

The Town of Stettler
and
The County of Stettler No. 6

MEMORANDUM
of
UNDERSTANDING

**regarding the preparation of an intermunicipal
development plan, annexation, compensation for
annexation, recreation cost sharing, and related
matters**

A. **INTRODUCTION**

On January 13, 2009 the Councils of the Town of Stettler and the County of Stettler No. 6 agreed to enter into this memorandum of understanding regarding matters related to:

- maintaining a relationship of cooperation, collaboration and coordination;
- the preparation of an intermunicipal development plan;
- the annexation of land by the Town and compensation for annexation; and
- recreation cost sharing.

The memorandum of understanding is the result of several sessions of negotiations between the two Councils, following initial work by the Town and the County administrations. The consideration for the matters agreed to by each municipality are the provisions agreed to and promises given by the other municipality.

The Town and the County agree to undertake the preparation of a new intermunicipal development plan in-house by the administrations. The values, goals and shared vision outlined in this memorandum of understanding will form the basis for developing an intermunicipal development plan ('IDP').

B. **VALUES**

The following values should underlie the IDP and form the basis of the relationship between the Town and the County at all levels of Administration and Council:

1. Endeavour to Understand Each Other
2. Trust, Fairness and Respect in Intermunicipal Affairs
3. Equitable Opportunity for Growth
4. Autonomy of Decision-making within the Respective Growth Areas
5. Working Together Where Possible (Collaboration, Coordination, Cooperation)
6. Effective and Efficient Intermunicipal Communication

C. **GOALS**

The IDP should achieve the following goals:

1. To promote the quality of life for residents in both municipalities.
2. To identify areas that provide for the growth and development of each municipality, and for the annexation of lands by the Town.
3. To identify and foster opportunities for working together, for example the provision of coordinated infrastructure and natural areas across municipal boundaries and the establishment of design guidelines for mixed business development in the gateway locations.
4. To provide a framework for consistent decision-making, intermunicipal communication, the referral of planning matters and the resolution of potential conflicts that is effective and efficient while meeting statutory requirements.
5. To identify areas of potential future development within the County that:
 - (a) are located within the Town's Off-site Levy Bylaw No. 1972-08 and that **shall** be required to connect to the Town's future sewer trunk line and, at the time

- of subdivision, make a financial contribution equal to the current off-site levy amount; and
- (b) are located outside of any current off-site levy bylaw and that **may** be serviced by the Town upon request.

D. IDP AREA

The area subject to the IDP and described as the IDP area is identified on Schedule 'A' attached to and forming part of this Memorandum of Understanding.

E. THE SHARED VISION

On a shared vision for Town and County growth within the IDP area, it is agreed that:

1. Lifetime of the IDP

- 1.1 The IDP will remain effective for a minimum of ten years, and neither municipality will be able to unilaterally repeal the IDP for that period of time.
- 1.2 The IDP will be reviewed annually between the two administrations, with recommendations to each Council being made by the CAO's regarding amendments that may be required.
- 1.3 When the two Councils agree, annual amendments may be made to the IDP during its lifetime.

2. County Growth Area

- 2.1 The County will have ten quarter sections of growth area (designated County growth area):
- (a) Two quarter sections around the Eastgate Area Structure Plan, being the SW 3-39-19-W4M and the SE 4-39-19-W4M;
 - (b) Approximately five quarter sections around the proposed McKay (Hayden) development, being Section 32-38-19-W4M and the NW 33-38-19-W4M;
 - (c) the Verhoeven quarter section, being the SE 8-39-19-W4M; and
 - (d) Two quarter sections around Carlisle Estates, being the North Half of Section 35-38-20-W4M.
- 2.2 It is agreed that although the Town is not opposed to non-agricultural development occurring outside of the designated County growth area, for the purpose of good planning within the timeframe of the IDP, unless otherwise agreed to by the two municipalities, mixed business development and residential development within the County's jurisdiction and within the IDP area shall occur only in the designated County growth area. Unless otherwise agreed to by the two municipalities, those remaining lands within the County's jurisdiction and within the IDP area that are not within the designated County growth area will continue to accommodate agricultural development and subdivision of single parcels for agricultural use under the provisions of the County's Municipal Development Plan and Land Use Bylaw.

