

**BOARD ORDER NO. MGB 050/17**

**FILE: AN16/COAL/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 Coaldale, in the Province of Alberta, to annex certain territory lying immediately adjacent thereto and thereby its separation from Lethbridge County.

**BEFORE:**

Members:

F. Wesseling, Presiding Officer

E. Williams, Member

L. Yakimchuk, Member

Case Manager:

R. Duncan

**SUMMARY**

After examining the submissions from the Town of Coaldale, Lethbridge 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 Schedule 3 of this Board Order.

Recommendation

That the annexation be approved in accordance with the following:

The Lieutenant Governor in Council orders that

- 1** In this Order, “annexed land” means the land described in Schedule 1 and shown on the sketch in Schedule 2.
- 2** Effective April 1, 2018, the land described in Schedule 1 and shown on the sketch in Schedule 2 is separated from Lethbridge County and annexed to the Town of Coaldale.
- 3** Any taxes owing to Lethbridge County at the end of March 31, 2018 in respect of the annexed land and any assessable improvements to it are transferred to and

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become payable to the Town of Coaldale together with any lawful penalties and costs levied in respect of those taxes, and the Town of Coaldale upon collecting those taxes, penalties and costs must pay them to Lethbridge County.

**4(1)** For the purpose of taxation in 2019 and subsequent years, the assessor for the Town of Coaldale must assess the annexed land and the assessable improvements to it.

**(2)** For the purpose of taxation in 2018 and in each subsequent year up to and including 2041, the annexed land and assessable improvements to it

- (a) must be assessed by the Town of Coaldale on the same basis as if they had remained in Lethbridge County, and
- (b) must be taxed by the Town of Coaldale in respect of each assessment class that applies to the annexed land and the assessable improvements to it using the tax rate established by Lethbridge County for property of the same assessment class.

**5(1)** Subject to subsection (2), where in any taxation year up to and including 2041

- (a) a portion of the annexed land becomes a new parcel of land created by any method at the request of or on behalf of the landowner, including, without limitation,
  - (i) subdivision,
  - (ii) separation of title by registered plan of subdivision, or
  - (iii) instrument,
- (b) a portion of the annexed land is redesignated, at the request of or on behalf of the landowner, under the Town of Coaldale Land Use Bylaw to another designation, or
- (c) a portion of the annexed land is connected, at the request of or on behalf of the landowner, to water or sanitary sewer services provided by the Town of Coaldale,

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section 4(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)** Subsection (1) does not apply

- (a) to a portion referred to in subsection (1)(a) if, immediately before April 1, 2018, the original parcel from which that portion is subdivided or otherwise separated was larger than 10 acres (4.046 hectares), excluding any roads taken for road widening, or
- (b) to a portion referred to in subsection (1)(c) if, immediately before April 1, 2018,
  - (i) the portion was immediately adjacent to existing water or wastewater lines for the water or sanitary sewer services provided by the Town of Coaldale, and
  - (ii) the improvement to which the services are being connected was situated within 100 meters from the water supply or wastewater lines referred to in subclause (i).

**(3)** After section 4(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 same manner as other property of the same assessment class in the Town of Coaldale is assessed and taxed.

**6** The Town of Coaldale shall pay to Lethbridge County

- (a) one hundred and one thousand three hundred and seven dollars (\$101 307) on or before September 30, 2018,
- (b) one hundred and one thousand three hundred and seven dollars (\$101 307) on or before September 30, 2019, and
- (c) one hundred and one thousand three hundred and seven dollars (\$101 307) on or before September 30, 2020.

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DATED at the City of Edmonton, in the Province of Alberta, this 12<sup>th</sup> day of December, 2017.

MUNICIPAL GOVERNMENT BOARD

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(SGD) F. Wesseling, Presiding Officer

**Schedule 1**

**DETAILED DESCRIPTION OF THE LANDS SEPARATED FROM  
LETHBRIDGE COUNTY AND ANNEXED TO THE TOWN OF COALDALE.**

ALL THAT PORTION OF THE NORTH HALF OF SECTION THREE (3),  
TOWNSHIP NINE (9), RANGE TWENTY (20), WEST OF THE FOURTH (4)  
MERIDIAN LYING WEST OF THE WEST BOUNDARY OF PLAN 6LK.

THE NORTH EAST QUARTER OF SECTION FOUR (4), TOWNSHIP NINE (9),  
RANGE TWENTY (20), WEST OF THE FOURTH (4) MERIDIAN.

THE EAST HALF OF SECTION NINE (9), TOWNSHIP NINE (9), RANGE  
TWENTY (20), WEST OF THE FOURTH (4) MERIDIAN INCLUDING ALL  
THAT PORTION OF THE NORTH-SOUTH ROAD ALLOWANCE ADJACENT  
TO THE EAST SIDE OF SAID HALF SECTION.

ALL THAT PORTION OF SECTION TEN (10), TOWNSHIP NINE (9), RANGE  
TWENTY (20), WEST OF THE FOURTH (4) MERIDIAN NOT WITHIN THE  
TOWN OF COALDALE.

THE SOUTH EAST QUARTER OF SECTION SIXTEEN (16), TOWNSHIP NINE  
(9), RANGE TWENTY (20), WEST OF THE FOURTH (4) MERIDIAN.

THE SOUTHWEST QUARTER OF SECTION FIFTEEN (15), TOWNSHIP NINE  
(9), RANGE TWENTY (20), WEST OF THE FOURTH (4) MERIDIAN.

ALL THAT PORTION OF THE NORTH EAST QUARTER OF SECTION  
FIFTEEN (15), TOWNSHIP NINE (9), RANGE TWENTY (20), WEST OF THE  
FOURTH (4) MERIDIAN LYING SOUTH OF THE SOUTH BOUNDARY OF  
LEGAL SUBDIVISION FIFTEEN (15) AND SIXTEEN (16) IN SAID QUARTER  
SECTION.

ALL THAT PORTION OF SECTION FOURTEEN (14), TOWNSHIP NINE (9),  
RANGE TWENTY (20), WEST OF THE FOURTH (4) MERIDIAN NOT WITHIN  
THE TOWN OF COALDALE INCLUDING ALL THAT PORTION OF THE  
NORTH-SOUTH ROAD ALLOWANCE ADJACENT TO THE EAST SIDE OF  
SAID SECTION AND EXCLUDING THAT PORTION OF THE NORTH-SOUTH  
ROAD LYING NORTH OF THE PROJECTION EAST OF THE NORTH  
BOUNDARY OF LOT 1, BLOCK 11, PLAN 091 2068 AND WEST OF THE EAST  
BOUNDARY OF RIGHT OF WAY PLAN GL70.

ALL THAT PORTION OF THE SOUTH WEST QUARTER OF SECTION  
TWENTY-THREE (23), TOWNSHIP NINE (9), RANGE TWENTY (20), WEST  
OF THE FOURTH (4) MERIDIAN LYING EAST OF THE WEST BOUNDARY  
OF LEGAL SUBDIVISIONS THREE (3) AND SIX (6) IN SAID QUARTER  
SECTION AND INCLUDING ALL THAT PORTION OF PLAN 171 2056  
ADJACENT TO THE SOUTH BOUNDARY OF SAID QUARTER SECTION.

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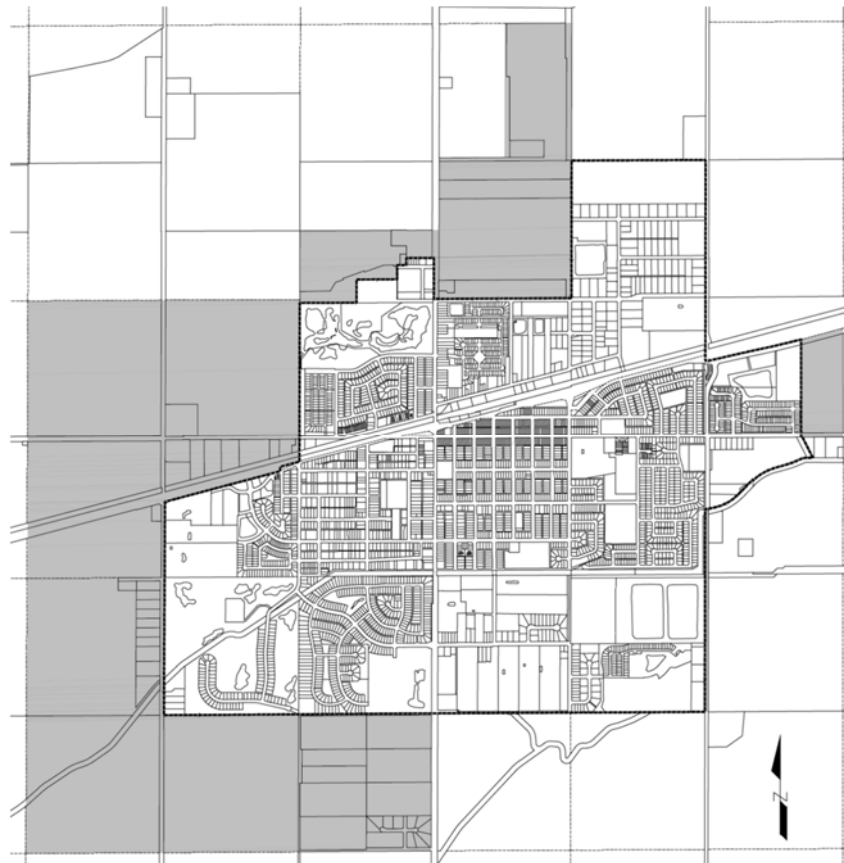
**FILE: AN16/COAL/T-01**

LOT 1, BLOCK 3, PLAN 081 1507 INCLUDING ALL THAT LAND LYING SOUTH OF THE SOUTH BOUNDARY OF LOT 1, BLOCK 3, PLAN 081 1507 AND NORTH OF THE SOUTH BOUNDARY OF PLAN 841 1052.

