



THE CITY OF

**Red Deer**

The City of Red Deer  
Annexation Application  
& Negotiation Report

April 3, 2023

**Prepared for the Land and Property Right Tribunal pursuant to Sec. 118 of the  
Municipal Government Act, RSA 2000, as amended**



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## 1.0 Introduction

This application has been prepared by The City of Red Deer (“City”) for the annexation of approximately 215.77 hectares of land from Red Deer County (“County”). The City is requesting the approval of this annexation application to be able to address its strategic commercial growth needs.

The proposed annexation has been the topic of positive and productive discussions between The City of Red Deer and Red Deer County. Consultation with landowners, adjacent landowners, the general public, and other local authorities was undertaken as part of the overall process to understand and address the impacts of the proposed annexation.

This Annexation Application and Negotiation Report has been prepared in accordance with the requirements of Section 118 of the Municipal Government Act (“MGA”) as well as the Land and Property Rights Tribunal (“LPRT”) principles and issued orders. The content of this report generally follows the order of information required as outlined in the LPRT’s Annexation Application Checklist. It includes:

- A description of the land proposed to be annexed in this application;
- The City’s reasons for pursuing the annexation application;
- Background on land supply, historic population, and commercial growth in Red Deer;
- A description of the relationship between the annexation proposal and approved statutory plans;
- A description of the intended uses proposed for the annexation lands and a general description of how municipal services can be extended to the area;
- A list of the matters agreed upon and those on which no agreement was reached between The City of Red Deer and Red Deer County;
- A description of the consultation process for landowners, the general public, including nearby landowners, and other local authorities that was used in the negotiations and in preparing the annexation application;
- A summary of the views expressed during the consultation process with landowners, the general public, nearby landowners, and local authorities;
- Actions proposed by The City of Red Deer in response to issues raised through the consultation process;
- Up-to-date copies of the land title certificates for each parcel included in the annexation area and owner contact information;
- A financial analysis of the impact of annexation; and
- An overview of compliance with the annexation principles established by the LPRT, formerly the Municipal Government Board (“MGB”).

The purpose of this report is to document the process that has been followed and formerly present The City’s request to The Government of Alberta. There are several documents submitted in support of this Annexation Application that are attached as appendices to this report.

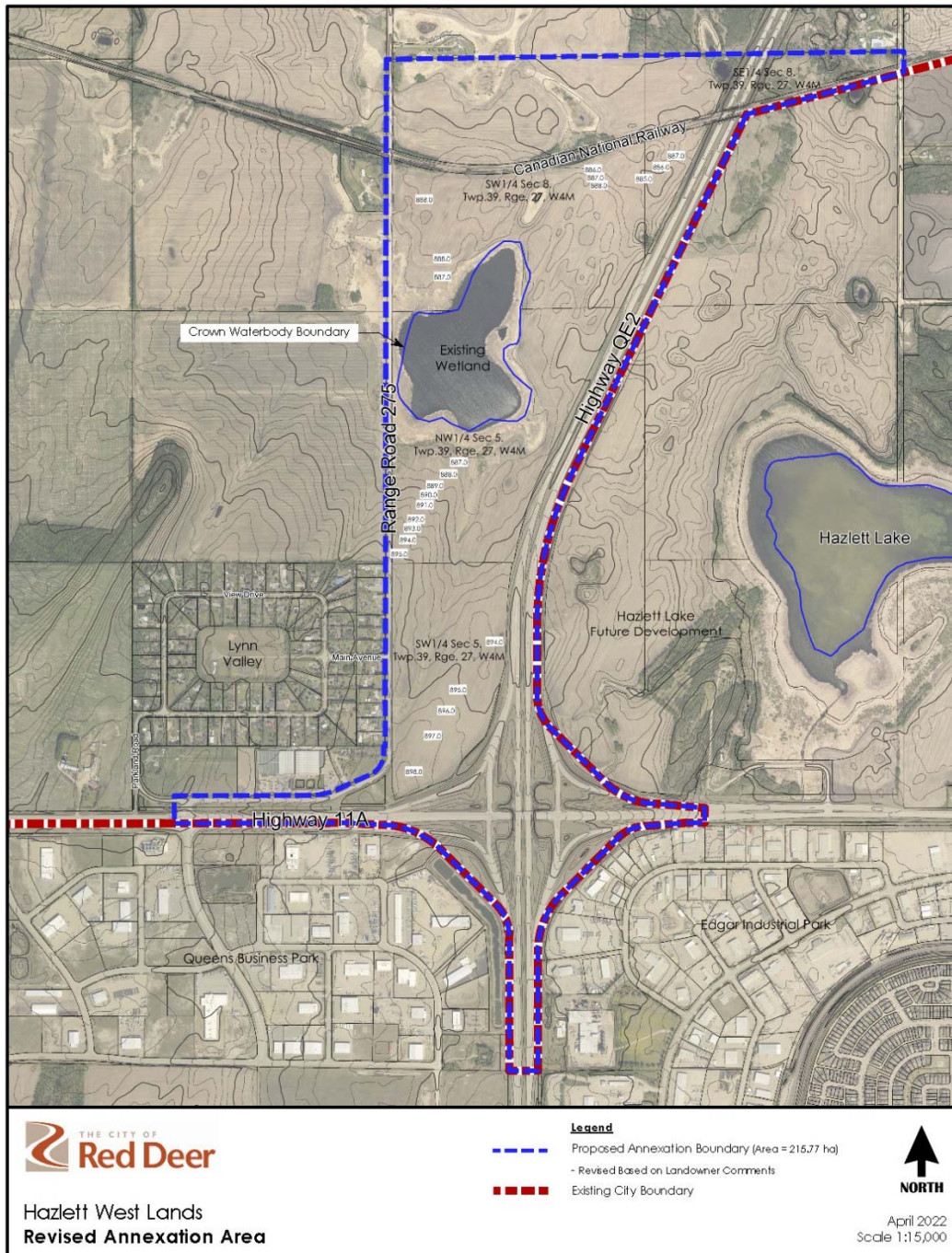




## 2.0 Lands Proposed for Annexation

The City and The County have agreed to the annexation of lands as identified in Figure 1 and Appendix A in compliance with the joint Intermunicipal Development Plan (IDP). The total area is 215.77 hectares comprising titled lands and non-titled road allowances and rights of way. Figure 1 illustrates the existing boundaries of The City in relation to the annexation area.

**Figure 1 – Lands Proposed for Annexation**



The lands proposed to be annexed are described below through legal descriptions, approximate areas and their general location relative to the present City boundaries. The areas proposed to be annexed include approximately 149.52 hectares of titled land and approximately 66.26 hectares of road right of ways. A copy of the annexation map identifying each landowner with the corresponding parcel of land along with a copy of the land title has been included in 7.0 Land Title Copies.

