

ANNEXATION PRINCIPLES

In *City of St. Albert v. Sturgeon County*, MGB 123, the Municipal Government Board (“MGB”) set out 15 principles to apply when considering an annexation application. A summary of how the City’s proposed annexation addresses the 15 principles is set out below.

Principle 1: Intermunicipal Cooperation

Annexations that provide for intermunicipal cooperation will be given considerable weight. Cooperative intermunicipal policies in an intermunicipal development plan will be given careful consideration, weight and support so long as they do not conflict with Provincial policies or interests.

Through the Common Bonds Agreement, Strathcona County (the County) and City of Fort Saskatchewan (the City) developed an Inter-municipal Relations Committee (IMRC) that worked together to determine the best strategy to prepare for growth. The IMRC resulted in stronger collaborative relationships and developing an Alliance Exploration Agreement with both municipalities that will explore efficiencies in services provided to both communities.

Principle 2: Rational Growth Directions, Resource Use, Fiscal Accountability and Municipal Purposes

Accommodation of growth by all municipalities (urban or rural) must be accomplished without encumbering the initiating municipality and the responding municipality’s ability to achieve rational growth directions, cost effective utilization of resources, fiscal accountability and the attainment of the purposes of a municipality described in the Act.

The lands within the Annexation Area are largely undeveloped. The Growth Study demonstrates that the proposed annexation allows for growth to continue in a rational direction. The proposed annexation will allow the City to plan for its future growth on a long term, comprehensive basis.

The proposed annexation does not unduly interfere with the County’s ability to grow. The Annexation Area represents approximately only 0.8% of the area of the County. The County could easily accommodate its growth and still have a large land surplus. The County has a number of other suitable areas for future growth. For example, the urban service area, known as Sherwood Park and Bremner is located within the County as are a number of hamlets, including Ardrossan, Josephburg and South Cooking Lake. In addition, the County has either approved or is in the process of approving plans for the development of other major industrial business parks, such as Buckingham Business Park. The City’s proposed annexation does not in any way impede the County’s growth in these areas.

Principle 3: Autonomy of Municipalities

An annexation or annexation conditions should not infringe on the local autonomy given to municipalities in the Act unless provisions of the Act have been breached or the public interest and individual rights have been unnecessarily impacted.

The proposed annexation does not infringe on the County's autonomy as granted under the MGA.

Principle 4: Supporting Materials Concerning Growth

An annexation must be supported by growth projections, availability of lands within current boundaries, consideration of reasonable development densities, accommodation of a variety of land uses and reasonable growth options within each municipality (initiating and responding municipality).

The Growth Study addresses the City's projected growth rate and the land that will be required to accommodate that growth for the next 50 years. The 50-year time frame is consistent with the trend in Alberta towards longer-term planning and with recent MGB orders.

Town of Okotoks v MD of Foothills, MGB 007/17

Town of Beaumont v Leduc County, MGB 012/16

Town of Drayton Valley v Brazeau County, MGB 058/11 and 016/12

City of Airdrie v Rocky View County, MGB 012/12

The City has reached an agreement with the County for an annexation with a 35 year timeframe. Given that the Annexation Area represents a 35 year growth supply for the City and is a very small area of the County, it will not restrict the County's future growth.

In determining its residential land requirements, the City used existing densities to determine capacity within the existing City boundary and Edmonton Metropolitan Regional Growth Plan (EMRGP) density targets for the Annexation Area.

Principle 5: Logical Extension of Growth Patterns and Services

An annexation must achieve a logical extension of growth patterns, transportation and infrastructure servicing for the affected municipalities.

The Growth Study demonstrates that the Annexation Area represents a logical extension of existing growth patterns. The Financial Impact Analysis (FIA prepared by Corvus) shows that the proposed annexation will allow both the current developments in boundary and new developments in the Annexation Area to be efficiently and effectively serviced.

Principle 6: Administration of Services

Each annexation must illustrate a cost effective, efficient and coordinated approach to the administration of services.

The FIA examined the fiscal impacts of the annexation. It concluded that the annexation will not have a significant impact on either the City or the County. The City's management of the Annexation Area is financially viable, with moderate tax impacts, and maintenance of debt limit and debt servicing covenants. The annexation will result in a slight net gain to the County.

