessment and Taxation Conditions

The annexation application contains a proposed 10 year assessment and taxation transition period. During the transition period, the annexed lands and assessable improvements to them would be assessed as if they had remained within the County and taxed at the lowest of the two municipalities' rates. These provisions would cease to apply to a portion of the annexed land and the assessable improvements to it in the taxation year immediately following the taxation year in which:

- (a) The portion 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, except for the subdivision of an existing farmstead from a previously un-subdivided quarter section;
- (b) Becomes a residual portion of 16 hectares or less after a new parcel referred to in clause (a) has been created;
- (c) The portion is redesignated, at the request of or on behalf of the landowner, under the Town of Tofield Land Use Bylaw to a designation other than agricultural or urban reserve;
- (d) The portion is the subject of a local improvement project described in a local improvement bylaw initiated by or with the support of the landowner pursuant to which the Town of Tofield water and sewer services are made available to the land; or
- (e) The portion is connected to the water or sanitary sewer services provided by the Town of Tofield.

As addressed below, the MGB recommends that this recommended 10 year assessment and taxation transition period be increased to a period of 15 years.

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 April 30, 2009.

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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 September 24, 2008. The Town indicated that the reasons for the proposed annexation include meeting future residential, industrial, and commercial growth needs, and addressing the Town's current shortage of lands suitable for development.

In accordance with section 118 of the Act, the required Negotiation Report was received by the MGB on March 4, 2009. 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.

As previously mentioned, the annexation application submitted by the Town contained an objection from one of the affected 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.

A hearing on this matter was scheduled to commence at 10:00 a.m. on Thursday, April 30, 2009 at the Tofield Community Hall located at 5309 – 50 Street in Tofield. In accordance with section 122(1) of the Act, the MGB published a notice of hearing in the **Tofield Mercury**, a local newspaper, during the weeks of April 6, 2009 and April 13, 2009 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 April 30, 2009 hearing. The letters and notices requested that any person who planned to attend the hearing, or make a submission at the hearing, notify the MGB by April 17, 2009.

The Public Hearing

Thirty-seven (37) people attended the April 30, 2009 hearing. At the hearing, the MGB received oral submissions from the Town, the County, affected landowners, and other members of the public.

Town's Submission

The Town explained that an Intermunicipal Planning Committee had been created in February 2008 as a result of work that had already been ongoing for several years. The IDP and proposed annexation were both cited to be examples of ongoing cooperative efforts on the part of both municipalities.

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The Town submitted that it has been experiencing a relatively rapid growth rate, especially with respect to residential development. It also suggested that new industrial development in the Town is likely to further increase the demand for residential growth. The Town submitted that it therefore requires an enhanced land supply in order to meet its growth needs, as illustrated in a recent growth study. Assumptions used in developing the growth calculations and estimated land requirements were outlined by the Town, and a need for additional residential, commercial, and industrial land was identified. The Town explained that comparisons to other towns such as High River and Carstairs were used when developing its growth estimates. It was explained that these municipalities had been used as comparisons because they were commuter towns, they did not have large industrial bases, and they had similarly experienced sudden population growth. It was indicated that the Town would like to add 1,450 new dwellings over the next 20 years, as well as diversify its economy and assessment base through the addition of more industrial and commercial development. The Town submitted that it would be able to address these needs through the proposed annexation.

The Town reiterated that an IDP had been developed, in conjunction with the County, which supports an annexation to meet the Town's 20 year growth needs. In order to allow for a projected population of 5,600, the Town indicated that an estimated 783 acres (316.88 hectares) of land would be required. Its existing inventory of usable land was explained to be 280 acres (113.32 hectares). The proposed 631.09 acre (255.40 hectare) annexation was therefore submitted to provide the additional developable land necessary, as well as roughly 100 acres (40.47 hectares) required to meet setback requirements from the Town lagoons.

The Town outlined the landowner and public consultation process undertaken, which included a landowner information session on August 19, 2008. On October 7, 2008 a landowner meeting was held in order to allow further questions to be directed to the Town and to provide landowners with an opportunity to express concerns. The proposed assessment and taxation conditions in favour of landowners were also outlined. The Town submitted that of the 12 landowners within the proposed annexation area, 10 were in support of the annexation, one did not provide a response, and only one was opposed.

The Town concluded by reiterating its need for additional land to accommodate growth. It indicated an understanding that the recent economic slowdown has impacted growth, but submitted that there is still ongoing development within the community. It was suggested that over time, the economy will recover, again leading to an increased growth rate. In addition to residential needs, it was stated that non-residential growth would be particularly favourable in allowing the Town to diversify its assessment base. The Town requested that the MGB recommend that the annexation application be approved.

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After inquiries by the panel, the Town clarified that, although the annexation application indicates that July 1, 2009 is being requested as the effective date of annexation, the timeline under which the process has progressed would make January 1, 2010 a more realistic date.

