

**ANNEXATION AGREEMENT**

**THE TOWN OF HIGH RIVER**

**– and –**

**FOOTHILLS COUNTY**



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**THIS AGREEMENT first written as of the 13<sup>th</sup> day of December 2018.**

**BETWEEN:**

**THE TOWN OF HIGH RIVER**  
a Municipal Corporation in the Province of Alberta  
(the “Town”)

– and –

**FOOTHILLS COUNTY**  
a Municipal Corporation in the Province of Alberta  
(the “County”)

**ANNEXATION AGREEMENT**

**RECITALS**

**WHEREAS** on June 11<sup>th</sup>, 2018, Council for the Town passed a resolution to submit an application to the Municipal Government Board to annex approximately 252.48 acres of land (102.18 hectares) presently located within the County’s boundaries, as depicted and described in Schedule 1 attached hereto;

**AND WHEREAS** on October 9<sup>th</sup>, 2019, Council for the County passed a resolution supporting the Annexation Agreement;

**AND WHEREAS** it is the position of the Town that the annexation of the said lands is necessary and appropriate in order to ensure the proper future growth and development of the Town, and to enable both the Town and County to plan on a comprehensive and long term basis;

**NOW THEREFORE** in consideration of the mutual obligations and covenants contained herein, the Town and the County hereby agree as follows:

## **PART 1 – DEFINITIONS**

- 1.1 “Agreement” means the Annexation Agreement including the above recitals and all Schedules attached hereto;
- 1.2 “Annexation” means the incorporation of the Annexation Territory within the boundaries of the Town;
- 1.3 “Annexation Order” means the Order in Council by the Lieutenant Governor of Alberta authorizing the annexation of the Annexation Territory within the boundaries of the Town;
- 1.4 “Annexation Territory” means those lands located within the County shown on the maps and legally described in Schedule 1 attached hereto;
- 1.5 “Effective Date of Annexation” means the date specified in the Annexation Order on which the annexation is to be effective;
- 1.6 “Inter-Municipal Committee” means the committee established jointly by the Town of High River and Foothills County and comprising representatives from both municipalities;
- 1.7 “Annexation Negotiation Committee” means the committee established by the Town of High River and Foothills County to facilitate both parties’ approvals to the terms of this Agreement. It is part of the Inter-Municipal Committee and is comprised of equal representatives from both municipalities.
- 1.8 “County” means Foothills County, a municipal corporation in the Province of Alberta;
- 1.9 “MGA” means the *Municipal Government Act*, R.S.A. 2000, c. M-26, as amended from time to time, and all Regulations thereunder;
- 1.10 “MGB” means the Municipal Government Board of the Province of Alberta established under the *Municipal Government Act*, and includes any panel of the Board;
- 1.11 “Town” means The Town of High River, a municipal corporation in the Province of Alberta.

## **PART 2 – MUTUAL COOPERATION**

- 2.1 In reaching this Agreement, the Town and the County established an Annexation Negotiation Committee as part of the Inter-Municipal Committee. The Annexation Negotiation Committee worked to create a mutually beneficial arrangement whereby lands being annexed were identified and issues resolved. Mutual cooperation will form the basis of the ongoing relationship to address growth and development for both municipalities.
- 2.2 The Town and the County agree to use all reasonable efforts and to fully cooperate with one another to ensure that the terms and conditions of this Agreement are fulfilled.
- 2.3 Within thirty (30) days following the Annexation Order, or as otherwise mutually agreed upon, the County agrees to provide, at no extra cost to the Town, all information requested by the Town with respect to the Annexation Territory, as outlined in Schedules 3 and 4, to facilitate the orderly and efficient transfer of the jurisdiction and administration of the Annexation Territory following annexation.
- 2.4 The Town and the County agree to refer to the Town of High River and Foothills County Inter-Municipal Committee any implementation issues associated with this Agreement.

## **PART 3 – ASSESSMENT AND TAXATION**

- 3.1 In order to minimize the taxation impacts on existing County residents, the Town and the County have agreed that lands and improvements in the Annexation Territory will continue to be assessed on a market value basis and taxed for a period of 15 years from the date of the Annexation Order (the 2034 assessment year and for the 2035 taxation year) at the lowest applicable mill rate of either the County or the Town unless:
  - (1) there is an approved change in zoning (designation) to a land use other than Agricultural, Urban Reserve, Country Residential or their equivalents, whereupon the land will be taxed in accordance with the Town's taxation provisions starting in the next calendar year, or,
  - (2) a parcel of land is connected to the Town's waste water, water, or storm water management services after the Effective Date of annexation, or,
  - (3) a landowner requests their land and improvements be taxed in accordance with the Town's rates, or,
  - (4) a new parcel of land is created as a result of subdivision that occurs at the request of, or on behalf of, the landowner.

