



DECISION NO. LPRT2024/MG0541

FILE: AN24/BENT/T-01

IN THE MATTER OF THE *Municipal Government Act* being Chapter M-26 of the Revised Statutes of Alberta 2000 (*Act*).

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

BEFORE:

Members:

H. Kim, Presiding Officer

L. Dunham, Member

G. Selland, Member

P. Yackulic, Member

K. Lau, Case Manager

H. Dungale, Board Officer

SUMMARY

After examining the submissions from the Town of Bentley, Lacombe County, and the affected landowner who filed objections, the Tribunal makes the following recommendation for the reasons set out in the report in Schedule 3.

Recommendation

That the annexation be approved in accordance with the following:

The Lieutenant Governor in Council orders that

1 In this Order,

(a) “annexed land” means the land described in Schedule 1 and shown on the sketch in Schedule 2.

(b) “Town of Bentley Land Use Bylaw” means The Town of Bentley Land Use Bylaw 189/2016, as amended or replaced from time to time.

- 2** Effective January 1, 2025, the annexed land is separated from Lacombe County and annexed to the Town of Bentley.
- 3** Any taxes owing to Lacombe County at the end of December 31, 2024 in respect of the annexed land and any assessable improvements to it are transferred to and become payable to the Town of Bentley together with any lawful penalties and costs levied in respect of those taxes, and the Town of Bentley, on collecting those taxes, penalties and costs, must pay them to Lacombe County.
- 4 (1)** For the purpose of taxation in 2025 and in each subsequent year up to and including 2059, the annexed land and assessable improvements to it, excluding linear property,
 - (a) must be assessed on the same basis as if they had remained in Lacombe County, and
 - (b) must be taxed by the Town of Bentley in respect of each assessment class that applies to the annexed land and the assessable improvements to it using the tax rate established by Lacombe County.
- (2)** Where in 2025 or any subsequent taxation year up to and including 2059, a portion of the annexed land
 - (a) becomes a new parcel of land created for non-agricultural use,
 - (b) is redesignated, at the request of or on behalf of the landowner, under the Town of Bentley Land Use Bylaw, to a new urban use, or
 - (c) is connected to water or sanitary sewer services provided by the Town of Bentley,subsection (1) 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.
- (3)** After subsection (1) 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 the same manner as other property of the same assessment class in the Town of Bentley.
- 5** For the purpose of taxation in 2025, Lacombe County must assess the annexed land and the assessable improvements to it.

- 6** For the purposes of taxation in 2026 and subsequent years, the Town of Bentley must assess the annexed land and the assessable improvements to it.

DATED at the City of Edmonton, in the Province of Alberta, this 23rd day of October 2024.

LAND AND PROPERTY RIGHTS TRIBUNAL

(SGD) H. Kim, Presiding Officer

Schedule 1

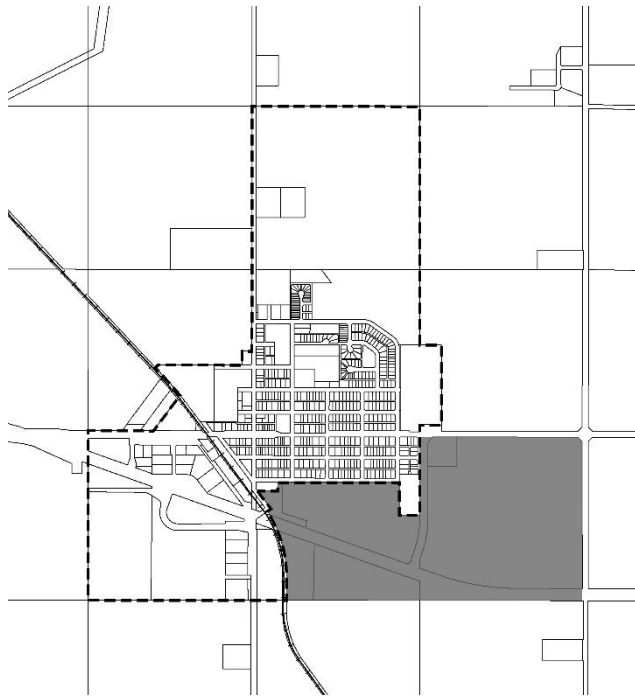
**DETAILED DESCRIPTION OF THE LANDS SEPARATED FROM
LACOMBE COUNTY AND ANNEXED
TO THE TOWN OF BENTLEY**

THAT PORTION OF THE NORTHWEST QUARTER OF SECTION TWENTY-THREE (23),
TOWNSHIP FORTY (40), RANGE ONE (1), WEST OF THE FIFTH (5) MERIDIAN NOT
WITHIN THE TOWN OF BENTLEY

THE NORTHEAST QUARTER OF SECTION TWENTY-THREE (23),
TOWNSHIP FORTY (40), RANGE ONE (1), WEST OF THE FIFTH (5) MERIDIAN

Schedule 2

**SKETCH SHOWING THE GENERAL LOCATION OF THE LANDS
SEPARATED FROM LACOMBE COUNTY AND ANNEXED TO
THE TOWN OF BENTLEY**



Legend

----- Existing Town of Bentley Boundary

 Annexation Area

Schedule 3

**LAND AND PROPERTY RIGHTS TRIBUNAL REPORT TO THE
MINISTER OF MUNICIPAL AFFAIRS
RESPECTING THE TOWN OF BENTLEY PROPOSED ANNEXATION OF
TERRITORY FROM LACOMBE COUNTY**

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Acronyms/Abbreviations

The following table lists acronyms and abbreviations used in this recommendation.