ALL THAT PORTION OF THE EAST HALF OF SECTION ELEVEN (11), TOWNSHIP NINE (9), RANGE TWENTY (20), WEST OF THE FOURTH (4) MERIDIAN NOT WITHIN THE TOWN OF COALDALE AND INCLUDING ALL THAT LAND LYING WEST OF THE EAST BOUNDARY OF THE NORTH-SOUTH ROAD ALLOWANCE ADJACENT TO THE EAST SIDE OF SAID HALF SECTION.

**Schedule 2**

**A SKETCH SHOWING THE GENERAL LOCATION OF THE AREAS SEPARATED FROM LETHBRIDGE COUNTY AND ANNEXED TO THE TOWN OF COALDALE**



**Legend**

- ..... Existing Town of Coaldale Boundary
- Annexation Areas

**Schedule 3**

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

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**Acronyms/Abbreviations**

Annexation recommendations often include many acronyms and abbreviations. For ease of reference, the following table lists the acronyms and abbreviations used multiple times in this recommendation.

<b>Acronym/Abbreviation</b>	<b>Full Description</b>
<i>Act</i>	<i>Municipal Government Act</i>
ASP	Area Structure Plans
County	Lethbridge County
ECDF	Elk Creek Dairy Farm
Growth Study	Town of Coaldale Growth Study 2015
IDP	Town of Coaldale/Lethbridge County Intermunicipal Development Plan
LGC	Lieutenant Governor in Council
LUB	Town of Coaldale Land Use Bylaw
MDP	Town of Coaldale Municipal Development Plan
MGB	Municipal Government Board
Minister	Minister of Municipal Affairs
Notice	Notice of Intent to Annex
SMRID	St. Mary River Irrigation District
SSRP	South Saskatchewan Regional Plan
SWCEI	Spruce Woods Country Estates Inc.
Town	Town of Coaldale

## **EXECUTIVE SUMMARY**

[1] On May 1, 2017, the Municipal Government Board (MGB) received an application from the Town of Coaldale (Town) to annex 1,421 acres (575 hectares) of land from Lethbridge County (County). Although the two municipalities were able to reach an agreement, affected landowners objected to the proposed annexation. In accordance with the *Municipal Government Act (Act)*, the MGB conducted a public hearing on June 22, 2017.

[2] During the proceedings the MGB received submissions from the Town, the County, the affected landowners, and the public. The objections received by the MGB centered on consultation, flood management, annexation area, traffic safety and congestion, and assessment and taxation transition provisions.

## **RECOMMENDATIONS**

[3] The MGB recommends the annexation and the assessment and taxation provisions as requested by the Town. The MGB also recommends the effective date of the annexation be changed from January 1, 2018 to April 1, 2018.

## **REASONS**

[4] When making an annexation recommendation, the MGB considers the issues identified by the parties during the proceedings as well as the annexation principles summarized by the MGB Board Order 123/06. To reduce repetition, the reasons for the MGB's recommendations have been aggregated into the following major categories: collaboration and consultation, planning, and annexation conditions/transitional matters.

### **Collaboration and Consultation**

[5] The MGB finds the collaboration and consultation process undertaken by the Town was reasonable. The Town and the County were able to negotiate an annexation agreement and have an Intermunicipal Development Plan (IDP). The collaboration is also demonstrated in the way the Town, the County, and the St. Mary River Irrigation District (SMRID) are working together on the Malloy Drainage Basin project to resolve the regional drainage issue.

[6] The number of communication vehicles employed by the Town shows a clear attempt to be inclusive and open during the annexation consultation process. A landowner in the annexation area north of Highway 3 and west of Secondary Road 845 expressed concern about not being informed about the annexation of his property until late in the consultation process. This area was included as a result of the negotiations between the two municipalities. It is unfortunate the

inclusion of this area was not identified earlier in the process. However, the Town did contact these affected landowners and made an effort to meet with the affected landowners to provide information and answer questions as soon as possible.

### **Planning**

[7] The MGB accepts the Town has addressed the land use planning issues related to this annexation. Planning related issues include statutory plan compliance, land requirements, and infrastructure.

### **Statutory Plan Compliance**

[8] The annexation complies with the IDP and the South Saskatchewan Regional Plan. In addition, both the Town of Coaldale Land Use Bylaw (LUB) and the Town of Coaldale Municipal Development Plan (MDP) were used to suggest complementary land uses in the annexation area.

### **Land Requirements**

[9] The MGB accepts the Town will reach a population of 15,717 by 2041. The annual growth rate used to generate the population forecast is realistic given the growth experienced by the Town over the past 10 years. The proposed density level and household size are consistent with existing Town development. The use of a 35% gross-up factor is reasonable. Therefore, the MGB accepts the Town will need 602 acres (244 hectares) of land for 25-year residential development.

[10] The amount of commercial, industrial and public land being requested by the Town is reasonable. The Town is attempting to increase the amount of commercial assessment and has used a ratio of 10 acres (4 hectares) per 1,000 residents, so the 167 acres (68 hectares) requested by the Town is acceptable. The 286 acres (116 hectares) of industrial land is based on the Town's existing ratio of 30.0 acres (12 hectares) of industrial land per 1,000 residents. Given the desire of the Town to work with the local school boards to locate an elementary school in the area north of Highway 3, an additional 100 acres (40 hectares) for public use is satisfactory. The MGB also accepts the additional 267 acres (108 hectares) in the annexation area is undevelopable land.

### **Annexation Area**

[11] The MGB accepts the annexation area requested by the Town.

[12] The MGB finds the annexation area north of Highway 3 and west of Secondary Road 845 to be reasonable. The lands adjacent to Highway 3 and west of the country residential subdivisions can be used to attract commercial development. The Town's existing water and wastewater

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infrastructure lines are east of the Country Residential properties located adjacent to Highway 3, so municipal services can efficiently be extended from the Town. The Town understands it will have to address traffic issues on Highway 3 and will have to work with Alberta Transportation, the Royal Canadian Mounted Police, developers, and the public to address possible safety concerns for the traveling public and pedestrian traffic as this area begins to build out. As residential development in this area increases, the construction of an elementary school could reduce the amount of pedestrian traffic crossing Highway 3. The wastewater line the Town is planning on building is expected to traverse this area and will provide options in the future. The MGB understands there are some major stormwater management issues in this area, but accepts this concern will exist regardless of which municipality the land is located.

[13] The MGB finds it reasonable for the Town to annex the lands south of Highway 3 and west of Secondary Road 845. Concerns about the possibility of contaminants caused by the Malloy Drainage Basin are beyond the scope of an annexation. Water quality concerns will be addressed by the Town, County, and SMRID, who will need to comply with Provincial standards set by Environment and Parks.

[14] It is logical for the lands north of Highway 3 and east of Secondary Road 845 to be included as part of this annexation. The annexation of this area will allow the Town to bring its wastewater treatment facility within its boundary.

[15] The annexation area south of Highway 3 and east of Secondary Road 845 is also reasonable. The area requested is a natural extension of an existing Town development. Transportation services can be integrated with the Town's; similarly, water, and wastewater can easily be extended from the Town's distribution lines.

[16] The MGB does not recommend the inclusion of an extra two quarter sections of land adjacent to the south of the Town as part of this annexation. The Town effectively completed its public consultation on April 13, 2017. The presentation made by Bergen & Associates to the two municipalities was dated April 29, 2017. Given the emphasis placed on public and affected landowner consultation, it is understandable the two municipalities did not want to accept a delay and the additional expense associated with reopening the consultation process at that point.

**Infrastructure**

[17] The MGB accepts the Town can extend the required water, wastewater, drainage, and transportation services to the annexation area. The Town's existing water allocation of 9,900m<sup>3</sup> per day from the Lethbridge Regional Water Services Commission will be able to accommodate the of 15,717. Although some upgrades to the wastewater treatment facility are being planned, the

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MGB accepts the Town can extend existing lines to the annexation area and that the existing wastewater facility has sufficient capacity to support the expected population.