- 3.2 On the expiry of the 15 year period referred to in 3.1 above, all lands and improvements in the Annexation Territory that continue to be taxed at the County's rates will convert to those of the Town in the next calendar year after the expiry of the 15 year term.
- 3.3 If, during the 15 year transition period, the County is assessed an education tax requisition on lands in the Annexation Territory for which the Town collects the revenue, the Town will remit the Education Tax collected on the said lands to the County.
- 3.4 Any tax arrears owing to the County prior to the Effective Date of Annexation, with respect to the Annexation Territory, shall be transferred and become payable to the Town. Upon collection, the Town shall remit these funds to the County.
  - (1) The County shall refund any cost incurred by the Town in the recovery of tax arrears with respect to the Annexation Territory.

#### **PART 4 – COMPENSATION**

- 4.1 The transfer of the Annexation Territory to the Town would result in a loss of tax revenue for the County. However, the County would cease to have a responsibility for providing services to the Annexation Territory.
- 4.2 Based on recent annexation decisions in the region and High River's 2012 annexation, the Town and the County have agreed that a compensation amount that relates to a per acre assessment for annexation area "B" only would be most appropriate.
- 4.3 The compensation agreed by the Town and the County is \$550 per acre of annexation area "B" and, based on an approximate area of 60.3 acres, results in an agreed total cost of \$33,165. This amount is to be paid in one (1) installment within 30 days following the Effective Date of Annexation.
- 4.4 In accordance with recent decisions of the Municipal Government Board, subsurface mineral rights, which are regulated by the Energy Resources Conservation Board, are not directly affected by a change in municipal jurisdiction. Therefore, this Agreement does not include any compensation for the owners of subsurface mineral rights in the Annexation Territory.

#### **PART 5 – PLANNING AND DEVELOPMENT TRANSITION**

- 5.1 Land within the Annexation Territory will continue to be governed by the County's Land Use Bylaw in place as of the Effective Date of Annexation until such time as Council for the Town redesignates the land use of such land.

- 5.2 Following the Effective Date of Annexation the Town may undertake a process, including appropriate public engagement, to redesignate all or a portion of annexation area “A” as follows:
- (1) Lands may be redesignated to Urban Reserve District (URD) subsequent to this district being amended to better allow uses currently permitted in the County to continue. In keeping with its current stated intent, the amended URD would support rural forms of development and agricultural uses, allow temporary uses, and enable the continuation of existing permitted business operations prior to transitioning to a more urban form through the adoption of an Area Structure Plan, Neighbourhood Outline Plan and / or land use redesignation;
  - (2) Lands may be redesignated to facilitate re-development or intensification of development only subsequent to appropriate planning supported by technical studies deemed suitable by the Town, which will be completed at the cost of the landowners or proponents of development.
- 5.3 Upon the Effective Date of Annexation, the County will transfer all planning and development files, including, but not limited to, subdivision, rezoning, and development applications for the Annexation Territory to the Town.
- 5.4 Any subdivision, rezoning, or development applications which are pending as of the Effective Date of Annexation will be managed as follows:
- (1) on the Effective Date of Annexation, all existing subdivision, rezoning, or development application files respecting lands located within the Annexation Territory shall be transferred to the Town; and
  - (2) subdivision, rezoning, and development application files will be evaluated by the Town on the basis of the existing County Land Use Bylaw. However, the Town will administer circulations and timing and approval processes pursuant to the Town’s established procedures.
- 5.5 Annexation area “C” shall be used solely for flood mitigation enhancement purposes as per the agreement between the Town of High River and the Government of Alberta.
- 5.6 The transfer of the 3.43 acre Municipal Reserve (MR) parcel in annexation area “B” from the County to the Town shall be undertaken by the Town and all associated costs shall be at the Town’s expense. This MR parcel shall be maintained by the Town at least to the standards the County had in place at the Effective Date of Annexation.
- 5.7 Notwithstanding that the residential properties in the north east annexation area “A” will not be connected to Town utilities at the time of annexation, the Town is

prepared to offer solid waste collection services upon request and agreement of the majority of those property owners.

