

IN THE MATTER OF THE "*Municipal Government Act*" being Chapter M-26.1 of the Statutes of Alberta 1994 (Act).

AND IN THE MATTER OF an application by the Town of Innisfail (Town), in the Province of Alberta, to annex certain territory lying immediately adjacent thereto and thereby its separation from the Red Deer County (County).

BEFORE:

Members:

L. Lundgren, Presiding Officer

S. Cook, Member

J. Church, Member

Secretariat

D. Hawthorne

PROPOSAL

The Town is proposing an annexation of approximately 350 acres of territory from the County in order to provide land for future industrial and highway commercial development. Approximately 175 acres of the annexation area are located between Highway 2A and Highway 2 on the northeast edge of the Town. Approximately 112 acres of the annexation area are located immediately north of the Town and a 63-acre area is located west of the Town, between the present Town boundary and the eastern right-of-way of the Highway 54 realignment.

BACKGROUND

On December 13, 2000 the Town notified the Municipal Government Board (MGB) that it intended to apply for the annexation. Following the notification, the Town initiated negotiations with the County and the landowners involved and conducted public meetings in February and March 2001. Due to the location of three primary highways either adjacent to, or between the annexation areas, the Town also contacted Alberta Transportation.

The County, the landowners involved, the general public, and Alberta Transportation support the proposed annexation subject to certain conditions being imposed on the annexation approval.

Upon receipt of the negotiation report and supporting information, the MGB initiated an advertisement in the local newspaper indicating that the MGB found there is general agreement with the proposal and that any objections should be submitted to the MGB by July 1, 2001. No objections were received.

ANALYSIS

Land Use Planning Documents

The Town's Municipal Development Plan (MDP) identifies each of the annexation areas for future industrial and commercial land use as extensions to existing commercial and industrial land uses locating within the present Town boundary.

The pertinent provisions of the MDP were developed and adopted by the Town following the 1990 joint adoption of a fringe area plan between the Town and the County. The fringe area plan identifies the subject land for future annexation. The fringe area plan also identifies other locations for protection from the location of rural land uses which may be incompatible with the urban uses established within present and future boundaries of the Town.

Municipal Servicing

For the westerly annexation area, the Town's municipal water and sanitary sewer lines can easily be extended from adjacent properties to serve new development. For the northerly and northeasterly annexation areas, the Town will be upgrading and extending the water trunk line from the nearby water reservoir. The annexation areas can also tie into two existing lift stations for the northeast sanitary sewer trunk line.

Conditions of Annexation Agreed to by the Parties

The Town, County, and landowners have agreed that assessment and taxation shall be continued as if the annexed land remained in the County unless the annexed land is connected to the Town's water and sewer service or the landowner initiates a rezoning or subdivision application.

The Town and County have also agreed to a compensation package that will require the Town to pay the County certain percentages of the taxes for the annexed land. The compensation will be calculated on a sliding scale downward until the end of the year 2005.

Details of the conditions of annexation are shown in Appendix C of this Order.

RECOMMENDATION

In consideration of the above, the MGB makes the following recommendations for the reasons set out below:

- 1 effective July 1, 2001, the land described in Appendix A and shown on the sketch in Appendix B is separated from Red Deer County and annexed to the Town of Innisfail,

- 2 any taxes owing to Red Deer County at the end of June, 2001 in respect of the annexed land are transferred to and become payable to the Town of Innisfail together with any lawful penalties and costs levied in respect of the those taxes, and the Town of Innisfail upon collecting those taxes, penalties and costs must pay them to Red Deer County, and
- 3 the assessor for the Town of Innisfail must assess, for the purpose of taxation in 2002, the annexed land and the assessable improvements to it,

and makes the Order in Appendix C.

REASONS

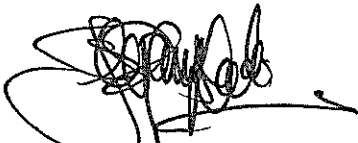
There is full agreement by all affected parties respecting the proposed annexation. In 1990, the Town and County adopted a fringe area plan recognizing the annexation potential of the subject land and the Town's MDP directs that the annexed areas be developed with industrial and commercial land uses which compliment existing commercial and industrial land uses already within the Town's boundary.

The annexed land can be readily serviced with the Town's water distribution system and sanitary sewer collection system.

The successful negotiations with the County, the landowners, and the general public demonstrates the effective use of the concepts outlined in the Provincial Land Use Policies encouraging, among other things, intermunicipal cooperation and the intermunicipal coordination of land use planning. Therefore the MGB respectfully submits to the Minister of Municipal Affairs that this annexation be approved with the conditions outlined in Appendix C.

Dated at the City of Edmonton, in the Province of Alberta, this 9th day of August 2001.

