



Legislation Details (With Text)

File #: AR-17-176 **Version:** 1 **Name:**
Type: Agenda Reports **Status:** Passed
File created: 3/14/2017 **In control:** City Council
On agenda: 4/18/2017 **Final action:** 4/18/2017
Title: Notice of Intent to Annex - Sturgeon County
Presented by: Kristina Peter, Planning Branch Manager

Sponsors:

Indexes:

Code sections:

Attachments: 1. Sturgeon County Annexation (2017) Terms of Reference, 2. Memorandum of Agreement - Boundary Adjustment, 3. Annexation Process Overview

Date	Ver.	Action By	Action	Result
4/18/2017	1	City Council	approved	Pass

TAMRMS#: B06

Notice of Intent to Annex - Sturgeon County

Presented by: Kristina Peter, Planning Branch Manager

RECOMMENDATION(S)

1. That the Sturgeon County Annexation (2017) Terms of Reference, provided as an attachment to the April 18, 2017 agenda report entitled "Notice of Intent to Annex - Sturgeon County", be approved.
2. That \$2,647,500 be approved to support the Sturgeon County Annexation (2017) contract staffing and project deliverables, as outlined within the Sturgeon County Annexation (2017) Terms of Reference, provided as an attachment to the April 18, 2017 agenda report entitled "Notice of Intent to Annex - Sturgeon County", with funding of \$1,007,500 from the Inter-Municipal Initiatives Budget and funding of \$1,640,000 from the Off-Site Levy Recovery Fund.
3. That the City Manager initiate and submit the Intent to Annex to the Municipal Government Board by June 2017, as outlined within the Memorandum of Agreement signed by the Councils of Sturgeon County and St. Albert.

PURPOSE OF REPORT

The purpose of this report is to provide Council with information regarding the process of annexation, to propose an overarching annexation project plan, to request funding to ensure the successful administration and delivery of the annexation process, and to direct Administration to initiate the annexation through the submission of the Intent to Annex.

COUNCIL DIRECTION

On February 27, 2017 Council passed the following motion:

(INC-17-012)

That the Mayor be authorized to sign the Memorandum of Agreement, provided as an attachment to the Confidential Administrative Report, dated February 27, 2017.

On November 24, 2014 Council passed the following motion:

(C535-2014)

That the Memorandum of Understanding with Sturgeon County, provided as Attachment 1 to the Sturgeon County MOU - Principles for Sub-Regional Planning and Boundary Discussions agenda report dated November 24, 2014, be approved and that the Mayor attend a ceremonial signing event with Sturgeon County on November 25, 2014.

BACKGROUND AND DISCUSSION

Overview of Past Council Direction

On November 25 2015, St. Albert City Council and Sturgeon County Council signed a Memorandum of Understanding (MOU) outlining a protocol to work together to address concerns of mutual interest along the shared boundaries. This included principles for future land use and infrastructure planning, and boundary discussion between the two municipalities.

On February 27 2017, St. Albert City Council carried unanimously INC-17-012 Land Matter. Based upon this motion, and the previous discussions between the municipalities, St. Albert City Council and Sturgeon County Council signed a Memorandum of Agreement (MOA) to negotiate boundary adjustment on February 28 2017. The MOA sets in motion the formal process for the two municipalities to begin negotiations on the terms of a future annexation of land from Sturgeon County to the City of St. Albert. The MOA sets out the potential maximum land area for annexation and the collaborative approach to be taken.

Annexation Goals, Objectives and Process

As outlined within the Memorandum of Agreement (MOA), the goal of the Sturgeon County Annexation is to allow for future growth that is consistent with Capital Region Board Growth Plan and to achieve economical servicing requirements. This will be achieved through the study of the agreed-upon, maximum study area.

The objectives of the Sturgeon County Annexation (2017) are as follows:

- Adhere to the annexation legislative requirements and the MGB Annexation Procedure Rules,
- Administrate an annexation process that reflects the Right Growth Principles,
- Enable future sustainable development that reflects the City's needs,
- Receive written consent (or a signed negotiation report) from Sturgeon County,
- Ensure consultation with impacted parties including authorities and impacted landowners, and to
- Effectively communicate the process, rationale, impacts and opportunities to the public.