- 5.8 The Town shall grant the landowners in annexation area “A” a 1 year complete franchise fee reprieve commencing upon the Effective Date of Annexation.

#### **PART 6 – ROADS AND RIGHTS OF WAY**

- 6.1 The Town and the County hereby agree to manage the annexation of roads adjacent to the annexation areas, as depicted in Maps 3 and 4 of Schedule 2, as follows:
- (1) The Town will annex the portion of the 10 Street SE right of way and the adjacent portion of road widening plan between the existing Town boundary and the southernmost point of annexation area “B”.
  - (2) The Town will not annex the portion of the 72 Street E right of way adjacent to annexation area “C”. Therefore, it will remain in the jurisdiction of the County.
- 6.2 The County shall submit to the Town a status report regarding the condition of the portion of 10<sup>th</sup> Street SE being annexed prior to submission of the Annexation Application.
- 6.3 The portion of 10<sup>th</sup> Street SE being annexed shall be maintained as a truck route for access to Highway #2 via Highway #23 at least until appropriate improvements have been made to the intersection of Highway #2 and Highway #540.
- 6.4 The Town shall maintain access to the undeveloped agricultural parcels that fall within the balance of the quarter in which annexation area “B” is located.
- 6.5 Drainage along the portion of 10<sup>th</sup> Street SE to be annexed is to be maintained in its current state and any revisions, adjustments, or changes to the existing drainage pattern that will affect the other municipality must first be approved in writing by the affected municipality.

#### **PART 7 – TERMINATION**

- 7.1 This agreement shall terminate and be of no force and effect upon the occurrence of any of the following events, whichever shall occur first:
- (1) The Town’s withdrawal of its application to the MGB for Annexation of the Annexation Territory;



- (2) Refusal of the Town's application to annex the Annexation Territory by the Lieutenant Governor in Council.

## **PART 8 – NOTICES**

8.1 Any notice required to be given under this Agreement shall be given in writing and delivered to:

- (1) in the case of the Town, to: **The Town of High River**  
309B Macleod Trail SW  
High River, Alberta  
T1V1Z5  
Phone: (403) 652 2110  
Fax: (403) 652 2396  
Attention: Town Manager
- (2) in the case of the County, to: **Foothills County**  
309 Macleod Trail SW  
High River, Alberta  
T1V 1M7  
Phone: (403) 652 2341  
Fax: (403) 652 7880  
Attention: Municipal Manager

## **PART 9 – GENERAL PROVISIONS**

- 9.1 All references to legislation contained herein shall include amendments thereto and any successor legislation enacted in replacement thereof.
- 9.2 Each of the parties hereto shall at all times undertake all such further acts and execute and deliver all such further documents as shall be reasonably required to fully perform the terms and conditions of this Agreement.
- 9.3 This Agreement constitutes the entire agreement of the parties hereto with respect to the subject matter hereof, and this Agreement shall not be amended, modified or discharged except by an instrument in writing executed under the authority of each of the parties hereto.
- 9.4 The Recitals and Schedules attached hereto form part of this Agreement.
- 9.5 Nothing in this Agreement shall be construed as fettering or restricting the lawful authority of any board, tribunal, other quasi-judicial entity, or elected municipal Council (or member thereof), in the exercise of jurisdiction vested in it by law.

- 9.6 This Agreement is binding upon both the Town and County and their successors and assigns.
- 9.7 If any provision of this Agreement is found to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall remain in full force and effect.

#### **PART 10 – DISPUTE RESOLUTION**

- 10.1 Where the Town and the County cannot agree on an interpretation, application or operation of certain provisions of this Agreement, the parties agree to first engage in conciliatory discussions and negotiations to resolve, failing which the parties agree to submit such issues to mediation before a single mediator agreed to by both parties, the cost of which shall be shared equally between the parties.
- 10.2 Where the parties are unable to resolve their disagreement through the dispute resolution mechanisms specified in paragraph 10.1, the Town and the County shall submit such issues to non-binding arbitration in accordance with the provisions of the *Arbitration Act*, R.S.A. 2000, c. A-43.

#### **PART 11 – EFFECTIVE DATE OF ANNEXATION**

- 11.1 The Town and the County agree that the Annexation should occur for all purposes as soon as possible and that, both municipalities shall request the MGB recommend the Annexation be effective, for the purposes of the *Local Authorities Election Act*, RSA 2000, c. L-21, as amended from time to time, as of July 1, 2020.

