

March 5, 2013

Brian Bowles
County Manager
County of Leduc
1101 – 5th Street
Nisku, AB T9E 2X3

Marc Landry
Chief Administrative Officer
Town of Beaumont
5600-49 Street
Beaumont, AB T4X 1A1

Dear Sirs:

RE: Formal Notice of The City of Edmonton Annexation Application

On 2013 March 5, Edmonton City Council authorized the City's Administration to proceed with a notice of annexation.

The purpose of this letter is to fulfil the requirements of Section 116 of the *Municipal Government Act* ("MGA") and to initiate an annexation application for the areas on the attached map. By copy of this letter, all affected authorities as required by Section 116 of the MGA have been notified.

NOTIFICATION

This notification is being sent to the County of Leduc and the Town of Beaumont (the municipal authorities from which the land is to be annexed), to the Municipal Government Board, the Capital Region Board and all relevant local authorities as defined in the Interpretation Section of the MGA under Section 1(1)(m) which includes the following:

- Strathcona County
- Edmonton Public School Board
- Edmonton Catholic School District
- Black Gold Regional School Board
- St. Thomas Aquinas Roman Catholic School Board

- Alberta Health Services Board
- Capital Region Southwest Water Services Commission
- Alberta Capital Region Wastewater Commission

DESCRIPTION OF LANDS TO BE ANNEXED

Appendix 1 contains a map and a description of the lands that are the subject of this proposed annexation. The City of Edmonton seeks to annex those lands outlined in blue on the map.

REASONS FOR THE PROPOSED ANNEXATION

Appendix 2 contains a summary of the reasons for the proposed annexation. A complete justification for the annexation will be provided as part of the report required under sections 118 and 119 of the MGA.

PROPOSALS FOR CONSULTING WITH THE PUBLIC AND LANDOWNERS

Appendix 3 contains the proposed public consultation program.

AUTHORIZATION

Appendix 4 includes a copy of the City Council decision with respect to this notice, which authorizes the City's Administration to proceed with the notice of annexation.

NEGOTIATION / MEDIATION COMMITTEE

In order to address the requirements of Section 117 of the MGA, members of a negotiation / mediation committee (political and administrative) will be appointed by City Council.

ADDITIONAL NOTICE TO THE MUNICIPAL GOVERNMENT BOARD

Appendix 5 contains an expanded list of authorities that may be affected by the proposed annexation. These additional authorities have not been copied on this letter but are listed as required by Section 6.1 of the Municipal Government Board's Annexation Procedure Rules (effective January 1, 2013).

Should you have any further questions with respect to the proposed annexation, please contact Peter Ohm at 780-496-6215 or peter.ohm@edmonton.ca.