3. Servicing of the County's Growth Area

- 3.1 Commercial and industrial developments and residential developments that consist of residential lots smaller than one acre as may be agreed upon by the municipalities pursuant to paragraph 6.2 within that portion of the County's growth area that is located within the Town's off-site levy bylaw benefiting area, as of 2009, **shall** be serviced by a communal sanitary sewer system that is capable of connecting to a sanitary sewer trunk main, and **may** be serviced by a communal water system that is capable of connecting to a water trunk main. The Town agrees to provide sanitary sewer services and, upon request, water services to these developments when such services become available by reason of construction of trunk mains, and provided the capacity of the Town's sanitary sewer and water systems permits the provision of services. The County agrees to put measures in place to collect from these developments agreed upon contributions towards the Town's off-site levies and pay those contributions to the Town. For lands which are within the County's growth area addressed by this provision, the Town shall receive 15% of municipal taxes collected by the County on lands and improvements which are developed and for which sanitary sewer services are provided and 15% of municipal taxes collected by the County on lands and improvements which are developed and for which water services are provided, as contemplated in this paragraph, commencing in the year following connection to the Town services of a particular development.
- 3.2 Developments within that portion of the County's growth area that is located outside of the Town's off-site levy bylaw benefiting area, as of 2009, **may** be serviced by a communal sanitary sewer system and communal water system that are capable of connecting to a sanitary sewer trunk main and a water trunk main that **may** be provided by the Town. The Town agrees to provide, upon request, sanitary sewer services and water services to these developments when such services become available by reason of construction of trunk mains, and provided the capacity of the Town's sanitary sewer and water systems permits the provision of services. The County agrees to put measures in place to endeavor to collect from these developments agreed upon contributions towards the Town's cost of providing sanitary sewer and water services and pay those contributions to the Town. For lands which are within the County's growth area addressed by this provision, the Town shall receive 15% of municipal taxes collected by the County on lands and improvements which are developed and for which sanitary sewer services are provided and 15% of municipal taxes collected by the County on lands and improvements which are developed and for which water services are provided, as contemplated in this paragraph, commencing in the year following connection to the Town services of a particular development.

4. Town Growth Area for Immediate Annexation

- 4.1 In addition to growth areas presently available within the Town's current limits (approximately four quarter sections), the Town will have six quarter sections for an immediate growth area by way of annexation (the immediate growth area):

- (a) Four quarter sections to the west of Town along Hwy 12, being Section 1-39-20-W4M;
- (b) One quarter section west of the Tower Road, being the SE 7-39-19-W4M around the Emerson subdivision; and
- (c) One quarter section to the south of Town along and to the east of Highway 56, being the SW 31-38-19-W4M.

4.2 The County will not oppose the Town's annexation of the immediate growth area within the lifetime of this IDP.

5. Town Growth Area for Long Term Annexation

- 5.1 The Town will have approximately seven quarter sections of long term (40 + years) growth area:
- (a) Approximately 30 acres on the SW 7-39-19-W4M east and south of Red Willow Creek and the Town's sewage lagoons;
 - (b) One quarter section, being the SW 8-39-19-W4M, between the Tower Road and the Verhoeven quarter section;
 - (c) Approximately four quarter sections to the south of town along Highway 56, being the NE 25-38-20-W4M, the North Half of Section 30-38-19-W4M, and the SE 31-38-19-W4M, excluding the Anderson subdivision; and
 - (d) Three quarter sections to the northeast of Town, being the NE 4-39-19-W4M and the South Half of Section 9-39-19-W4M.
- 5.2 The annexation of the Town's long term growth area shall not occur within the lifetime of this IDP. Notwithstanding this, the County in principle supports the annexation of the long term growth area lands at a time when the Town's growth projections demand it.
- 5.3 Notwithstanding the County's support in principle expressed in paragraph 5.2 above, at the time when the Town's growth projections demand it, the annexation sequence of the long term growth area will be determined as mutually agreed to by the Town and the County at that time.

6. General Matters

- 6.1 The Town will revise its servicing study to reflect the proposed growth pattern.
- 6.2 Unless otherwise agreed to by the Town and the County, residential development in the designated County growth area will be country residential lots of a minimum size of one acre.
- 6.3 Unless otherwise agreed to by the Town and the County, residential development in the Town's growth area (both existing and proposed) will be urban lots of a maximum size of one acre, and only for those lots that cannot be of a typical urban size under special circumstances that both municipalities agree warrant a larger size.
- 6.4 The Town and the County will adopt similar design guidelines for mixed business development at the highway gateways within the IDP area.

- 6.5 The Town and the County will by way of Land Use Bylaw provisions, subdivision approvals, and conditions imposed on development permits ensure that adjacent, potentially incompatible land uses are spatially removed or visually and otherwise screened and functionally separated from each other. This applies specifically to the interface of residential and mixed business uses in the Town and the County growth areas, as well as to new developments relative to existing developments.
- 6.6 The Town and the County will work with Alberta Transportation towards the realignment of Hwy 56 and Hwy 12.
- 6.7 The Town will provide the standards and proposed routes for its future arterial roads and utility trunk mains and the County will protect these rights-of-way in its land use documents.
- 6.8 The Town and the County will ensure coordination of infrastructure and land uses along their common boundary.
- 6.9 The Town and the County will work together and in collaboration with Alberta Environment for the preservation of Red Willow Creek and its floodplain, including the Shuckburgh's Slough Drainage Channel.
- 6.10 The Town and the County agree to cooperate and collaborate in administering and maintaining agricultural pest control programs within the plan area. The Town and the County could enter into a separate agreement to provide pest control.
- 6.11 The IDP will create an exclusion zone for Confined Feeding Operations (CFO's) as shown on the map, including the urban fringe.
 - (a) The exclusion zone is approximately one mile wide adjacent to residential developments in the IDP area and within the Town's existing limits.
 - (b) No new CFO's could be established in the exclusion zone and existing CFO's would be allowed to continue but not to expand.
 - (c) The CFO exclusion zone does not prohibit the spreading of manure.
 - (d) Except for new CFO's agricultural development and the subdivision of single parcels for agricultural use within the CFO exclusion zone will be regulated by the County's Municipal Development Plan and the Land Use Bylaw.
- 6.12 The IDP will require the coordination and alignment of oil and gas facilities into corridors that do not fragment the growth areas of the Town and the County.

