CITY OF EDMONTON ANNEXATION APPLICATION

APPLICATION SUMMARY



MARCH 2018

1. EXECUTIVE SUMMARY

This is a summary of the City of Edmonton's Annexation Application for land under the jurisdiction of Leduc County and the Town of Beaumont, as defined in the City's September 2017 Southwest Notice of Intent to Annex and February 20, 2018 Southeast Notice of Intent to Annex.

The annexation area encompases 8,267 hectares, which includes 8,260 hectares in Leduc County east and west of the Queen Elizabeth II Highway ("QE II Highway"), and seven hectares in the Town of Beaumont for the section of the 50th Street right of way that runs between the Town of Beaumont and the City's current boundary at 41st Avenue.

The entire annexation area is uncontested by both responding municipalities. In June of 2017, the City reached an Annexation Agreement¹ with Leduc County for the County portion of the proposed annexation area. The Town of Beaumont likewise supports the City's Annexation Application.²

Consensus on matters related to this annexation have grown into formal agreements with plans for future collaboration, and projects that consider sub-regional interests rather than the interests of an individual municipality. These agreements include the Inter-Jurisdiction Cooperation Accord^{3,4} and the Intermunicipal Planning Framework Agreement. 5,6

This Annexation Application sets out the rationale and justification for the City's future land needs, which are necessary to ensure its long-term viability. The City does not currently have a sufficient land supply to accommodate its future population and

¹ Appendix 3.2: City of Edmonton - Leduc County Annexation Agreement

² Beaumont committed to writing a letter of support for the City's annexation application with the signing of the Intermunicipal Planning Framework Agreement.

³ Appendix 3.4: City of Edmonton, Leduc County, City of Leduc and Edmonton Regional Airports Authority Inter-Jurisdiction Cooperation Accord

⁴ The Inter-Jurisdiction Cooperation Accord is a partnership between the City of Edmonton, Leduc County, the City of Leduc and the Edmonton Regional Airports Authority to work together to leverage the Edmonton International Airport as a key economic driver and contributor to the Edmonton Metropolitan Region's sustainability and success.

⁵ Appendix 4.2: InterMunicipal Planning Framework Agreement

⁶ The Intermunicipal Planning Framework Agreement is a commitment for the City of Edmonton, Leduc County and the Town of Beaumont to collaboratively plan the sub-region southeast of the City's current boundary.

employment growth. The City of Edmonton Growth Study ("Growth Study") prepared by Nichols Applied Management Inc. ("Nichols") anticipates that Edmonton will reach over 1.8 million people within the next 50 years. Currently, the City has less than a 16 year land supply for low density residential and a six year land supply for non-residential land uses.⁷ The City's need for land is even more pressing when the necessary time for the development of technical documents and plans is taken into account.

The City's Annexation Application is comprised of the following documents and information, which are summarized in the body of this report:

- 1. Legal description of the proposed annexation area, including boundary roads
- 2. Compliance with governing legislation and annexation principles
- 3. Alignment with relevant statutory and non-statutory plans and bylaws
- 4. Overview of the Nichols Growth Study
- 5. Summary of the environmental context and supporting report on the potential Environmental Reserve lands within the proposed annexation area
- 6. Information on the proposed land uses and supporting infrastructure scheme
- 7. Findings from the Fiscal Impact Analysis of the City of Edmonton's Proposed Annexation ("Fiscal Impact Analysis") prepared by Nichols with respect to impacts on the City and Leduc County
- 8. Details from the City's negotiations with Leduc County and the Town of Beaumont
- 9. Details on the City's transition plan for taxes, lifestyle bylaws, land use, and development and services
- 10. Summary of the City's extensive public consultation process and public feedback
- 11. List of conditions for annexation

The City respectfully requests that the Municipal Government Board ("MGB") recommend to the Lieutenant Governor in Council that this Annexation Application be accepted in its entirety for the reasons set out below.

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⁷ Appendix 5.0: City of Edmonton Growth Study

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2.0	SW Notice of Intent to Annex (August 2017)	
2.1	Previous SW Notice of Intent to Annex (January 2017)	
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3.1	Certificate on the Report on Negotiations Between City of Edmonton and Leduc County	
3.2	City of Edmonton - Leduc County Annexation Agreement	
3.3	City of Edmonton - Leduc County Framework for Agreement	
3.4	City of Edmonton, Leduc County, City of Leduc and Edmonton Regional Airports Authority Inter-Jurisdiction Cooperation Accord	
4.0	Report on Negotiations between City of Edmonton and Town of Beaumont	
4.1	Certificate on the Report on Negotiations Between City of Edmonton and Town of Beaumont	
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3. INTRODUCTION

Edmonton is Alberta's capital and the core of the Edmonton Metropolitan Region, a diverse group of municipalities that collectively represent about 30% of the Province's population and 40% of Alberta's Gross Domestic Product (GDP).8

The City is home to nearly 933,000 people and is one of Canada's fastest growing cities, adding on average 24,000 new people (about the current population of the City of Fort Saskatchewan) a year since 2011. Edmonton's population is expected to nearly double in the next 50 years, growing by about 900,000 people. ¹⁰ The Edmonton Metropolitan Region Board ("EMRB") forecasts that Edmonton will gain about 345,000 new jobs between the years 2014 and 2044. ¹¹ Careful long-term planning is critical to ensure that this growth is accommodated sustainably.

The EMRB, a partnership of regional municipalities, guides growth in the region through a regional growth plan. 12 The regional growth plan calls for much of Alberta's growth over the coming decades to be accommodated within the land south of Edmonton's existing boundary, in the area Edmonton is proposing to annex.

At present, Edmonton's residential and non-residential land supply in the south is critically low. The City of Edmonton's last boundary change was 35 years ago, in 1982. The City's proposed annexation area¹³ is 8,267 hectares of land from Leduc County, east and west of the QE II Highway, including a portion of the road right of way of 50th Street currently under the jurisdiction of the Town of Beaumont.

The City of Edmonton and Leduc County have reached an agreement for the entire proposed annexation area that is under the County's jurisdiction (8,260 hectares). The Town of Beaumont is also supportive of the City annexing the portion of 50th street that runs within the City's proposed annexation area.

⁸ Appendix 27: City of Edmonton Growth Monitoring Report (2017), p. 10.

⁹ Appendix 27: City of Edmonton Growth Monitoring Report (2017), p. 11.

¹⁰ Appendix 5.0: City of Edmonton Growth Study

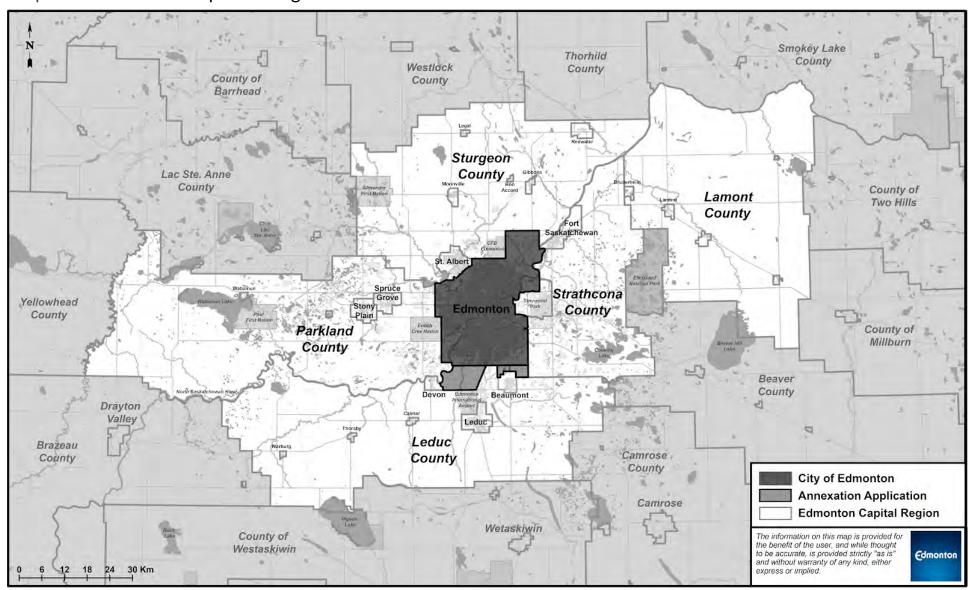
¹¹ Appendix 14.1: Edmonton Metropolitan Region Board Population and Employment Projections (May

¹² Appendix 14.0: Edmonton Metropolitan Region Growth Plan

¹³ Appendix 1.0: SE Notice of Intent to Annex (February 2018) and Appendix 2.0: SW Notice of Intent to Annex (August 2017)

Edmonton is a major hub of employment, business, arts and culture, post-secondary, non-market housing, and medical services for the entire region. The proposed annexation will give Edmonton room to grow so that it will remain a strong, central city that is able to continue in this vital role.

Map 1: Edmonton Metropolitan Region Context



4. PURPOSE

The City's Annexation Application is submitted to the MGB pursuant to the annexation provisions of the Municipal Government Act, RSA 2000, c M-26 (the "MGA" or the "Act").

4.1. Compliance with Relevant Provisions of the MGA

The City has fully complied with Sections 116-119 of the MGA in preparing and advancing the Annexation Application, as set out in this report.

4.2. MGB Bulletins

MGB Annexation Bulletin No. 1 - Annexation Conditions Relating to Assessment and Taxation (October 1, 2005)

The tax transition provisions agreed upon between the City and County were arrived at after considering public feedback and through extensive negotiation with the County. They are consistent and in accordance with this bulletin.

As stated in the bulletin, the proposed provisions have a finite end date, either a set point in time (50 years from the date of annexation) or the occurrence of one of the listed triggering events (see Section 14 of this Application). The fairness and equity of the City tax and assessment regime has been maintained through the use of triggering events, meaning the annexation lands would not be taxed at the higher municipal rate until subdivision and/or development occur, or until City utilities are provided, at which point those lands would be comparable to other City lands.

The tax provisions set out in Section 14 are also consistent with several recent MGB annexation recommendations, including the City of Grande Prairie and the County of Grande Prairie (Board Order No. MGB 033/15), the City of Calgary and the Municipal District of Rockyview (Board Order No. 1), and the Town of Drayton Valley and Brazeau County (Board Order No. MGB 058/11).

The City is also proposing tax transition provisions with respect to a development in the southwest annexation area that was commenced prior to the City's annexation notices and which required significant infrastructure development as a result of not having the benefit of existing municipal services.

MGB Annexation Bulletin No. 2 - Annexation Crossing Primary (Provincial) Highways (May 20, 2008)

The only Provincial Highway in the annexation area is Highway 19, which forms the southern border of the southwest annexation lands. Alberta Transportation has indicated that they are inclined to maintain authority of Highway 19 in the short term.