The proposed annexation area includes all lands contained within:

- That portion of the SW ¼ Sec 8; 39-27-W4M and including that portion of the CN Railway (Plan 2712 AK) located west of Highway 2 (Plan 2058 LZ); and
- That portion of the SE ¼ Sec 8; 39-27-W4M and including that portion of the CN Railway (Plan 2712 AK) adjacent to those lands already within The City of Red Deer; and
- That portion of the W ½ Sec 5; 39-27-W4M located west of Highway 2 (Plan 2058 LZ) adjacent to those lands already within The City of Red Deer; and
- That portion of SE ¼ Sec 6; 39-27-W4M located south of and including Linn Valley Lane (RR275) and Plan 112 3127 excluding the westernmost 120m of Plan 112 3127 and Lot P, Block 4, Plan 6222KS.

## 2.1 Boundary Roads Included in Annexation Area

All portions of all intervening and adjacent roads and public utility rights-of-way including Highway 2, Highway 11A and interchange, Range Road 274, and Range Road 275. Excepting there out all mines and minerals.

## 2.2 Annexation Boundary Adjustment after Notice of Intent to Annex Land

The City's Notice of Intent to Annex Land from February 2022 (Appendix B) identified a proposed annexation area south of the CN Railway. The City in its early analysis had proposed the railway lands as the annexation boundary as naturally forms a physical barrier and it aligned with The City's north boundary on the east side of Highway 2. The City had proposed this boundary as it best aligns with the Annexation Principles.

Shortly after receiving the Notice of Intent to Annex Land the only landowner in the area contacted The City to request a change to the proposed boundary. The landowner requested The City adjust the boundary of the proposed annexation area for the entirety of their northern parcel of land to be annexed into The City and not have a small remnant remain in The County. They explained that the 2009 annexation resulted in these same parcels of land being split between two municipalities. This division had caused them difficulty dealing with property taxes and when applying for subdivision of their land.

The City is amenable to the request of this landowner and has adjusted the proposed annexation area. These changes were made ahead of negotiations and consultation to reduce confusion and with the intent of requesting the LPRT adjust the boundary to align with the landowner's request.

The adjustment to the annexation area has resulted in a portion of CN Rail's right of way (Plan 2712 AK) being included in the annexation area, increasing the number of private landowners from one to two.

## 2.3 Reason for Annexation

### 2.3.1 Highway 2 Fronting Commercial Lands

The City is requesting this annexation to satisfy the need for highway fronting commercial land along Highway 2. The request for this annexation aligns with The City's Municipal Development Plan's (MDP) Regional Planning and Intermunicipal Planning objectives.

*Maintain Red Deer's position as the major urban service centre in Central Alberta and a major growth centre in the Calgary/Edmonton corridor. (p.53)*

*Work with Red Deer County to ensure the protection, and timely incorporation into The City the lands identified in the Intermunicipal Development Plan as City Growth Areas. (p.53)*

As well as implementing The City's Municipal Development Plan policies:

*18.3 Calgary/Edmonton Corridor - The City shall work with the Provincial Government and other municipalities and agencies in the Calgary/Edmonton Corridor to ensure a coordinated approach to the encouragement and direction of growth in the corridor. (p.53)*

*18.7 Future Annexation - The City shall actively pursue the annexation of The City Growth Areas identified in the Intermunicipal Development Plan. (p.54)*

Red Deer is the third largest city in Alberta and is located at the midway point along Calgary/Edmonton commercial corridor along Highway 2, approximately 150km or a 90-minute drive from both Cities. Approximately 85% of Alberta's population is within a 2-hour drive of Red Deer. It is the major distribution and service centre for the surrounding rural area, including several smaller towns and rural developments.

The Alberta Treasury Board and Finance projects that average annual growth will continue at 1.5% per year in Alberta and that 4 of 5 Albertans will live in the Edmonton-Calgary Corridor by 2046 (Appendix C), with the majority of this growth occurring in the larger urban areas. This annexation is for Red Deer to capitalize on its strategic location and to be prepared for the future commercial needs of the Red Deer region and province.

### 2.3.2 Land Parcel to Accommodate Regional Commercial Power Centre

There are no parcels in Red Deer that are a suitable size to accommodate a regional commercial power centre. In the area north of Highway 11A and east of the C&E Trail there is one parcel that is approximately 71 hectares however this area has already been planned in the North of 11A Major Area Structure Plan (MASP). The MASP indicates these lands should be planned for a mix of residential, commercial, and light industrial (Appendix D). The area is not suitable for a regional commercial power centre as the MASP states the following:

*The Long Term Transportation Network Review of Highway 11A: Final Report found that the transportation capacity for the overall area was very limited because of existing land use and transportation constraints.*

*The limited transportation capacity has an impact on the land use design for the North of 11A area. The Generalized Land Use Concept map was modelled, containing the potential for about 2.3 million square feet of commercial floor space, and was found to be supportable by the transportation system at full buildout. Therefore, the amount of development being proposed must be consistent with the available transportation capacity. The consistency between the land use and transportation plans must be maintained in the development and approval of the multineighbourhood, neighbourhood or industrial area structure plans. These statutory documents shall contain provisions that ensure this consistency between the land use and transportation plans. This may be accomplished by setting an overall development limit either by expected total trips or through maximum allowable area; for example, development and outlining areas where development may not be approved until the transportation improvements have been funded.*

The land uses for all of the lands along Highway 2 have been identified in The City's statutory plans. There are two remaining undeveloped commercial land parcels (1.5 ha) along Highway 2 in the south of Red Deer in Southpoint Junction. There are also 4.3 hectares of commercial land along 49 Avenue in the South of Red Deer that front onto Highway 2 that are ready for redevelopment. None of these parcels are suitable for a regional commercial power centre.

All other undeveloped lands along Highway 2 have been identified for residential, industrial, and park land use in The City's statutory plans.