[18] The MGB understands stormwater management is a major issue. However, the Town, the County, and the SMRID are working together on the Malloy Drainage Basin project to resolve this matter at the regional level. A regional approach is reasonable given the groundwater that flows through the Town is generated throughout the region. The Town is also implementing changes to its existing stormwater system to facilitate zero release during major storm events and will require ASPs for future development in the Town to address drainage issues. The MGB finds the Malloy Drainage Basin project combined with the ASP requirements will alleviate some of the flooding issues.

[19] The Town has demonstrated that it is aware of this challenge caused by Highway 3 and Secondary Road 845 and has commissioned a number of studies to address traffic congestion issues. The MGB accepts the Town will continue to study this matter and work with Alberta Transportation, the Royal Canadian Mounted Police, community groups and other interested parties to explore solutions to these traffic issues as development happens in each of the annexation areas. Moreover, the Town may be able to use offsite levies to pay for required traffic signals and turning lanes on major roads.

**Annexation Conditions/Transitional Matters**

**Assessment and Taxation Transition Provisions**

[20] The MGB accepts the 25-year transition period as this is part of the Annexation Agreement reached by the two municipalities. No evidence was received to conclude these conditions would have a negative impact on the Town or adversely affect the taxes of the existing residents.

[21] The MGB recommends:

- (1) the assessment and taxation conditions are to be removed if a portion of the annexed land
  - becomes a new parcel of land created by any method at the request of or on the behalf of the landowner, including but not limited to subdivision, separation of title by registered plan of subdivision, or instrument,
  - is redesignated, at the request of or on the behalf of the landowner, under the Town of Coaldale Land Use Bylaw to another designation,
  - is connected, at the request of or on the behalf of the landowner to water or wastewater services provided by the Town of Coaldale.

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(2) the assessment and taxation transition conditions are not to be removed if

- one parcel of land is subdivided from an existing parcel of land that is larger than 10 acres (4.046 hectares) excluding roads taken for road widening,
- the redesignation of the use of a parcel of land where such designation is requested by the Town, and
- the connection of a parcel of land to water or wastewater services provided by the Town of Coaldale where said parcel was immediately adjacent to an existing water or wastewater line and the structure existing at the time of the annexation is no more than 100 meters from the water or wastewater line.

**Effective Date**

[22] The Town requested the annexation effective date be January 1, 2018. However, to ensure a smooth transition for the landowners and to allow time for the municipalities to exchange documents, the MGB is recommending the effective date be April 1, 2018.

**Intermunicipal Compensation**

[23] The MGB accepts the compensation agreement reached by the two municipalities. The Town is to pay the County \$101,307 for the next three years to reimburse the County for lost municipal tax revenue.

**CONCLUSION**

[24] The MGB finds that the proposed annexation complies with the Act and addresses the appropriate annexation principles. The MGB finds the conditions of annexation as recommended to be certain, unambiguous, enforceable and time specific. Furthermore, the proactive intent of the annexation and the amount of land agreed to by the municipalities is reasonable. The MGB notes that the affected landowners' concerns have been given proper consideration throughout the annexation process. Therefore, the MGB recommends the annexation.

## **PART I INTRODUCTION**

[25] The Town of Coaldale (Town) is a vibrant and growing community with a population of 8,215 (Statistics Canada 2016 Census). Located eleven kilometers east of the City of Lethbridge along Highway 3, the Town markets itself as being able to combine the benefits of small town living with the services of a larger urban center. Having experienced steady annual growth over the last 50 years, the Town now estimates it only has 5 to 10 years of vacant developable land within its boundary. In order to effectively plan for the future, the Town has applied to annex 1,421 acres (575 hectares) of land from Lethbridge County (County).

[26] On July 12, 2017, the Town submitted an annexation application to the Municipal Government Board (MGB). Although the Town and the County negotiated an agreement, the application contained objections from affected landowners and members of the public. In accordance with the *Municipal Government Act (Act)*, the MGB held a public hearing on June 22, 2017, to receive information, evidence and argument regarding the annexation proposal.

[27] The following report describes the role of the MGB and the Lieutenant Governor in Council, summarizes the public hearing process and the submissions received by the MGB during the proceedings, and provides the MGB's recommendations and reasons. This report fulfills the MGB's responsibility under the Act regarding this annexation.

## **PART II ROLE OF THE MGB AND THE LIEUTENANT GOVERNOR IN COUNCIL**

[28] The MGB is an independent and impartial quasi-judicial board established under the Act with the authority to "deal with annexations". Although the annexation process is specified by the Act, the Act also allows the MGB to "establish rules regulating its procedures". The MGB Annexation Procedure Rules have been adopted to provide information about annexation proceedings, facilitate a fair and open process, and increase the efficiency and timeliness of the hearing process. This document also summarizes the 15 principles developed by the MGB as part of Board Order 123/06 to guide the annexation process.

[29] Pursuant to section 116 of the *Act*, a municipality initiates the annexation process by giving written notice to the municipal authority from which the land is to be annexed, the MGB, and any other local authority the initiating municipality considers may be affected. The notice must describe the land proposed for annexation, set out the reasons for the proposed annexation, and include proposals for consulting with the public and meeting with the affected landowners. Once the notice has been filed, section 117 of the *Act* compels the municipalities involved with the proposed annexation to meet and negotiate in good faith. If the municipalities are unable to reach an agreement, they must attempt mediation to resolve any outstanding matters.

[30] Section 118 of the *Act* requires that at the conclusion of the consultation process and the intermunicipal negotiation/mediation, the initiating municipality must prepare a negotiation report. This report must include a list of issues that have been agreed to by the municipalities and identify any matters the municipalities have not been able to agree upon. If the municipalities were unable to negotiate an Annexation Agreement, the report must state what mediation attempts were undertaken or, if there was no mediation, give reasons why. The report must also include a description of the public and landowner consultation process, as well as provide a summary of the views expressed during this process. The report is then signed by both municipalities. Should one of the municipalities not wish to sign the report, it has the option of including its rationale for not signing the report.

[31] The report is then submitted to the MGB. If the initiating municipality requests the MGB to proceed, pursuant to section 119 of the *Act*, the report becomes the annexation application. If the MGB is satisfied that the affected municipalities and public are generally in agreement, the MGB notifies the parties of its findings and unless objections are filed by a specific date, the MGB makes its recommendation to the Minister without holding a public hearing. If an objection is filed, the MGB must conduct one or more public hearings. If the MGB is required to conduct a hearing, section 122(1) specifies the MGB must publish a notice of hearing at least once a week for two consecutive weeks in a newspaper or other publication circulating in the affected area, the second notice being not less than six days before the hearing.

[32] The MGB has the authority to investigate, analyze and make findings of fact about the annexation, including the probable effect on local authorities and on the residents of an area. If a public hearing is held, the MGB must allow any affected person to appear and make a submission. After reviewing the evidence and submissions from the parties, section 123 states the MGB “must prepare a written report of its findings and recommendations and send it to the Minister”. The Minister has the authority to accept in whole or in part or completely reject the findings and recommendations made by the MGB. The Minister may bring a recommendation forward for consideration to the Lieutenant Governor in Council (LGC). After considering the recommendation, the LGC may order the annexation.

### **PART III ANNEXATION PROCEEDINGS**

[33] Part III of this report outlines the MGB’s annexation proceedings. An overview of the process is followed by a summary of the oral and written submissions received by the MGB.

#### **Process Overview**

[34] On September 23, 2016, the MGB received a Notice of Intent to Annex (Notice) from the Town. The Notice identified that the proposed annexation would provide the Town with land for



future growth, specified the proposed annexation area, and outlined how the Town intended to consult with the public and affected landowners. The correspondence also identified that copies of the Notice were being sent to the County, the St. Mary River Irrigation District, the local school divisions, Alberta Health (South Zone), Alberta Transportation (South Region), the Lethbridge County Rural Water Association, and a number of utility companies operating in the area.

[35] Although the Town and the County support the proposed annexation, the application contained objections from affected landowners. In accordance with the Act, the MGB conducted a public hearing on June 22, 2017.