The QE II Highway is adjacent to the southwest annexation lands. In the past, the City has worked cooperatively with Alberta Transportation on improvements to the QE II Highway, including the recently completed 41st Avenue interchange on the northern edge of the annexation lands, and will continue to do so for future improvements.

4.3. Compliance with the MGB Principles of Annexation

As a result of the negotiations which ultimately culminated in the Annexation Agreement between the City and the County on June 30, 2017 ("Annexation Agreement"), 14 and the Framework Agreement¹⁵ between the City, the County and Beaumont (signed February 27, 2018), all of the municipalities have complied with every principle of annexation. ¹⁶

The principles and their application are described in detail below.

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

The City and County engaged in a lengthy negotiation and mediation process in good faith, which resulted in a comprehensive Annexation Agreement reached after years of collaboration. That Agreement is the basis for the City's Application for the annexation of the Leduc County lands.

¹⁴ Appendix 3.2: City of Edmonton - Leduc County Annexation Agreement

¹⁵ Appendix 4.2: Intermunicipal Planning Framework Agreement

¹⁶ Appendix 29.0: City of St. Albert v. Sturgeon County Board Order No. MGB 123/06

On February 27, 2018, the City, the County, and Beaumont entered into a Framework Agreement, 17 the purpose of which is to jointly plan the lands adjacent to the municipalities' common boundaries.

This Agreement is evidence of municipalities' commitment to intermunicipal cooperation and planning.

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

The proposed annexation of the lands currently within the jurisdiction of Leduc County will not encumber the growth opportunities of Leduc County, nor will the annexation of 50th Street from the Town of Beaumont affect Beaumont's growth aspirations. Rather, the annexation will, in fact, enhance cost-effective utilization, fiscal accountability, and attainment of municipal purposes.

The City's proposed annexation is unlike most past annexations in that the annexation area is in the Edmonton Metropolitan Area where multiple municipalities are beginning to grow together. At some future date, this could make the accommodation of growth by all municipalities more challenging. The proposed annexation will accommodate the City's need to grow without unduly affecting the County, which, unlike the City, has multiple directional options for growth.

The cost-effective utilization of resources and fiscal accountability are enhanced by the City's proposal in that the City can more effectively service and incorporate the annexation lands into regional infrastructure than the County.

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

¹⁷ Appendix 4.2: Intermunicipal Planning Framework Agreement

The proposed annexation will not infringe on the local autonomy of either municipality under the MGA.

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

The City retained Nichols to prepare the comprehensive Growth Study which includes growth projections, analysis of the current land supply and future growth needs (see Section 7). The annexation area represents approximately 33 to 48 years of Edmonton's residential land needs (for all housing types).

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

The proposed annexation area has been identified as being under the Metropolitan Area in the Edmonton Metropolitan Region Growth Plan. That plan recognizes that the area directly south of the current City is a logical area to accommodate much of the region's future growth.

The City has retained Associated Engineering to prepare a comprehensive servicing study of the annexation area and its servicing potential by the City of Edmonton (see the Infrastructure Serviceability Report at Appendix 6.0). All of the proposed annexation area can be serviced and incorporated into the Edmonton Metropolitan Region infrastructure most effectively by the City.

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

Through the Annexation Agreement with the County, the City has committed to extending fire services, police services, road maintenance, waste collection and agricultural services to the annexation area in coordination with the County, ensuring no gaps in service and that services are provided as efficiently and effectively as possible.

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

The City has retained Solstice Canada Corp. ("Solstice") to assess the environmental context of the annexation lands and to identify sensitive areas that should become Environmental Reserve lands within the annexation area (see Section 8).

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

The proposed annexation is closely aligned with the objectives and intent of the Municipal Development Plans ("MDP"s) of the City and County, and importantly, the Edmonton Metropolitan Region Growth Plan (see Section 6).

The latter plan is regional in nature and is intended to guide and manage growth and regional efficiency and promote regional economic prosperity. The proposed annexation will concentrate growth within regional growth areas and support higher density in accordance with the Edmonton Metropolitan Region Growth Plan, which will in turn promote the most efficient use of existing and future infrastructure.

The proposed annexation is also supported by the City's MDP goals of ensuring sufficient land for balanced growth support and maximizing regional economic assets. The County MDP contemplates annexations by urban municipalities and allows for amicable annexation agreements where appropriate, such as the subject annexation.

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

The Fiscal Impact Analysis prepared by Nichols studied the impact of the proposed annexation on the affected municipalities and landowners and concluded there would be minimal financial impact on all affected parties the County will remain in a strong financial position while the City will have an increased ability to grow its industrial tax base.

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

The City notified and sought input from affected institutions (see Section 13.2). Correspondence and meetings were conducted with affected school boards and utilities. All known concerns have been addressed.

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

The City is proposing long-term tax protection for property owners in the annexation area that will negate the financial impact of the annexation. According to the Annexation Agreement, tax rates will remain at the lower of either the County or City rates until one of the trigger events set out in Section 14 occurs.

The City has also committed to providing equivalent or better services in the annexation area and maintaining current development rights.

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

The City has engaged in a thorough and comprehensive public consultation process with residents of the municipalities as set out in Section 13. Information was disseminated and feedback obtained through open houses, group meetings, comment forms, email, telephone inquiries, questionnaires and mailed correspondence.

This feedback formed part of the rationale for reducing the annexation area and amending the Annexation Application.

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

No revenue sharing is contemplated in the Annexation Agreement between the County and the City as there are no unique or special properties that will generate substantive costs in the annexation area. Likewise, 50th Street is not a unique property that would warrant revenue sharing with Beaumont.

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

The purpose of the City's proposed annexation is to acquire a reasonable land supply to accommodate future anticipated growth. As set out in the Fiscal Impact Analysis (see Section 10), the proposed annexation will not unduly impact Leduc County and certainly not to the extent that it will be unable to fulfill its purpose as a municipality. Furthermore, such impact as there will be on the County has been mitigated by the agreed to compensation.

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

The proposed annexation conditions are set out at Section 14 and meet the requirements of this principle.

5. ANNEXATION AREA

The City of Edmonton has applied to the MGB to annex a total of 8,260 hectares from Leduc County and seven hectares of road right of way for 50th street under the jurisdiction of the Town of Beaumont.

The area proposed for annexation can be understood as two sections, divided by the QE II Highway: the Southwest Annexation Area and the Southeast Annexation Area.

5.1. Southwest Annexation Area

The Southwest Annexation Area is one large contiguous area of 6,233 hectares. The area extends south from the City of Edmonton's southern boundary at 41st Ave SW to the south side of Highway 19, and extends west from the west side of the QE II Highway to the eastern boundary of the Town of Devon and the North Saskatchewan River.

5.1.2. Leduc County

All lands contained within:

- Township 51, Range 26, West of the 4th Meridian
 - All of those portions of Section 1 lying east of the right bank of the North Saskatchewan River.
- Township 51, Range 25, West of the 4th Meridian
 - Sections 1, 2, 3, 4, 9, 10, 11, 12, and all of those portions of Sections 5, 6, 7 and 8 lying east and south of the right bank of the North Saskatchewan River.
- Township 51, Range 24, West of the 4th Meridian
 - All of those portions of Sections 6, 7 and 8 lying west of the western boundary of the QE II Highway right-of-way.
- Township 50, Range 26, West of the 4th Meridian
 - Sections 25, 36, all of those portions of the northeast quarter of Section 26 lying east of the middle thread of an unnamed creek running through the said quarter section, the said middle thread intersection the south boundary thereof one thousand eight hundred and eighty one (1881) feet more or less easterly from the south west corner thereof and intersecting the north boundary three hundred and ninety six (396) feet more or less easterly from the north west corner thereof containing 40.5 hectares (100 acres), more or less, and all of those portions of the east half of Section 35 lying east and south of the right bank of the North Saskatchewan River.
- Township 50, Range 25, West of the 4th Meridian
 - o Sections 27, 28, 29, 30, 31, 32, 33, 34, and all of those portions of Sections 26, 35 and 36 lying west of the western boundary of QE II Highway right-of-way and all intervening public rights-of-way.

5.2. Southeast Annexation Area

The Southeast Annexation Area spans 2,034 hectares south of the City's boundary at 41st Avenue, east of North Nisku at Range Road 243, west of Strathcona County at Range Road 234, and wraps around the northern boundary of the Town of Beaumont, terminating at Township Road 510.

5.2.1. Leduc County

All lands contained within:

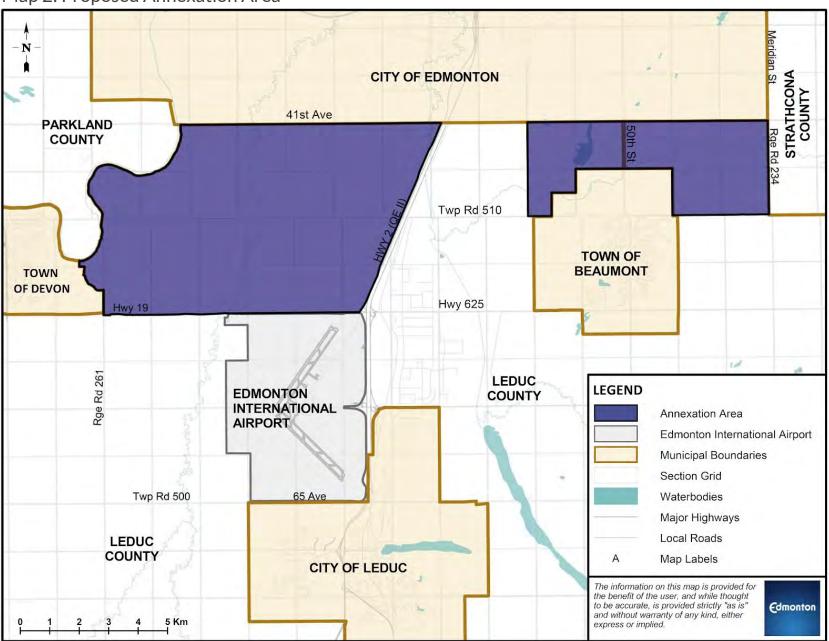
- Township 51, Range 24, West of the 4th Meridian
 - o Sections 10, 11, 12 and all of those portions of the Northern and Southwest quarters of Sections 3.
- Township 51, Range 23, West of the 4th Meridian
 - Sections 5, 6, 7 and 8.