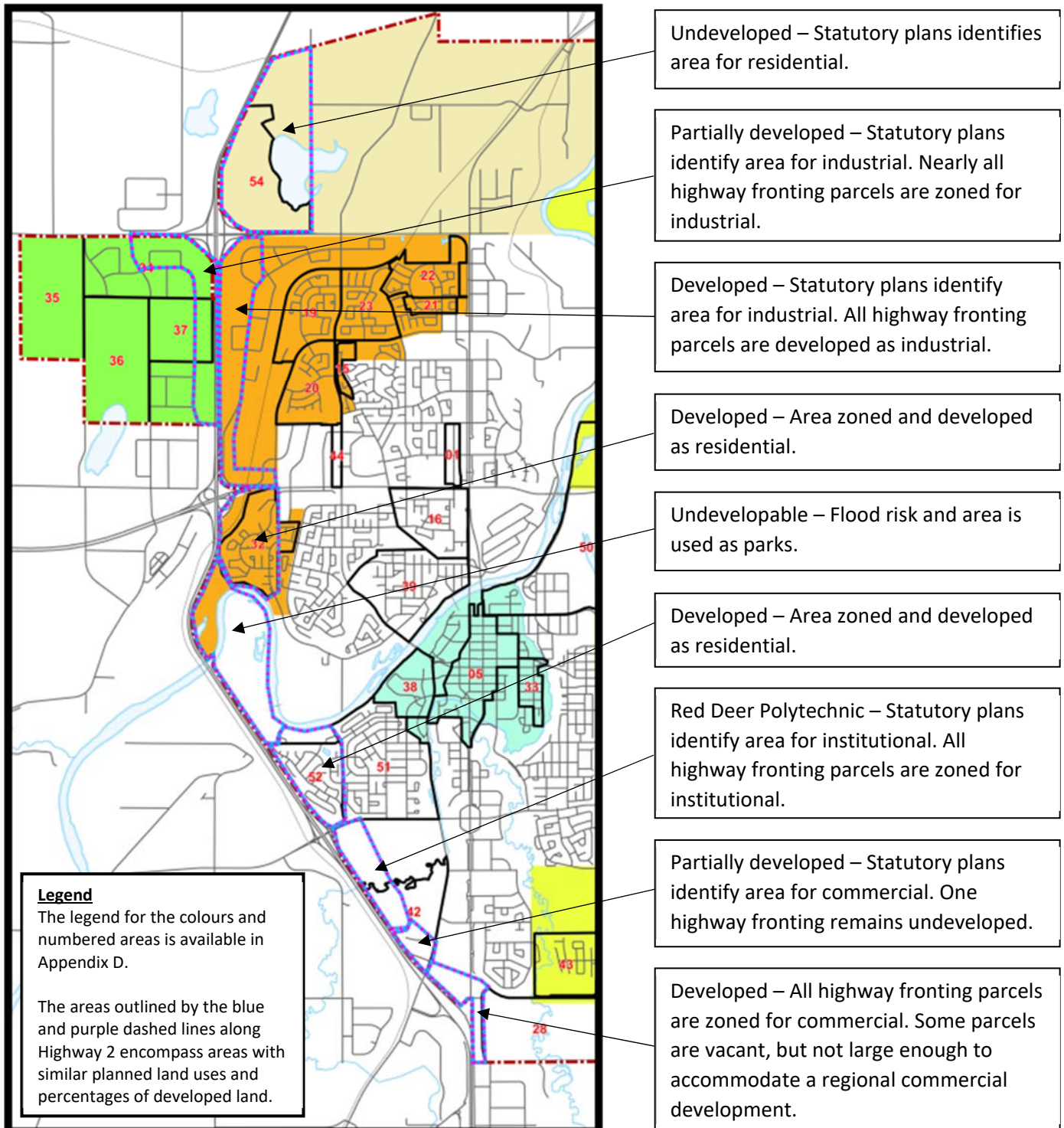
### 2.3.3 Expansion of Western Boundary

The City is requesting this annexation to expand its western boundary, which has few lands that are undeveloped or unplanned and suitable for a highway fronting commercial development.

The western boundary of The City of Red Deer is generally delineated by Highway 2 apart from the Queens Business Park in the Northwest of The City which is located on the west side of the highway. All lands within The City of Red Deer along the Highway 2 have either been developed or have been planned by an area structure plan for other uses. Figure 2 illustrates the land deficiency of unplanned lands fronting onto Highway 2 that could be used for a regionally focused commercial development.

The land use concept plans from all of the approved area structure plans adjacent to the highway and MDP have been attached as Appendix D. All areas along Highway 2 have approved major area structure plans (MASP) and nearly all areas have more detailed Industrial or neighbourhood area structure plans (IASP & NASP). There are some undeveloped lands adjacent to the Red Deer River that are unsuitable for development due to flooding hazards and have been planned as Maskepetoon Park and Heritage Ranch.

Figure 2 - Developed and Planned Lands Along Highway 2 in The City of Red Deer



## 2.4 Growth

### 2.4.1 Historic Growth

Table 1 lists the historic population growth estimates for The City based on data from Census Canada. Annual population data from 1898-2021 from municipal, provincial, and federal census data sources have also been attached as Appendix E. The City has been subject to the cyclical boom-bust growth sequences that are closely associated with the energy resource sector in Alberta. Apart from the last 5 years, the rates below demonstrate over the last 30 years that The City has had consistent and high rates of annual population growth.

**Table 1 - City of Red Deer Population and Rates of Population Increase Federal Census**

City of Red Deer Population and Rates of Population Increase Federal Census					
Year	Population	Average Annual Increase	Average Annual Increase Over last 10 Years	Average Annual Increase Over Last 20 Years	Average Annual Increase Over last 30 Years
1986	54,425				
1991	58,145	1.4%			2.4%
1996	60,075	0.7%			
2001	67,707	2.5%		2.4%	
2006	82,772	4.5%			
2011	90,564	1.9%	1.1%		
2016	100,418	2.2%			
2021	100,844	0.1%			

### 2.4.2 Projected Growth – Intermunicipal Development Plan

The Red Deer County and City of Red Deer Intermunicipal Development Plan outlines an annexation formula to help determine if an annexation should be pursued by The City. The results of the calculations from the formula are outlined below in 3.1.4 IDP Annexation Formula.

The formula, last calculated in 2022, demonstrates The City has 20 years of developable land, which is less than 30 years of land supply recommended by the IDP and that The City should file an annexation application. These formula calculations have been attached as Appendix F.

### 2.4.3 Projected Growth – Consultant’s Report

The City has retained the services of Colliers International to conduct a growth projection analysis in Figure 3 and Table 2. Their work was not specific to the proposed annexation. These figures are the most up-to-date growth projections for The City of Red Deer. The Colliers report provides a commercial, industrial, office, and residential land use inventory analysis to understand the future projected demand to 2041 for these land use types. This report *Real Estate Growth Projections* is attached as Appendix G.