Yours truly,

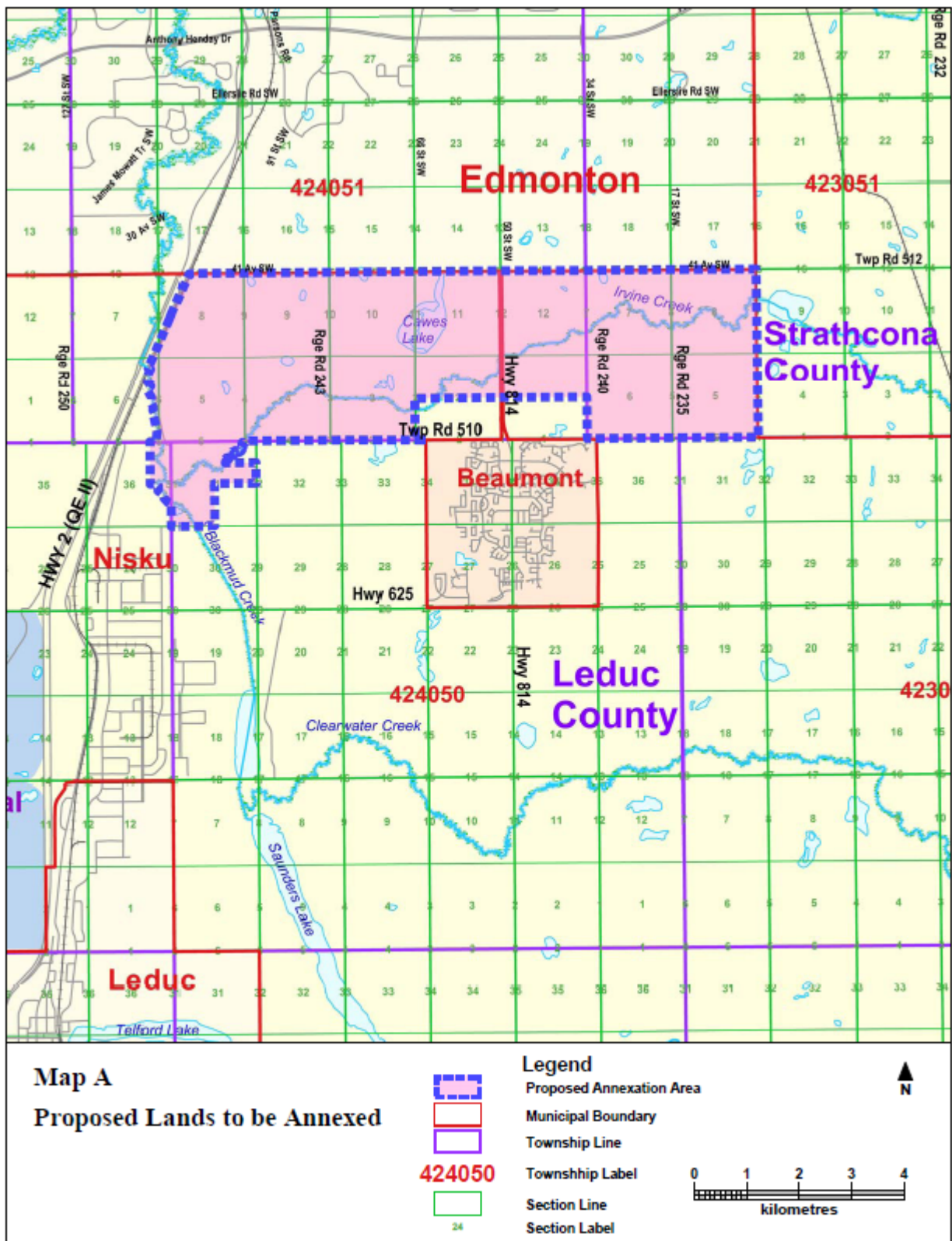
S.C. Farbrother, MCIP, RPP, MA
City Manager

SF/jj

Enclosures

c: Ken Lesniak, Chairman/Executive Officer, Municipal Government Board
Doug Lagore, Chief Executive Officer, Capital Region Board
Tony Kulbisky, Chief Administrative Officer, Town of Devon
Paul Benedetto, City Manager, City of Leduc
Pat Vincent, Chief Administrative Officer, Parkland County
Edgar Schmidt, Superintendent of Schools, Edmonton Public School Board
Joan Carr, Superintendent, Edmonton Catholic School District
Dr. Norman Yanitski, Superintendent, Black Gold Regional Schools
Jamie McNamara, Superintendent, St. Thomas Aquinas Roman Catholic School
Division
Stephen H. Lockwood, Q.C., Board Chair, Alberta Health Services Board
Tom Hutchison, Board Chair, Alberta Capital Region Wastewater Commission
Don Bartlett, Chairman, Capital Region Southwest Water Services Commission

APPENDIX 1
DESCRIPTION OF LANDS TO BE ANNEXED



DESCRIPTION OF LANDS TO BE ANNEXED

The lands proposed for annexation to the City of Edmonton are described on the attached map forming part of Appendix 1, including all titles and road plans that lie within listed Sections unless otherwise stated, and are described as follows:

LANDS WITHIN LEDUC COUNTY:

Township 51, Range 24, West of the 4th Meridian:

Sections 3, 4, 5, 9, 10, 11, 12, and the north half of Sections 1, 2, and all of those portions of Section 8 east of the eastern boundary of Queen Elizabeth II Highway (Highway 2) right-of-way, and all of those portions of the east half of Section 6 described as follows: all titles in Plan 032 4910; Lot R, Plan 1837 RS; Block R, Plan 752 1326; and all of those portions of Plan 4630 CL and Plan C&E1 lying north of the south bank of Blackmud Creek.

Township 51, Range 23, West of the 4th Meridian:

Sections 5, 6, 7, 8.

Township 50, Range 25, West of the 4th Meridian:

All of those portions Section 36 described as follows: east half of the NE Quarter, and Lot 1 and Lot 1R of Plan 5784 RS within the SE quarter.

Township 50, Range 24, West of the 4th Meridian:

West half of Section 31, and all of those titles within the NE Quarter of Section 31 described as follows: Lot C, Plan 1740 NY; Lot 1 Plan 902 2899; Lot 5 and Lot 6, Block 1, Plan 062 2076; Lots 7MR and Lots 8ER, Plan 062 2076; and Lot 4ER, Plan 932 0163.

LANDS WITHIN TOWN OF BEAUMONT:

Highway 814

All of those portions within the roadway right-of-way from the south boundary of the City of Edmonton at 41 Avenue SW to the south boundary of the north half of Sections 1 and 2, Township 51, Range 24, West of the 4th Meridian.

APPENDIX 2

ANNEXATION JUSTIFICATION

The Municipal Government Act in Section 116 (2) (b) requires, as part of a written notice of a proposed annexation, that the notice “set out the reasons for the proposed annexation”. The following is an **overview** of the context and major reasons why the City of Edmonton is pursuing annexation of the lands identified on the map of proposed annexation areas. Further and more detailed annexation justification will be provided as part of the report to be prepared describing the results of the annexation negotiation / mediation, and public consultation processes.

The annexation justification is based on three categories of land supply need: provision of an adequate land supply for an orderly long term growth, strategic and policy based needs and interests, and regional planning and growth coordination.

1. Provision of an adequate land supply for orderly long term growth

At a high level, annexation of this area is required to provide Edmonton with an appropriate long term supply of developable land. This will enable Edmonton to continue as a strong central city, which is beneficial to the region as a whole.

The land within the annexation area is needed so that Edmonton can support and manage growth. Growth in Edmonton varies by sector, with the southeast being one of the more robust sectors accounting for 27% of Edmonton’s development of single family dwellings. Based on 2010-2011 data, the southeast sector has on average issued building permits for 1,100 dwelling units annually for all types of structures. Based on current absorption rates, there is approximately a 25-year supply of residential development south to the city limits at 41 Avenue SW. Maintaining a contiguous supply of residential lands in this growth corridor is a logical and rational extension of development trends and demand for the southeast growth corridor. It is estimated that lands deemed suitable for residential uses between 41 Avenue SW and Township Road 510 will be fully planned and substantially developed within 35 years.

Edmonton was second in population growth among census metropolitan areas in Canada at 12.1% from 2006 to 2011; Calgary was first at 12.6%. The City of Edmonton is expected to continue growing at a robust pace, projecting to increase its population from 817,000 in 2012 to 1.4 million over the next 35 years, with much of this growth occurring in suburban areas. Growth outside of Edmonton’s city limits has been happening at a faster pace than within Edmonton over the last 30 years (since the last annexation), and thus reducing Edmonton’s population share within the Capital Region from 75% to 70%. This diffusion of population is counter-productive to a strong central city which ultimately limits the success of the region as a whole.