The Town also provided a breakdown of assessment within the annexation area and clarified that the 2008 municipal tax levy was approximately \$5,500. The Town undertook to provide information on linear assessment within the annexation territory subsequent to the hearing. It was submitted that the Town and County had agreed upon jurisdiction, ownership, and maintenance with respect to two roadways included in the annexation area. Addressing additional maintenance costs associated with the annexation of roadways, the Town explained that it was already paying for the maintenance of part of the roads being annexed. The Town also submitted that it would continue to contract with the County for road maintenance.

While the Town indicated that it had not conducted any environmental studies, it explained that environmentally sensitive areas would be protected according to requirements set out by Alberta Environment. The Town also submitted that environmental concerns would be given consideration through the process of amending the Land Use Bylaw (LUB) and Municipal Development Plan (MDP).

County's Submission

The County submitted that it had initiated a process in 2008 whereby it worked with each of its contiguous urban areas to develop IDPs and address long term growth needs. The IDP developed with the Town was intended to ensure that its growth occurred in an orderly manner. Four key development areas were identified in the plan: a short term annexation area, an urban fringe area, a referral area, and a County development area.

The County submitted that its concerns had been addressed through the negotiation process, with the Town annexing enough land for a 20 year supply and roads in the western annexation area being included in the transfer to the Town.

Provisions agreed to by the municipalities concerning assessment and taxation were outlined, and the County stated that it had not requested compensation due to the savings it expects to incur when the Town takes over road maintenance costs within the annexation area.

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.

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Diane and David Oleksyn

Diane Oleksyn indicated that she and her husband are landowners in the western part of the annexation area. She explained that they had purchased the land in order to build their dream home, and had conducted extensive research with respect to zoning and other relevant matters prior to doing so. Ms. Oleksyn indicated that she and her husband had been told that the County had no intention to rezone the land to a use other than Agricultural. A map was presented from the County's 2006 MDP which showed the Oleksyn property as being identified for future Urban Fringe/Country Residential development. It was submitted that they never would have purchased and built on the land had they known that the area would be rezoned for industrial use.

The Oleksyns suggested that the Town is a small residential community and that industrial development would be inconsistent with its identity. The area in question was also explained to have Class 2 soil, which is well suited for agricultural use. Additionally, it was submitted that there are high water levels in the area, as evidenced by the flooding of their walkout basement. Further, the Oleksyns submitted that the Town's projections with respect to future population growth and land requirements may be overly optimistic. It was suggested that the Town may not have adequately considered the infrastructure costs associated with future industrial development.

Ms. Oleksyn indicated that a University of Alberta study regarding the opinions of Town residents with respect to industrial development was scheduled to be released in mid-May. She requested that she be permitted to submit the study to the MGB for consideration after it is made public.

Ken Rempel

Ken Rempel explained that he is a County landowner to the east of the proposed annexation area. Mr. Rempel submitted that the southeast quarter of section 6 should be included in the current annexation application.

Ron Lafayette

Ron Lafayette explained that he is a landowner in the portion of the annexation area intended for industrial use. He indicated that he had purchased the land for industrial purposes and feels that industrial development can provide jobs within the community.

With respect to the concerns expressed by the Oleksyns, Mr. Lafayette suggested that a welding facility is already present across from their property and that any flooding problems associated with the area were likely due to alterations made to the topography.

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Mr. Lafayette submitted that the area is better suited for industrial uses rather than country residential because of its proximity to the airport and the railway. He concluded by stating that he was in favour of the annexation proceeding and that the expected positive impacts on the community would outweigh any negative effects.

Dan Zacharias

Dan Zacharias explained that he represented a numbered corporation owning property within the annexation area. He indicated that he was in agreement with the presentation made by Ron Lafayette and submitted that industrial development makes sense in the western portion of the annexation area.

Heather Schmick

Heather Schmick explained that she lives in the north end of the Town. She submitted that she had moved to Tofield due to both career reasons and the small town atmosphere. Ms. Schmick indicated that she is not opposed to residential growth, but wants to ensure that the Town has adequately planned for it and for how increased costs would be addressed. She expressed a concern that future residential growth is being planned on the opposite side of Highway 834, suggesting that it was poor planning to have residential areas divided by a highway. Ms. Schmick further suggested that it would make sense for future industrial development to be located in the southeast corner of the annexation area rather than the western portion. This was submitted to be due to location's access to the highway and railway, as well as its relative seclusion.

County's Summary

The County submitted that its MDP supports the orderly expansion of urban municipalities and that it is being amended in order to reflect the recent IDP developed in conjunction with the Town. The County explained that it had not requested monetary compensation, but that it will save money due to road maintenance expenses being taken on by the Town. With respect to making the effective date of annexation January 1, 2010 the County agreed that it would allow for simpler calculations with respect to taxes.

Town's Response to Landowner/Public Submissions and Summary

The Town explained that the suggested assessment and taxation transition period was set at 10 years because many landowners had planned for relatively speedy development within the annexation area. Due to the economic slowdown, the Town submitted that it would not object to the transition period being extended to 15 years.

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Concerning road maintenance, the Town indicated that it has already been paying for the maintenance of one of the roads being annexed. Future improvements to the roads will be cost shared with developers and a maintenance agreement will be negotiated with the County. The Town submitted that it was aware that additional costs will likely exceed increased tax revenues from the annexation area in the short term.