#### **PART 12 – RECOMMENDATIONS TO THE MGB**

- 12.1 In furtherance of attaining the objectives contained within this Agreement, both municipalities agree to request the MGB to recommend, and the Lieutenant Governor in Council to include, all matters contained in this Agreement within the Annexation Order, and specifically impose the following conditions within the Annexation Order:
- (1) Upon the Effective Date of Annexation, the County shall transfer those lands within the Annexation Territory to the Town as specified within this Agreement.
  - (2) Lands within the Annexation Territory and improvements thereon shall be taxed by the Town as specified within Part 3 herein.

**IN WITNESS WHEREOF** the parties hereto have hereunder affixed their respective corporate seals and signatures by duly authorized representatives, as of the date above first written.

**THE TOWN OF HIGH RIVER**

  
\_\_\_\_\_  
**MAYOR**

  
\_\_\_\_\_  
**TOWN MANAGER**

**FOOTHILLS COUNTY**

  
\_\_\_\_\_  
**REEVE**

  
\_\_\_\_\_  
**MUNICIPAL MANAGER**

## SCHEDULE 1 - ANNEXATION TERRITORY

The Annexation Territory is adjacent to the south, southwest and north east boundary of the Town of High River and includes approximately 246.48 acres of land (99.75 hectares), together with approximately 6 acres of boundary roadway (2.4 hectares) adjacent to annexation area “B” for a total of approximately 252.48 acres of land (102.18 hectares).

The lands comprising the Annexation Territory include part of the following quarter sections, as indicated in Map 1:

- a. **Annexation Area A** – 182.38 acres (73.81 hectares), legally located in Township 19 Range 28 (W4M) – west of Highway 2: NW9, W 9, SW9, S9.
- b. **Annexation Area B** – 60.27 acres (24.39 hectares), legally located in Township 18 Range 29 (W4M) – west of 10<sup>th</sup> Street: SE 36; together with approximately 6 acres (2.43 hectares) of the adjacent portion of Road Widening Plan 1797EZ and the Government Road Allowance (10 Street SE) located between the current Town boundary and the southern property line of Section 36 Township 18 Range 29 (W4M).
- c. **Annexation Area C** - 3.83 acres (1.55 hectares), legally located in Township 18, Range 28 W4M – south of 12<sup>th</sup> Avenue: NW 35.

Note:

The owners of subsurface mineral rights, together with the legal descriptions of the land as of the date of the Annexation application, are indicated in Schedule 2, Table 5 and Map 5.

**Table 1. Sizes of Annexation Areas within the Annexation Territory**

<b>Annexation Area</b>	<b>Size</b>
A	182.38 Acres
B	66.27 Acres
C	3.83 Acres
<b>Total Lands</b>	<b>252.48 Acres (102.18 Hectares)</b>

# Map 1: Annexation Territory



**SCHEDULE 2 – DETAILS OF INDIVIDUAL ANNEXATION AREAS**

**TABLE 2. Legal Descriptions for Annexation Area A**

**Township 19 Range 28 (W4M) – West of Highway 2**

<b>Legal Description</b>	<b>Legal Plan</b>	<b>Parcel Size (Acres)</b>
NW 9-19-28-W4	9311236 BLK 1 L1	4.33
NW 9-19-28 W4	9311236 BLK 1 L2	4.50
NW 9-19-28 W4	9311236 BLK1 L 3	2.81
NW 9-19-28 W4	9311236 BLK 1 L4	5.36
NW 9 -19 -28 W4	468 LK BLK 2	15.57
NW 9-19-28 W4	468 LK BLK 3	16.17
NW 9-19-28 W4	708 LK BLK 4	16.19
NW 9-19-28 W4	708 LK BLK 5	16.18
W 9-19-28 W4	1811080 BLK 6 L1	8.97
W 9-19-28 W4	1811080 BLK 6 L2	7.22
SW 9-19-28 W4	731153 BLK 7	16.15
SW 9-19-28 W4	0912103 BLK 8 L1	7.22
SW 9-19-28 W4	0912103 BLK 8 L2	9.27
W 9-19-28 W4	468 LK BLK 9	16.49
S 9-19-28 W4	468 LK BLK 10	16.48
SW 9-19-28 W4	468 LKBLK 11	19.47
<b>Total Lands</b>		<b>182.38 Acres/73.81 Hectares</b>