5.2.2. Town of Beaumont

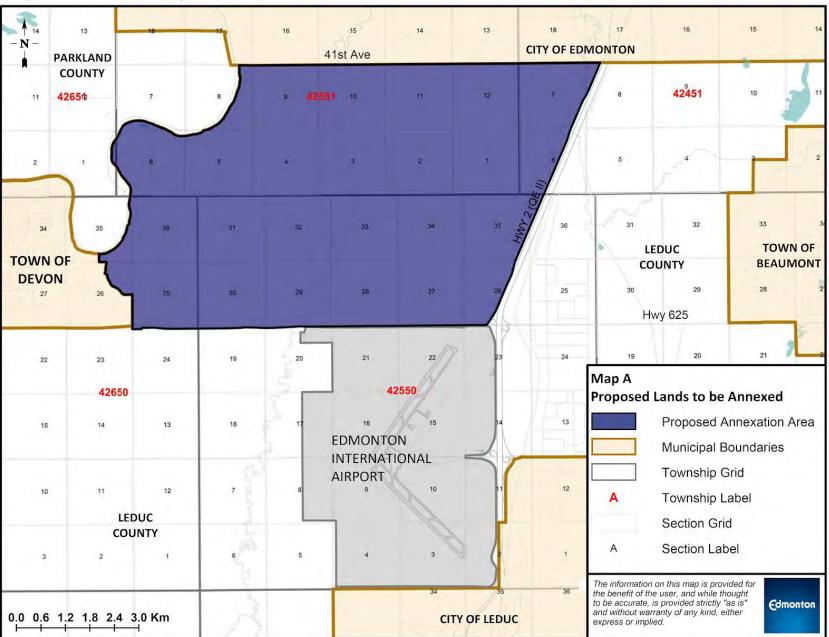
All lands contained within:

- Township 51, Range 24, West of the 4th Meridian
 - All those portions of road right of way contained between Sections 10 and 11.

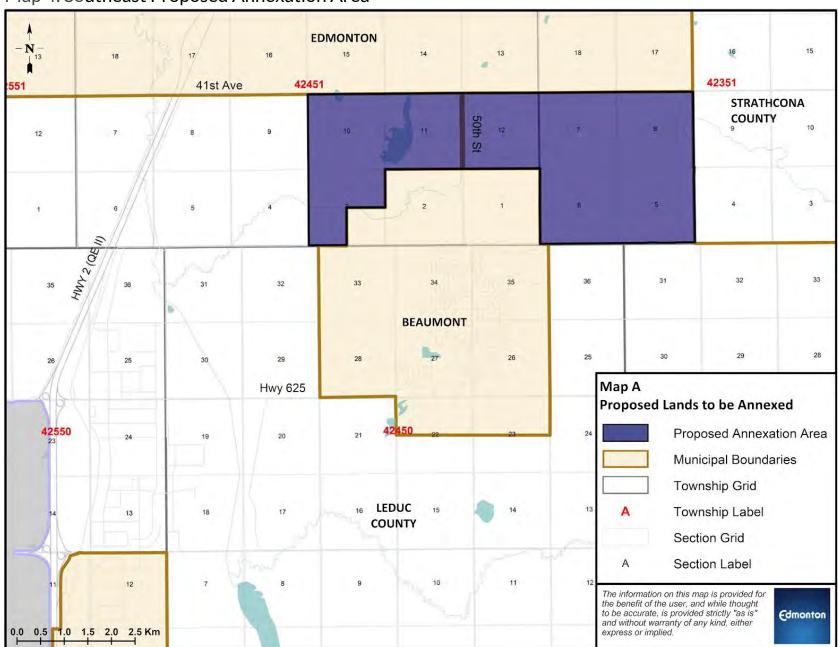
Map 2: Proposed Annexation Area



Map 3: Southwest Proposed Annexation Area



Map 4: Southeast Proposed Annexation Area



5.3. Boundary Roads

The following is a description of all the boundary roads to be included in the City of Edmonton following annexation.

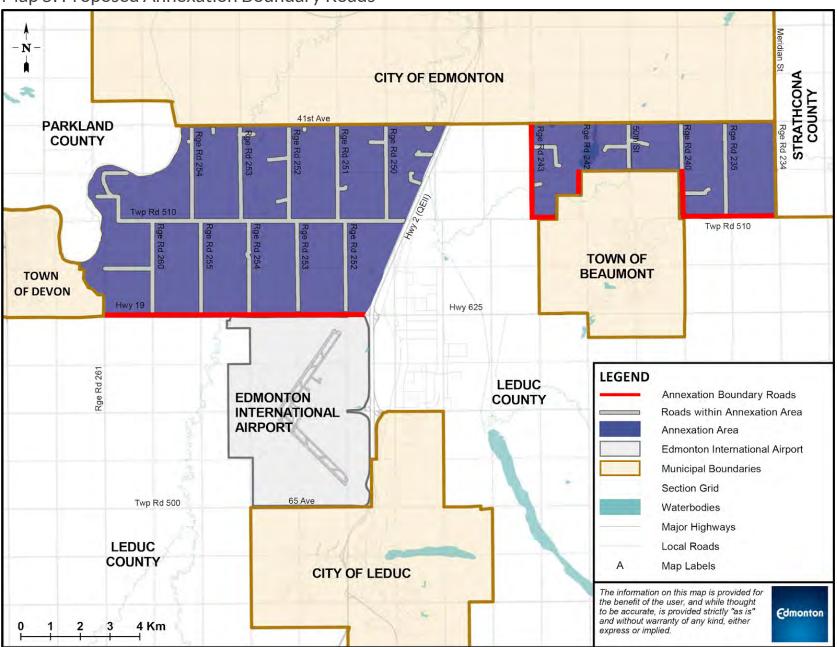
5.3.1. Leduc County

All roads contained within:

- Highway 19 (Provincial Jurisdiction Maintained)
 - All of those portions within the roadway right-of-way from the eastern boundary of the Town of Devon to the western boundary of the QE II Highway right-of-way.
- Range Road 243
 - 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 Township Road 510.
- Township Road 510
 - All those portions within the roadway right-of-way from the eastern boundary of the Town of Beaumont to the western boundary of Strathcona County at Range Road 234, and all those portions within the road right-of-way from the western boundary of Range Road 243 to the western boundary of the Town of Beaumont.
- Range Road 242
 - All those portions within the roadway right-of-way from the northern boundary of the Town of Beaumont to the southern boundary of Section 10-11, 51-24 W4M.
- Range Road 240
 - All those portions within the roadway right-of-way from the northern boundary of Township Road 510 to the southern boundary of Section 12, 51-24 W4M & Section 7, 51-23 W4M.

All roads within the Annexation Areas are identified on Map 5. Boundary roads are identified in red.

Map 5: Proposed Annexation Boundary Roads



5.4. Annexation Area Landowner Information

The land title certificates for each parcel in the proposed annexation area, and landowner names, mailing addresses and legal land descriptions are detailed in the following appendices:

- Appendix 12.0: SW Land Title Certificates
- Appendix 12.1: SE Land Title Certificates
- Appendix 13.0: Landowner and Mineral Owner Names and Mailing Addresses

6. RELEVANT STATUTORY AND NON-STATUTORY PLANS AND BYLAWS

The annexation area is currently occupied by agricultural and country residential uses. All statutory and non-statutory plans and bylaws relevant to the annexation area are detailed below.

6.1. Growth Plans

Edmonton Metropolitan Region Growth Plan (Appendix 14.0)

6.2. Municipal Development Plans

City of Edmonton MDP

(Bylaw 15100) adopted May 26 2010 (Appendix 15.0)

Leduc County MDP

• (Bylaw 35-99) adopted October 29 1999 (Appendix 16.0)

Town of Beaumont MDP

(Bylaw 486-98) adopted September 23 1998 (Appendix 17.0)

6.3. Area Structure Plans

6.3.1. Leduc County Area Structure Plans

Crossroads ASP

(Bylaw 39-11) adopted May 15 2012 (Appendix 19.0)

North Major ASP

(Bylaw 25-05) adopted October 12, 2004 (Appendix 18.0)

6.4. Zoning and Land Use Bylaws

City of Edmonton Zoning Bylaw

• (Bylaw 12800) adopted June 14 2001 (Appendix 20.0)

Leduc County Land Use Bylaw

(Bylaw 7-08) adopted March 11, 2008 (Appendix 21.0)

6.5. Edmonton Metropolitan Region Board

6.5.1. Edmonton Metropolitan Region Growth Plan

The Edmonton Metropolitan Region Growth Plan was approved by the Provincial Government in October 2017.18

The Edmonton Metropolitan Region Growth Plan provides a vision of the Edmonton Metropolitan Region over the next 50 years and includes strategies to collaboratively manage growth, as well as promote regional economic prosperity. The Edmonton Metropolitan Region Growth Plan recognizes the need to collectively coordinate regional mobility, and ensure that growth does not have an undue impact on the natural environment or agricultural lands.

The Edmonton Metropolitan Region Growth Plan establishes minimum greenfield densities for each community in the region. The Plan separates the community of Leduc County into two areas, each with a different greenfield residential density minimum requirement: 45

¹⁸ Appendix 14.0: Edmonton Metropolitan Region Growth Plan

dwelling units per net residential hectare for Leduc County (West of the QE II Highway to Whitemud Creek) and 35 dwelling units per net residential hectare for Leduc County (balance).¹⁹ The annexation area falls within both of these areas.

6.5.2. Edmonton Metropolitan Region Growth Plan Regional Policies²⁰

Policy Area 1: Economic Competitiveness and Employment

- 1.1 Promote global economic competitiveness and diversification of the regional economy
- 1.2 Promote job growth and the competitiveness of the region's employment
- 1.3 Enhance competitiveness through the efficient movement of people, goods and services to, from, and within the region
- 1.4 Promote the livability and prosperity of the region and plan for the needs of a changing population and workforce

Policy Area 2: Natural Living Systems

- 2.1 Conserve and restore natural living systems through an ecological network approach
- 2.3 Plan development to promote clean air, land and water and address climate change impacts
- 2.4 Minimize and mitigate the impacts of regional growth on natural living systems

Policy Area 3: Communities and Housing

- 3.1 Plan and develop complete communities within each policy tier
- 3.2 Plan for and promote a range of housing options
- 3.3 Plan for and promote market affordable and non-market housing to address core housing need

¹⁹ Appendix 14.0: Edmonton Metropolitan Growth Plan, Schedule 6, p. 59

²⁰ Appendix 14.0: Edmonton Metropolitan Region Growth Plan, p. 32-76

Policy Area 4: Integration of Land Use and Infrastructure

- 4.1 Establish a compact and contiguous development pattern to accommodate employment and population growth
- 4.2 Enable growth within built-up urban areas to optimize existing infrastructure and minimize the expansion of the development footprint
- 4.3 Plan and develop greenfield areas in an orderly and phased manner to contribute to complete communities
- 4.4 Plan for and accommodate rural growth in appropriate locations with sustainable levels of local servicing
- 4.5 Plan for and develop mixed use areas and higher density centres as areas to concentrate growth of people and jobs
- 4.6 Prioritize investment and funding of regional infrastructure to support planned growth

Policy Area 5: Transportation Systems

- 5.4 Support the Edmonton International Airport as northern Alberta's primary air gateway to the world
- 5.5 Ensure effective coordination of regional transportation policies and initiatives between all jurisdictions

Policy Area 6: Agriculture

6.2 Minimize the fragmentation and conversion of prime agricultural lands for non-agricultural uses

6.6. City of Edmonton Municipal Development Plan

The City of Edmonton's MDP was adopted on May 26, 2010.²¹ The MDP takes a sustainable, healthy, and compact approach to the City's growth over the next 30 years. MDP policies²² reflect the City's role as Alberta's capital city and the plan sets out the City's vision, principles, and strategic goals for working within the City and region.