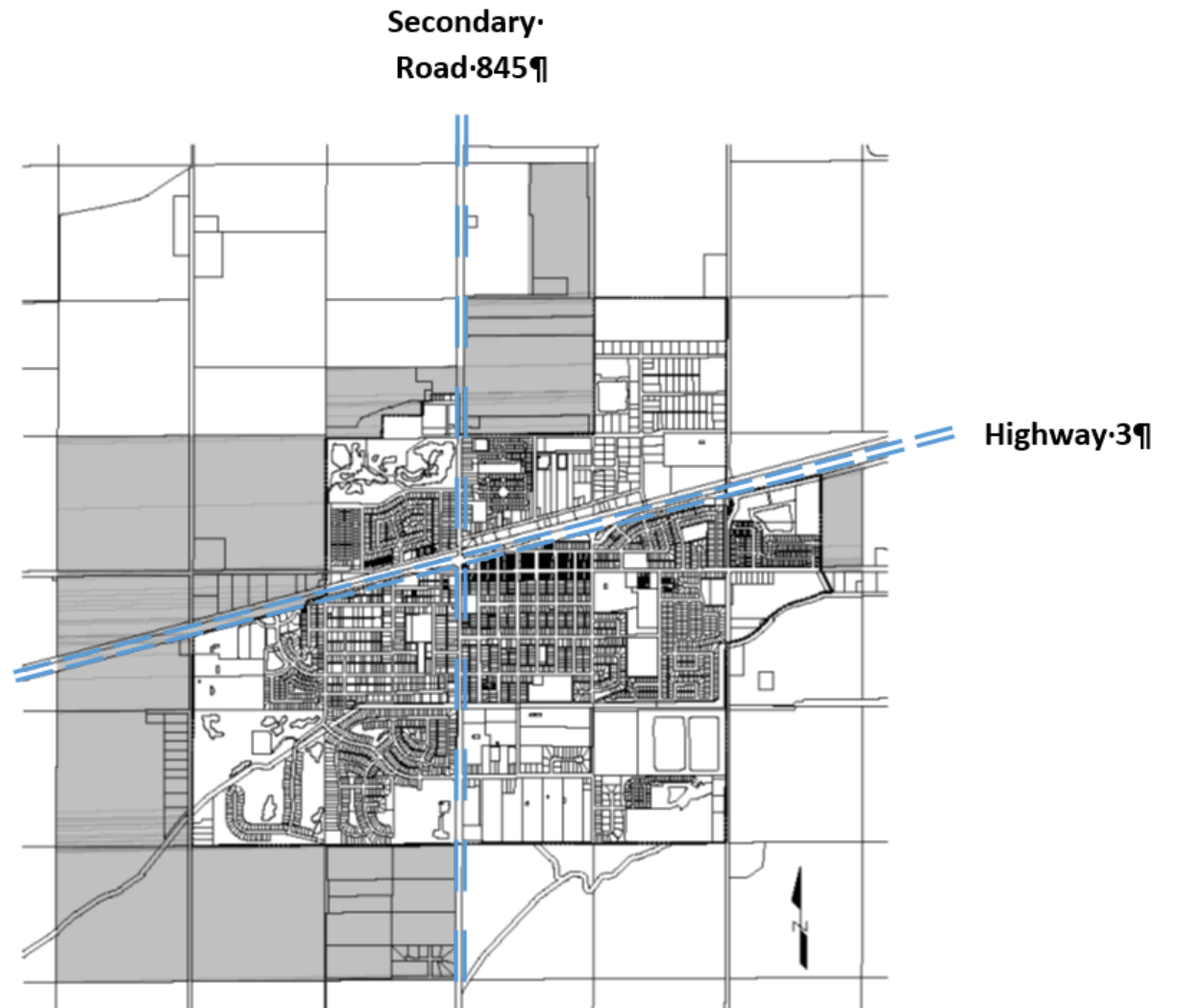
[36] The MGB published hearing notices in the local newspaper, the **Sunny South News**, during the weeks of May 29, June 5, June 12 and June 19, 2017. On May 24, 2017, the MGB also mailed hearing notification letters to all affected parties identified by the Town. Both the newspaper and letter notifications stated that written submissions from affected landowners or members of the public should be received by the MGB by 12:00 noon on Thursday, June 15, 2017.

### **Summary of Submissions**

[37] The MGB received oral and written submissions from the affected landowners, members of the public, the Town, and the County. A summary of positions identified by each of these parties is provided below.

### **Submissions by Affected Landowner/Public**

[38] The following section combines the written and oral submissions received by the MGB from affected landowners and the public. In order to simplify this report, the MGB has grouped the submissions in relation to their proximity to Highway 3 and Secondary Road 845 rather than referring to the area designations identified in the Town's annexation application. Submissions from other affected parties that could not be identified with a specific area have been summarized at the end of this section. Map 1 shows the location of Highway 3 and Secondary Road 845.



Map 3: Location of Highway 3 and Secondary Road 845

***North of Highway 3 and West of Secondary Road 845***

[39] A summary of the submissions from parties located north of Highway 3 and west of Secondary Road 845 (areas marked as E, S, C, B, K and T in the Town's annexation application) are provided below.

**S. Hodgson**

[40] S. Hodgson explained that he understood the need for the Town to expand, but objected to the Town's proposed annexation. He submitted that the lands in his area were not included as part of this application until late in the process, which limited the amount of dialogue between the Town and the impacted residents. There was also a lack of communications from the County and the Town regarding the details of the storm/flood water management for this area. Moreover, it was suggested the Town's consultation process was biased and that the Town ignored the wishes of the landowners.

[41] Mr. Hodgson argued that the land in his area offered no residential or commercial advantage as it is low lying and prone to flooding. The lands west of the Alberta Birds of Prey Centre and the fields north of his home flood every several years. These lands are part of the County stormwater planning area. Most of the flood waters originate from farm fields located in the County. Mr. Hodgson stated that the Town is importing a major part of the Rural stormwater infrastructure and that the annexation of these lands would be a financial burden for the Town.

[42] Mr. Hodgson emphasized there was little incentive for his property to be annexed to the Town, other than the 25-year assessment and taxation transition protection. Moreover, the Town has not provided any guarantees municipal services will be extended to his property.

**C. Weir – Alberta Birds of Prey Foundation**

[43] C. Weir is the Managing Director of the Alberta Birds of Prey Foundation. The Foundation's land in the northwest annexation area, adjacent to the Hodgson property. Mr. Weir stated that over the years the Foundation has worked with the Town and the County in terms of flood relief, tourism, and recreation and park projects. The Foundation envisions its property to be a critical part of the stormwater system for both the Town and the County.

[44] It was explained that the Foundation is in discussions with the two municipalities regarding wetland development lease renewals. The Foundation is also working with the Town and the County to secure funding for a multi-use flood mitigation project that will have long term benefits for the region. Mr. Weir indicated that his communications with the Town have been good and that the Foundation supports the town's annexation.

**L. Allen**

[45] L. Allen identified that she has lived in Coaldale for 40 years and stated the annexation of the land on the north side of Highway 3 and the CPR line was ill considered. The highway crossing was poorly designed and lack of pedestrian friendly walkways was a safety issue for years. The

Traffic Impact Assessment conducted by the Town did not consider Super-B trucks (a transport truck with two trailers linked together by a fifth wheel) and other large truck traffic that travelled through the Town. Ms. Allen emphasized that the increased population created by development in the north annexation area would create a greater strain on the existing Highway and railway crossings. She submitted it would be better for the Town to annex the lands to the south rather than expand to the north. She also suggested that it would be more appropriate for a campground to be developed in the area northwest of the existing Town boundary.

**H. Layton**

[46] H. Layton stated that she has lived in the northwest annexation area for over 20 years and was opposed to the annexation. The Town plans to increase the amount of residential development in this area. She expressed concern about the safety of children having to cross Highway 3 to get to school or other recreation activities.

**Other Affected Landowners in this Area**

[47] Mr. Mueller expressed concerns that the Town did not answer the questions that were brought forward during the public consultation process. He also requested compensation for damages from the drainage project that would be determined later. A letter from Dr. Meyer was contained in the Town's annexation application. Dr. Meyer provided no other written or oral submissions to the MGB during the proceedings. During the public hearing an oral submission in support of the proposed annexation was received from P. Bos.

**South of Highway 3 and West of Secondary Road 845**

[48] An overview of the submissions from parties located south of Highway 3 and west of Secondary Road 845 (areas marked as A, M, F, and O in the Town's annexation application) are provided below.

**Elk Creek Dairy Farm**

[49] A. Fritze made a presentation on behalf of the Elk Creek Dairy Farm (ECDF) in support of the proposed annexation. The ECDF is in the southwest annexation area and the annexation will allow the ECDF to relocate its operations further from the Town. Since the Town is downwind of the ECDF, relocating the dairy operation would mitigate any impacts a farming operation of this type could have on any existing or new development in the Town. Development on ECDF land may also enhance the Mallory Drain Implementation project as well as provide an opportunity for the Town to justify a pedestrian overpass and intersection upgrades that will reduce traffic congestion on 30<sup>th</sup> Street and Highway 3.

**G. Baker**

[50] Correspondence from G. Baker expressed concerns about the Malloy Drainage Basin. She identified that during the construction of the Mallory Drainage Basin project contaminants from the dairy farm and/or pollutants from years of farming operations may be discovered in the soil. She also was concerned about the costs associated with connecting to Town's water system and the possibility that this would eliminate their assessment and taxation protection.

**C. Finan**

[51] A letter from C. Finan expressed concerns about water and sewer services. Specifically, she was concerned with the costs associated with connecting to Town services if it was determined she had to abandon the use of her septic field and the possible loss of the assessment and taxation transition provision.

**J. and D. Nikkel**

[52] Correspondence from J. and D. Nikkel identified that they were opposed to the annexation of their quarter section of land. They suggested the Town undertake an infrastructure study to determine if the Town could handle the added influx of water.