Sustainable growth requires a mix of residential, commercial and industrial lands to ensure complete and strong communities and to provide a sufficient source of tax revenue to support this model. The land supply of business employment lands in the south part of Edmonton is quickly diminishing, with approximately a 10-year supply remaining. The area east of the Queen Elizabeth II Highway and south of 41 Avenue SW offers a logical extension of industrial activity already developing, such as Ellerslie Industrial.

The City of Edmonton recognizes that the Town of Beaumont also has a need for long term growth. To this end, this annexation proposal has respected the desire of Beaumont to expand into the southern half of Sections 1 and 2, Township 51, Range 24.

2. Strategic and policy based needs and interest of the City of Edmonton

Annexation of these lands is required so that the strategic and policy based needs and interests of the City of Edmonton are maintained and achieved.

The City of Edmonton has been developing a series of strategic plans to ensure an integrated and holistic approach toward building a strong central city. The City of Edmonton plans for urban growth in ways that ensure that new development is economically, environmentally and socially sustainable. New development takes place as infill redevelopment and through developing new neighbourhoods as complete communities. Edmonton does not support urban sprawl developments, such as country residential, as it compromises the opportunity for efficient future urban growth.

The Municipal Development Plan, *The Way We Grow* was passed by City Council in 2010. This is the guiding document that directs Edmonton's growth and development for the next 30 years, and includes the following policy and objective themes that accommodate growth from both within and outside the city limits:

- Achieve a balance between residential, industrial, commercial institutional, natural and recreational land in the city through land development policies and decisions (MDP Policy 3.2.1.3).
- Ensure there is a sufficient land available to sustain economic opportunities (MDP Policy 3.2.1.2).
- Ensure a combination of single family and multi-family housing development potential is available for the next 30 years, and planning for growth in a way that meets or exceeds the Capital Region Plan's density target (MDP Policy 3.2.1.1 and MDP Objective 8.1.7).
- Plan for growth and major infrastructure and service provision with our intermunicipal and regional planning partners, within the framework of the Capital Region Growth Plan (MDP Objective 8.1.6).

- Plan for growth in the Capital Region based on an integrated and effective transportation system and an integrated approach to land use planning (MDP Objective 8.1.1).

Besides *The Way We Grow*, the City's other strategic plans also provide direction towards building a strong central city. These include:

- *The Way We Move*: contains policies that integrates the transportation network with surrounding land uses, provide a range of transportation choices, and work with our regional partners to facilitate expansion of the transportation system where it crosses municipal boundaries.
- *The Way We Green*: contains policies to ensure the protection and sustainability of key ecological features and networks within Edmonton and across jurisdictions.
- *The Way We Live*: provides direction ensuring that Edmonton maintains a high standard of quality of life.
- *The Way We Prosper* and *The Way We Finance* have not yet been approved by City Council. *The Way We Prosper* is proposed to provide a policy and strategic framework to ensure that Edmonton can continue to grow as a prosperous, competitive world city. *The Way We Finance* is proposed to provide a policy and strategic framework for City Council and Administration, addressing Edmonton's financial sustainability and development of a long-range financial plan.

The City of Edmonton is proposing annexation to meet both future residential and industrial/commercial needs and to achieve a balance of housing and employment by location. It is expected that lands immediately south of 41 Avenue SW to approximately Township Road 510 will provide significant residential opportunities with some commercial and business industrial development thus providing a healthy mix of uses. In addition, it provides the City increased jurisdiction and environmental stewardship over the lands within and immediately surrounding Blackmud and Irvine Creeks. Those creeks will also provide key stormwater management for future development within the application area and for lands north of 41 Avenue SW in the South East Urban Growth Area.

3. Regional Planning and Growth Coordination

A long term supply of land for the growth and development of the south east sector is being sought due to the high development pressures within the southeast sector of Edmonton, along with increasing development pressures and fragmentation along the border areas of Leduc County. Furthermore, many of the constraints and impacts associated with a growing regional form, and concerns with the long term protection of

established growth corridors are eliminated through the City of Edmonton annexing the subject lands.