²¹ Appendix 15.0: City of Edmonton Municipal Development Plan

²² Appendix 15.0: City of Edmonton Municipal Development Plan, Section 8 and Schedule A

The MDP plans to accommodate an additional 1 to 1.2 million residents by the year 2040. To complete this goal in a sustainable manner, the plan confirms the City's strategy to ensure there is sufficient land available to sustain economic opportunities while ensuring that agricultural lands are not prematurely fragmented in the urban growth areas prior to urban expansion. Following the annexation, the City will amend the MDP to reflect the projected growth into the annexation area over 30 years.

6.6.1. City of Edmonton MDP Annexation and Regional Policies²³

Ensure Sufficient Land for Growth

- 3.2.1.2 Ensure there is sufficient land available to sustain economic opportunities
- 3.2.11 Ensure a combination of single family and multi-family housing development potential is available for the next 30 years
- 8.1.7 Plan for growth in a way that meets or exceeds the Capital Region Plan's density targets

Achieve Balanced Growth

3.2.1.3 Achieve a balance between residential, industrial, commercial, institutional, natural and recreational land uses in the City

Maintain Edmonton as the Major Growth Centre in the Region

- 8.1.2 Identify, support and maintain Edmonton as the major growth centre in the region
- 8.1.2.1 The City of Edmonton will maintain its share of regional population and business growth within its boundaries in support of the growth of regional employment centres
- 8.1.5.1 Maintain Edmonton's key role in the Capital Region as a centre for innovation, wealth creation and business and employment opportunities by ensuring a sufficient supply of land for new business and industrial growth

Support the Economic Vitality of Edmonton and the Region, and Maximize Regional Assets

6.3.1.8 Initiate and participate in strategic economic development initiatives involving governments and industry to capitalize on opportunities for industrial growth

²³ Appendix 15.0: City of Edmonton Municipal Development Plan, p. 20-81.

- 8.1.5.2 Support improvements at the Edmonton International Airport by participating with regional partners in an integrated land use and transportation planning approach to planning for the future extension of transit service to the airport
- 8.1.5.3 Participate in a coordinated regional planning approach to address issues affecting the Edmonton International Airport, including noise management, land use development and access

6.7. Leduc County Municipal Development Plan

Leduc County's MDP was adopted on October 29, 1999.²⁴ Leduc's MDP Policy 14.2 recognizes applications for annexation in the policies listed below.

6.7.1. Leduc County MDP Annexation and Intermunicipal Policies²⁵

- 14.2.1 The County shall refer, to an adjacent municipality, for review and comment any of the following which affect lands within 0.8 km of the adjacent municipality (3.2 km in the case of the City of Edmonton):
 - (a) the adoption of or amendment to this Plan;
 - (b) a proposed Area Structure Plan and amendments thereto;
 - (c) a proposed Land Use By-law and amendments thereto; or
 - (d) a subdivision application; or
 - (e) a development application
- 14.2.5 The County recognizes that an urban municipality may wish to annex land from the County where growth of that urban municipality warrants it. The County may accept the annexation of land by an urban municipality if an annexation agreement can be amicably achieved to address any impact on the County.
- 14.2.6 As a general policy, the County discourages the annexation of high capability agricultural land by an urban municipality where suitable alternative lands containing low capability agricultural land are reasonably available.

²⁴ Appendix 16.0: Leduc County Municipal Development Plan

²⁵ Appendix 16.0: Leduc County Municipal Development Plan, p. 21.

6.8. Town of Beaumont Municipal Development Plan

The Town of Beaumont's MDP was adopted on September 23, 1998.²⁶ There are no specific policies in the Beaumont MDP that relate to the annexation of 50th Street in particular.

However, with the Framework Agreement, the Town and the City have agreed to engage in joint planning and future development of lands adjacent to their common boundaries.

6.9. Area Structure Plans

The City of Edmonton will inherit two existing Leduc County Area Structure Plans ("ASP"s) that govern land in the annexation area:

- Crossroads ASP
 - o (Bylaw 39-11) adopted January, 2012 (Appendix 19.0)
- North Major ASP
 - o (Bylaw 25-05) adopted October 12, 2004 (Appendix 18.0)

The City intends to retain both of these ASPs where they pertain to the annexation areas until such time as new plans have been created to replace them.

6.10. City of Edmonton Zoning Bylaw

The City of Edmonton's Zoning Bylaw 12800²⁷ sets out the zoning regulation for all areas of the City. Through the Zoning Bylaw 12800, the City manages and regulates a large number of activities from urban developments to agricultural areas. If the annexation is approved, City will acquire large tracts of lands set aside for agricultural, commercial, residential and industrial purposes. The Zoning Bylaw 12800 land use districts, uses, and general provisions will transition to accommodate for the existing uses, regulations, and developments within the County.

Where uses do not currently exist or conform with the Edmonton Zoning Bylaw 12800, the City will incorporate existing uses and development into the Bylaw while maintaining the urban goals and objectives of the City's MDP. Any changes to the Zoning Bylaw 12800 will require a public hearing, in accordance with the MGA.

²⁶ Appendix 17.0: Town of Beaumont Municipal Development Plan

²⁷ Appendix 20.0: City of Edmonton Zoning Bylaw

6.11. Leduc County Land Use Bylaw

Leduc County's Land Use Bylaw 7-08 was adopted by Council on March 11, 2008.²⁸ A thorough review of the Bylaw has been completed by the City for the Annexation Application. All land use districts within the proposed annexation area have been reviewed, and the permitted and discretionary uses within each district have been compared to the Edmonton Zoning Bylaw 12800.

If the annexation is approved, the City will inventory all existing uses, regulations and development within the annexation area to ensure a smooth transition from the County's Bylaw regulations to the City's.

7. EDMONTON'S GROWTH

Nichols assessed the City's need for land to accommodate its long-term growth, in the Growth Study.²⁹ This section summarizes the key findings and discussion points of the Growth Study.

7.1. Regional Context

With 71% of the Capital Region's population and population growth and a higher percentage of the Capital Region's jobs, Edmonton is the dominant urban core of a large metropolitan region totalling roughly 1.3 million people.

The City and surrounding region constitute the northern anchor of the dynamic Edmonton-Calgary corridor economy. The Edmonton Metropolitan Region accommodates the largest and most specialized core of regional commercial, administrative, education, health care, housing, and social services and facilities within the northern half of Alberta.

²⁸ Appendix 21.0: Leduc County Land Use Bylaw

²⁹ Appendix 5.0: City of Edmonton Growth Study

7.2. Edmonton's Role in the Region

In 2016, nine Mayors from the Edmonton Metropolitan Region banded together to form the Metro Mayors Alliance³⁰ with the goal of working together to build a globally competitive metro region.

The Alliance commissioned an independent report to strategize ways to optimize the region.³¹ The Metro Mayors Alliance Advisory Panel Report identifies three particularly important drivers of competitiveness for city regions:

- 1. Regional collaboration on economic development
- 2. Efficient regional public transit
- 3. Effective land use planning and infrastructure development

Given that Edmonton has the majority of the region's population and jobs, the most comprehensive LRT and bus transit system in the region, and the largest array and highest level of social infrastructure and services, it has a major role to play in each of these critical areas.

The City's continued ability to support the region in these, and other areas, will assist the region in meeting its long-term strategic goals. For this reason, it is incumbent on the City to continue to accommodate a significant share of regional growth, and to grow in a balanced way with a range of residential, commercial, industrial, and institutional lands.

7.3. Growth Management Strategy

Edmonton has a diverse growth management strategy: building up, in, and out. Higher-density development is encouraged in Edmonton's core neighbourhoods and areas adjacent to large-scale transit stations. Major development projects, such as Blatchford³² and Griesbach,³³ as well as smaller scale infill in the City's established neighbourhoods, contribute to Edmonton's infill target of 25% of new residential units in

³⁰ Metro Edmonton Advisory Panel (2017); The 9 members of the Metro Mayors Alliance represent 95 percent of the region's population and 96 percent of the region's assessment base: The City of Edmonton, Leduc County, City of Leduc, Strathcona County, Fort Saskatchewan, Sturgeon County, St. Albert, Spruce Grove and Parkland County.

³¹ Appendix 24.0: Metro Mayors Alliance Advisory Panel Report: Be Ready, or Be Left Behind

³² Blatchford Edmonton (blatchfordedmonton.ca)

³³ <u>Griesbach Neighbourhood</u> (edmonton.ca/programs_services/recognition_awards/griesbach-neighbourhood.aspx)

mature and core areas.³⁴ Edmonton is also planning ahead by proposing to annex a sufficient land supply for its future growth.

7.4. Direction for Growth

Edmonton's growth opportunities are shaped by policy, existing development patterns, and environmental considerations.

The City's proposed annexation area is within an area identified by both the existing and proposed regional growth plans as the general direction for future urban growth in the region. The area is suitable for future urban growth due to its proximity to existing and planned major infrastructure.

Edmonton is surrounded by existing development in neighbouring municipalities and other jurisdictions, including Acheson industrial area and Enoch Cree Nation to the west, and St. Albert, the Canadian Forces Base Edmonton, and Fort Saskatchewan to the north. The topography immediately to the southeast of Edmonton, in Strathcona County, is dominated by natural features that make development difficult. Further north, Sherwood Park and the Strathcona industrial area border the City. It is also important to note that Edmonton's growth demand is predominantly to the south, not the east.

Given these considerations, the most logical direction for growth for the City is to the south, where a land supply with the capacity to support a balance of residential and industrial development exists.

7.5. Growth and Land Supply

According to the Nichols Growth Study, the City's population will increase anywhere in the range of 500,000 to 675,000 people within the next 30 years. With this growth, the City's supply of industrial and residential lands in the south part of Edmonton will run out within five and 15 years, respectively. The City has effectively exhausted its supply of industrial land in the south when development timelines for planning and construction are taken into account.

³⁴ Appendix 15.0: City of Edmonton Municipal Development Plan, Policy 4.2.1.9 (p. 33)

The proposed annexation will provide additional lands in south Edmonton for industrial development through to 2044 (a 26 year supply) and residential development between 2051 and 2066 for all housing types (approximately a 33 to 48 year supply).

It is expected that the annexation area will be fully built out within 33 to 48 years for residential land, and 26 to 29 years for non-residential land.