**J. and W. Neufeld / Spruce Woods Country Estates Inc.**

[53] The property owned by J. and W. Neufeld and the Spruce Woods Country Estates Inc. (SWCEI) is in the southeast annexation area. Letters from J. and W. Neufeld and the SWCEI in the Town's annexation application confirmed that both these parties were opposed to the proposed annexation. The correspondence from both these parties stated the cost of the off-site levies associated with the installation of water and sewer services to their property was prohibitive and wanted assurance from the Town that it would adjust these levies. They also indicated their properties are located on the fringe of the annexation area and questioned how long it would take for the Town to extend to water and sewer lines to their land. In addition, they were concerned about the stormwater capability of the Town and wanted some commitment from the Town that it would honour the current development agreements with the County.

[54] During the June 22, 2017 hearing, Ms. Neufeld explained that she was representing both herself and her husband as well as the SWCEI. She explained that since filing their objections, they had met with the Town a number of times to discuss the proposed annexation. The Neufelds and the SWCEI believe they can move forward and enter into an agreement with the Town. Ms. Neufeld then submitted letters from the Town and e-mails from the two parties in support of the annexation.

**Other Affected Landowners in this Area**

[55] Prior to the public hearing the MGB received a signed consent form in support of the annexation from D. Perry. The MGB also received an oral presentation in support of the annexation from E. Blakie during the public hearing.

**North of Highway 3 and East of Secondary Road 845**

[56] A brief description of the submissions from parties located north of Highway 3 and east of Secondary Road 845 (areas marked as R and J in the Town's annexation application) are provided below.

**J. Vermeer**

[57] The correspondence from J. Vermeer requested additional information about the status of subdivisions and off-site levies.

**Other Affected Landowners in this Area**

[58] A large portion the land being proposed for annexation in this area is owned by the Town or the County. However, prior to the public hearing the MGB received a landowner consent form in support of the annexation from J. Overweg.

**South of Highway 3 and East of Secondary Road 845**

[59] Submissions from parties located south of Highway 3 and east of Secondary Road 845 (areas marked as D in the Town's annexation application) are provided below.

**1060687 Alberta Ltd.**

[60] Prior to the hearing the MGB received a signed consent form in support of the annexation from 1060687 Alberta Ltd.

**Douglas J. Bergen & Associates Ltd.**

[61] L. Kinisky made a presentation on behalf of Douglas J. Bergen & Associates Ltd. (Bergen & Associates), a design, planning and real estate development company located in the Coaldale area. It was explained that the company had approached the Town to request the inclusion of an extra two quarter sections of land adjacent to the south east annexation area as part of this application (marked as P and Q in the Town's annexation application). Ms. Kinisky reported that

the inclusion of these properties was logical in that they are closer to existing Town infrastructure than other lands in the annexation area. In particular, sanitary sewer services can easily be extended from the properties to the adjacent Town system. Ms. Kinisky also noted the properties are on the south side of the Town, so there is no need to cross Highway 3 or the CPR tracks. It was also suggested that the lands in the north annexation area could be removed in favour of including these properties.

### **Submissions from Other Affected Parties**

[62] The MGB received additional submissions regarding this annexation not specifically related to one of the area listed above. These included members of the public as well as Local Authorities, Utility Companies, and Provincial Departments.

[63] During the public hearing an oral submission in support of the proposed annexation was received from R. Van de Vendel.

[64] As part of its consultation process, the Town notified the St. Mary River Irrigation District (SMRID), ATCO Pipelines, Alberta Transportation, Canadian Pacific Railway, and FortisAlberta about the proposed annexation. Correspondence contained in the Town's application identifies these organizations do not object to the proposed annexation.

### **Submission by the Town**

[65] This section combines the written and oral submissions received from the Town in support of its annexation application. The following summarizes the Town's land requirements, the proposed annexation area, the provision of municipal services, compliance with existing municipal plans and bylaws, and the financial considerations.

### ***Land Requirements***

[66] The Town of Coaldale Growth Study 2015 (Growth Study) identifies that the Town has experienced an annual growth rate of 2.37% over the past 50 years. This growth rate has been fairly consistent even through periods of economic instability. For the period from 2001 to 2011, the Town has been one of the fastest growing communities in Southern Alberta. A cohort analysis of the Town's current population identifies that the Town has been able to attract a number of young families to the community. Therefore, the Growth Study forecasts the Town will grow at a rate of 2.5% per year and will have a population of 15,717 by 2041.

[67] The Growth Study identified that the Town has 800 vacant residential lots available and estimates this will provide the Town with a 6 to 10 years of residential development. The 2006

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and 2011 census found that the Town had a density level of 5.1 units per acre (12.6 units per hectare) net dwelling density, 2.7 people per household, and an average lot size of 5,500 square feet (511 square meters). An additional 35% of land is required for the Town to provide the roads, easements, reserves, and stormwater infrastructure needed for development. Based on this information, the Town contends it will need 601 gross acres (244 hectares) of land to accommodate a population of 15,717.

[68] The Town's commercial sector is somewhat limited due to its close proximity to the retail and service sectors in the nearby City of Lethbridge. Currently, the Town has 54 acres (22 hectares) of developed commercial land, which is 7.2 acres (3 hectares) of commercial property per 1,000 people. However, the Town is optimistic about future commercial development, as there has been a substantial amount over the past 4 years and it is still receiving inquiries about the availability of additional commercial land. The Town estimates that its 21 acres (8 hectares) of vacant commercial land will be developed within the next 2 to 3 years. The Town is hopeful its businesses will be able to serve a larger portion of Town residents, as well as the regional customers using the Highway 3 corridor. Using a ratio of 10 acres (4 hectares) per 1,000 people, the Growth Study predicts the Town will need 167 acres (68 hectares) of commercial land for its growth over the next 25 years.

[69] The amount of industrial development in the Town has increased considerably since 2000. Currently, the Town has 260 acres (105 hectares) of developed industrial land with another 87 acres (35 hectares) of vacant land zoned as industrial. Although the Town currently has a ratio of 34.5 acres (14 hectares) of industrial development per 1,000 people, the Growth Study suggests that 30.0 acres (12 hectares) per 1,000 people would be more realistic given the Town's close proximity to the City of Lethbridge and the competition in the region associated with attracting an industrial firm. Based on this lower ratio, the Town will need an additional 286 acres (116 hectares) by 2041.

[70] Public and institutional land uses include such things as schools, cemeteries, parks, and campgrounds. The Growth Study assumes the majority of land needed for this land use will be absorbed by the residential component; however, an additional 100 acres (40 hectares) has been included as a contingency. The Town hopes it will be able to use this land for the construction of an elementary school.

[71] Based on the population forecasts and land requirement calculations discussed above, the Growth Study concludes the Town will need 1,154 acres (467 hectares) of land to accommodate its residential, commercial, industrial, and institutional growth to 2041.



***Proposed Annexation Area***

[72] Although the Town has applied to annex 1,154 acres (467 hectares) from the County to accommodate growth for the next 25 years, the Growth Study actually considered the attributes and constraints of a much larger area (2,694 acres / 1,090 hectares) in order to determine the best way for the Town to grow. A brief overview of the annexation area requested by the Town is provided below.

[73] The annexation area north of Highway 3 and west of Secondary Road 845 will be used primarily for residential development, with some commercial and public use. The Town envisions the residential development in this area will create a complete community in which the majority of the residents are within 500 meters (5-minute walk) of complementary non-residential uses. The Town believes this will help it to justify the construction of an elementary school north of Highway 3. The Town may also consider a future satellite fire station in this area that will serve all the lands north of Highway 3. Future commercial development is planned adjacent to the north side of Highway 3. The commercial developers will benefit from being in a location that is highly visible to highway traffic. The public lands in this portion of the annexation area will be used for a constructed wetland (Mallory Drainage Basin) that will serve as a regional stormwater catchment area for the Town, the County, and the SMRID. The wetlands may also serve as a recreational destination for the Town. The Town acknowledges the intersection of Highway 3 and Secondary Road 845 is problematic due to the inability to alter the geometry of the intersection and the high volume of traffic. However, focusing growth in this area will allow for the development of an all-ways intersection at Highway 3 and 30<sup>th</sup> Street that will minimize the impact of future growth on the Highway 3.

[74] The majority of the annexation area south of Highway 3 and west of Secondary Road 845 will be designated as residential, with some commercial adjacent to the south side of Highway 3. This land is generally higher than the other areas around the Town, which will make the provision of wastewater services more efficient. Residential development is logical as it will be adjacent to existing residences in the Town. As with the annexation lands north of Highway 3 and west of Secondary Road 845, major drainage infrastructure upgrades are being planned for this area as part of the Malloy Drainage Basin. Recreation and functional pathways will connect residential development in this area to the existing areas of the Town in a way that will allow the integration of Low Impact Development stormwater principles. Commercial development being planned for the land south of Highway 3 will benefit from its visibility to the high volume of traffic travelling through the Town.

[75] The annexation area north of Highway 3 and east of Secondary Road 845 will provide land for industrial and commercial development. Locating future industrial development in this area is logical as it is immediately north of the Town's existing industrial development. It will also allow

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the Town to bring its wastewater treatment facility within its borders. Although somewhat constrained by the buffer zone caused by the wastewater treatment facility, a small commercial area is being planned to serve the adjacent industrial businesses and, to a lesser extent, the traffic traveling north on Secondary Road 845.