To achieve the Annexation objectives, City Administration will undergo a 3-year project, which will facilitate the stated annexation criteria, as outlined by the Municipal Government Board. Attached to

the report is the *Annexation Process Overview*. As demonstrated within the graphic, major annexation can follow two paths, one where municipalities are in complete agreement or where municipalities are not in complete agreement. It is anticipated that the Sturgeon County Annexation (2017) will enable a process where both municipalities are in complete agreement (as indicated within the *Annexation Process Overview* in green). The advantages to achieving complete agreement area as follows:

- Reduced project costs,
- Quicker MGB decision, and
- Improved intermunicipal relations.

Project Plan and Timelines

To facilitate this project, City Administration developed a Terms of Reference (TOR) that will guide the future project chapter, identify required deliverables, and will inform Council of the implications of this project. Within the attachment entitled “*Sturgeon County Annexation (2017) - Terms of Reference*”, key goals and objectives of the annexation are outlined; a high-level project work plan is developed; and the associated project budget, timelines, and project risks are identified.

Based upon the TOR, the project workplan will encompass 5 Phases. Timelines and deliverables are assigned to each.

Phase 1: Prepare Notice of Intent to Annex

Deliverables:

1. Creation of detailed project plan, as underpinned by the Terms of Reference
2. Establish exact boundary of annexation
3. Submittal of the Notice of Intent to Annex to the MGB
4. Notification of impacted parties

Timeline: February - June 2017

Phase 2: Evidence Gathering/Background Studies

Deliverables:

1. Create public consultation plan and public awareness campaign
2. Undertake comprehensive growth management study, support the need for Annexation
3. Undertake legal survey of the lands associated with the application
4. Complete supportive technical documents
5. Determine linear assessments and mineral rights
6. Conduct a Fiscal Impact Assessment for both Sturgeon County and St. Albert
7. Develop a proposed taxation scheme
8. Compile findings

Timeline: June 2017 to February 2019

Phase 3: Public Consultation and Negotiation

Deliverables:

1. Ongoing discussions through the Negotiation Subcommittee of the Intermunicipal Affair Committee
2. Create an internal stakeholder and advisory group
3. Host public consultation sessions (as identified within the public consultation plan)
4. Identify issues, propose and develop mitigative measures (if possible),
5. Meet with private land owners

6. Meet with other municipalities and parties of interest
7. Develop report in compliance with the MGB to demonstrate the public consultation process, highlight concerns raised, and any mitigative measures proposed.

Timeline: Ongoing throughout project

Focused effort October 2017- February 2019

Phase 4: Annexation Report

Deliverables:

1. Annexation Report
2. Terms of Annexation

Timeline: January 2019 - August 2019

Phase 5: Annexation Application Submittal and Board Recommendation

Deliverables:

1. Annexation Application

Timeline: September 2019 - December 2019*

*Length of board decisions can vary

Project Costs

A detailed breakdown of project costs is identified within the attached document, *Sturgeon County Annexation (2017) - Terms of Reference*. This budget assumes that the project will be completed within the 3-year timeline, and that the annexation is amicable.

Staffing Support (3 years)	\$855,000.00
Deliverables/Background Studies	\$1,640,000.00
Additional Budget Expenses	\$152,500.00
Total Costs	\$2,647,500.00

Project Funding

Two sources of funding are being recommended for the completion of this project:

- The Inter-municipal Initiatives Budget was established through Council Motion AR-17-057 on March 20, 2017. This Budget will be utilized to cover the costs associated to Staffing Support and Additional Budget Expenses as outlined above.
- The Off-Site Levy Recovery Fund is being recommended as a source of funding for the Background Studies, outlined above, as:
 - o The Studies are related to long-term urban development of the lands within the identified annexation area.
 - o The Studies will inform an ultimate update to the Off-Site Levy Bylaw 30/2013.
 - o The Studies will provide Council with information related to estimated capital costs, if any, related to Standard 1 of Council Policy C-P&E-10 Intermunicipal Utility Infrastructure Excess Capacity.
 - o Council Policy C-FS-01 Financial Reserves Schedule C3 allows this reserve to fund capital projects as directed by Council.