The Town suggested that the development of future ASPs and the subdivision and development process will ensure that all landowners have future opportunities for their interests to be considered. The Town submitted that, in the form of the Annexation Agreement, the two municipalities have worked together for the best interest of the area as a whole.

Submissions Received Subsequent to the MGB Hearing

University of Alberta Study

Subsequent to the hearing, the MGB received a copy of the University of Alberta study referred to during the landowner presentations. The study focused on the social impact associated with the proposed Dodds-Roundhill Coal Gasification project. It indicated that the Dodds-Roundhill project was put on hold in 2008.

Additional Information Relating to Linear Assessment

On May 25, 2009 the MGB received further details pertaining to the amount of linear assessment within the proposed annexation area from the Town. The submission indicated that the Town would be gaining approximately \$1,000,000 in linear assessment from the County through the annexation. That figure was stated to amount to only about 0.12% of the County's total assessment base and 0.34% of its total non-residential linear assessment base.

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 that the annexation of the lands applied for proceed with an effective date of effective January 1, 2010.

Further, the MGB recommends that the proposed assessment and taxation provisions be extended to 15 years rather than the 10 year period requested in the application.

VI Reasons

The MGB finds that the IDP created between the Town and County describes future growth areas for both municipalities. The proposed annexation area is situated within the growth area

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identified for the Town, and the MGB is satisfied that the annexation will allow both the Town and the County to achieve rational growth strategies and directions. The MGB also recognizes that the IDP further identifies a number of strategic interests which are addressed through the annexation application.

The high level of intermunicipal cooperation demonstrated through this annexation proposal serves to further the objectives of each municipality. Both municipalities have demonstrated that they are capable of carrying out the mandate required of them under the Act, and that the annexation will not have a negative impact upon their operations.

The MGB is satisfied that the projections developed by the Town with respect to population growth and demand for additional land are reasonable and serve to justify the proposed annexation. Taking into account the Town's longer term annexation plans, the MGB finds that the annexation area represents a sensible approach to addressing growth over the next 20 years.

While the annexation area is outside the scope of the Town's current servicing studies, the MGB is satisfied that the Town has given adequate consideration to providing for the extension of municipal servicing. The annexation application provided details with respect to the extension of various types of servicing, including potable water, sewer, and stormwater. The MGB therefore accepts that the proposed annexation area can be fully serviced by the Town and that it represents a logical extension of existing servicing and infrastructure.

The MGB recognizes that the Town has undertaken to ensure environmentally sensitive areas are protected and accepts that environmental concerns will be further addressed through the upcoming LUB and MDP amendment processes.

The MGB finds that the consultation process conducted by the Town prior to submitting the annexation application was comprehensive and appropriate. Affected landowners, the public, other local authorities and AT were given opportunities to provide input regarding the annexation process through both open house and one-on-one meetings. Overall, the MGB found relatively little opposition to the annexation. Of the 12 affected landowners, only one indicated opposition.

The MGB notes that the primary objections raised by the Oleksyns concern the proposed future industrial zoning of the area in which they live. Similarly, Ms. Schmick indicated concerns relating to proposed zoning within the annexation area. Such LUB and MDP amendments are not directly related to the annexation process and are therefore outside of the purview of the MGB's role. However, the MGB is satisfied that the legislated processes for amending local bylaws and statutory plans will ensure that the Oleksyns and other landowners, as well as the public, will be provided an adequate opportunity to provide input and have their concerns considered by the Town.

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After reviewing the University of Alberta study submitted by the Oleksyn's subsequent to the hearing, the MGB finds that the report's primary focus is on the impact of large industrial projects in the general area of the Town. As such, the study does not provide data of a sufficiently relevant nature with respect to the subject application.

The MGB accepts the agreement between the municipalities that a compensation agreement was not warranted in this instance. Only about 0.12% of the County's total assessment base and about 0.34% of its non-residential linear assessment base is being transferred to the Town through the annexation. Additionally, the County will see a reduction in road maintenance costs due to the roadways being annexed into the Town. At the same time, the linear assessment gained by the Town will serve to offset the increase in costs associated with the addition of those roadways.

Both municipalities demonstrated that the proposed annexation is part of a rational and cooperative strategy to manage growth between the Town and the County. 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 effects on the financial state of either municipality.

The MGB finds that the assessment and taxation transition period included in the Annexation Agreement will serve to address concerns held by landowners. However, the MGB recommends that the assessment and taxation conditions proposed by the municipalities be extended from a period of 10 years to 15 years. This will serve to provide an increased level of certainty to landowners. At the hearing, the Town and County indicated that they held no objections to such an extension of the transition period.

The annexation application requests an effective date of July 1, 2009. At the hearing, both municipalities indicated that they were in favour of moving the effective date to January 1, 2010 due to the timelines under which the proposal had proceeded and due to simplified implications with respect to assessment and taxation. As such, the MGB recommends an effective date of January 1, 2010.

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, indicates that the criteria for annexation are met. As such, the MGB recommends approval of the proposed annexation with the extension of the proposed assessment and taxation provisions to a period of 15 years and an effective date of January 1, 2010.