[76] The proposed annexation area south of Highway 3 and east of Secondary Road 845 contains a small amount of residential and commercial land. This area represents a logical extension of an existing subdivision. Municipal services can easily be extended to this area. The Growth Study considered three other areas for residential development in this area. However, all three are constrained to some extent by the SMRID canal; further, these lands were not included as they are essentially unfragmented parcels that are still in agricultural production. The Town and County were asked to consider the addition of two quarter sections adjacent to the Town's south boundary. The two municipalities received a brief from Bergen & Associates dated March 29, 2017 regarding this change, but declined the request as it was too late in the process.

***Municipal Servicing***

[77] The Town stated that it is able to provide water, wastewater, and stormwater services to the annexation area.

**Water**

[78] The Town obtains its water from the City of Lethbridge which is distributed by the Lethbridge Regional Water Services Commission by a pipe that aligns with Highway 3. The Town's current water consumption is 3,000m<sup>3</sup>. As its current allocation is 9,900m<sup>3</sup> per day, the Town is confident it has sufficient water for the 15,717 population forecasted by the Growth Study. The Town understands it will need to upgrade its potable water storage capacity for peak demands and fire flows. Upgrade options and phasing will need to be considered for future growth.

**Wastewater**

[79] The Town's wastewater treatment facility has sufficient capacity for the municipality's forecasted 25-year growth and the Growth Study identifies that upgrades were being done to the sewage lagoon cell interconnection piping. Additional major upgrades to the treatment facility are being planned for 2018 or 2019. Although there is some existing sewage line capacity, the Town will use a new mainline to serve the annexation area west of its current boundary. The required lift station for this new mainline will benefit the Town by providing the needed redundancy for the existing lift station. Wastewater service trunk lines can be extended to the east and south with gravity sewers. The Town and the City of Lethbridge have also signed a Memorandum of Agreement to investigate a regional sanitary line in the corridor between the two municipalities.

[80] Information provided by the Town indicates that landowners would be allowed to continue to use their existing sewage treatment and disposal systems.

**Stormwater**

[81] The Town identified that it has had difficulties dealing with stormwater in the past. The Town has been implementing changes to the existing stormwater facilities to enable zero release during major storm events, which includes modifications to the old raw water reservoirs to increase storage. Stormwater management is required to be integrated into each Area Structure Plan to address ongoing drainage concerns and to fully implement a zero-release system during significant rainfall events.

[82] A regional solution involving the Town, the County and the SMRID is also being implemented to address the stormwater issue in the annexation area. As identified earlier in this section, the Malloy Drainage Basin is a regional conveyance and catchment with facilities to be constructed in and around the Town. This project is designed to capture, clean, and release ground water run-off with the development of naturalized catchment and conveyance facilities. Stormwater management within the annexation area will be accommodated by a series of traditional piped systems and Low Impact Development tools and mechanisms. Constructed wetlands will assist with the cleaning and filtering of urban run-off, reducing the amount of suspended solids and pollution entering the SMRID irrigation system and Stafford Lake. A study commissioned by the Town suggests a major expansion is needed to the Birds of Prey stormwater storage capacity as part of this drainage management system. The Town's participation in the Malloy Drainage Basin project will also help it address inflow and infiltration issues related to sanitary infrastructure as well as allow the Town to add to the regional infrastructure as its population grows. A regional solution is seen as an efficient way to deal with stormwater in a way that will benefit all three parties.

**Transportation**

[83] The Town has commissioned a number of studies since 1998 to consider transportation issues around Highway 3 and Secondary Road 845 - in particular, the Highway 3 and Land O'Lakes Traffic Impact Assessment and the Solara Development Traffic Impact Assessment. The Growth Study identifies that the traffic access to the area north of Highway 3 and west of Secondary Road 845 has improved since the recent upgrades to the CPR Railway crossing. Subject to funding and a signalization warrant analysis, the intersection of 30<sup>th</sup> Avenue and Highway 3 could be considered for signalization. As many of the Town's residents are employed in Lethbridge, the Town contends that development on the west end of the community shortens their commute and reduces the amount of traffic on Highway 3 traveling through the municipality.

Moreover, the annexation will allow the Town to move forward on transportation improvements along the Secondary Road 845 corridor with an even broader perspective.

[84] In preparation for the annexation hearing, the Town retained Watt Consulting to assess the impact of the annexation on Highway 3. The Impact of Development – The West End of Town North of Highway 3 Network Study (Highway 3 Study) analyzed development in the west annexation area and its impact on the existing road network. The Highway 3 Study provides a number of recommendations that the Town can consider to alleviate traffic congestion on the major intersections that interconnect with Highway 3.

### ***Municipal Plans and Bylaws***

[85] The Town reported the proposed annexation area is consistent with the Town of Coaldale/Lethbridge County Intermunicipal Development Plan (IDP), the Town of Coaldale Municipal Development Plan (MDP), the Town of Coaldale Land Use Bylaw (LUB), and the South Saskatchewan Regional Plan (SSRP).

[86] The IDP was completed in 2010 and identifies the opportunities, constraints, shared interests, and competing factors for the fringe area around the Town. This document contains policies that focus on future expansion and specifies the process. In particular, it specifies the general and long term direction for the Town's growth, attempts to protect both municipalities against the possibility of conflicting land uses, requires the preparation and sharing of a Growth Plan prior to the Town applying for an annexation, and emphasizes the need for the municipalities to consult with affected landowners and the public. The policies within this document are used as a framework for decision making in the urban fringe.

[87] The MDP guides growth through a framework of goals and policies intended to assist decision makers and developers. Although it does not specify the area to be annexed, it does give general direction on how the extension of infrastructure is to be funded.

[88] The LUB regulates and controls development within the Town. Land use districts ensure the Town can accommodate a variety of dwelling types and densities. These districts also allow the efficient use of services and infrastructure. The LUB requires the Growth Study to identify the proposed use of the annexation lands, the servicing implications, and the financial impact to the municipalities.

[89] The SSRP identifies objections and strategies in order to ensure sustainable communities that meet the needs of current and future residents. In particular, it encourages intermunicipal planning and integration, an appropriate land use mix (agricultural, residential, commercial, industrial, and public land uses), and an innovative mix of housing types and densities.

[90] The Town identified that businesses in the annexation area will be required to obtain Town Business Licenses after the annexation. County issued Dog Licenses will be honoured until their expiration date. Coaldale Community Peace Officers will provide services to the newly annexed areas once the annexation is approved.

***Financial Considerations***

[91] The current primary land use in the annexation area is country residential or agriculture. There is no major industrial, commercial, or linear assessment in the annexation area that would generate any significant municipal tax revenue. Any municipal tax revenue loss for the County caused by the annexation will be offset by a reduction in its infrastructure and maintenance operating expenses.

[92] The Town's MDP identifies that any infrastructure required for future development should be paid by the developer. The Town is currently updating its Offsite Levy Bylaw to ensure the costs associated with servicing the annexation will be borne by the developers. The intent is that existing residents, businesses and organizations do not pay for new growth. The municipal taxes revenue by the annexation is minimal, accounting for about a 1% increase in revenue for the Town.

[93] The Annexation Agreement between the Town and the County identifies that the affected landowners are to be assessed and taxed as it they had remained in the County for 25 years. The assessment and taxation conditions are to be removed if the land is:

- subdivided at the request of or on the behalf of the landowner,
- redesignated by the Town at the request of or on the behalf of the landowner to a use that is different from the land use prior to the annexation, or
- connects to Town water or wastewater services.

[94] The assessment and taxation transition provisions are not to be removed if:

- One parcel of land is subdivided from an existing parcel of land where the existing parcel of land is larger than 10 acres (4.046 hectares) excluding lands taken for road widening on the parcel and including those existing parcels as described in Schedule B of the Annexation Agreement,
- The redesignation of the use of a parcel of land where such designation is requested by the Town
- The connection of a parcel of land to the Town's water or wastewater line where such parcel was immediately adjacent to the water or wastewater line prior to the annexation, and such structures connecting to the water or wastewater line on or before the approval of the annexation and are 100 meters or less from the

wastewater service line including those parcels described in Schedule C of the Annexation Agreement.

[95] The Annexation Agreement also identifies the Town is to compensate the County for lost municipal tax revenue. Subsequent to the proceedings the County advised the MGB that the municipal tax revenue generated by the annexation area in 2017 was \$101,306.99. Annual compensation is calculated as the amount of municipal revenue for the land in the annexation area. Total compensation is three years of annual compensation. The Town is to pay the compensation amount to the County 180 days after approval of the annexation.

[96] Revenue sharing was not contemplated by the two municipalities as part of this annexation. However, the IDP does allow the municipalities to revisit this decision in the future should the situation arise.

[97] The Town requested an effective date of January 1, 2018 for the annexation.