7. Intermunicipal Communication

- 7.1 Except as otherwise provided for in this memorandum of understanding, the IDP referral area will coincide with the Town and the County growth areas, and shall also constitute the urban fringe.

- 7.2 Prior to the annexation of all of the Town's growth area, the Town and the County, at staff level, will jointly and in person review, on a monthly basis or otherwise as the need arises, rezoning, subdivision and development applications within the Town's growth area to ensure that the integrity of the IDP is not jeopardized. The adversarial referral system will be abandoned.
- 7.3 Following the annexation of the Town's growth area, as long as the Town follows the IDP land use map and policies, the County does not require the opportunity to review rezoning, subdivision and development applications within the Town's annexed growth area.
- 7.4 As long as the County follows the IDP land use map and policies, the Town does not require the opportunity to review rezoning, subdivision and development applications within the County's growth area, except where the Town will provide utility services to those areas or as may be otherwise required by the policies of the IDP.
- 7.5 Pursuant to Section 636 of the Municipal Government Act the Town and the County agree to jointly review municipal development plans and area structure plans rather than refer them. Notwithstanding Section 636(2) of the Act the Town and the County further agree to include amendments to municipal development plans and area structure plans in this joint review process.
- 7.6 The Town and the County agree to require the preparation of statutory plans rather than outline plans within the IDP referral area.
- 7.7 The Town and the County will foster open communication on the basis of the values entrenched in this memorandum of understanding. Developers will be informed that the Town and the County do not withhold information from each other about development within the IDP area that may impact the other municipality, and that both municipalities shall be involved in such discussions.
- 7.8 The IDP will provide for an efficient dispute resolution process. This will involve meaningful attempts to resolve issues at the administrative level before referring those through the CAO's to the political level.

8. Compensation for Annexation and Recreation Cost Sharing

- 8.1 The Town and the County agree that, upon approval of the annexation of the lands referred to in paragraph 4.1, the Town shall make a one time payment of \$287,990.00 to the County as compensation for infrastructure that the County provided at its cost within the Town's proposed immediate growth area. This includes the construction of the service road by UFA and CH4 and upgrades to 70th Street.
- 8.2 Compensation agreements in Alberta typically include loss of provincial grant revenues, lost development opportunity and lost taxation revenue. The Town and the County however agree that, except for the infrastructure payment detailed in paragraph 8.1 above, the Town will not pay any other compensation to the County. In exchange for this agreement by the County,

for the first ten years following annexation of the lands referred to in paragraph 4.1, the County will continue in good faith to pay the amount of \$128,000.00 by June 30th of each year to the Town for recreation cost sharing. In the eleventh year the amount to be paid by the County to the Town for recreation cost sharing will be equal to \$128,000.00 adjusted to reflect the cumulative change in the Alberta Consumer Price Index over the previous ten years. These agreements are based on the recognition by both parties that the agreed upon annexation lands (location and area) significantly support the Town in its provision of present and future recreation services.

9. Other Matters Agreed To

- 9.1 The Town agrees in the future to consider, within due process, an outline plan or area structure plan for future rezoning, subdivision and development of the County office and yard site if and when the County may need to relocate.
- 9.2 The Town agrees to offer Recreation Center passes to County staff at a 50% discount, to annually provide the County with twenty Recreation Center single use family passes for promotional use, and to acknowledge the County's funding commitment on the Town's website and in the Recreation Center.
- 9.3 The Town and the County agree that a tax rate protection will apply to lands in the proposed Town annexation area to the effect that the lower mill-rate for residential and farm properties shall be applied for a period of ten years or until such a time that the lands are subdivided or developed, whichever first occurs.

10. Opportunity for Meaningful Public Consultation

- 10.1 This memorandum of understanding, in particular the proposed land use framework, is subject to both Councils giving due consideration to feedback received from meaningful public input, specifically affected landowners, during the preparation of the IDP. Town and County Councils shall endeavor to be guided by sound planning principles when making decisions regarding future developments that will have long term impacts for the region.

F. NEXT STEPS

1. The Town and County administrations will commence with the preparation of an IDP pursuant to the Municipal Government Act, which includes initiating a public notification process, the drafting of the plan and meaningful public consultation.
2. The Town will proceed with the finalization and adoption of its Municipal Development Plan on the basis of the shared vision contained in this memorandum of understanding.
3. The Town will initiate the annexation process for its proposed immediate growth area.

4. The Town will proceed with the agreed steps for acknowledging the County's recreation cost sharing.

Signed on behalf of the respective Councils this _____th day of _____, 2009.

Reeve Earl Marshall
County of Stettler No. 6

Mayor Jim Hunter
Town of Stettler

SCHEDULE 'A' forming part of the Memorandum of Understanding