Acronym/Abbreviation	Full Description
<i>Act</i>	<i>Municipal Government Act</i>
Annexation Landowner	The owner of the property in the proposed annexation area
ASP	Southeast Bentley Area Structure Plan
ATEC	Alberta Transportation and Economic Corridors
County	Lacombe County
County LUB	Lacombe County Land Use Bylaw
County MDP	Lacombe County Municipal Development Plan
IDP	Intermunicipal Development Plan
JEA	Joint Economic Area
LGC	Lieutenant Governor in Council
Minister	Minister of Municipal Affairs
Notice	Notice of Intent to Annex
ROW	Highway 12 Right-of-Way
Rules	Tribunal Annexation Procedure Rules
Town	Town of Bentley
Town LUB	Town Land Use Bylaw
Town MDP	Town Municipal Development Plan
Tribunal	Land and Property Rights Tribunal

EXECUTIVE SUMMARY

[1] The Town of Bentley (Town) submitted an application to the Land and Property Rights Tribunal (LPRT) to annex approximately 89 hectares (221 acres) from Lacombe County (County). Although the two municipalities have negotiated an agreement, the affected landowners raised concerns with the proposed annexation. The lack of general agreement with the proposed annexation required the LPRT to hold a public hearing and submit a report to the Minister of Municipal Affairs with its recommendation and findings. The LPRT's public hearing occurred on August 15, 2024. This report outlines its recommendation and findings.

Recommendation

[2] The Tribunal recommends annexation of the area requested by the Town with an effective date of January 1, 2025. In addition, it recommends the Town be required to assess and tax property in the annexed area as though it were in the County for 35 years, or until it is subdivided for non-agricultural use, redesignated for an urban use, or connected to the Town's water or sewer services.

Major Issues and Considerations

[3] The LPRT's predecessor, the Municipal Government Board (MGB), summarized the annexation principles in Board Order MGB 123/06. These principles guide the LPRT in making its recommendations, in conjunction with issues identified by the parties. To reduce repetition, these principles and issues have been addressed under the following broad headings: consultation, land use planning, infrastructure, financial matters and effective date.

Consultation

[4] Negotiations between the Town and the County were satisfactory as the County supported the application and there were no outstanding issues.

[5] The Town conducted an appropriate consultation process with the public and the affected landowners, including multiple open houses, public meetings and discussions. The Tribunal is satisfied the process meets the *Act's* requirements for public participation and open communications.

[6] The owner of the land to be annexed had concerns about the taxation provisions. The Town increased the originally proposed 25-year provision to 35 years. The landowner requested a minimum of 100 years due to their belief that it would take that long for the land to be developed. The Tribunal is satisfied that the 35-year assessment and taxation provision is reasonable and that development will occur within 35 years.

Land Use Planning

[7] The purpose of the proposed annexation is to provide the Town with the commercial and industrial land inventory needed to attract new economic activity and to support the long-term viability and sustainability of the community and meet the growing needs of the central Alberta region. It conforms with the IDP and more importantly was the subject of an ASP that was adopted specifically to address uses on the land proposed to be annexed.

Infrastructure

[8] The Town's existing infrastructure can service the annexation area or readily be extended to provide services.

[9] ATEC had originally requested the Highway 12 right-of-way (ROW) be excluded from the annexation area. The Town preferred to include the ROW, as there is excess ROW identified in the ASP as highway commercial use. The County had no position on the matter, and ATEC withdrew its request after the hearing, therefore, the Tribunal determined the ROW should be included in the annexation area.

Financial Matters

[10] The financial impact on both municipalities are negligible, and the County agreed that no compensation was requested.

Effective Date

[11] The effective date of January 1, 2025 requested by the two municipalities is appropriate.

Conclusion

[12] The Tribunal finds that the proposed annexation complies with the *Act* and addresses the 15 annexation principles established by Board Order MGB 123/06. The two municipalities demonstrated a significant level of intermunicipal collaboration and cooperation. The Town made modifications to address the concerns of the affected landowners and the public. The annexation area is logical and the amount of land is reasonable. The conditions of annexation are certain, unambiguous, enforceable, and time specific. Therefore, the Tribunal recommends the annexation proceed.

I INTRODUCTION

[13] The Town is located on Highway 12, northwest of the City of Red Deer and 19 kilometres west of the QEII Highway. As of 2021, the Town's population was 1,042.