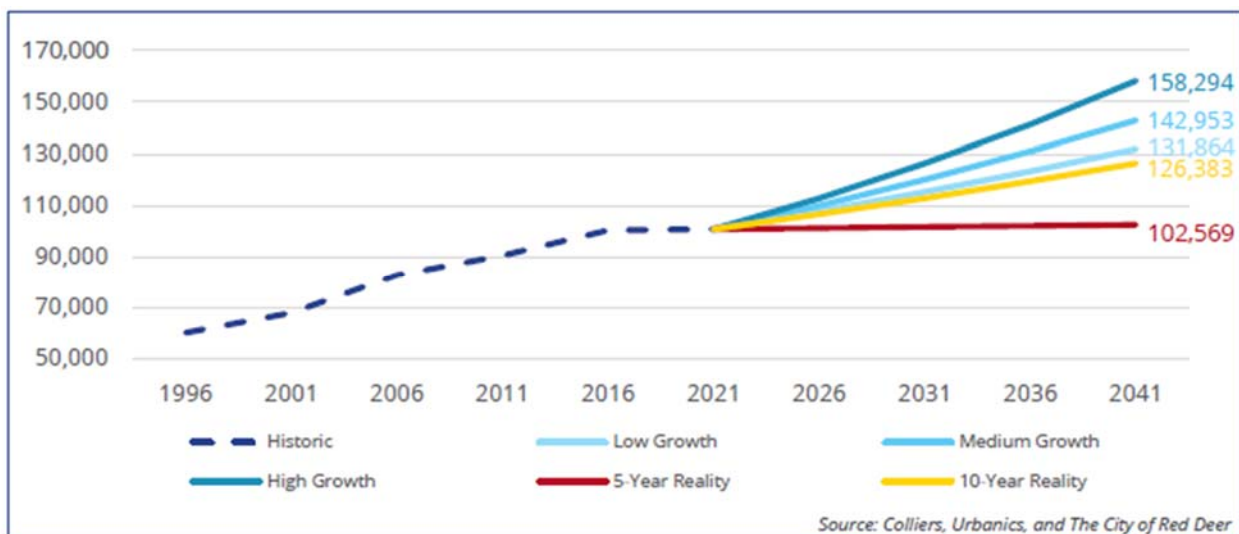
Typically, growth planning would use the Medium Growth Scenario, however, in the past 10 years the rate of growth in Red Deer has not met the previous projection. The report recommends the use of the

5-year and 10-year reality baseline scenarios for real estate growth projection as they reflect the actual conditions of growth in Red Deer.

For annexation and long-range planning, The City prefers to use the medium growth scenario. This is because growth in many Alberta cities, including Red Deer, typically follows the boom-bust cycles closely tied to the resources sector, which often will result in a growth scenario that closely aligns with the medium growth scenario, which is well below the historic growth demonstrated in Table 1 above.

The City is also averse to using the lower growth scenarios as The City has previously run out of developable industrial land, which was the impetus of the 2009 industrial land annexation from The County.

**Figure 3 - Population Growth Scenarios**



**Table 2 - Population Growth Scenarios (projections shown in italics)**

	2011	2016	2021	2026	2031	2036	2041	Annual Growth
Census Count	90,564	100,418	100,844					
High Growth Scenario			100,844	112,877	126,345	141,420	158,294	2.28%
Medium Growth Scenario			100,844	110,036	120,066	131,011	142,953	1.76%
Low Growth Scenario			100,844	107,837	115,315	123,312	131,864	1.35%
Baseline Scenario 5-Year Reality		100,418	100,844	101,273	101,703	102,135	102,569	0.08%
Baseline Scenario 10-Year Reality	90,564	100,418	100,844	106,699	112,894	119,448	126,383	1.14%

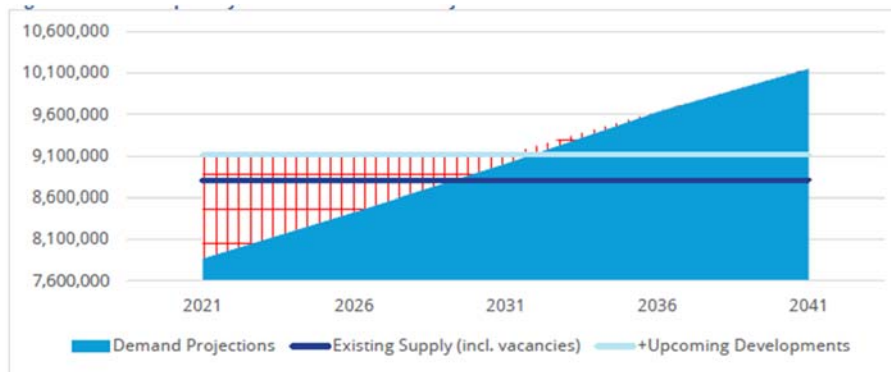
Source: Colliers, Urbanics, and The City of Red Deer

## 2.5 Commercial Land Requirements

As the intended use of the annexation lands is for highway-fronting commercial uses this annexation application should reference the analysis of retail uses and to a lesser extent office use in the Colliers report.

*Based on a medium population growth forecast of 1.76% annually, the currently vacant retail space coupled with upcoming developments, it can be realistically assumed that the existing and known upcoming supply will be sufficient to last through to 2032. Taking into account the supply of currently vacant retail space and upcoming floor area in new and proposed developments, to accommodate future retail spending needs, The City of Red Deer will need to have approximately 26.2 acres [10.6 ha] of land available by 2041 for future commercial development. (Appendix G - p.21)*

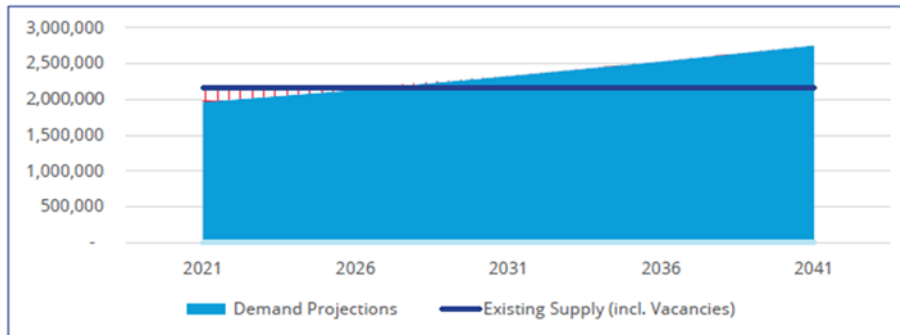
**Figure 4 - Retail Gap Analysis Medium Growth Projection (in square feet)**



*Based on The City of Red Deer’s anticipated future population based on the medium growth scenario, it is estimated that there will be additional demand for approximately 2,327,917 SF of office space by 2031, and 2,755,773 SF by 2041. Based on this projection and the current supply, it can be realistically assumed that the current supply will be sufficient to meet demand through 2027. Taking into account the supply of currently vacant office space, to accommodate future industrial space needs, The City of Red Deer would need to have an additional 590,086 SF of office space available. (Appendix G - p.37)*



**Figure 5 - Office Gap Analysis Medium Growth Projection (in square feet)**



The standard office development in Red Deer has a 1:3 floor area to parcel-area ratio. This would mean that 590,086 sq ft of additional office space would likely require 16.44 hectares of land. This combined with the forecasted retail lands need for 2041, will have The City deficient by 27.04 hectares of commercial land. This annexation intends to satisfy these long-term commercial needs of The City.

As outlined in 2.3 Reason for Annexation The City is requesting this annexation to capitalize on the strategic placement of commercial lands fronting onto Highway 2 while also expanding The City’s western boundary. The Colliers report did not specifically look at the strategic placement of land but instead limited its focus to the current land supply and the future projected demands of each unit type and subcategory. The analysis and findings of the commercial use types (retail and office) generally do not consider the impacts of location except for the benefits of directing development to the downtown.

The use of a medium growth scenario is standard practice by most governmental bodies and is also in alignment with Alberta Treasury Board and Finance population projections. It is The City’s opinion that using a lower growth scenario for annexation would insert unknown risks into future land projections.