7.6. Methodology

The Growth Study took a conservative approach when estimating Edmonton's future growth and land needs. For example, the assumption for housing demand favoured higher density units than reflected by current demand, and unmet demand for housing and industrial lands north of the river was not assumed to transfer south or into the proposed annexation. The use of conservative assumptions reduced the estimated rate at which land is to be consumed.

The Growth Study and its assumptions were reviewed extensively during the annexation negotiations with Leduc County. Some of the key assumptions underpinning the Growth Study are summarized in the table below.

Regional Population	2015 Updated CRB high growth scenario	
City's Regional Population Share	70%	
Infill Proportion	13% of City's growth will be accommodated through infill. Infill proportion will reach 25% over 20 years.	
Density	SE proposed annexation area - 35 dwelling units per net residential hectare ("du/nrha") SW proposed annexation area - 45 du/nrha	
City's Geographic Growth Distribution	Residential and Commercial - 59% of the City's growth will occur south of the river - Unmet demand south of the river will flow to the proposed annexation area Industrial - 40% of the City's growth will occur south of the river	

	- Only the City's unmet demand south of the river is redirected to south of the City. The "overflow" is distributed between County north Nisku lands and progressively to annexation lands north of the Edmonton International Airport.
	 Analysis distinguishes between petrochemical industrial and conventional industrial development
Industrial Land Absorption	Average 137 net ha/year (2006 to 2015)

8. ENVIRONMENTAL CONTEXT

The City is committed to conserving, protecting, and restoring its natural uplands, wetlands, water bodies, and riparian areas as an integrated and connected system. The City has a variety of policy tools to manage natural features at the broader ecosystem level, most notably the City's 30-year environmental strategic plan (The Way We Green)³⁵ and Natural Area Systems Policy. 36 These plans and policies complement provincial legislation and guides.

8.1. Annexation Area Context

The proposed annexation lands lie within the Aspen Parkland Natural Subregion which, today, is a largely agricultural landscape interspersed with wetlands, ravines, and small remnant forest patches. Natural features in the proposed annexation area include small patches of native upland habitat, wetland complexes, the North Saskatchewan River, Cawes Lake, and three creeks: Blackmud, Irvine, and Whitemud. Some of these features are identified in Map 6.

In 2016, the City commissioned Solstice to assess the environmental context and potential Environmental Reserve ("ER") lands within the proposed annexation area.³⁷ The report demonstrates an understanding of the environmental sensitivities in the proposed annexation area, and their local, regional, or provincial significance. The Solstice report also identifies the City's ability to plan development that balances the need for growth

³⁵ Appendix 25.0: City of Edmonton Environmental Strategic Plan

³⁶ Appendix 23.0: City of Edmonton Natural Area Systems Policy C531

³⁷ Appendix 8.0: Environmental Reserve Analysis. The report captures the entire proposed annexation area, as well as the areas removed from the City's original 2013 Notices of Intent.

and preservation of important ecological features and ecosystems.

8.2. Agriculture

The land within the proposed annexation area is primarily high capability agricultural land. However, the area has experienced significant development pressure in recent years, as evidenced by the fragmentation and number of plans in the immediate and surrounding area.

The Annexation Agreement³⁸ between the City of Edmonton and Leduc County lists the following agricultural commitments of the two municipalities:

- 1. The parties agree to jointly promote the concept of an agricultural land reserve or similar protection for agricultural land into the future.
- 2. Notwithstanding the above, the parties agree that the lands annexed from Leduc County will be developed beyond agricultural land uses in accordance with existing or future statutory plans.
- 3. The parties acknowledge that the protection of agricultural land must be done as a region through a regional agriculture master plan and in collaboration with the Government of Alberta.

Principles in the County's Agricultural Strategy³⁹ protect agricultural uses in all of the proposed annexation area, with the exception of the developing Crossroads ASP area. 40 These policies, however, do not take into account the regional context or Edmonton's growth needs. Furthermore, the Annexation Agreement acknowledges that Edmonton's growth requirements and pressures will result in development of the annexed land to an urban standard.

The Edmonton Metropolitan Region Growth Plan commits to the development of a regional agriculture master plan. A regional agriculture master plan will, among other things, "provide a policy framework for conserving and maintaining a secure supply of prime agricultural lands to support the regional food system." 41

The regional vision for the proposed annexation area is for urban growth, with most of the proposed annexation area falling under the Edmonton Metropolitan Region Growth Plan's

³⁸ Appendix 3.2: City of Edmonton - Leduc County Annexation Agreement

³⁹ Appendix 28.0: Leduc County Agricultural Strategy

⁴⁰ Leduc County's MDP identifies the Crossroads ASP area as an "Urban Central" area intended for non-agricultural uses.

⁴¹ Appendix 14.0: Edmonton Metropolitan Region Growth Plan, p. 114.

"Metropolitan Area" policy tier. 42 This, in part, is why Edmonton has identified the proposed annexation area as a logical extension of its urban growth.

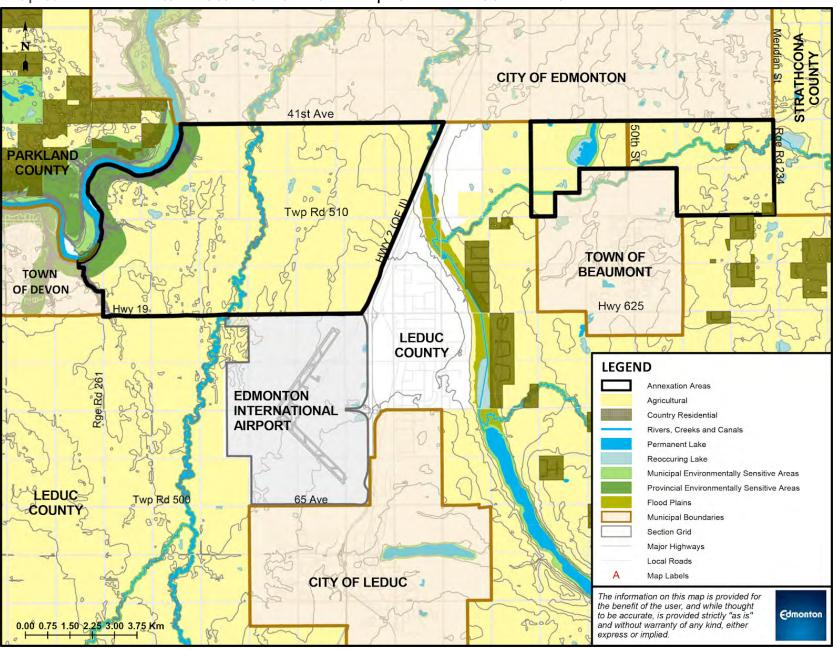
Edmonton's policies discourage the premature fragmentation of agricultural land and encourage support for agriculture through Edmonton's urban agricultural strategy.⁴³ Furthermore, the City removed nearly 3,000 hectares of land from its original proposed annexation area immediately west of the Edmonton International Airport, in part, in response to concerns over agricultural land preservation. The removed area is largely used for agricultural production.

Agricultural uses will continue to be an important land use as the annexed area transitions from primarily rural to urban over the coming decades. Landowners who want to continue their agricultural operations will be able to do so. Edmonton has committed to provide comprehensive agricultural services to support agricultural uses after annexation.

⁴² With the exception of the most eastern portion of the southeast proposed annexation area

⁴³ Appendix 26.0: Edmonton's Food and Urban Agriculture Strategy

Map 6: Environmental Features within the Proposed Annexation Area



9. LAND USE & INFRASTRUCTURE PLANNING

9.1. Land Use Constraints

While the City of Edmonton's Annexation Application comprises an area of 8,267 hectares, there are a number of land use constraints (in addition to environmental constraints) that reduce the developable land to 6,959 hectares. 44 Map 7 identifies the City's growth constraints from proposed road networks to existing pipelines. The land use constraints are summarized below.

9.1.1. Existing Developed Areas

The majority of the annexation area is not developed to an urban standard and is largely agricultural. There are, however, a number of existing country residential properties, churches, and cemeteries in both the southwest and southeast annexation areas.

9.1.2. Existing Roadways, Future Major Road Networks, and LRT

Map 9 identifies future major road networks as well as a proposed LRT alignment to service the annexation area. Of note is the proposed realignment of Highway 19 that will diminish a large area of the annexation area to make room for the proposed third runway at the Edmonton International Airport.

9.1.3. NEF Contours

Transport Canada sets out Noise Exposure Forecast ("NEF") contours around all airports in Canada. The contours are established based on assumptions about a community's response to aircraft noise. To minimize noise complaints, residential uses are restricted in high noise areas, such as directly underneath a flight path. Due to the regulations under the Edmonton International Airport Vicinity Protection Area Regulation, 45 residential dwellings are not permitted within NEF 30 and greater. Residential uses are permitted between NEF 25 and NEF 30. NEF contours within the annexation area are shown in Map 7.

⁴⁴ Appendix 5.0: City of Edmonton Growth Study

⁴⁵ Appendix 22.0: Edmonton International Airport Vicinity Protection Area Regulation

9.1.4. Existing Pipelines and Powerlines

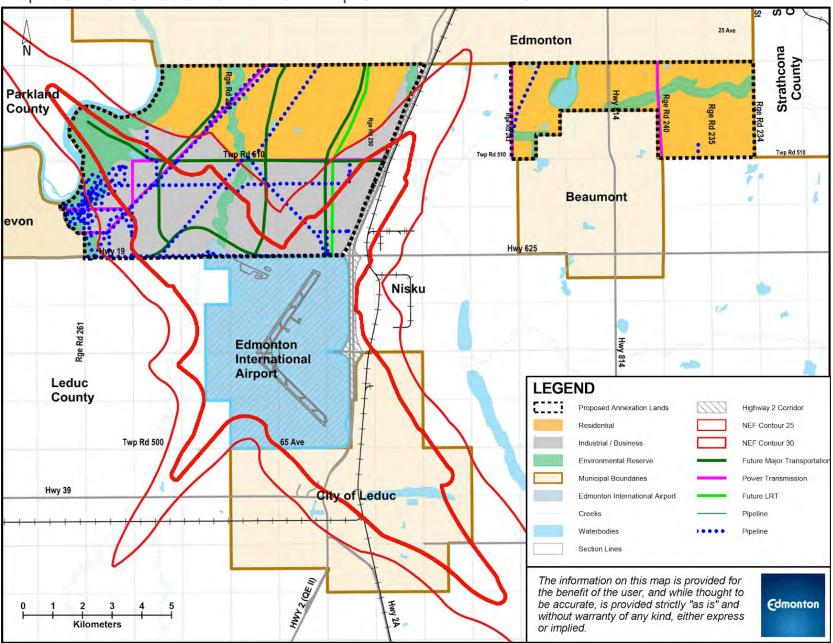
There are a large number of existing pipelines and powerlines that cross the annexation area. These lines have setback requirements that prohibit many types of future development.