[14] The Town has applied to annex 89 hectares (221 acres) of titled land along with road rights-of-way from the County to allow for commercial and industrial development. The Town has obtained the County's consent, but affected landowners expressed concern related to assessment and taxation. The lack of general agreement required the LPRT to hold a public hearing before making its recommendation.

[15] This Report describes the role of the Tribunal and the Lieutenant Governor in Council, summarizes the public hearing process and submissions received by the Tribunal, and provides the Tribunal's recommendations and reasons. This report fulfills the Tribunal's responsibility under the *Act* regarding this annexation.

II ROLE OF THE TRIBUNAL, THE MINISTER, AND THE LIEUTENANT GOVERNOR IN COUNCIL

[16] The Tribunal is an independent and impartial quasi-judicial board established under the *Act* to make decisions about land-use planning and assessment matters. Section 488(1)(f) of the *Act* gives the Tribunal the authority to "deal with annexations". Section 523 of the *Act* allows the Tribunal to "establish rules regulating its procedures". The *Tribunal Annexation Procedure Rules (Rules)* have been adopted to provide information about annexation hearings, ensure a fair, open and accessible process, and increase the efficiency and timeliness of annexation proceedings. These *Rules* recognize that municipalities and persons affected by a proposed annexation should have a fair opportunity to voice their concerns to the Tribunal before it makes its recommendation to the Minister of Municipal Affairs (Minister).

[17] Pursuant to s. 116 of the *Act*, a municipality initiates the annexation process by sending a Notice of Intent to Annex (Notice) to the municipal authority from which the land is to be annexed, the Minister, the Tribunal, and all other local authorities having jurisdiction to operate or provide services in the initiating municipality or in the municipality from which the land is to be annexed. The Notice must describe the land proposed for annexation, identify the reasons for the proposed annexation, and include proposals for consulting with the public as well as meeting with the affected landowners. Once the Notice has been filed, the municipalities involved with the proposed annexation are required to meet and negotiate in good faith. If the municipalities are unable to reach an agreement, they must attempt mediation to resolve any outstanding matters.

[18] At the conclusion of the consultation process and the intermunicipal negotiations, the initiating municipality is required to prepare a negotiation report. In accordance with s. 118 of the *Act*, the report is required to include a description of the public and affected landowner consultation process, as well as provide a summary of the views expressed during this process. The report must also include a list of issues that have been agreed to by the municipalities and identify any matters the municipalities have not been able to agree upon. If the municipalities were unable to negotiate an annexation agreement, the report must state what mediation attempts

were undertaken or, if there was no mediation, give reasons why. The report is then signed by both municipalities. Should one of the municipalities not wish to sign the report, it has the option of including its rationale for not signing the report.

[19] The negotiation report is then submitted to the Tribunal. If the initiating municipality requests the Tribunal to proceed, pursuant to s. 119 of the *Act*, the report becomes the annexation application. If the Tribunal is satisfied that the affected municipalities and public are generally in agreement, the Tribunal may notify the parties of its findings and state that unless objections are filed by a specific date, the Tribunal will make its recommendation to the Minister without holding a public hearing. If an objection is filed or if the Tribunal is not satisfied all parties are in agreement with the proposed annexation, the Tribunal must conduct one or more public hearings. If the Tribunal is required to conduct a hearing, s. 122(1) of the *Act* specifies the Tribunal must publish a notice of hearing at least once a week for two consecutive weeks in a newspaper or other publication circulating in the affected area, the second notice being not less than six days before the hearing.

[20] The Tribunal has the authority to investigate, analyze, and make findings of fact about the annexation, including the probable effect on local authorities and on the residents of an area. If a public hearing is held, the Tribunal must allow any affected person to appear and make a submission. After reviewing the evidence and submissions from the parties, the Tribunal is to prepare a written report of its findings and recommendations and send it to the Minister. The Minister has the authority to accept in whole or in part or completely reject the findings and recommendations made by the Tribunal. The Minister may bring a recommendation forward for consideration to the Lieutenant Governor in Council (LGC). After considering the recommendation, the LGC may order the annexation.

III ANNEXATION PROCEEDINGS

[21] The following section provides an overview of the annexation process as well as a summary of the oral and written submissions received by the Tribunal during the proceedings.

Process Overview

[22] The Town filed a Notice of Intent to Annex (Notice) with the Tribunal dated February 27, 2024. The Notice stated the annexation proposal had recently been provided to the County and that the Town would be discussing it with the County, affected landowners and the general public before submitting the application to the Tribunal. Comments were solicited as to potential impacts of the change in municipal boundaries on the recipients' organization or the services provided.

[23] On June 14, 2024, the Tribunal received the Town's annexation application. The proposed annexation consists of land south and east of the Town along Highway 12 suited to attract commercial and industrial development. The affected landowner had an outstanding concern concerning assessment and taxation; therefore, pursuant to s. 121 of the *Act*, the Tribunal was required to hold a public hearing, which it scheduled for August 15, 2024.