MUNICIPAL GOVERNMENT BOARD



S. Cook, Member

APPENDIX "A"

DETAILED DESCRIPTION OF THE LANDS RECOMMENDED FOR SEPARATION FROM RED DEER COUNTY AND ANNEXED TO THE TOWN OF INNISFAIL.

ALL THAT PORTION OF THE NORTHEAST QUARTER OF SECTION EIGHTEEN (18), TOWNSHIP THIRTY-FIVE (35), RANGE TWENTY-EIGHT (28), WEST OF THE FOURTH MERIDIAN LYING EAST OF ROAD RIGHT-OF-WAY PLAN 012 2423 (HIGHWAY 54).

ALL THAT PORTION OF THE EAST ONE-HALF OF SECTION NINETEEN (19), TOWNSHIP THIRTY-FIVE (35), RANGE TWENTY-EIGHT (28), WEST OF THE FOURTH MERIDIAN LYING EAST OF ROAD RIGHT-OF-WAY PLAN 012 2423 (HIGHWAY 54).

ALL THAT PORTION OF THE NORTH ONE-HALF OF SECTION TWENTY-EIGHT (28), TOWNSHIP THIRTY-FIVE (35), RANGE TWENTY-EIGHT (28), WEST OF THE FOURTH MERIDIAN LYING EAST OF THE WESTERLY LIMITS OF ROAD PLAN 4805NY EXCEPTING THEREOUT PLAN 7720018.

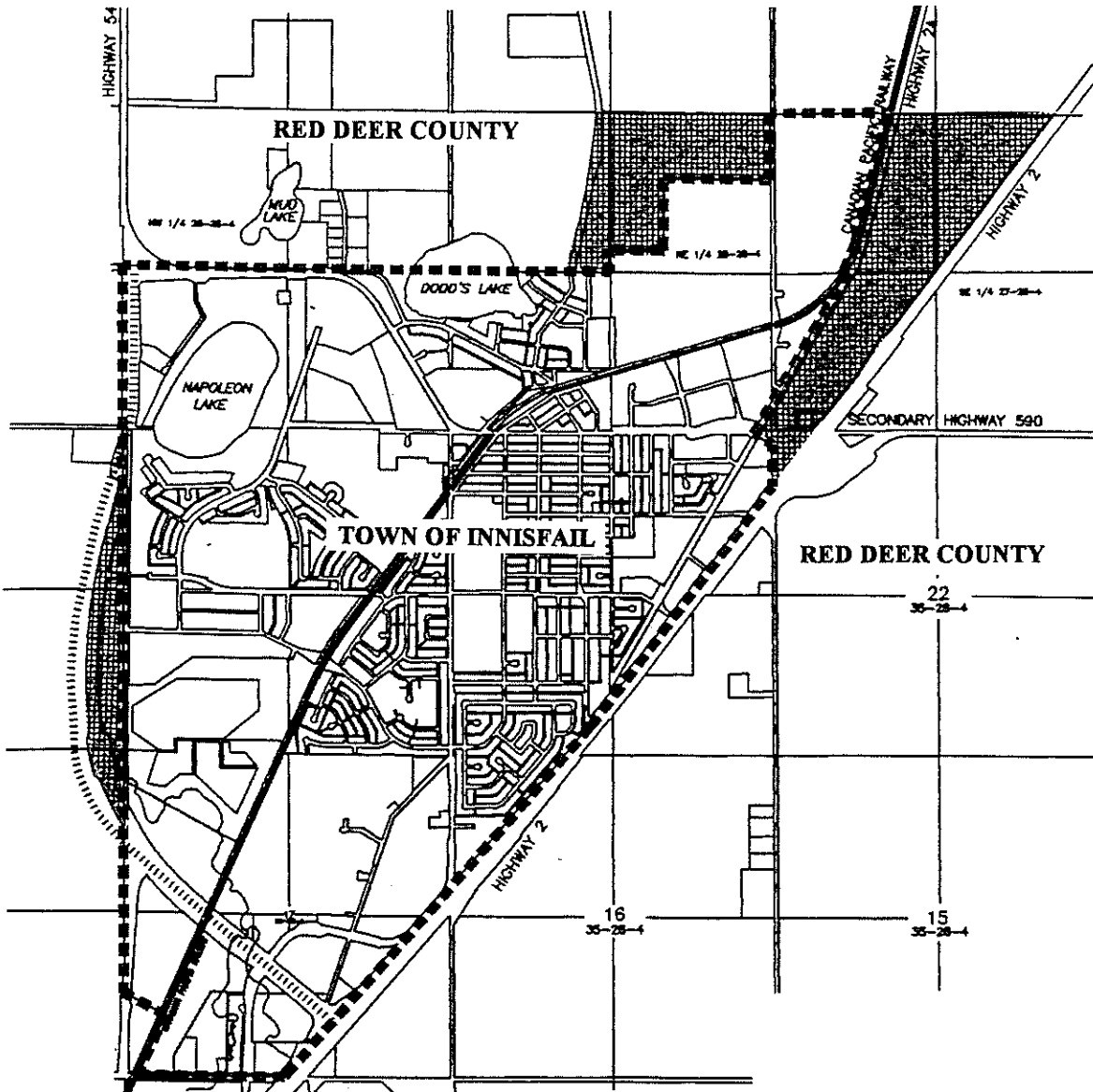
ALL THOSE PORTIONS OF THE NORTH ONE-HALF AND THE SOUTHWEST QUARTER OF SECTION TWENTY-SEVEN (27), TOWNSHIP THIRTY-FIVE (35), RANGE TWENTY-EIGHT (28), WEST OF THE FOURTH MERIDIAN LYING BETWEEN THE WESTERLY LIMIT OF THE ROAD RIGHT-OF-WAY PLAN 1576EU (HIGHWAY 2A) AND THE WESTERLY LIMIT OF ROAD RIGHT-OF-WAY PLAN 4990JY (HIGHWAY 2).