### ***Consultation Process***

[98] Considerable effort was taken to ensure all parties within the IDP area were aware of the Town's annexation proposal. The consultation process started in March 2016 with an information brochure sent to all County residents in the IDP area and information placed on the Town's social media and website. A survey was conducted in April 2016 and an additional information brochure was sent to all affected landowners in September 2016. Affected landowner meetings and a community open house was held in November 2016. Additional information brochures were sent to affected landowners and the landowners in the IDP area in February 2017, and a second affected landowner meeting was held on April 13, 2017. The table provided in the application shows the Town's website and social media information was updated at least three times during the consultation process, after each significant event. The Town also conducted a number of one-on-one meetings with affected landowners.

[99] In response to feedback from the County, the Town altered the original annexation area. The County requested lands in the area north of Highway 3 and east of Secondary Road 845 be removed from the proposed annexation area in order to preserve high quality irrigated farmland. The County considers the preservation of agricultural land to be a priority. The municipalities agreed to replace this area with land north of Highway 3 and west of Secondary Road 845. The Town contacted the affected landowners impacted by this change and met with the landowners that were included a number of times in an attempt to resolve their concerns.

[100] During the consultation process, a developer requested lands south of Highway 3 and east of Secondary Road 845 not part of the IDP area be included as part of this annexation. In response,

a Town IDP member met with the developer to hear his request. Town and County Councils also agreed to allow the developer to make a presentation to the Joint IDP Committee. Correspondence from the Town and the County in the annexation application to the developer explains that the Committee was not prepared to include the additional land as the lands proposed had already been discussed and agreed upon by the two municipalities. The application also identifies that the two municipalities did not grant the request in order to preserve agricultural land still in production, which is a major consideration of the County.

**Submissions by the County**

[101] During the public hearing the County confirmed that it supported the Town's annexation application and that the two municipalities were able to negotiate an Annexation Agreement. The County understands the Town needs to grow, and is satisfied the Growth Study commissioned by the Town balances the needs and concerns of both municipalities. One of the County's goals is to preserve and enhance agricultural land. The annexation area will minimize fragmentation of farm land, while allowing existing agricultural operations to remain in production. The lands that were removed and added from the annexation area are consistent with the agriculture land preservation goal and were negotiated in good faith by the two municipalities. The County considers the consultation process undertaken by the Town to have been open and inclusive. The MGB was also informed that the County looked forward to working with the Town and the SMRID on the Malloy Drainage Basin Project.

**PART IV MGB RECOMMENDATION**

[102] The MGB recommends the annexation area, assessment and taxation provisions as requested by the Town. The MGB also recommends the effective date of the annexation be changed from January 1, 2018 to April 1, 2018.

**PART V REASONS**

[103] When making an annexation recommendation the MGB considers the issues identified by the parties as well as the annexation principles summarized by MGB Board Order 123/06. To reduce repetition, these principles have been addressed under the following broad headings: the consultation process, planning related issues, the conditions of the annexation, and transitional matters. Each of these issues are discussed below.

**Collaboration and Consultation Process**

[104] The MGB finds the collaboration and consultation process undertaken by the Town was reasonable.

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[105] The Town was able to demonstrate a significant level of intermunicipal cooperation and regional collaboration during the annexation process. The Town and the County have entered into an IDP. It is clear that the Growth Study required by the IDP served as the framework for the intermunicipal negotiations between the two municipalities as they were able to negotiate an Annexation Agreement. The removal of the agricultural land in the area north of Highway 3 and east of Secondary Road 845 demonstrates the Town's desire to comply with the County's goal of preserving agricultural land. The ability of the two municipalities to negotiate the addition of the lands to the north of Highway 3 and west of Secondary Road 845 shows the County's willingness to ensure the Town has enough land for 25 years of growth. The Town also demonstrated intermunicipal cooperation in that it has been able to secure potable water from the City of Lethbridge and these two municipalities are investigating a regional wastewater system. The collaboration by the Town, the County, and the SMRID for the Malloy Drainage Basin project shows the planning and work already being done by these three organizations to resolve the regional drainage issue and demonstrates the effective use of local authority resources.

[106] The number of communication vehicles employed by the Town shows a clear attempt to be inclusive and open during the annexation consultation process. The Town's social media and website information allowed people to continuously obtain updated information about the annexation. The Town distributed a number of updates to the annexation information brochures in an attempt to reach people that may not wish to use electronic communications methods. A community meeting, landowner meeting, and one-on-one discussions with landowners provided opportunities for face to face interactions between Town staff and interested parties.

[107] A landowner in the annexation area north of Highway 3 and west of Secondary Road 845 expressed concern about not being informed about the annexation of his property until late in the consultation process. He also argued the Town did not listen to the landowners. During its submission, the Town identified that the land in this area was not included as part of the annexation until part way through the negotiations between the Town and the County. It is unfortunate changes to the annexation area were not identified until later in the annexation process. However, the Town did contact the affected landowners that were included in the annexation as well as those that were removed from the annexation area as soon as possible and made the effort to meet with the landowners and to answer questions. The inability of the two parties to come to an agreement does not necessarily mean that the parties were not listening or trying to resolve a difference of opinion. Moreover, the MGB accepts the alteration in the process did not significantly affect the quality of the consultation for the affected landowners.

[108] Given the range of communication vehicles used by the Town and the efforts made by the Town to keep affected landowners informed about the progress of the negotiations between the two municipalities, the MGB finds the consultation process used by the Town was reasonable.



**Planning**

[109] The MGB accepts the Town has addressed the land use planning issues related to this annexation. The MGB considered the compliance with statutory plans, land requirements, annexation area, and municipal servicing.

**Statutory Plan Compliance**

[110] This annexation is supported by the Town's statutory planning documents. The Town prepared a Growth Study and the two municipalities were able to reach an Annexation Agreement as directed by the IDP. The annexation area accepted by the two municipalities is also within the growth area identified by the IDP. Although the MDP does not contemplate the Town's future growth area, it does identify that off-site levies will be used to fund the costs associated with the extension of infrastructure required for development in the annexation area. Both the LUB and the MDP were used by the Growth Study to suggest complementary land uses in the annexation area. The IDP and the Growth Study demonstrate the intermunicipal cooperation and housing mix strategies contemplated by the SSRP.

[111] The MGB also notes that section 135(1)(d) of the *Act* identifies that all bylaws and resolutions of the County that apply specifically to the annexation area continue to apply until repealed by Town. The consultation process required by the Act for changes to an IDP, MDP, or LUB would give landowners and the public an opportunity to express their opinions about changes to these statutory planning documents.

**Land Requirements**

[112] The Growth Study forecast that the Town will reach a population of 15,717 by 2041 is reasonable. The 25-year time horizon is not as long as annexation requests made by other Alberta municipalities. However, the Town and the County have a long history of being able to cooperate and collaborate in a positive way that benefits both municipalities. There is no evidence to conclude a longer time horizon is needed to mitigate the cost of a long and costly annexation caused by an objection from one of the municipalities in the region. The shorter annexation time horizon also tends to make the populations forecasts more reliable, as there should be fewer unforeseen variables to influence the forecast. The 2.5% annual growth rate used by the population forecast is realistic as it is slightly higher than the 2.37% actually experienced by the Town over the past 50 years. The additional 0.13% is acceptable given the higher than normal annual growth experienced by the Town over the past 10 years and the fact the Town is attempting to increase commercial and industrial employment opportunities.

[113] The 5.1 units per acre (12.6 units per hectare) net residential density used by Growth Study is consistent with existing Town development. Higher density levels could have been considered to reduce the Town's urban footprint. However, the Growth Study uses an average household size of 2.7 people per housing unit, which has been consistent for the last 10 years and reflects to some degree the number of young families in the Town. Over time, the make-up of these families should change as children grow older and move away from home. This may result in a reduction in the average household size, which could cause an increase in demand for smaller residential units and, in effect, increase future density levels. The Town currently has available 800 vacant residential lots and the existing average lot size is 5,500 net square feet (511 square meters). Using a gross-up factor of 35% it is reasonable to accept the Town will need 26.2 million square feet or 602 acres (244 hectares) of land for residential development.

[114] The amount of commercial, industrial and public land being requested by the Town is reasonable. It is not uncommon for a municipality to calculate its commercial and industrial land requirements based on some population ratio. The Town is attempting to increase the amount of commercial assessment, so the 167 acres (68 hectares) requested by the Town uses a ratio of 10 acres (4 hectares) per 1,000 residents rather than the existing 7.2 acres (3 hectares) per 1,000 people. The 286 acres (116 hectares) of industrial land is based on the Town's existing ratio of 30.0 acres (12 hectares) of industrial land per 1,000 residents. Given the desire of the Town to work with the local school boards to locate an elementary school in the area north of Highway 3, an additional 100 acres (40 hectares) for public use is acceptable.

[115] Although the Town will need 1,154 acres (467 hectares) of developable land, the MGB accepts development constraints such as flood plains, existing development, and other issues do exist. The MGB understands the additional 267 acres (108 hectares) in the annexation area is undevelopable land.

### **Annexation Area**

[116] Having identified the amount of land required for the Town's 25-year growth, the MGB can now consider the proposed annexation area. The MGB accepts the annexation area requested by the Town.