[24] In accordance with s. 122 of the *Act*, the Tribunal published notices of hearing in newspapers circulating in the Bentley area - the Rimbey Review and Lacombe Express – for the weeks of July 15, 22, and 29, 2024. Although not required by the *Act*, the Tribunal also mailed notices of hearing on July 10, 2024 to those persons who had filed objections with the Tribunal as well as those who the Town had identified as part of its consultation process. Both the letter and newspaper notices stated anyone wishing to attend and/or make an oral submission during the public hearing should register and provide any written submissions with the Tribunal by August 6, 2024. The notices stated the public hearing would begin at 10:00 am on August 15, 2024 and be conducted via videoconference.

Summary of Submissions Made to the Tribunal

[25] During its proceedings, the Tribunal received written and oral submissions from the affected landowners, the Town, the County, and a written submission from Alberta Transportation and Economic Corridors (ATEC). Some of the annexation lands are owned by the Town and the County, but the balance is owned by four members of the Angus family as joint tenants, who were represented at the hearing by M. J. Angus.

Affected Landowner Submission

[26] In written submission to the LPRT, the Angus family stated they do not object to the annexation, but rather to the taxation provisions. They advised that they are farmers and, in addition to the subject lands, own land they bought in 1999 in the southwest corner of the Town. That parcel was originally 61 acres, but development of Hwy 12 used 12.7 acres and two developers purchased 12.43 acres, leaving the balance of 35.96 acres. Since they bought the land 25 years ago, 12.43 acres have been developed, which represents 0.49 acres developed per year.

In the proposed annexation area, 10.78 acres have been used for the storm water pond and 5 acres for the firehouse, leaving 132.75 acres of developable land in the annexation area. At 0.49 acres per year, it will take 267 years to develop the annexed land if development continues at the same rate. The Angus family does not intend to install servicing; therefore, it will likely be over 200 years before this land is developed.

[27] The long period before development is the basis for their concern about the taxation provisions. Their children are still farming, and although this particular land is rented to another farmer, they are concerned the 35-year transition period for assessment and taxation is too short, and that taxes will increase before the land is ready for development. They would like the property tax arrangement to remain in place as long as the land is farmed, without any time limit; however, if a time limit is required it should be a minimum of 100 years, since in that time the land may have developed into commercial and industrial land instead of farm land.

[28] They stressed that they do not oppose the annexation in principle, and would be willing to sell the land for development at an appropriate price; however, they believe it will take a long time for the area to completely develop.

The Town

[29] The following section summarizes the Town's annexation application as well as the oral submissions received during the August 15, 2024 public hearing. An overview of the intermunicipal negotiations, public consultation, proposed annexation area, infrastructure and servicing are provided below.

[30] The Town was founded in 1901, incorporated as a village in 1915 and achieved town status in 2001. It had a population of 1,042 at the 2021 census. The Town is a local service centre, not a bedroom community and has experienced slow growth over many decades, despite significant growth elsewhere in the central Alberta region. The Town has sufficient residential lands that were annexed in the past, but growth has been constrained by lack of jobs and commercial opportunities. Developable commercial land in the Town consists of five parcels along the main street in the downtown core, which suffered when Hwy 12 was relocated to the south. The location and size of the parcels constrains the type of development that can be accommodated within the Town's traditional commercial area, leading to lost opportunities.

[31] The Town has limited capacity to accommodate commercial development requiring more land, including highway commercial, but potential for growth is significant, based on activity in central Alberta and in the vicinity. Highway 12 carries more than 6,000 vehicles per day in this area, and the Provincial government has commissioned a functional planning study for twinning Hwy 20 from Sylvan Lake to Rimbey, passing just west of the Town, to accommodate future growth in the region. Additionally, there has been significant growth in Sandy Point (Lacombe County), Blackfalds, Lacombe, Red Deer, and Sylvan Lake, which points to an opportunity to leverage both residential, commercial and industrial growth.

[32] The Town also has a very limited supply of developable industrial land. To attract more industrial development, the Town requires availability of serviced land of varying sizes; the annexation lands can accommodate a well-planned industrial area with flexible parcel sizes to

attract industrial development of various scales, and provides an opportunity to respond to industrial proposals within the region.

Intermunicipal Negotiations

[33] The application is a result of extensive intermunicipal collaboration. The Town and the County mutually adopted the current IDP in 2018, an update of the 2009 IDP. The annexation area is within the Urban Expansion Boundary of the IDP and reflects the logical next step for what was already agreed upon and set as the future vision. A detailed area structure plan, the Southeast Bentley Area Structure Plan (ASP), was jointly developed to guide the development of the annexation area.