### 3.0 Relation to Statutory Plans

The proposed annexation is consistent with the overall direction and policies of the Red Deer County and City of Red Deer Intermunicipal Development Plan (IDP), The City of Red Deer Municipal Development Plan (MDP), and the Red Deer County Municipal Development Plan (MDP). The policies of each of the documents on annexation are summarized below. There are no approved statutory plans for the annexation area.

#### 3.1 Red Deer County and The City of Red Deer Intermunicipal Development Plan

The County and The City adopted its Intermunicipal Development Plan in 2007 and last amended it in 2015. The plan establishes several objectives and policies including the direction for The City's future growth and annexation.

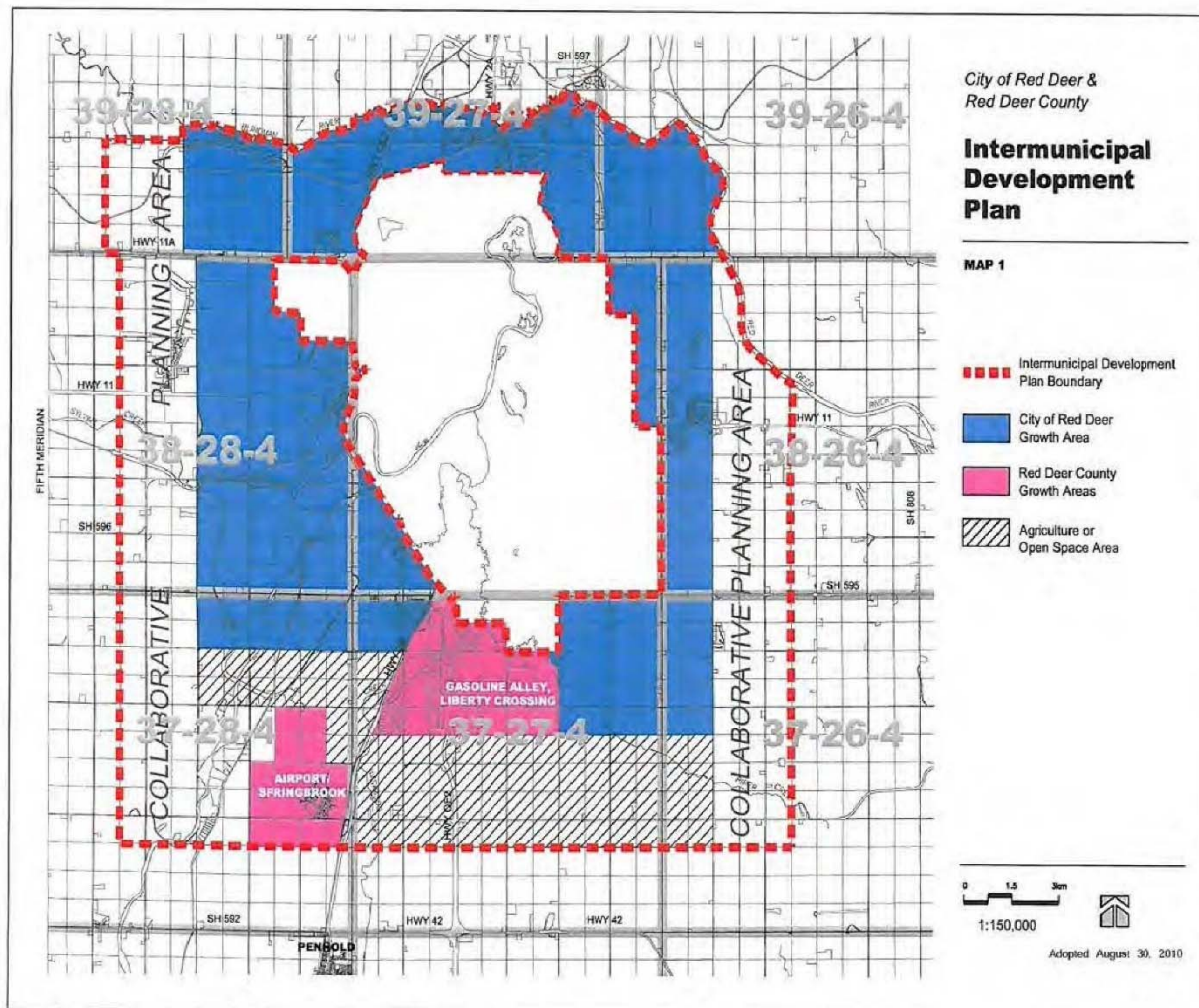
##### 3.1.1 Land Uses in the Intermunicipal Development Plan

The Intermunicipal Development Plan provides a broad framework for the long-range planning for the different policy areas on Figure 6 from the IDP.

*The broad growth framework illustrated on Map 1 reflects the cooperative vision for intermunicipal development. Map 1 shows the areas to which The County intends to focus its growth and also identifies The City's Growth Area. Map 1 further identifies the Agricultural or Open Space Area. The Collaborative Planning Area is also identified on Map 1 and comprises the remainder of the area within the Intermunicipal Development Plan Boundary. (Appendix H - p.7)*

A full copy of the Intermunicipal Development Plan has been attached as Appendix H. The below policies are found in the IDP's subsection 3.4 Long Range Planning which begins on p.7 of Appendix H.

Figure 6 - Intermunicipal Development Plan Map



### 3.1.2 City Growth Area

The Intermunicipal Development Plan establishes The City Growth Area to recognize *The City's Long Term Growth directions*. (Appendix H - p.8). The IDP also generally restricts development in The City Growth Area with the stated purpose to *maintain The City's Growth Area in a relatively undeveloped state until it is annexed, in order to allow orderly urbanization to proceed* (Appendix H - p.7). The plan also indicates that *The City must be enabled to determine the form, timing and financing of development in its Growth Area* (Appendix H - p.7).

The IDP lists on pages 8 and 9 the following policies for The City Growth Area:

*(1) Limit the fragmentation of lands within The City's Growth Area to retain them in an undeveloped state until urban development can occur, by discouraging the subdivision and development of land for non-agricultural purposes.*

*(II) Provide for policies to be established within The City Growth Area with respect to any urban development that would occur prior to annexation.*

*(III) Require that the form, timing and financing of development in The City's Growth Area be determined as part of The City's normal planning and budgeting processes after the annexation of the lands to The City.*

*(VII) Recognize that The City's Long Term Growth Directions are to the east and west of The City's Growth Area.*

### 3.1.3 IDP Annexation

The IDP sets a framework for the annexation of lands within The City Growth Area to provide for up to a fifty-year land supply for growth needs within The City's boundary. This framework is summarized below and also attached on page 13 of Appendix H.

The IDP outlines a formula to determine if The City should make an annexation application. The policy of this formula is intended to ensure The City has a minimum of 30 years of land supply and permits an annexation application to consider up to a maximum of a 50-year land supply. The policies of the IDP also permit The City to defer annexation when below 30 years.