9.2. Future Land Uses

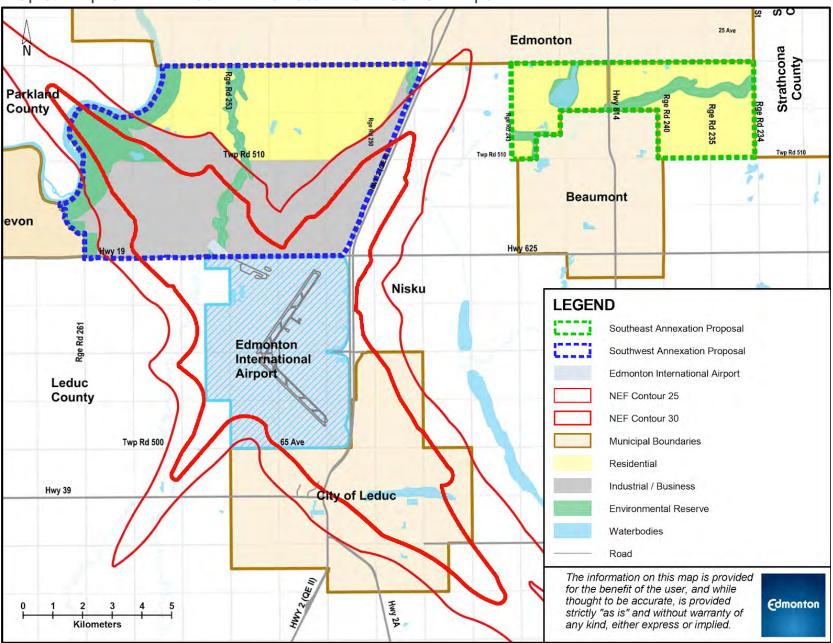
Edmonton is running out of employment and housing land in the south, and it takes several years to plan for new neighbourhoods and prepare land for development. A 30-year land supply allows Edmonton to responsibly plan for growth by appropriately sizing supporting infrastructure and efficiently accommodating services, such as new fire stations.

Map 8 identifies a generalized future land use vision for the annexation area. Following approval of the annexation, the City will undertake comprehensive planning to provide greater clarification on intended future uses through Area Structure Plan and Neighbourhood Structure Plan development.

Map 7: Growth Constraints within the Proposed Annexation Area



Map 8: Proposed Annexation Area Future Land Use Concept



9.3. Transition of Existing Land Uses

After annexation, landowners will be able to continue to enjoy the current use of their land, either as of right or as grandfathered. Existing development rights will continue with the exception of Confined Feeding Operations and Farm-Based Alcoholic Beverage Production Facilities, which are not compatible with urban development.

Edmonton's Zoning Bylaw 12800 regulations for development permits, enforcement, subdivision, and development appeals will apply to the annexation area, although landowners can expand the current use of their land, subject to City Policies at the time of application. Rezoning to accommodate a new use will require transition to a City zone, and the size and number of subdivisions allowed on a parcel of land depends on the zoning. High-level land use plans that are consistent with regional and municipal policies will guide any future major development.

Existing land use plans will remain in effect, and may be reviewed to ensure that policies are appropriate for lands within the City. Changes to existing plans and new plans to accommodate urban development will occur outside of the annexation process, and will require public consultation in accordance with provincial and municipal regulations.

9.4. Infrastructure Planning

As part of the Annexation Application, the City hired Associated Engineering to develop a study identifying the infrastructure required to service the lands contained in the southern extent of the proposed metropolitan boundary under the Edmonton Metropolitan Region Growth Plan. The City of Edmonton Leduc Annexation Infrastructure Serviceability Report ("Infrastructure Serviceability Report") prepared by Associated Engineering outlines the servicing concepts for water, wastewater, stormwater management, and transportation.46

As part of the development of this report, the City consulted closely with the Alberta Capital Region Wastewater Commission, Epcor Water, Epcor Power, Fortis Alberta, the Alberta Capital Southwest Water Commission and Alberta Transportation. All comments and concerns have been incorporated into the final report.

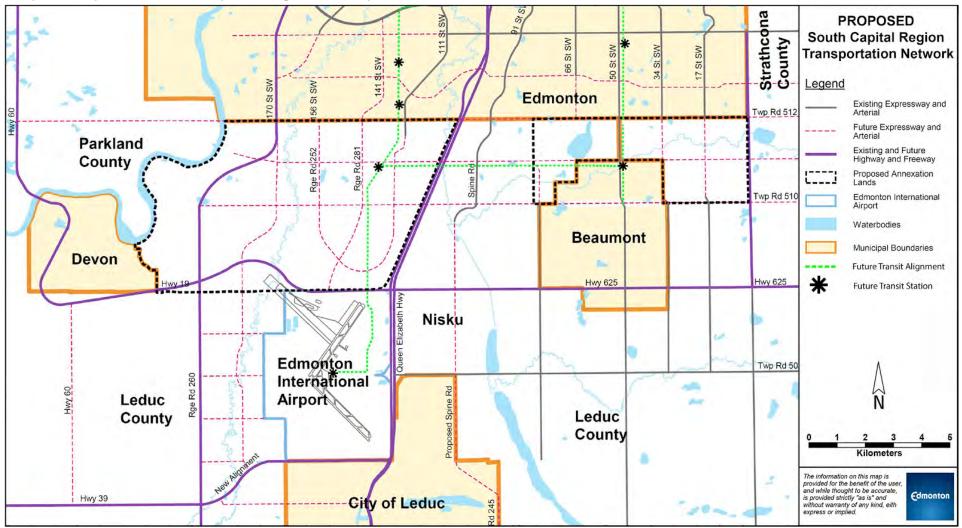
The key findings for the study are outlined below.

⁴⁶ Appendix 6.0: Infrastructure Serviceability Report

9.4.1. Transportation

Associated Engineering concludes in the Infrastructure Serviceability Report that the City of Edmonton is capable of addressing the required transportation infrastructure in the proposed annexation area, including roads, transit service, and active transportation networks, in alignment with the EMRB regional transportation system. The City's proposed roadway requirements, active modes connections, and transit service needs are identified based on land uses, origins/destinations, and forecasted traffic levels (see Map 9).

Map 9: Proposed South Capital Region Transportation Network



9.4.2. Stormwater

Stormwater management has been planned so that proposed trunk mains outfall to watercourses in their catchment areas. New facilities will control flows to predevelopment levels.

It is noted that Irvine Creek will require significant improvements to accommodate upstream flows.

9.4.3. Wastewater

The study identifies that the annexation area will be serviced predominantly through a gravity system. The ultimate servicing concept requires a new line to be extended from the annexation area into an upgraded SESS line to service the proposed annexation areas to the Gold Bar treatment plant. Once this new transmission line is in place, the City service levels will be able to receive the discharge rate from the annexation area, and in the interim servicing options are available to allow some development to proceed prior to the construction of the new line.

9.4.4. Water

The study identifies that the existing E.L. Smith water treatment plant has sufficient capacity to service the annexation areas. Future transmission mains will extend south from existing water reservoirs, and the ultimate buildout will include the construction of new reservoirs and booster pump stations within the annexation area. The study identifies that it is feasible to service the annexation area to City standards.

10. FISCAL IMPACT ANALYSIS

The City's Fiscal Impact Analysis⁴⁷ was prepared by Nichols for the purpose of assessing the immediate and long term fiscal impacts of the proposed annexation on the affected ratepayers and municipalities, and to examine the fiscal sustainability and manageability of the affected municipalities in the future. The study examines the differential effects between the expected "with annexation" and "without annexation" fiscal eventualities for the ratepayers and municipalities directly affected by the annexation.

⁴⁷ Appendix 7.0: Fiscal Impact Analysis

The report examines the significance of the annexation lands in geographic, demographic, and fiscal terms to the City of Edmonton and Leduc County, and provides estimates of the immediate-term fiscal impacts of annexation to the affected municipalities and existing ratepayers within the annexation area. A comparative profile of the financial situation of the affected municipalities provides baseline context from which to view the long-term fiscal impact analyses.

The report concludes that there would be minimal financial impact as a result of the City's proposed annexation, enabling both the City and County to remain fiscally sustainable. The City's proposed long-term tax protection policies will effectively negate the potential taxation impacts to current property owners in the annexation area.

In the long term, development of the annexation lands will accrue fiscal benefits to the City, effectively offsetting the municipal costs associated with urban growth. The County's strong financial position is expected to remain unaffected by the proposed annexation.

11. NEGOTIATION AND MEDIATION SUMMARY

11.1. Leduc County

After filing its Notices of Intent to Annex, the City engaged in collaborative negotiations with Leduc County to discuss the annexation proposals. The designated negotiating teams from each municipality met regularly between June 2014 and July 2017, and two facilitators from the Municipal Dispute Resolution Services' roster of private sector mediators were jointly retained by the City and County to assist with negotiations. Negotiations culminated in the Annexation Agreement, signed by the City and the County on June 30, 2017.

The City's Report on Negotiations with the County is accompanied by a certificate signed by the Chief Administrative Officers of the City and County, stating that the report accurately reflects the results of the negotiations.

There are no outstanding matters related to annexation on which agreement was not reached between the City and County.

Reference documents:

Leduc County Negotiations Documents

- Appendix 3.0: Report on Negotiations between City of Edmonton and Leduc County
- Appendix 3.1: Certificate on the Report on Negotiations Between City of Edmonton and Leduc County
- Appendix 3.2: City of Edmonton Leduc County Annexation Agreement
- Appendix 3.3: City of Edmonton Leduc County Framework for Agreement
- Appendix 3.4: City of Edmonton, Leduc County, City of Leduc and Edmonton Regional Airports Authority Inter-Jurisdiction Cooperation Accord

11.2. Town of Beaumont

After filing its Notices of Intent to Annex, the City and Town met throughout 2013-2018. Negotiations concluded with the signing of the Intermunicipal Planning Framework Agreement by the City, the County, and the Town on February 20, 2018.

The City's Report on Negotiations with the Town is accompanied by a certificate signed by the Chief Administrative Officer of the Town and the City Manager of the City, stating that the report accurately reflects the results of the negotiations.

There are no outstanding matters related to annexation on which agreement was not reached between the City and Town.

Reference documents:

Town of Beaumont Negotiations Documents

- Appendix 4.0: Report on Negotiations Between City of Edmonton and Town of Beaumont
- Appendix 4.1: Certificate on the Report on Negotiations Between City of Edmonton and Town of Beaumont
- Appendix 4.2: InterMunicipal Planning Framework Agreement

12. SERVICE TRANSITION

12.1. Tax Transition

The Annexation Application proposes that landowners in the annexation lands will be granted a 50-year period of tax protection from the date of the annexation Order in Council. For any given year, tax rates will remain at the lower rate of the two between the City and the County for lands currently within the County.