[34] The Town and County met three times between January 2024 and May 2024 to discuss the Town's annexation proposal. The Town and County agreed as follows:

- The lands to be requested to be annexed to the Town are as indicated in the application.
- The effective date of the annexation is January 1, 2025.
- The County is not seeking any compensation for loss of municipal property tax revenue.
- There are no capital improvements in the annexation area that are subject to compensation.
- The Town and County have agreed that affected landowner will be offered a thirty-five (35) year arrangement to mitigate the impact of annexation on the municipal portion of their property taxes, which will see annexed lands continue to be assessed and taxed as if they were still in the County for up to 35 years following the effective date of annexation. This is based on the expectation that the annexation area could reasonably meet commercial and industrial land needs for 35 years or more. The arrangement described above will stop once a property owner starts to develop their property at an urban density, or subdivides their lands, or connects to municipal water and/or wastewater services supplied by the Town.

[35] The municipalities initially proposed a 25-year tax arrangement; however, at a meeting in April 2024, the landowner expressed concern that it will take longer than 25 years to build out the annexation area and the land should be taxed at rural rates until it is no longer farmed. The concerns were reviewed by the Intermunicipal Committee and they extended their proposed tax arrangement to 35-years. In response to questions, the Town advised the aggregate 201.4 acres of farmland proposed to be annexed has no structures and was taxed by the County in 2023 at \$444; had it been in the Town, the same land would have been taxed at \$693. The difference is \$249 but represents a 56% increase in taxes.

[36] All matters related to the proposed annexation were agreed between the Town and County; mediation and dispute resolution efforts were not required.

Consultation with the Affected Landowners and Public

[37] Consultation with the affected landowners began in 2022 with background work for the ASP. The Chief Administrative Officer (CAO) of the Town communicated regularly with the landowners from the beginning of the ASP process, sharing background documents, the proposed plan, notification of public meetings during the plan creation process and the statutory public hearing held by Lacombe County Council in November 2023. The landowners submitted comment and had no objection in principle to the ASP. Letters and emails with the landowners were provided in the annexation application, and they did not attend the public meetings.

[38] Consultation with the general public began with multiple open houses and public meetings hosted by the Town and County during the creation of the ASP, during which annexation was frequently mentioned and understood to be an end goal of the process. The first ASP open house was held on November 16, 2022, at the Town. Information boards were displayed and the public provided an opportunity to gather information about the proposed ASP. The draft ASP was presented at a second open house on June 29, 2023. The ASP was adopted at a statutory public hearing held by Lacombe County Council in November 2023. Every public engagement included Town and County logos and staff presence, emphasizing that the ASP related to land in the County, but both municipalities were directly involved.

[39] A public meeting/open house was held to provide information about the Town's proposed annexation and to gain feedback from the public, at the Agricultural Society building in the Town on April 18, 2024. The public was notified of the meeting through advertisements in the Town's monthly Neighbourhood Notes, Lacombe County's news publication, the Lacombe Express, the Rimbey Review, at the Town offices and on both the Town and the County's websites. An online and paper survey were also distributed. The April 18 event included a presentation of the Town's proposed annexation, and the public was invited to discuss, ask questions and submit comments about the annexation proposal. Approximately 20 members of the public attended, along with the Town's CAO, and a representative from the Town's planning consultant, the Town's Mayor and Council members, the County's CAO and two members of County Council.

[40] Questions and concerns related to taxation of farmland, zoning of annexed land and compatibility with residential use, which were addressed at the meeting. A total of 66 survey responses were received following the meeting, which generally supported the annexation with reasonable concerns about taxes, costs to the Town, land use compatibility, development financing, and how to promote new development, along with a desire for as much information as possible.

[41] The Notice, along with information about the April 18, 2024 public meeting and map identifying the annexation lands was sent in March 2024 to Alberta Environment and Protected Areas, ATEC, ATCO Gas, Wolf Creek School Division, GLDC Gas Co-op, Equus Rural Electrification Association, Fortis Alberta, North Red Deer River Water Services Commission and North Red Deer Regional Wastewater Services Commission. There were generally no objections, and some advisory comments from the referral agencies.

[42] ATEC sent a letter in response to the Notice, advising:

The Department has no objections in principle to the proposed annexation and would provide the following comment:

- On page 2, under section 2.0 'Lands Proposed for Annexation – Property No. 7', and on the page 6, in the 'Proposed Annexation Map': The Highway 12 right-of-way should not be included in the lands to be annexed.

[43] In order to address the comment from ATEC, the Town revised the annexation map in its application to remove the Hwy 12 Right-of-Way (ROW) from the lands to be annexed. At the hearing, in response to questions, the Town was not aware of why ATEC commented the ROW should not be included in the lands to be annexed. The southwest corner of NE-23 is part of the ROW and not separately titled; however, the ROW is much wider at this location than necessary, and a triangle strip of land could be excess and is shown on the Future Land Use Concept map of the ASP as highway commercial. Excluding this land from the annexation would limit future potential for its development for highway commercial.

[44] In response to a request for comment from the Tribunal, ATEC submitted the following:

Further to the hearing on August 15, 2024, the Department acknowledges the Panel's request for additional information concerning Transportation and Economic Corridors' (TEC) reasons for requesting the exclusion of the Highway 12 right-of-way from the lands proposed for annexation from Lacombe County.