Principle 7: Key Environmental and Natural Features

Annexations that demonstrate sensitivity and respect for key environmental and natural features will be regarded as meeting provincial land use policies.

The City is committed to conservation of the environment and will take the necessary measures to ensure that environmentally sensitive areas are protected. The proposed land use plan set out in the Growth Study identifies existing environmental constraints within the Annexation Area, which are anticipated to be preserved through the environmental reserve designation. In particular, the City will create an Environmental Inventory for the Annexation Area through the development of a new Municipal Development Plan in order to identify environmentally sensitive lands. Environmental reserves will be identified in Area Structure Plans and dedicated at time of subdivision.

Principle 8: Use of Resources

Coordination and cost effective use of resources will be demonstrated when annexations are aligned with and supported by intermunicipal development plans, municipal development plans, economic development plans, transportation and utility servicing plans and other related infrastructure plans.

The City and the County adopted an Alliance Exploration Agreement in 2018 that will be analysing and recommending efficiencies in services provided to both communities.

Principle 9: Financial Impact

Annexation proposals must fully consider the financial impact on the initiating and responding municipality.

The FIA considers the financial impact of the proposed annexation on the City and the County and concludes that in both cases, the impact is not significant and manageable.

Some landowners in the Annexation Area could face higher taxes as a result of the annexation. As such, the City and the County have agreed to a 35 year tax relief in order to assist those landowners. This approach has been built into the tax impact assessment in the FIA. Therefore, expansion area residents are not impacted by expansion.

Principle 10: Impacts on Other Institutions

Inter-agency consultation, coordination and cooperation is demonstrated when annexations proposals fully consider the impacts on other institutions providing services to the area.

The City notified a number of other agencies and institutions regarding the proposed annexation as set out in the Annexation Application. The City and the County provided opportunity to obtain feedback regarding the proposed annexation from these agencies and institutions.

The responses received were from:

- Service Commissions such as Capital Region NE Water Services Commission, Alberta Capital Region Wastewater Commission.
- Business Associations – Alberta Industrial Heartland, Fort Saskatchewan Chamber of Commerce.

Principle 11: Impacts on Property Owners

Annexation proposals that develop reasonable solutions to impacts on property owners and citizens with certainty and specific time horizons will be given careful consideration and weight.

The City and the County propose to implement measures to provide a 35 year tax relief to landowners within the Annexation Area as set out above.

Principle 12: Public Consultation

Annexation proposals must be based on effective public consultation both prior to and during any annexation hearings or proceedings.

Included in the Annexation Application is a Public Engagement Summary report that details the City and County's public consultation process. Also, enclosed is a Stakeholders Mitigation Report with responses from the City to the concerns raised during those processes. The City and County held open houses in 2015 and 2018 and notified landowners and local authorities by letter. The City has mailed periodic letters to keep landowners informed. Both the City and the County's websites has a section devoted to communicating annexation matters, which is periodically updated.

Principle 13: Special Properties

Revenue sharing may be warranted when the annexation proposal involves existing or future special properties that generate substantive and unique costs to the impacted municipality(s) as part of the annexation or as an alternative to annexation.

There are no special properties within the proposed Annexation Area.

Principle 14: Financial Impacts on Municipalities

Annexation proposals must not simply be a tax initiative. Each annexation proposal must have consideration of the full scope of costs and revenues related to the affected municipalities. The financial status of the initiating or the responding municipality(s) cannot be affected to such an extent that one or the other is unable to reasonably achieve the purposes of a municipality as outlined in section 3 of the Act. The financial impact should be reasonable and be able to be mitigated through reasonable conditions of the annexation.

The FIA addresses the financial impacts of the proposed annexation and concludes that it is financially viable and that the impacts on the City and the County will not be significant.

As set out above, the Annexation Area is largely undeveloped with a relatively low assessed value, which is a clear indication that the annexation is not an attempt to derive tax revenues, but is to provide adequate land supply to accommodate the City's future growth.

Principle 15: Conditions of Annexation

Conditions of annexation must be certain, unambiguous, enforceable and be time specific.

The City and the County have agreed to conditions. Those proposed conditions are outlined in Section 5ii in the Annexation Application.