THAT PORTION OF THE SOUTHEAST QUARTER OF SECTION TWENTY-EIGHT (28), TOWNSHIP TWENTY-EIGHT (28), RANGE THIRTY-FIVE (35), WEST OF THE FOURTH MERIDIAN LYING EAST OF THE WESTERLY LIMIT OF ROAD RIGHT-OF-WAY PLAN 1576EU (HIGHWAY 2A).

ALL INTERVENING ROAD ALLOWANCES, ROAD PLANS RAILWAY RIGHT-OF-WAY PLANS AND UTILITY RIGHT-OF-WAY PLANS.

APPENDIX "B"

A SKETCH SHOWING THE GENERAL LOCATION OF THE AREAS
RECOMMENDED FOR ANNEXATION TO THE TOWN OF INNISFAIL



-  ANNEXATION AREAS
-  CURRENT MUNICIPAL BOUNDARY
-  HIGHWAY 54 RE-ALIGNMENT



APPENDIX C

ORDER

- 1 In this Order, “annexed land” means the land described in Appendix A and shown on the sketch in Appendix B.
- 2 For taxation purposes in 2001 and later years, the annexed land and the assessable improvements to it
 - (a) must be assessed by the Town of Innisfail on the same basis as if they had remained in Red Deer County, and
 - (b) must be taxed by the Town of Innisfail in respect of each assessment class that applies to the annexed land and the assessable improvements to it using the tax rate established by Red Deer County for the year 2000.
- 3(1) Where, in any taxation year, a portion of the annexed land
 - (a) becomes a new parcel of land created as a result of subdivision or separation of title by registered plan of subdivision or by instrument or any other method that occurs at the request of, or on behalf of, the landowner,
 - (b) becomes a residual portion of 16 hectares or less after a new parcel referred to in clause (a) has been created,
 - (c) is redesignated at the request of or on behalf of the landowner under the Town of Innisfail Land Use Bylaw to another designation, or
 - (d) is connected to the water or sanitary sewer services provided by the Town of Innisfail,section 2 ceases to apply at the end of that taxation year in respect of that portion of the annexed land and the assessable improvements to it.
- (2) Notwithstanding subsection (1)(a), section 2 does not cease to apply in respect of the subdivision of an existing farmstead from a previously unsubdivided quarter section of the annexed land.
- (3) Notwithstanding subsection (1)(c), section 2 does not cease to apply in respect of a portion of the annexed land that is redesignated under the Town of Innisfail Land Use Bylaw to the designation “Reserved for Future Development Land Use District”.

- 4 After section 2 ceases to apply to a portion of the annexed land in a taxation year, that portion of the annexed land and the assessable improvements to it must be assessed and taxed for the purposes of property taxes in that year in the same manner as other property of the same assessment class in the Town of Innisfail is assessed and taxed.
- 5(1) In this section, “compensation amount” means the amount of taxes payable to Red Deer County under Part 10 of the Municipal Government Act in respect of the annexed land for the 2001 taxation year.
- (2) The Town of Innisfail must pay to Red Deer County
- (a) 100% of the compensation amount on or before December 31, 2001,
 - (b) 80% of the compensation amount on or before July 31, 2002,
 - (c) 60% of the compensation amount on or before July 31, 2003,
 - (d) 40% of the compensation amount on or before July 31, 2004, and
 - (e) 20% of the compensation amount on or before July 31, 2005.
- 6(1) Any application for subdivision filed with Red Deer County before July 1, 2001 must be decided by Red Deer County.
- (2) An appeal from a decision made by Red Deer County pursuant to subsection (1) must be made to the Red Deer County Subdivision and Development Appeal Board unless there is authority under section 678(2)(a) of the Municipal Government Act to make the appeal to the Municipal Government Board.