Transportation and Economic Corridors has the following additional comments and/or requirements with respect to the annexation:

- Upon further review, the Department has no objection to the proposed Highway 12 right-of-way to be incorporated within the annexation area.
- Highway 12 is a provincial highway; therefore, its jurisdiction, control, and management will remain the responsibility of Transportation and Economic Corridors. As per Municipal Government Act (MGA), Section 15, Division 2- Roads, 16(1) "The title to all roads in a municipality, other than a city, is vested in the Crown in right of Alberta."

Annexation Area and Planning Document Compliance

[45] The proposed annexation is consistent with the overall direction and policies of the IDP, the Town of Bentley Municipal Development Plan (Town MDP), and the ASP. The focus of this annexation proposal is land for commercial and industrial development, with accommodation for cemetery expansion and a possible community recreation area.

[46] The IDP contains several goals and policies that provide direction for future expansion of the Town. The Economic and Joint Development policies promote economic development by both municipalities, and requires both municipalities to work together to ensure a strong and stable diversified local economy, by providing a suitable inventory of lands for commercial and industrial development which includes a range of choice in terms of parcel sizes and servicing. The IDP is a high-level policy document based on a thirty-year timeframe, with creation of

concept plans and area structure plans consistent with the IDP. The Future Land Use Concept of the IDP identifies areas for long term development in proximity to the Town, including areas for future annexation by the Town and areas for future industrial and commercial development within the County. The ASP initially included the SW and SE of 23, but the landowners were very clear that their long-term desire was to continue to farm and live on the land; therefore, the ASP was amended to remove these quarter sections.

[47] The IDP includes policies to promote a strong, diversified and sustainable economy that will provide employment opportunities and support community growth. To this end, the two municipalities agree to promote economic development within the IDP area, recognizing the needs of both municipalities and the area economy by providing a suitable inventory of land and land use pattern to support a range of economic activities and sustainable assessment bases. Specific policies include provision for the Town and County to work together to explore areas of mutual interest and consider negotiating a Joint Economic Area (JEA) for coordinated services and facilities, which may also outline equitable distribution of tax revenue within the identified area.

[48] The IDP sets out broad parameters on how expansion of the Town boundaries will be addressed. Specific policies include protection of those lands identified within the proposed Urban Expansion Boundary from land uses and developments that might interfere or conflict with future urbanization, that the Town shall not pursue annexation of any land it cannot economically and reasonably service, and that either municipality or a landowner may put forward an annexation proposal or request.

[49] The Town MDP was adopted in 2016 and is based on a broad vision of the type of community the Town wishes to become. The MDP provides policy objectives with respect to future urban expansion and annexations:

- The Town should avoid a large and complex annexation in favour of annexations involving smaller amounts of land occurring on an as-needed basis where the annexation area can be serviced with a logical and cost-effective extension of existing road and servicing networks.
- The periodic need for urban expansion through the annexation process should be logical and consistent with the policies of this Plan. Annexation shall be undertaken in a positive, orderly, timely and agreed-upon process where there is a clear and present need and development is expected to occur within a five (5) year period.
- The need for community expansion should be demonstrated, to the satisfaction of the County, that the conversion of rural land for urban expansion in areas adjacent to the Town is timely and will protect existing rural land uses from premature conversion to urban forms of development. Annexation shall follow legal boundaries or natural features to avoid creating a fragmented pattern of land ownership and should as much as possible have the support of the current landowners.
- Where it is necessary to expand the boundaries of the Town, expansion should be well-integrated with the existing community infrastructure and directed away from large acreages of prime farmland and livestock operations. Where growth warrants the expansion onto adjacent agricultural lands, the land requirement of the Town will take precedence over any existing agricultural use of these lands.

[50] The proposed annexation fulfills these policy objectives - it is readily serviceable via extensions from the existing Town systems in a phased manner from west to east, is based on quarter section boundaries, avoids a fragmented pattern of landownership, and the policies of the ASP ensure and promote continued agricultural use of the land until urban development occurs. While the Town concedes the annexation area would provide more than a 5-year supply of land, it involves only two primary parcels of land in one ownership and is supported by the County as a location for future commercial and industrial development to benefit the region.

[51] The ASP was developed in 2022 and 2023 to guide the development of the annexation area; following the completion of studies and public consultation, Lacombe County Council approved and adopted the ASP as Bylaw 1397/23 in November 2023. This annexation proposal is the entirety of the lands designated for future development in the ASP. In addition to commercial and industrial uses, the ASP includes lands for public uses including stormwater management, trails, cemetery expansion, and a possible community park as well as the existing Bentley District Fire Department. The ASP was a joint initiative of the Town and the County, guided by the Town of Bentley/Lacombe County Intermunicipal Committee. It was funded through an Alberta Community Partnership (ACP) grant, and it was the stated intention from the outset that the Town would apply to annex the ASP area. If the annexation application is successful, the ASP would be re-adopted as a Town statutory plan. If it is unsuccessful, the ASP would remain a County statutory plan and a JEA agreement between Town and County would be pursued, as contemplated in the IDP.