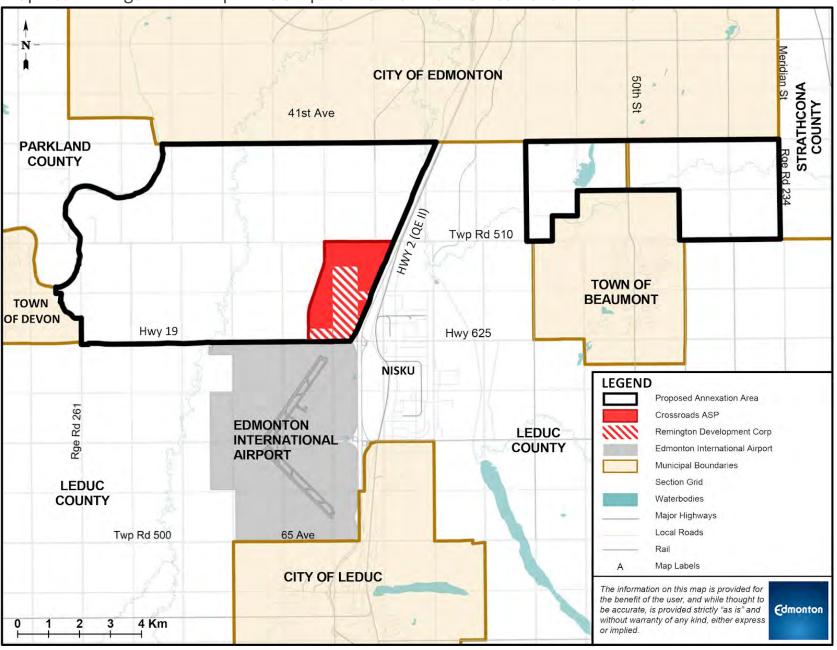
Notwithstanding the above, the landowner transition provisions for taxation shall no longer apply where in any given taxation year, a portion of the said lands:

- becomes a new parcel created as a result of subdivision or by instrument or any other method that occurs at the request of, or on behalf of the landowner,
- is redistricted at the request of, or on behalf of the landowner, under the City's Zoning Bylaw 12800 to another district,
- is connected to municipal water and sewer at the request of, or on behalf of the landowner, and/or
- receives a Major Development Permit to change the use of the land, and/or construct a permanent building or an addition to a permanent building, except in the following instances:
 - Major Development Permit for exterior alterations or renovations to an existing building,
 - o development permit for residential accessory uses or buildings, or
 - any farm building or structure that would be exempted from assessment.

12.1.1. Remington Development Corporation

Remington Development Corporation and bcIMC Holdco (2007) Inc. own approximately 228 hectares of land within the Crossroads ASP area, located within the southwest proposed annexation area, immediately north of the Edmonton International Airport. Remington Development Corporation is the development manager. In this Application, Remington Development Corporation and bcIMC Holdco (2007) Inc. will be referred to as "Remington".

Map 10: Remington Development Corp. Lands within the Crossroads ASP Area



The Crossroads ASP was approved prior to the City's original 2013 Notices of Intent to Annex and the area is in the early stages of development. Remington Development Corporation requested tax protection for its lands due to their unique circumstances; Remington made significant upfront investments in this area well in advance of the expected timing at which the City would provide the infrastructure and services after annexation. Moreover, the investments Remington made were towards oversizing infrastructure for the benefit of other lands within the Crossroad ASP plan area.

The City of Edmonton and Remington agreed to the following tax protection⁴⁸ conditions:

- The land and assessable improvements constructed on those lands shall be taxed at a rate equal to the Leduc County tax rate for similar properties within Leduc County for 25 years commencing on the first day of the land being officially annexed by the City of Edmonton.⁴⁹
- Special tax consideration will continue regardless of on-going development and the usual triggers to end special tax considerations will not apply.

12.2. Lifestyle Bylaws

Pertaining to the City's Lifestyle Bylaws, landowners in the annexation area will be permitted to:

- Use burn barrels on agricultural properties for up to five years from the annexation Order in Council, subject to municipal or provincial fire bans.
- Use off-highway vehicles within designated areas. A designated areas will be a rural area that is not slated for development, as determined by the City of Edmonton.
- Keep domestic pets, but are required to obtain a pet licence within one year from the annexation Order in Council, with fees waived for the first five years. Should a landowner exceed the allowable number of pets on the date of the approval of the annexation, the pet(s) over the limit will be allowed until their passing or departure. No new pets will be allowed over the City's limit.

12.3. Land Use and Development

Residents will maintain their current development rights with the exception of Confined

⁴⁸ Appendix 10.1: City of Edmonton - Remington Memorandum of Understanding

⁴⁹ Should the land transfer title, the tax protection will stay with the land.

Feeding Operations and Farm-Based Alcoholic Beverage Production Facilities. These uses will be removed from the annexation area zoning following the approved annexation as they do not conform with an urban landscape.

All businesses within the proposed annexation area will require a licence within one year of annexation, with fees waived for the first five years.

Businesses for Vehicle for Hire within the proposed annexation area will require a licence within one year of annexation, with all fees waived for the first five years.

12.4. Services

Generally, the Annexation Negotiating Committee committed to providing a level of service to future Edmontonians that is equal to or higher than the level of service they receive in Leduc County. With that in mind, the following was agreed upon between the City's and County's Negotiating Committees:

- Extend Fire Rescue Services into the annexed area.
- Extend Edmonton Police Service into the annexed area.
- Extend Edmonton's snow clearing and road maintenance services into the annexed area.
- Extend the City's waste collection services into the annexed area, and endeavour to maintain access for annexation area landowners to the Leduc & District Regional Waste Management Authority Facility for a transition period of five years from the annexation Order in Council.
- Provide agricultural services comparable to Leduc County's current agricultural services within the annexed area for a transition period. Agricultural services available to Leduc County residents include: ditch mowing programs, fenceline spraying, agricultural equipment rental, crop and animal pest control (weeds, clubroot, and tree pest surveillance), and access to the Government of Alberta's sustainable agriculture program.

13. CONSULTATION

13.1. Public Consultation

The City completed a comprehensive four year engagement program that provided stakeholders with the opportunity to learn about Edmonton's annexation proposal, to share their views, and to provide valuable feedback. Stakeholder feedback informed annexation negotiations, transition planning, and the City's overall Annexation Application.

13.1.1. Public Consultation Process

The City engaged a wide range of stakeholders, including the general public and the several hundred landowners within the proposed annexation area. The City hosted three rounds of open houses between the initiation of the annexation process in 2013 and the submission of the Annexation Application in 2018. In the same time period, the City also hosted six small group meetings specifically with landowners in the proposed annexation area.

The general public was notified of upcoming engagement opportunities through newspaper advertisements in local newspapers, social media outreach, and the annexation project website.⁵⁰ Landowners within the proposed annexation area were further notified of upcoming engagement opportunities through mailed invitations. Mineral landowners were notified through mailed letter.

Annexation newsletters were available for landowners and interested members of the general public. The newsletters provided updates on the annexation process, notifications of upcoming engagement events, and reported "what we heard" from engagement events.

Leduc County also undertook public engagement activities for the City's proposed annexation, including eight open houses and several landowner mail outs.

Reference documents:

- Appendix 9.0: Public Engagement Process
- Appendix 9.1: Leduc County Public Engagement Initiatives

⁵⁰ Annexation Project Website (edmonton.ca/annexation)

- Appendix 9.2: Public Engagement Materials Open House Posters and Mail Outs
- Appendix 9.3: Public Engagement Materials Advertisements and Social Media
- Appendix 11.0: Media

13.1.2. Public Feedback

Feedback was collected via comment forms and staff recordings of verbal feedback from engagement events, e-mail, telephone, mailed correspondence, and questionnaires.

The feedback received since the start of the annexation process can be organized into the themes below, in order of most to least frequently referenced:

- 1. **Rationale** for the proposed annexation
- 2. Service impacts from annexation, such as road maintenance and solid waste services
- 3. Administrative inquiries, such as process-related questions and requests for updates on the status of negotiations
- 4. Impacts on municipalities, such as compensation payments and future growth impacts
- 5. **Tax and assessment impacts** on landowners
- 6. Environment-related inquiries, such as concerns about agricultural land preservation and environmental stewardship
- 7. **Development-related inquiries**, such as plans for zoning and statutory plan transition, and timelines for when development will reach certain lands
- 8. Topics beyond the scope of an annexation, such as school transition and provincial highway projects
- 9. **Lifestyle impacts**, such as firearm use and the use of burn barrels

Feedback from the public informed the annexation negotiations, the City's transition plan for landowners and the proposed annexation area boundary.

The City sought input from the public on key considerations for a potential transition to Edmonton, and mitigation strategies to minimize the impact of annexation on landowners. The feedback collected informed the annexation negotiation discussions with Leduc

County and led to agreed-upon transition plans for bylaws, services, assessment, and taxation.

Public feedback also informed the City's proposed annexation area boundary. The public's concerns over agricultural land preservation and Leduc County's future growth opportunities contributed, in part, to the City's decision to reduce the proposed annexation area to exclude the land immediately west of the Edmonton International Airport, which is largely used for agricultural production, as well as the developing North Nisku industrial area.

Reference documents:

- Appendix 10.0: Public Feedback and the City's Response
- Appendix 10.1: City of Edmonton Remington Development Corp. Memorandum of Understanding
- Appendix 10.1.1: Leduc County Letter in Support of Remington Memorandum of Understanding
- Appendix 10.2: Public Feedback Reports
- Appendix 10.3: Responses from Authorities
- Appendix 10.4: Correspondence

13.2. Consultation with Authorities

The City's August 2017 SW and February 2018 SE Notices of Intent to Annex⁵¹ were circulated to the following authorities:

- 1. Alberta Capital Region Southwest Water Services Commission
- 2. Alberta Health Services Board
- 3. Alberta Transportation
- 4. AltaGas Utilities Inc.
- 5. ATCO Electric
- 6. ATCO Gas
- 7. Black Gold Regional School Board
- 8. Capital Region Board

- 14. Edmonton Regional Airports Authority
- 15. ENMAX Energy Corporation
- 16. EPCOR Distribution and Transmission Inc.
- 17. EPCOR Energy Inc.
- 18. FortisAlberta Inc.
- 19. Leduc County
- 20. Parkland County

⁵¹ Per the requirement in the modernized Municipal Government Act, the February 2018 SE Notice of Intent to Annex was also circulated to the Minister of Municipal Affairs.

Capital Region Wastewater Commission	St. Thomas Aquinas Roman Catholic School Board
10. City of Leduc	22. Strathcona County
11. Direct Energy Regulated Services	23. Town of Beaumont
12. Edmonton Catholic School Board	24. Town of Devon
13. Edmonton Public School Board	25. TransAlta Utilities Corporation

Affected school boards⁵² and utility providers⁵³ were further consulted with thorough meetings and correspondence.