To minimize the regional footprint, the Capital Region Growth Plan concentrates new urban growth to six Priority Growth Areas (PGAs). The southeast portion of Edmonton shares PGA Ce with Leduc County and the Town of Beaumont and has a density target of 25-35 dwelling units per net residential hectare. This annexation proposal is encompassed within that priority growth area. Through land use policies and guidelines, suburban neighbourhoods in Edmonton's southeast sector already achieve the density targets. Edmonton has the resources, capacity and experience to facilitate the robust rate of development with municipal services to an urban standard, as currently being experienced in Edmonton, and is expected to continue south of 41 Avenue SW. Future development south of 41 Avenue SW would be expected to connect to Edmonton's infrastructure once those services are installed at the current municipal boundary with Leduc County and Town of Beaumont. Edmonton's stormwater servicing utilizes the natural drainage patterns. The application area includes portions of Irvine Creek and Blackmud Creek that would be needed to provide stormwater servicing for areas in the northern portion of the application and to service a significant portion of the Southeast Urban Growth Area.

To facilitate regional growth and plan development in an orderly and efficient manner as contemplated in the MGA, the Capital Region Growth Plan was developed and approved in 2010 and can be summarized by six core principles. The City of Edmonton is best equipped to accommodate future development pressures and achieve the Capital Region Growth Plan's core principles in the following ways:

- 1) *Protect the environment and resources*: Edmonton's policies through *The Way We Green* ensure that natural areas and ecological systems are protected from encroaching development.
- 2) *Minimize regional footprint*: Edmonton's has a history of facilitating higher intensity developments compared to its municipal neighbours, concentrating those developments in areas serviced by transit.
- 3) *Strengthen communities*: Edmonton already currently implements the policies to support this principle, such as providing affordable housing options and mechanisms to create inclusive communities.
- 4) *Increase transportation choices*: Edmonton would facilitate implementation of key transportation infrastructure projects such as the QE II/41 Avenue SW interchange, and LRT service to the Ellerslie area that would provide a variety of commuting options.
- 5) *Ensure efficient provision of services*: Edmonton has the capacity, experience and financial capabilities to service the greenfield lands in PGA Ce to an urban standard and provide services to future residents and businesses.
- 6) *Support regional economic development*: a portion of the land within this application would be utilized to support industrial activity, take advantage of its

proximity to the airport and position the City of Edmonton and Capital Region as a global competitor.

Conclusion

This **overview** of the three categories of need forms the initial justification for the proposed annexation boundary to facilitate negotiations and mediation with the County of Leduc and the Town of Beaumont and for public consultation. Further and more detailed annexation justification will occur as part of the annexation negotiations and public consultation processes, providing the basis for the City of Edmonton's annexation application to the Province of Alberta.

APPENDIX 3

PROPOSED PUBLIC CONSULTATION PROGRAM

Section 116 (2) (c) (i) and (ii) requires that the notice for an annexation must include proposals for consulting with the public and meeting with the owners of the land to be annexed and keeping them informed about the progress of the negotiations. The following public consultation program is proposed in order to meet this requirement.

1. Website

A website has been set up in order to provide affected property owners and the general public with easy access to information. The website utilizes a Frequently Asked Questions format and includes a mechanism for contacting staff representatives from the City of Edmonton. Links to the County of Leduc and Town of Beaumont have been included. Presently, a map of the proposed annexation boundaries is on the website.

2. Mailing Lists

Three mailing lists will be set up. The first is a list of landowners within the annexation boundary. The second list includes those landowners within a specified distance from the boundaries of the annexation areas. The third list is comprised of members of the public and other parties who have expressed an interest in annexation.