Infrastructure

[52] The Town's engineering consultant assessed the ability to extend municipal infrastructure into the proposed annexation areas. The assessment determined:

- Water: The Town's water distribution system can be extended to service the proposed annexation areas. The Town's water system can accommodate new users for the next 20 years at an annual growth rate of 3%.
- Wastewater: The Town's existing sewage lagoon system in the southwest corner of the town also has capacity to handle 20 years of growth at an annual rate of 3%. The annexation area lies above the existing developed area of the town, which will minimize capital and operating costs associated with pump or lift stations for sewage collection.
- Storm water: All of the proposed annexation lands can be serviced with a municipal storm drainage system that includes a proposed stormwater management facility at 44 St and Hwy 12 and an existing stormwater facility to the southwest. Drainage from the area will continue to be directed under Highway 12 west to the Blindman River.
- Transportation: Highway 12 forms a bypass, and was built relatively recently. Recent traffic counts reveal annual average daily traffic (AADT) of over 6,000 vehicles per day, based on 2023 Alberta Transportation data. Highway 12 connects the Town to Highway 2 (QEII) and the City of Lacombe to the east, and Sylvan Lake and Rimbey to the west. Highway 12A runs through centre of the Town and forms its main street. It also connects the community to Aspen Beach and Gull Lake to the east. This alignment includes a paved trail that is currently maintained by the Town. 44 Street

connects Highway 12A and Highway 12. This is the only portion of roadway to be assumed by the Town as a consequence of annexation. The ASP anticipates that Railway Avenue will be extended as the commercial area develops and shows future internal road networks conceptually, to be constructed as development proceeds and also includes provision for multi-use walking and cycling trails for recreation and as alternative transportation.

Land Requirements and Growth Projection/Accommodation

[53] From 1961 to 2011, the Town's population grew from 608 persons to 1,132 persons or an annual average growth rate of 1.25% over the 50-year period. The 2021 Census lists the Town's population at 1042. The Town is not significantly different from other small rural communities with an aging population and a lack of physical growth: not declining, but also not growing, which has implications for service provision, municipal taxes, and the future of the community. The Town has sufficient land for residential growth, but low absorption. In the current year, the municipal tax base is 82% residential and 18% commercial, and this mix results in challenges for providing municipal services at reasonable cost to the Town's population. The Town and County agree that commercial and industrial development is needed to create jobs and give more people reason to move into the area. The Town has opportunities due to significant traffic volumes on Hwy 12 and its location within a growing region that includes increasing recreational development to the east.

[54] The annexation area comprises about 80 ha (200) acres of land with commercial and industrial potential which would represent a 25-year to 35-year land supply if developed at a rate of 8 to 5.7 acres per year. At the same time, there are 80 ha of undeveloped residential land, including a Town-owned and serviced subdivision with lots currently for sale. The annexation area was not specifically selected to accommodate population growth, but for its contiguity with the existing built-up area, its access to and visibility from Highway 12, its suitability for development including moderate slopes and ability to be serviced, and lack of fragmented ownership. The location and size of this area also complement the residential land supply and it is expected that development of one will result in the development of the other. The designation of this area for future urban uses represents an opportunity to develop lands for commercial and industrial uses in an orderly and cost-effective manner. In the meantime, the policy framework clearly and unambiguously encourages continued cultivation and farmland will not be prematurely taken out of production.

[55] The growth direction to the south and east of the Town's present boundaries results from several factors, including the ability to provide contiguous boundaries and logical units of land for the planning and orderly development of future commercial and industrial areas, along with the ability to create a buffer from residential uses within the community; proximity to Hwy 12 to allow commercial sites to serve the travelling public and the local and regional population; and providing opportunities for future industrial development in a location that allows good access to the Provincial highway network.

Financial Considerations

[56] The Town and County have reviewed and considered the potential financial impact of annexation on the two municipalities. The impact on the County is small - a fraction of 1 percent. The impact on the Town is a slightly greater percentage and by all measures is positive. The difference in assessment and taxation is negligible for the County, and very small for the Town. The assessed value of the area as farmland is only \$55,300 even though it represents a 45% increase in land area for the Town. Value to the Town will be found in future commercial and industrial development.

[57] The County has not requested municipal tax compensation from the Town. The most significant additional costs to the Town arising from the annexation area will be maintenance of 44 Street. The Town does not anticipate the additional operating expenses associated with 44 Street will have an adverse effect on its overall financial capacity.