*An annexation application for a maximum of a fifty year land supply should be undertaken when The City's land supply for growth needs is within three years of the minimum thirty year land supply (i.e. is a thirty-three year supply or less) unless deferred by The City. Even if The City's land supply is estimated to be less than thirty years, The City may defer filing an annexation application for up to five years at a time by resolution of City Council. Any numbers of deferrals are permitted under this Plan and each deferral shall be for a period of not more than five years. The City shall update The County every year. (Appendix H - p.13)*

The plan also set out the following policies to guide the annexation process between The City and The County.

*The County shall support land purchases by The City within The City of Red Deer Growth Area.*

*The County shall support annexation of lands identified by The City within The City of Red Deer Growth Area to allow The City to maintain a maximum of fifty years land supply for growth. In advance of the initiation of any annexation application, The City shall discuss with The County the identified area or areas it proposes to annex.*

*The City shall not attempt to annex any lands outside The City of Red Deer Growth Area identified on Map 1, unless this Plan is amended.*

*Annexation boundaries shall follow legal boundaries and natural features to avoid creating a fragmented pattern of municipal jurisdiction.*

The IDP outlines compensation to Red Deer County for the loss of tax revenue. These details have been included in subsection 5.2.5 Compensation for Loss of Municipal Property Tax Revenue as part of the Negotiation Report.

#### 3.1.4 IDP Annexation Formula

The IDP outlines a formula to determine the 30 to 50-year land supply for The City's growth purposes and to help determine if an annexation application should be filed. The formula was last calculated in 2022 for the Joint City-County Council workshop in June. The result of the calculation demonstrates that The City has less than 30 years of land supply and should file an annexation application. The IDP formula is outlined on pages 13-14 Appendix H and the calculations have been attached as Appendix F.

*The 30 to 50 year supply of land for The City of Red Deer for growth purposes will be determined by the following formula:*

- *Future land requirements are estimated by calculating the current per capita urban land consumption rate and modifying this rate to produce a projected per capita urban land consumption rate. This figure is then projected forward 30 and 50 years using the average annual population growth rate.*

*The following definitions apply to the formula:*

- *Current per capita urban land consumption: The current total City of Red Deer population divided by the total area within The City's boundaries that is or will be developed imminently for urban uses. Imminent development includes land that has urban type zoning and is anticipated to be developed in the near future.*
- *Projected per capita urban land consumption: The current per capita urban land consumption modified to reflect a 20 percent increase in population density in new residential areas.*
- *Average annual population growth rates: The average annual population growth rate of The City calculated as the average of the most recent 10 year average annual growth rate and the most recent 50 year average annual growth rate.*
- *Projected population for 30 and 50 year periods: The projected population is determined by applying the average annual population growth rate, as defined above, to the current population of The City for 30 and 50 year periods.*

### 3.2 City of Red Deer Municipal Development Plan

The City of Red Deer Municipal Development Plan was adopted on May 5, 2008, and was last amended in 2021. The statutory plan establishes policies for the coordination of planning activities between The County and The City and it also sets out policies and procedures for annexations of the IDP's City Growth Area. The document also provides policy direction for economic development related to this annexation application. The City's MDP is attached as Appendix I.

#### 3.2.1 Annexation

The City's MDP provides policy direction for annexation. Policy 5.4 reflects a former IDP policy that has since been removed. The City had endeavoured to annex all lands in The City Growth Area of the IDP by 2017, however, this has not been the case. This annexation proposal is the first since the 2009 annexation that was the motivation for jointly adopting an IDP. The City MDP policies related to the annexation include:

- *Policy 5.3 Growth Study and Land Supply: The City shall monitor the growth of Red Deer and area, update The City of Red Deer Growth Study and take appropriate actions so as to ensure at a minimum: 5 year supply of land with major utility services in place; and 15 year supply of land in approved Major Area Structure Plans; for residential, industrial and commercial uses. (Appendix I - p.17)*
- *5.4 Annexation The City shall endeavour to annex all lands shown as City Growth Area in the Intermunicipal Development Plan by 2017, subject to resolution of compensation issues, the financial capability of The City and the ability to meet all statutory and Municipal Government Board requirements relating to annexation. The form and timing of development within the annexed areas shall be determined by The City subsequent to the annexation of the land to The City. (Appendix I - p.17).*
- *Policy 6.1 Adequate Land Supply and Infrastructure: The City shall ensure an adequate supply of serviced industrial, commercial and residential land by annexing additional lands in accordance with the proposals of the Intermunicipal Development Plan and designating lands for these purposes in the MDP and through more detailed area structure plans. (Appendix I - p.21)*
- *Policy 18.7 Future Annexation: The City shall actively pursue the annexation of The City Growth Areas identified in the Intermunicipal Development Plan. (Appendix I - p.54)*

#### 3.2.2 Economic Development

The City MDP policies for economic development and tourism as it relates to this annexation application and the need for a site to accommodate regional commercial development include:

- *In order to make Red Deer more economically sustainable, and an attractive place to reside, it is important to attract and retain business investment, create employment opportunities, and expand the local tax base. Economic development*

- entails attracting new businesses seeking to enter the regional and provincial market, as well as providing an environment where existing businesses can thrive and expand. Creating an attractive community with high-quality amenities and services is a vital component in attracting and keeping the skilled labour force that local businesses, including the tourism sector, require for success. (Appendix I - p.21)*
- *(c) Ensure an adequate supply of residential, commercial and industrial land; (Appendix I - p.21)*
  - *(d) Evaluate regional market opportunities for innovation and diversification in Red Deer's economy; (Appendix I - p.21)*
  - *Policy 6.1 Adequate Land Supply and Infrastructure: The City shall ensure an adequate supply of serviced industrial, commercial and residential land by annexing additional lands in accordance with the proposals of the Intermunicipal Development Plan and designating lands for these purposes in the MDP and through more detailed area structure plans. (Appendix I - p.21)*
  - *Policy 6.3 Economic Diversification: The City should pursue opportunities to diversify the local and regional economic base by promoting and attracting value-added industries. (Appendix I - p.22)*

### 3.2.3 Commercial Development

The City MDP policies for commercial development as it relates to this annexation application and the development of large format retailers and power centres include:

- *Commercial development serves many purposes and is a vital component of Red Deer. It provides local and regional goods and services, acts as employment areas and contributes to the health and vitality of the local economy. Concepts for commercial development evolve and there are a variety of forms that may occur in Red Deer. Local convenience stores, plazas, malls, large format retailers and power centres are among the types of commercial development possible. (Appendix I - p.38)*
- *Goal: Support a vibrant and cohesive commercial sector that supports both local residents and the regional market. (Appendix I - p.38)*
- *Objective: (a) Identify locations and policies for long term commercial development; (Appendix I - p.38)*
- *Objective: (b) Ensure the quality and aesthetics of development along major commercial corridors; (Appendix I - p.38)*
- *Objective: (d) Promote commercial development that generates opportunities for local employment; (Appendix I - p.38)*