3. Open Houses

Open House sessions are planned at locations as follows:

- First Open House session – proposed for late Spring 2013 (May/June) for the purposes of presenting the City of Edmonton's application, outlining the process of annexation, and solicit comments from affected landowners and other stakeholders.
- Second Open House session – proposed for Fall 2013/Winter 2014 for the purposes of presenting progress of the inter-municipal negotiation and mediation process, and any conditions of annexation that have been agreed in principle.
- Third Open House session (optional) – proposed for Winter/Spring 2014 for the purposes of presenting progress since the previous open house, new conditions of annexation agreed upon and potential timing of formal application of annexation.

The proposed open house dates are subject to the pace of progression of negotiations with Leduc County and Town of Beaumont. Additional open houses may be scheduled throughout the negotiation/mediation process if required.

A compilation of all interests and concerns will be set up in order to document different issues and how they are dealt with. Email correspondence will be employed as much as possible for purposes of communication. However, it is recognized that not all interested parties may wish to communicate electronically. In those instances, communication by telephone and letter will be undertaken.

4. Newsletter Mail Outs*

Three direct mail outs are envisioned to individuals on the mailing lists during the public consultation processes:

- Mail out Number 1 will be sent in April 2013. The purpose is to inform landowners and interested parties of The City's decision to proceed with an annexation proposal, inform recipients of open house dates, and provide contact information including the website address.
- Mail out Number 2 will be sent after the negotiation and mediation process has been substantially completed to inform landowners and interested parties of the outcome of the inter-municipal negotiating process and the dates of further open houses.
- Mail out Number 3 will be sent out to inform landowners and interested parties of the annexation decision made by the Province of Alberta. The package will include any updated information regarding the implementation of the annexation decision.

*Note: additional update mail outs may be sent out throughout the negotiation / mediation process if required, particularly if there are any time delays.

Newspaper Ads

All open houses will be advertised in the Edmonton Journal and newspapers within the County of Leduc, Strathcona County, and the Town Beaumont.

Summary of the Public Consultation Program

A summary will be included in the report to the Municipal Government Board as required in Sections 118 and 119 of the MGA.

APPENDIX 4

AUTHORIZATION

On March 5, 2013, City Council passed the following Motions:

1. That annexation of the land identified in Attachment 2 of the March 5, 2013, Sustainable Development verbal report, be initiated and that written notice of the proposed annexation be given pursuant to section 116 of the *Municipal Government Act*.
2. That the March 5, 2013, Sustainable Development verbal report and presentation remain private pursuant to sections 24, 25 and 27 of the *Freedom of Information and Protection of Privacy Act*.

APPENDIX 5

ADDITIONAL NOTICE TO THE MUNICIPAL GOVERNMENT BOARD

Section 6.1 of the Municipal Government Board's (MGB) Annexation Procedure Rules (effective January 1, 2013) requires that written notice to the MGB under section 116(1)(b) of the Municipal Government Act (MGA) must be accompanied by a list of the authorities that the City of Edmonton believes may be affected by the proposed annexation. The following list of authorities is provided in order to meet this requirement.

List of affected authorities that notice has been provided to by copy of this letter, as required by the MGA:

- County of Leduc
- Town of Beaumont
- Municipal Government Board (MGB)
- Strathcona County
- Edmonton Public School Board
- Edmonton Catholic School Board
- Black Gold Regional School Board
- St. Thomas Aquinas Roman Catholic School Board
- Alberta Health Services Board
- Alberta Capital Region Wastewater Commission
- Capital Region Southwest Services Commission

List of authorities that may be affected, as required by the MGB's Annexation Procedure Rules:

- Alberta Transportation
- AltaGas Utilities Inc.
- ATCO Electric
- ATCO Gas
- Direct Energy Regulated Services
- ENMAX Energy Corporation
- EPCOR Distribution and Transmission Inc.
- EPCOR Energy Inc.
- Fortis Alberta Inc.
- TransAlta Utilities Corporation