## Map 2: Annexation Area A





**TABLE 3. Legal Descriptions for Annexation Area B**

**Township 18 Range 29 (W4M) – West of 10<sup>th</sup> Street SE**

<b>Legal Description</b>	<b>Legal Plan</b>	<b>Parcel Size (Acres)</b>
SE 36-18-29 W4M	1910344 Blk 2 Lot 2	43.05
SE 36-18-29 W4M	1811040 Blk 1 Lots 1 through 30 + Lots 31MM, 32MR, & 33MR	17.22
Road Widening Plan and Road Allowance 10 Street SE	Road Widening Plan 1797EZ and Government Road Allowance (Highway 2A, or 10 Street SE)	+/- 6
<b>Total Lands</b>		<b>66.27 Acres/26.82 Hectares</b>

**MAP 3: Annexation Area B**





**TABLE 4. Legal Description for Annexation Area C**

**Township 18 Range 29 (W4M) – South of 12<sup>th</sup> Avenue SW**

Legal Description	Legal Plan	Parcel Size
NW 35-18-29 W4M	9610847 Blk 1	3.83 Acres/1.55 Hectares

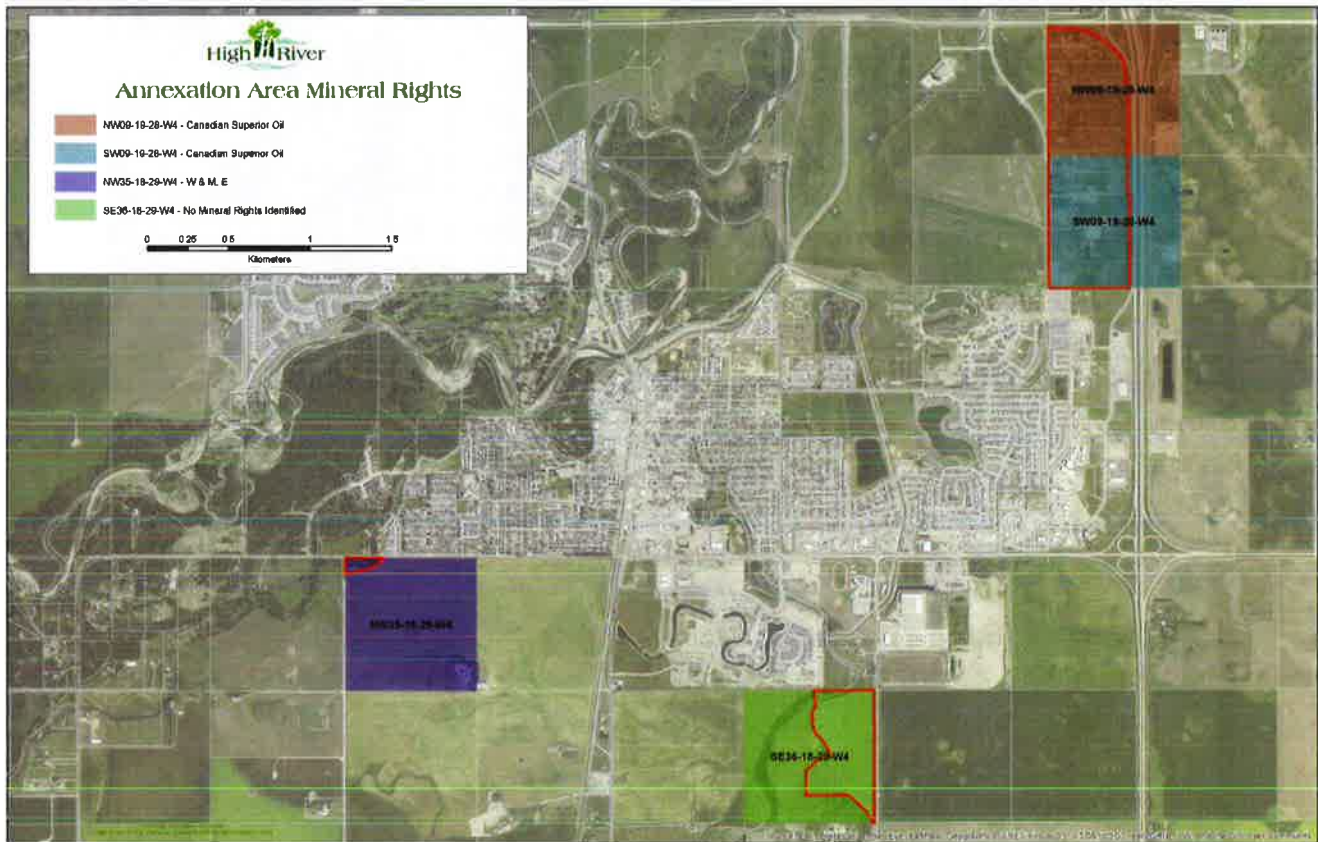
**MAP 4: Annexation Area C**



**TABLE 5. Owners and Legal Descriptions of Subsurface Mineral Rights in the Annexation Areas**

Owners	Legal Descriptions
Canadian Superior Oil	NW 09-19-28-W4
Canadian Superior Oil	SW 09-19-28-W4
W & M, E	NW 35-18-29-W4
No Mineral Rights Identified	SE 36-18-29-W4

**MAP 5: Subsurface Minerals Rights**



### **SCHEDULE 3 - REQUIRED ASSESSMENT RECORDS**

1. The assessment roll for the Annexation Territory showing all detail required pursuant to Sections 303 and 304 of the *Municipal Government Act*.
2. The property record for all properties taxable and exempt within the Annexation Territory.
3. Assessment files relating to annexed parcels.
4. Decisions of the assessment tribunals that specifically apply to annexed parcels.
5. Existing information on file (if any) regarding the support of farming operations being conducted on a parcel.
6. Details of any exemptions granted under the *Municipal Government Act* and the former *Municipal Taxation Act* to the annexed parcels.
7. Copies of any Bylaws, Orders or Acts granting an exemption under the *Municipal Government Act*, the former *Municipal Taxation Exemption Act* or private Acts that specifically apply to the annexed parcels.
8. Explanation of any codes used in the assessment roll or on the property record cards and other similar information.
9. All procedures and policies used for the current general assessment.
10. Details of market data relied on for the current general assessment.
11. Details of any ongoing rebates of taxes under the *Municipal Government Act*.
12. Details of any machinery and equipment assessments.
13. The most recent Supplementary Assessment bylaw.
14. The current classification bylaw if not included in the property tax bylaw.