The County

[58] At the public hearing, the County stated it has been working collaboratively with the Town since at least 2021 when the ACP grant was obtained, leading to the ASP adopted in late 2023. The ASP is in line with the IDP, which reaffirms the County's commitment to supporting the Town and its growth, and exploring opportunities to promote commercial and industrial development southeast of the Town's existing boundary. The land falls within the future urban expansion boundary of the IDP; following the adoption of the ASP, the focus of the Intermunicipal Committee shifted to the annexation. The Town and County have been working collaboratively in that process as well, and agreed to the terms as outlined. County Council supports this application and the County has no concerns.

[59] In response to questions, the County affirmed the IDP provides for a JEA to develop the land within the County if the annexation application is unsuccessful; however, the County intends to support the Town in this annexation. There are many existing industrial and commercial development areas throughout the County; this proceeding focuses on opportunities for the Town. The Town can determine what businesses it needs to support its community. The County's perspective is different; although they would work together, the County might consider commercial development with a more agriculture base than an urban base. County Council was very supportive of ensuring this land becomes part of the Town to meet its needs.

Alberta Transportation and Economic Corridors

[60] As set out in the Town's submission, ATEC had initially advised that the Hwy 12 ROW should not be included in the land to be annexed. However, in response to the LPRT's enquiry, ATEC stated that upon further review, it has no objection to the Hwy 12 ROW being incorporated within the annexation area.

IV TRIBUNAL RECOMMENDATION

[61] The Tribunal recommends approval of the annexation area as requested by the Town, with the inclusion of the Highway 12 Right of Way and the provisions agreed to by the Town and the County. The recommended effective date is January 1, 2025.

V REASONS

[62] When making an annexation recommendation, the Tribunal considers the annexation principles summarized by Board Order MGB 123/06 as well as the issues identified by the parties. To reduce repetition, these principles and issues have been addressed under the following broad headings: intermunicipal collaboration, land use planning, infrastructure, financial matters and effective date.

Intermunicipal Collaboration

[63] The Tribunal accepts that the Town and the County demonstrated a significant level of intermunicipal collaboration in crafting the ASP and adopting the updated IDP. It is clear from the County's submissions that County Council supports the annexation application.

Public Consultation

[64] The Tribunal finds that the public engagement was thorough and in accordance with the requirements of the *Act*. Two issues remained outstanding following the consultation process: the appropriate period for assessment and taxation provisions, and the inclusion of the ROW from the annexation lands.

Assessment and taxation provisions

[65] The LPRT considered the affected landowners' concerns with respect to the taxation provisions; however, it does not recommend increasing the transition period beyond the 35 years agreed to by the municipalities after consultation. The LPRT finds the annexation area will most likely be developed within the 35-year timeframe. Although the landowners' parcel within the Town has been much slower to develop, its location near the sewage lagoon would impact its desirability for many commercial uses that would affect the rate of development. In contrast, the LPRT finds the proximity and visibility of the annexation land to Highway 12 will make it more attractive for potential commercial development, as anticipated by the Town.

[66] The LPRT notes that since farmland assessments are low compared to other classes of property, the difference in tax dollars collected by the Town or County is still small, despite the large percentage difference. In addition, the municipalities' proposed provisions mitigate effects on the affected landowners by continuing to apply the County's rates to the portion of the parcel remaining as farmland after subdivision for urban uses - an atypical accommodation.

[67] In view of the above, the LPRT finds the 35-year assessment and taxation provision is appropriate.

Inclusion of ROW

[68] ATEC withdrew its initial request to exclude the ROW from the annexation lands. As ATEC noted, it would maintain jurisdiction over the ROW regardless of whether it remains in the County or is annexed into the Town. If the Town were to become a city, it could potentially assume ownership of a Provincial Highway; however, that possibility is very unlikely to materialize in the foreseeable future. The LPRT finds the land planning benefit of allowing highway commercial development on land that may be determined as excess to ATEC's needs supports the inclusion of the ROW into the land to be annexed.

Land-Use Planning Matters

[69] The land-use planning matters examined by the Tribunal included an assessment of the area requested by the Town and a review of the annexation's compliance with statutory plans. The ASP was adopted specifically in contemplation of the annexation application, and the LPRT finds it is also consistent with the IDP and the Town MDP.

Infrastructure

[70] The Tribunal finds that the Town can readily provide necessary services to the annexation area.

Financial matters

[71] The financial impact of the annexation is minimal for both the Town and the County. As determined earlier in these reasons, the 35-year term of the assessment and taxation provisions is appropriate, and the provisions are fair to the affected landowner.

Effective Date

[72] The Tribunal recommends the effective date of January 1, 2025 requested by the two municipalities, as it will be tied to the assessment period which starts at January 1.

CONCLUSION

[73] The Tribunal finds that the proposed annexation complies with the *Act* and addresses the 15 annexation principles established by Board Order MGB 123/06. The two municipalities demonstrated a significant level of intermunicipal collaboration and cooperation. The Town conducted activities to engage the affected landowner and the public. The annexation area is contemplated in the ASP. The annexation area is logical and the amount of land is acceptable. The conditions of annexation are certain, unambiguous, enforceable, and time specific. Therefore, the Tribunal recommends the annexation.