The City received feedback from the City of Leduc and the Capital Region Southwest Water Services Commission (the "CRSWSC"), and received a letter of support for annexation from the Town of Devon.54

EPCOR, the CRSWSC, and the Alberta Capital Region Wastewater Commission provided comments on the proposed regional servicing concept, which have been addressed in the City's Infrastructure Serviceability Report.

13.2.1. Response from the City of Leduc

In the initial stages of the annexation process in 2013, the City of Leduc expressed concern about the potential impact of annexation on its following priorities:

- 1. 65th Avenue interchange
- 2. Future growth areas
- 3. Coordinated land-use planning around the Edmonton International Airport
- 4. The airport tax sharing arrangement

However, in the latter stages of the annexation process, the City of Leduc and the City of Edmonton developed a collaborative relationship, as demonstrated by the Airport Accord

⁵² School boards that were further consulted with included: Edmonton Public School Board, Edmonton Catholic School Board, Black Gold Regional School Board, and St. Thomas Aquinas Roman Catholic School

⁵³ Utility providers that were further consulted with included: EPCOR Power, EPCOR Water, FortisAlberta. Alberta Capital Region Wastewater Commission (ACRWC), and Capital Region Southwest Water Services Commission (CRSWSC).

⁵⁴ Appendix 10.3: Responses from Authorities

(a.k.a. Inter-Jurisdiction Cooperation Accord). 55 The Airport Accord is a partnership between the City of Edmonton, Leduc County, the Edmonton Airport Authority, and the City of Leduc to prioritize the Edmonton International Airport as a key economic engine of the region and province. The Airport Accord identifies a new model for inter-jurisdictional collaboration to achieve shared benefits for all partners at a shared cost.

13.2.2. Response from Capital Region Southwest Water Services Commission

In a letter dated December 2016,⁵⁶ the CRSWSC outlined the following concerns related to the City's proposed annexation:

- 1. Concern about the future plans for the Boundary Station, given that it is located within the City's proposed annexation area;
- 2. Seeking to understand how annexation would affect the demarcation point for the CRSWSC transmission line; and
- 3. Concern about the implications of annexation on the CRSWSC's future Water Master Plan, expected January 2018.

The City of Edmonton met with the CRSWSC to discuss these concerns. The City determined that the concerns raised by the CRSWSC were beyond the scope of the proposed annexation and they ultimately had to be addressed by the CRSWSC and **EPCOR Water.**

14. CONDITIONS OF ANNEXATION

Taking into consideration all of the foregoing, the City of Edmonton requests that the MGB recommend to the Lieutenant Governor in Council the following specific conditions for an Annexation Order:

1. In this Order:

- a. "Annexation Lands" means the lands described in Appendix A and shown on the sketch in Appendix B [Map of Annexation Area].
- b. "Agricultural Land" means a parcel of land used for the raising, production, and sale of agricultural products in accordance with the applicable bylaws of

⁵⁵ Appendix 3.4: City of Edmonton, Leduc County, City of Leduc and Edmonton Regional Airports Authority Inter-Jurisdiction Cooperation Accord

⁵⁶Appendix 10.3: Responses from Authorities

Leduc County, the Municipal Government Act, RSA 2000, c M-26 [MGA] and the regulations thereunder, and the Agricultural Operation Practices Act, RSA 2000, c A-7.

- c. "Developer" means Remington Development Corporation and bcIMC Holdco (2007) Inc.
- d. "Discovery Lands" means the lands legally described as:

SW 1/4; 35; 50; 25; 4; NW 1/4; 26; 50; 25; 4; SE ½; 27; 50; 25; 4; Block A; Plan 8821332; Lot 1; Block 1; Plan 0729782; and Portion of NE 1/4 26;50;25;4.

Comprising 563.60 acres more or less.

- e. "Effective Date" means January 1, 2019.
- f. "Farm Buildings" means any improvement other than a residence, to the extent it is used for farming operations, as defined in the Matters Relating to Assessment and Taxation Regulation, Alta Reg 220/2004.
- g. "Leduc Lands" means the Annexation Lands currently situated in Leduc County which form the subject matter of the Agreement dated June 30, 2017 between the City and the County and which the City is applying to annex.
- h. "Major Development Permit" means a major development permit under the City's *Zoning Bylaw*, No 12800 (2017).
- 2. Effective January 1, 2019, the Annexation Lands shall be separated from Leduc County and the Town of Beaumont and shall be annexed to the City of Edmonton.
- 3. **Taxation**
 - **Taxation of Annexation Lands** 3.1.
 - For taxation purposes after the Effective Date and subsequent years 3.1.1. up to and including 2069, or such year as required to accommodate a fifty (50) year transition period, the Annexation Lands and assessable improvements to the Annexation Lands except for linear property:

- a. for any given year, must be taxed by the City using the lower of the current tax rate for the assessment classification or subclassification that is assigned to the Annexation Lands and assessable improvements to it by the City of Edmonton for each taxation year, or the current tax rate for the assessment classification or subclassification assigned by the jurisdiction where said lands were situated prior to annexation. For greater clarity, for any given taxation year, the tax rates to be compared are the current Leduc County tax rate and the current tax rate within the City of Edmonton, and
- b. the City will exempt Farm Buildings at the same level of exemption as if the buildings remained in the jurisdiction where situated prior to annexation pursuant to the *Matters* Relating to Assessment and Taxation Regulation, Alta Reg 220/2004, or any subsequent regulation exempting Farm Buildings from taxation.
- 3.2. Notwithstanding Article 3.1, the landowner tax protection provisions for taxation shall no longer apply where in any taxation year, a portion of the Annexation Lands:
 - a. becomes a new parcel created as a result of subdivision or by instrument or any other method that occurs at the request of, or on behalf of, the landowner:
 - b. is redistricted at the request of, or on behalf of, the landowner, under the City's Zoning Bylaw, No 12800 (2017) to another district:
 - c. is connected to municipal water and sewer at the request of, or on behalf of, the landowner; or
 - d. receives a Major Development Permit to change the use of land, and/or construct a permanent building or an addition to a permanent building, except in the following instances:

- i. Major Development Permit for exterior alterations or renovations to an existing building;
- development permit for residential accessory uses or ii. building; or
- any Farm Building or structure that would be iii. exempted from assessment.

3.3. **Taxation of Discovery Lands**

- 3.3.1. The Discovery Lands will have property tax protection for a period of twenty-five (25) years, which protection shall apply whether the Developer or a subsequent purchaser owns the Discovery Lands or any part thereof.
- 3.3.2. The Discovery Lands and assessable improvements constructed on those lands shall be taxed for each taxation year as if the Discovery Lands remained within the boundaries of Leduc County using a municipal tax rate equal to the municipal tax rate established by Leduc County.
- 3.3.3. Special tax considerations will continue regardless of ongoing development. The triggers found in Section 3.2 above to end special tax considerations will not apply to the Discovery Lands.

Tax Arrears 3.4.

- 3.4.1. Any tax arrears owing to Leduc County prior to the Effective Date in respect of the Annexation Lands shall be transferred and shall become payable to the City with any lawful penalties that were incurred prior to the Effective Date as if the Annexation Lands were still within the jurisdiction of Leduc County.
- 3.4.2. Upon the City collecting any tax arrears and penalties described in Article 3.4.1, the City shall pay the arrears and/or penalties to Leduc County for the Leduc Lands.

4. Compensation

- 4.1. The City shall make the following payments to Leduc County:
 - 4.1.1. Within thirty (30) days of the Effective Date or the date of the Annexation Order, whichever is later, the City shall pay the County a one time lump sum of three million two hundred thousand dollars (\$3,200,000); and
 - 4.1.2. Ten (10) annual payments of five hundred and thirty thousand dollars (\$530,000) on or before June 30th of each year commencing the year of the Effective Date or the Annexation Order date, whichever is later.
- 4.2. For further clarity, Article 4.1 constitutes the entire compensation that the City shall pay to Leduc County and no further payments shall be made to either municipality with respect to the annexation or the Annexation Lands.
- 4.3. Notwithstanding Article 4.1, no compensation shall be due and payable in any form until the Effective Date.
- 4.4. The assessor of the City must assess, for the purposes of taxation commencing in the year after the Annexation Order and subsequent years, the Annexation Lands and the assessable improvements to the Annexation Lands.
- 4.5. In order to allow the City to assess the Annexation Lands, the County shall provide to the City, as soon as practicable and no later than sixty (60) days of being requested by the City, all assessment records relating to the Annexation Lands and the assessable improvements to it.

5. Municipal Reserves

5.1. All money in place of Municipal Reserves provided to Leduc County pursuant to the MGA and arising from subdivision of land in the Crossroads Area Structure Plan will be paid to the City within thirty (30) days of the Effective Date or the date of the Annexation Order, whichever occurs later.

- 6. **Arterial Roadway Assessments**
 - All money provided to Leduc County arising from levies collected to fund 6.1. the arterial roadway system within the Crossroads Area Structure Plan will be paid to the City within thirty (30) days of the Effective Date, or the date of the Annexation Order, whichever occurs later.

15. FILING OF ANNEXATION APPLICATION

The municipalities have agreed on all matters relating to the annexation, as set out in the Annexation Agreement dated June 30, 2017 and the Framework Agreement dated February 27, 2018.⁵⁷ All of the Conditions of Annexation in Section 14 of this Application are therefore mutually agreeable and made at the request of the municipalities, per Article 16.1 of the Annexation Agreement.

A copy of this Annexation Application will be delivered to Leduc County and the Town of Beaumont immediately after it is filed with the MGB, and will also be made available on the City's website to external agencies and stakeholders after it has been filed.

Landowners in the Annexation Area will be notified of the filing of this Application by newsletter, which will be mailed to each of them directly. The general public will be notified by way of media release.

16. CONCLUSION

The City of Edmonton is one of the country's fastest growing cities, with a population that is expected to nearly double in the next fifty years. The City's residential and non-residential land supply is critically low in the south. This, coupled with the fact that the City's geographic opportunities for growth are limited, makes annexation of the Leduc County lands the best, and most practical solution.

The City has taken part in a four year public consultation process, and has developed a comprehensive, long-term plan to ensure that property owners will not be adversely affected by annexation. The City is proposing 50 year tax protection for property owners

⁵⁷ Appendix 3.2: City of Edmonton - Leduc County Annexation Agreement

in order to negate the financial impact of the annexation. Property owners will also continue to enjoy the same (or better) levels of service for services such as transportation, fire rescue, police, waste collection, and agricultural services.

After extensive negotiations and collaboration, the municipalities were able to reach agreements with respect to the proposed annexation. Not only are the terms of the annexation acceptable to all affected municipalities, they also comply with each and every principle of annexation. The agreements display the municipalities' commitment to the concept of intermunicipal cooperation and the accommodation of growth by all municipalities in a rational, cost-effective, and accountable manner.

The City submits that this annexation should be recommended by the MGB to the Lieutenant Governor in Council.