[117] Despite the objections from a number of landowners, the MGB finds the annexation area north of Highway 3 and west of Secondary Road 845 to be reasonable. The lands adjacent to Highway 3 and west of the country residential subdivisions can be used to attract commercial development, which will assist the Town to increase its non-residential assessment. Increasing the amount of non-residential assessment in this area can help the Town maintain its existing tax rate and contribute to the future viability of the municipality. As the Town's existing water and wastewater infrastructure lines are east of the Country Residential properties located adjacent to

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Highway 3, municipal services can efficiently be extended from the Town. The Town understands it will have to address traffic issues on Highway 3 and has been proactive by commissioning two previous studies as well as the Highway 3 Traffic Study to analyze how the annexation will impact traffic on this major road. The Town will have to work with Alberta Transportation, the Royal Canadian Mounted Police, developers, and the public to address possible safety concerns for the traveling public and pedestrian traffic as this area begins to build out. As residential development in this area increases, the construction of an elementary school could reduce the amount of pedestrian traffic crossing Highway 3, which may further reduce congestion on the intersections of this major thoroughfare. The wastewater line the Town is planning on building is expected to traverse this area and will provide options in the future. The MGB understands there are some major stormwater management issues in this area, but accepts this concern will exist regardless of which municipality the land is located. The MGB accepts this matter is being addressed at the regional level through the Malloy Drainage Basin project being undertaken by the Town, the County and the SMRID.

[118] The MGB finds it reasonable for the Town to annex the lands south of Highway 3 and west of Secondary Road 845. Again, the land adjacent to Highway 3 can be used for commercial development, which can assist the Town to achieve its goal of increasing the amount of non-residential assessment. Residential development in the rest of this area is logical as it is adjacent to the existing Town area. Concerns about the possibility of contaminants caused by the Malloy Drainage Basin are beyond the scope of an annexation. Water quality concerns will be addressed by the Town, County, and SMRID, who will need to comply with Provincial standards set by Environment and Parks.

[119] It is logical for the lands north of Highway 3 and east of Secondary Road 845 to be included as part of this annexation. The annexation of this area will allow the Town to bring its wastewater treatment facility within its boundary. Constraints resulting from the buffer zones around wastewater facility and the former land fill limit development options somewhat. Zoning this area as industrial is sensible this would essentially be an extension of the Town's existing industrial area.

[120] The annexation area requested by the Town lying south of Highway 3 and east of Secondary Road 845 is also reasonable. The area requested is a natural extension of an existing Town development. Transportation services can be integrated with the Town's; similarly, water, and wastewater can easily be extended from the Town's distribution lines.

[121] During the hearing Bergen & Associates requested the inclusion of an extra two quarter sections of land adjacent to the south of the Town as part of this annexation. The Town effectively completed its public consultation on April 13, 2017 after its final meeting with the affected landowners. The presentation made by Bergen & Associates to the two municipalities was dated

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April 29, 2017. Given the emphasis placed on public and affected landowner consultation by the annexation sections of the Act and the efforts of the Town to continually update the parties, it is understandable the two municipalities did not want to accept a delay and the additional expense associated with reopening the consultation process at that point. As the request from Bergen & Associates came so late in the process, the MGB does not agree with the request to include the additional lands.

### **Municipal Servicing**

[122] The MGB accepts the Town can extend the required water, wastewater, drainage, and transportation services to the annexation area.

[123] The Town has secured a water allocation of 9,900m<sup>3</sup> per day from the Lethbridge Regional Water Services Commission. Currently, the Town has a population of 8,216 people and uses 3,000m<sup>3</sup> per day. Given the Town is forecasted to have a population of 15,717, less than double the existing population, it is reasonable to accept water consumption per day will not increase more than 200% over the next 25 years. Even if the Town is able to attract a water intensive commercial or industrial venture, it is unlikely the Town will exceed its water allocation. Therefore, the MGB accepts the Town will be able to provide water services to the annexation area.

[124] Although some upgrades to the wastewater treatment facility are being planned by the Town in the near future, the MGB accepts the Town can extend existing lines to the annexation area and that the existing wastewater treatment facility has sufficient capacity to support the 15,717 population forecasted for 2041. The construction of a second main line through the west annexation area will provide the redundancy needed to continue services should there ever be a major failure of the existing main wastewater trunk line. The MGB accepts the Town's assertion that landowners in the annexation area will be able to continue to use their existing wastewater systems.

[125] The MGB understands stormwater management is a major issue for this annexation as a number of landowners in the annexation area north of Highway 3 and west of Secondary Road 845 identified that their land flooded periodically. However, the Town, the County, and the SMRID are working together on the Malloy Drainage Basin project to resolve this matter at the regional level. The MGB accepts that regional stormwater conveyance and catchment infrastructure will be constructed in and around the Town. This approach is reasonable given the groundwater that flows through the Town is generated throughout the region. The Town is also implementing changes to its existing stormwater system to facilitate zero release during major storm events and will require ASPs for future development in the Town to address drainage issues. The MGB finds the Malloy Drainage Basin project combined with the ASP requirements will alleviate some of the flooding issues.

[126] As the population increases, congestion issues caused by people traveling through the municipality on Highway 3 as well as those commuting from area to area on the roads within the community will cause challenges for the Town. The Town has demonstrated that it is aware of this challenge by having commissioned a number of studies to address traffic congestion issues caused by Highway 3 and the CPR railway as well as the Secondary Road 845 corridor. The MGB accepts the Town will continue to study this matter and work with Alberta Transportation, the Royal Canadian Mounted Police, community groups and other interested parties to explore solutions to these traffic issues as development happens in each of the annexation areas. Moreover, the Town may be able to use offsite levies to pay for required traffic signals and turning lanes on major roads.

### **Financial Matters**

[127] Financial matters include assessment and taxation transition provisions, effective date, and intermunicipal compensation.

### **Assessment and Taxation Transition Provisions**

[128] The municipalities agreed the properties in the annexation area would be assessed and taxed as they were in the County for 25 years. The MGB notes that annexations with a 25-year time horizon are generally granted a 5 to 15-year assessment and taxation transition period. MGB Annexation Bulletin No. 1-2005 states that “timelines greater than 15 years would require significant rationale”. In this case, the MGB will accept the 25-year transition period as this is part of the Annexation Agreement reached by the two municipalities. Moreover, the MGB did not receive evidence to conclude these conditions would financially impact the Town or adversely affect the taxes of the existing residents.

[129] The MGB recommends:

- (1) the assessment and taxation conditions are to be removed if a portion of the annexed land
  - becomes a new parcel of land created by any method at the request of or on the behalf of the landowner, including but not limited to subdivision, separation of title by registered plan of subdivision, or instrument,
  - is redesignated, at the request of or on the behalf of the landowner, under the Town of Coaldale Land Use Bylaw to another designation,
  - is connected, at the request of or on the behalf of the landowner to water or wastewater services provided by the Town of Coaldale.

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(2) the assessment and taxation transition conditions are not to be removed if

- one parcel of land is subdivided from an existing parcel of land that is larger than 10 acres (4.046 hectares) excluding roads taken for road widening,
- the redesignation of the use of a parcel of land where such designation is requested by the Town, and
- the connection of a parcel of land to water or wastewater services provided by the Town of Coaldale where said parcel was immediately adjacent to an existing water or wastewater line and the structure existing at the time of the annexation is no more than 100 meters from the water or wastewater line.

[130] The County did not comment on whether the conditions in Clause (2) will provide the landowners in the annexation area a competitive advantage over similar properties outside the annexation area. Similarly, the Town did not provide any information about whether the resulting density increase caused by the permitted subdivisions will increase Town expenditures. Clause (2), above, was part of the agreement reached by the two municipalities. The MGB must accept these issues were discussed in detail by the Town and the County during their negotiations and do not effect the local authority of either municipality.

**Effective Date**

[131] The Town requested the annexation effective date be January 1, 2018. However, to ensure a smooth transition for the landowners and to allow time for the municipalities to exchange documents, the MGB is recommending the effective date be April 1, 2018.

**Intermunicipal Compensation**

[132] The MGB accepts the compensation agreement between the two municipalities. In accordance with the Annexation Agreement, the MGB is recommending the Town compensate the County for lost municipal revenue as follows:

- (a) one hundred and one thousand three hundred and seven (\$101,307.00) on or before September 30, 2018,
- (b) one hundred and one thousand three hundred and seven (\$101,307.00) on or before September 30, 2019, and
- (c) one hundred and one thousand three hundred and seven (\$101,307.00) on or before September 30, 2020.

**CONCLUSION**

[133] The MGB finds that the proposed annexation complies with the Act and addresses the appropriate annexation principles. The MGB finds the conditions of annexations as recommended to be certain, unambiguous, enforceable and time specific. Furthermore, the proactive intent of the annexation and the amount of land agreed to by the municipalities is reasonable. The MGB notes that the affected landowners' concerns have been given proper consideration throughout the annexation process. Therefore, the MGB recommends the annexation.