

*The following represents the proposed version of the conditions of annexation for the purposes of consultation with affected landowners, and is subject to further amendments or additions negotiated between the parties including in relation to any potential compensation payable in relation to the annexation:*

- 1 In this Order, "annexation area" means the land described in Appendix A and shown on the sketch in Appendix B, including the boundary roads listed in Appendix A.
- 2(1) For the purposes of taxation in 2020 and in each subsequent year up to and including December 31, 2049, the annexed land and the assessable improvements to it must be taxed by the City of Fort Saskatchewan using
  - (a) the municipal tax rate established by Strathcona County, or
  - (b) the municipal tax rate established by City of Fort Saskatchewan,whichever is lower, for property of the same assessment class.
- (2) For taxation purposes in 2020 and subsequent years up to and including December 31, 2049, the annexed land and assessable improvements to it must be assessed by the City of Fort Saskatchewan on the same basis as if they had remained in Strathcona County.
- 3 Where, in any taxation year, a portion of the annexed land
  - (a) becomes a new parcel of land created
    - (i) as a result of subdivision,
    - (ii) as a result of separation of title by registered plan of subdivision, or
    - (iii) by instrument or any other method that occurs at the request of or on behalf of the landowner,except where the subdivision of the parcel is from a previously un-subdivided quarter section that is in use for farming purposes at the time of subdivision,or
  - (b) is redesignated at the request of or on behalf of the landowner, under the land use bylaw in effect at the time for the City of Fort Saskatchewan, to a land use designation other than the land use designation that was in effect for that portion immediately before January 1, 2020, except where such redesignation is

to provide for a development that forms part of the business operation being carried out on the land prior to January 1, 2020,

or

- (c) is connected, at the request or on behalf of the landowner, to water and sewer services provided by the City, except for Pointe Aux Pins Estates subdivision in Plan 752 1001,

section 2 ceases to apply at the end of that taxation year in respect of that portion of the annexed land and assessable improvements to it.

- 4 After section 2 ceases to apply to the annexed land or a portion of it, the annexed land or portion and assessable improvements to it must be assessed and taxed for the purposes of property taxes in the following year in the same manner as other property of the same assessment class in the City of Fort Saskatchewan is assessed and taxed.
- 5 The compensation to Strathcona County for loss of taxation revenue within the Annexation Area shall be \$541,000, based upon the agreed-upon estimated amount arising from a transition of tax revenue over five years, where 100% of the current tax revenue in the Annexation Area is provided to Strathcona County in the first year, 80% in the second year, 60% in the third year, 40% in the fourth year, and 20% in the fifth and final year.