STAKEHOLDER COMMUNICATIONS OR ENGAGEMENT

As legislated within the Municipal Government Board (MGB) annexation criteria, significant public consultation is expected. As such, prior to submittal of an annexation report and negotiation between

the City and the County, information regarding the annexation will be provided to the public. Public consultation sessions will gather input and to identify any issues/concerns from affected residents and stakeholders.

To ensure compliance with the MGB annexation criteria, the project team will:

- Develop a Public Consultation Plan, which will include the creation and implementation of a Public Awareness Campaign,
- Development of an internal stakeholder committee to provide technical expertise and support (Taxation and Assessment, Finance, Legal, Communications, Environmental Services, Engineering, Utilities, Government Relations, Planning and Development),
- Host public consultation sessions where Administration can inform impacted parties of the process and discuss issues/concerns impacted parties may have,
- Develop mitigating measures, if possible, to respond to concerns,
- Meet with impacted parties and if necessary other municipalities to understand their concerns,
- Meet with private land owners to obtain letters of consent on annexation terms,
- Complete report outlining the public consultation process, findings, and proposed mitigation.

IMPLICATIONS OF RECOMMENDATION(S)

Financial:

Currently the Sturgeon County Annexation (2017) project remains partially unfunded. Council has carried forward \$111,200 from the IAC-Sturgeon from 2016 and allocated \$900,000 from the 2016 surplus towards this initiative. To achieve the stated goals of the Memorandum of Agreement between the City of St. Albert and Sturgeon County requires a funding commitment to ensure that the annexation application clearly demonstrates the needs for the annexation. As outlined within the Agenda Report, the total costs are estimated at \$2,647,500.00 and assumes that the project will be completed within the 3-year timeline, and that the annexation is amicable.

Legal / Risk:

With the complexity of an annexation project, there are several factors that can impact the project. As outlined within the TOR, the identified project risk factors are:

- Contested Annexation by a Municipality (either Sturgeon County or Edmonton),
- Scope Creep,
- Decision Delays,
- Changes to Council Composition, and
- Internal Resourcing Capacity.

Program or Service:

None at this time.

Organizational:

As outlined within the Terms of Reference, the project will be managed and overseen by the Development Services Division (DS). The Planning Branch is responsible for the project management and administration of the annexation application. Government Relations is responsible for administering the Intermunicipal Affairs Committee and the recommending sub-committee known as the Negotiation Committee. Current staffing levels are unable to support such a project.

As such, it is anticipated that the following temporary positions are required to support an annexation:

- Senior Planner Equivalent (Project Manager and content expert)
- Planning Technician (Project support)
- Facilitator/Mediator (Negotiation Committee support)

Additional internal support is required throughout the process, as important insight and expertise from Taxation and Assessment, Finance, Legal, Communications, Environmental Services, Engineering, Utilities, Government Relations, and Planning and Development are anticipated. Based upon the scope and budget outlined within the TOR that Administration from the listed departments will be able to participate on internal stakeholder committees and provide expert review of submitted technical documents, based on their area of expertise. This project assumes that external consultants will produce technical documents, however it does not allocate additional resources for St. Albert Administration to review and administer them.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

None at this time.

STRATEGIC CONNECTIONS

City of St. Albert Strategic Plan (Policy C-CG-02) - Pillars of Sustainability

ECONOMIC - We prosper and excel through a strong and diverse economy that is supported by forward-thinking commerce, outstanding local businesses and a dynamic downtown core.

BUILT ENVIRONMENT - We build our community towards the future to sustain balanced development, with a reverent eye to the past, honouring our unique settlement history and distinct identity.

NATURAL ENVIRONMENT- We protect, embrace and treasure our deeply-rooted connections with the natural environment through championing environmental action.

Governance Strategy

Council is committed to ensuring that the City of St. Albert is a responsive, accountable government that delivers value to the community.

Service Delivery Strategy

Council is committed to ensuring that the City of St. Albert is engaging residents to identify opportunities to improve delivery of services to the community.

Long Term Plans:

- Capital Region Board Growth Plan
- Intermunicipal Development Plan
- Municipal Development Plan

Report Date: April 18, 2017

Author(s): Gilles Prefontaine & Kristina Peter

Committee/Department: Development Services

General Manager: Gilles Prefontaine

City Manager: Kevin Scoble