15. Review of Foothills County's equalized assessment by the Town's assessment staff from time to time, such review to include examination of the market data used and the methodology of calculation and an explanation of the same by Foothills County.
16. All the above records and information shall be supplied concurrent with the preparation of the 2019 assessment roll for the 2020 tax year, shall be updated as of the date of the Annexation or the date of assumption of responsibility for assessment by the Town, and shall be provided from time to time as necessary to permit the

Town to comply with the terms and conditions of the Agreement, of which this Schedule forms a part.

## **SCHEDULE 4 – TAX AND LEVY RECORDS AND INFORMATION**

1. The current tax roll as it relates to the Annexation Territory.
2. Details of the tax levy and of arrears, if any, including any charges transferred to the tax roll such as utility and weed bills for each annexed parcel.
3. Details of any local improvement levies affecting the Annexation Territory including a copy of the bylaw, a copy of the borrowing bylaw and details, and the terms of the levy on each annexed parcel.
4. Tax recovery details for the properties and arrears, properties with tax notifications, properties that have been finally acquired under the *Municipal Government Act* and the former *Tax Recovery Act*, and properties where the redemption period has not expired including expiry date, details of tax sale trust account dates, and details of any proceeds of sales that are recovered by a tax sale trust account.
5. School support details on a parcel by parcel basis together with supporting records including, but not limited to, copies of any corporate school declarations.
6. The policy and bylaw for any tax discounts.
7. The policy and bylaw for penalties.
8. A list of properties owned by Foothills County.
9. The boundaries of any tax zones that have been established for recreational, fire or other districts.
10. A record of any tax certificates that have been issued within the preceding two (2) years.
11. A copy of the property tax bylaws (mill rate bylaws), including among other things, fire and recreational districts for the current year and for the last ten (10) years.
12. A list of all properties subject to a grant, and copies of any agreements where a grant-in-lieu of taxes is to be paid.
13. A list of annexed parcels and relevant detail of taxation, including procedures for linear properties.
14. A list of land owned by Foothills County and leased to third parties including copies of all leases.