- *Policy 12.9 Quality of Arterial Commercial Development: The City shall ensure, through performance standards contained in the Land Use Bylaw, that the landscaping, siting, form and unified architectural treatment of arterial commercial development, such as along Gaetz Avenue and the QE II Highway, improves the visual quality of the arterial roadway. Parking and loading and storage areas shall be paved, screened and provided with signage where appropriate. (Appendix I - p.39).*

### 3.2.4 Regional Initiatives and Intermunicipal Planning

The City MDP policies for regional Initiatives and Intermunicipal planning as it relates to this annexation application include:

- *It is important to recognize that Red Deer is part of a region and that many issues and factors that can impact the community, its economic vibrancy and the quality of life of its citizens occur beyond and transcend the city's boundaries. It is for this reason that the Province encourages and expects cooperation between municipalities, provincial departments and other agencies to address planning issues. (Appendix I - p.53)*
- *Goals: Secure The City's long-term growth needs. Cooperate with municipalities and other government agencies to achieve mutual objectives that benefit residents and businesses in Central Alberta. (Appendix I - p.53)*
- *Objective: (b) Work with the Government of Alberta, its agencies, and other municipalities, in the provision of programs and services that are of benefit to the residents and businesses in the region; and (Appendix I - p.53)*
- *Objective: (c) Maintain Red Deer's position as the major urban service centre in Central Alberta and a major growth centre in the Calgary/Edmonton corridor. (Appendix I - p.53)*
- *Policy 18.3 Calgary/Edmonton Corridor: The City shall work with the Provincial Government and other municipalities and agencies in the Calgary/Edmonton Corridor to ensure a coordinated approach to the encouragement and direction of growth in the corridor. (Appendix I - p.53)*
- *Policy 18.7 Future Annexation: The City shall actively pursue the annexation to the city of The City Growth Areas identified in the Intermunicipal Development Plan. (Appendix I - p.54)*

### 3.2.5 Environmental and Ecological Management

The annexation principles and the public concern highlight the importance and care that needs to be taken for key environmental features in the annexation area. The City of Red Deer recognizes the importance of the environment and ecology and the impact urbanization can have on these natural systems and the benefits they provide to the residents in the region. The City of Red Deer uses the below statutory documents and policy tools to preserve, mitigate, and manage the envelopment and balance the importance of natural capital within a developed urbanized environment.

The intent, objective, and goals, along with select policies from the MDP are listed below. A full list of The City's MDP policies for environmental and ecological management is provided in Appendix I on pages 28-31.

*Environmental and ecological management and the development of Red Deer as an environmentally sustainable and responsible community is a priority. Preservation of significant natural features is an important contributor to the high quality of life enjoyed by Red Deer residents. Integrating these features into the open space system helps create an attractive and desirable community. It reinforces the interrelationships and linkages between urban dwellers, their surroundings and the natural systems that residents depend upon.*

*Environmental and ecological management also entails consideration of how urban development can impact environmental and ecological systems. Efficient use of land, reduction of air pollution, protecting water quality, management and enhancement of open space natural features (natural capital), and efficient use of resources are important elements in Red Deer's efforts to be environmentally sustainable.*

*Environmental and ecological management also considers a variety of environmental sustainability initiatives and trends in land development that is both current and emerging nationwide. These include programs such as measuring the ecological footprint of growth and development.*

#### *Goals:*

- *To preserve and integrate significant natural areas into the open space system.*
- *To foster the creation and maintenance of attractive, clean and ecologically responsible natural and built environments.*
- *To recognize and promote environmental sustainability initiatives and trends in land development.*

#### *Objectives:*

- *Promote environmental sustainability principles in land use planning decisions and development practices;*
- *Recognize the value and contribution that natural areas and functions make towards quality of life in an urban setting;*

- *Wherever possible, conserve and incorporate environmentally significant features into the open space, utility and transportation systems;*
- *Support environmental and ecological management programs and procedures that facilitate the maintenance of attractive, clean and ecologically responsible natural and built environments;*
- *Support initiatives that increase awareness and public involvement in environmental management and conservation; and*
- *Investigate and incorporate, where appropriate, environmental sustainability initiatives and trends in land development.*

Select Policies:

*9.1 Ecological Profiles and Conservation: The City shall continue to use the Natural Area/Ecospace Classification and Prioritization System as one of the key elements in land use planning for Red Deer as it pertains to:*

- *significant natural features – decisions on how to treat these features shall be made in more detailed plans,*
- *working with Red Deer County, Lacombe County and other interested parties in creating and implementing a regional approach to the conservation of key natural areas and*
- *functions,*
- *expanding the Natural Area/Ecospace Classification and Prioritization System to identify continuous wildlife corridors and key wildlife habitat and greenways in and around Red*
- *Deer that should be protected as growth and development occurs, and*
- *the timing of conservation planning and efforts – ensure that planning efforts to conserve natural features in and around Red Deer are initiated in advance of urban expansion or development of the surrounding lands.*

*9.2 Environmental Reserve Dedication of Lands Unsuitable for Development: Through the subdivision process, The City shall require that lands considered unsuitable for development (e.g. due to steep slopes or being subject to flooding or consisting of a natural drainage course or wetland) are dedicated as environmental reserve in accordance with the provisions of the Municipal Government Act.*

*9.3 Environmental Reserve Dedication of Lands Adjacent Water Bodies and Water Courses: When lands adjacent to water bodies or water courses are subdivided, a strip of land shall be dedicated as environmental reserve to provide a buffer and provide*

*public access. The width of the required dedication shall be established by the Subdivision Authority.*

*9.7 Green Infrastructure: The City should incorporate significant natural features as part of the overall infrastructure systems. This should include using existing wetlands as storm water management facilities and planting and preserving shrubs and trees to improve air quality.*

*9.9 Urban Forestry: The City shall structure its urban forestry initiatives to ensure that it continues to play a significant role in the future landscape and form of the urban forest in new land developments. The City shall require:*

- landscaping and/or revegetation of open spaces, including natural areas, formal parks and boulevards,*
- adequate tree protection in planted and natural areas in new open space developments, and*
- Incorporation of wildfire management practices within natural areas and management of the risk to adjacent areas used for human habitation and activity in accordance with the wildfire management plan.*

*9.10 Integrated Pest Management: The City shall enhance its integrated pest management (IPM) program to help reduce the use and reliance on pesticides, fertilizers and other chemicals. This approach shall be encouraged in public and private developments as the city expands in new growth areas, helping to create a healthier environment.*

*9.14 Air Quality The City shall promote efforts to improve air quality and may work with other stakeholders to monitor air quality and establish stewardship programs that promote improved air quality.*

### 3.2.6 MDP Area Structure Plan Development and Consultation Policies

Taking into consideration the concerns from the public consultation related to the future development of the annexation lands, The City thought it would be sensible to highlight the policies and directives in its MDP for the development of area structure plans and public consultation during the development of statutory plans that would follow a successful annexation. These policies include, but are not limited to:

*19.5 Preparation of More Detailed Land Use Plans: The policies of the MDP shall be further refined and implemented through the preparation, adoption and day-to-day application of major area structure plans, neighbourhood area structure plans, area redevelopment plans and the Land Use Bylaw. The City shall continue to ensure that appropriate stakeholders (e.g. landowners, School Authorities, neighbouring municipalities) and the general public are consulted and have input into all area structure and area redevelopment plans as these plans are being prepared. The*

*requirements for these plans are generally described in the Neighbourhood and Industrial Planning Guidelines and Standards. (Appendix I - p.56)*

*19.6 Public Engagement: As part of the process of managing physical growth and changes in the community, The City shall facilitate public input on matters of general or specific planning interest, wherever possible.*

*Public input may be obtained using a variety of techniques such as open houses, public meetings, focus groups, citizen advisory groups, workshops and surveys. The techniques and processes used may vary, based on the nature of the plan or matter being considered. Public input may be sought at any or all levels of decision making including concept development, detailed design and implementation. Input should be facilitated as early in the decision making process as possible.*

*In making a decision on a planning matter, City Council shall consider, but not be bound by, the input received from the public and shall balance the input received with other considerations relating to the long term land use planning interests of the broader community.*

*The City shall also continue to make existing planning policies available to the public and advise residents of the outcome of key planning decisions. (Appendix I - p.57)*

### 3.3 River Valley and Tributaries Park Concept Plan

The City and County have jointly adopted the River Valley and Tributaries Park Concept (RVTPC) Plan as a planning tool to identify the lands best suited for potential trails and parks within The City of Red Deer Growth Area. The process of identifying new parklands for the RVTPC Plan made natural resources a priority, especially water resources. Lands adjacent to the rivers; small, intermittent, or ephemeral streams; wetlands and sloughs are included in the concept. As part of the public park system, these sensitive or significant environmental lands and their associated ecological services can be protected and fulfill the community's desire for more natural parkland.

This document has been attached as Appendix K and will help guide the development of the area structure plan for the lands in the annexation area.

### 3.4 City of Red Deer Ecological Profiles

The MDP policy 9.1 Ecological Profiles and Conservation provides direction for The City to collect data and develop an ecological classification and prioritization system for use in land use planning. The City of Red Deer has previously collected substantial ecological data in the proposed annexation area that has been summarized into Ecological Profiles that are attached as Appendix J:

- City of Red Deer (2017 Update Summary) Ecological Profile of Hazlett Lake Area and Regional Zones External to the Annexation Area (highlighted rows contain most important information)
- 2005 Regional Ecological Profile for the Proposed Industrial Lands (Queen Business Park) and Associated Natural Areas

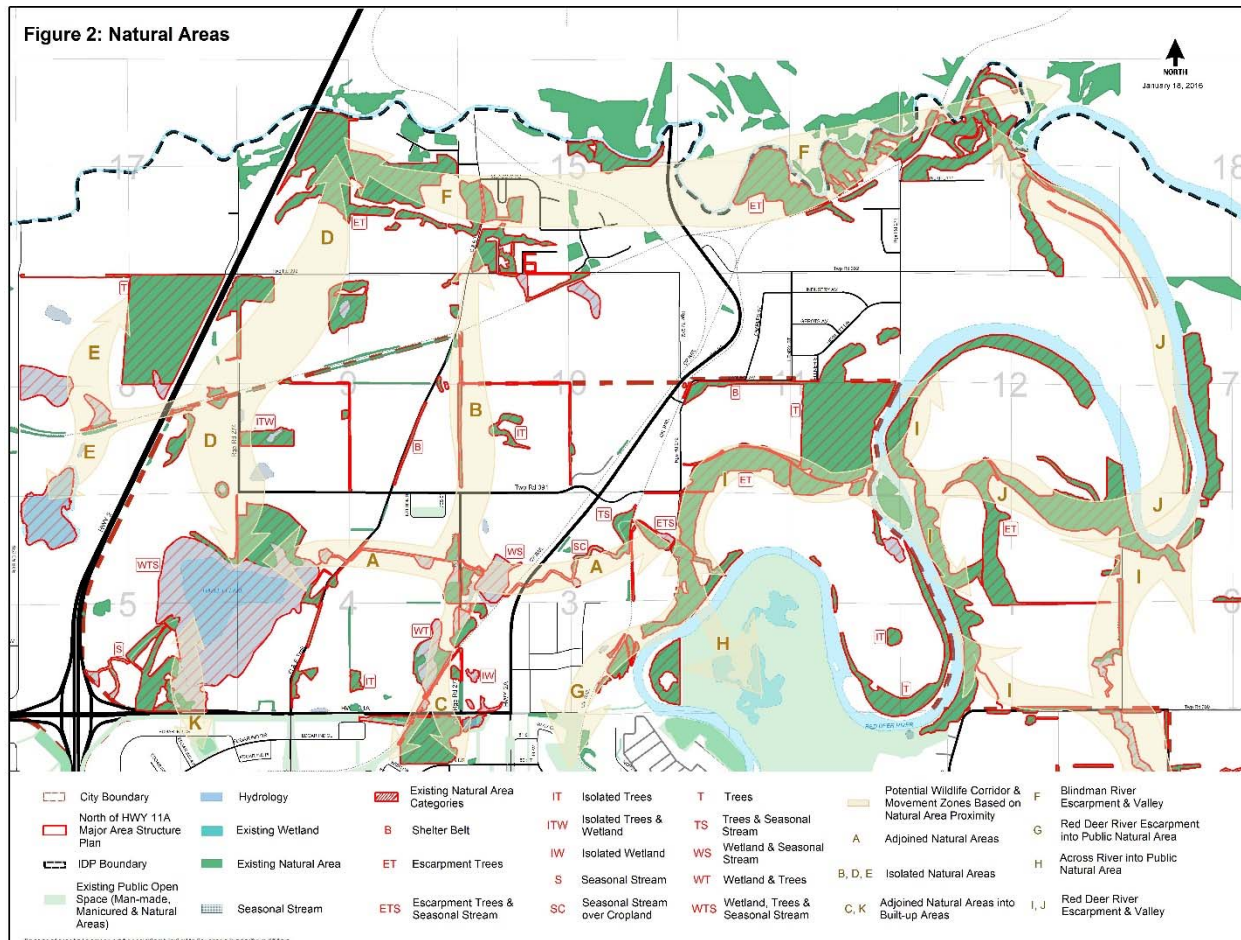
The data from these studies demonstrate that nearly all the significant natural features in the annexation area are comprised of various wetlands and interlinking drainage alongside valuable information on wildlife observations. This work also shows The City's intent to maintain natural drainage when possible.

This environmental and ecological data alongside the policies in the MDP, RVTPC Plan, and the Neighbourhood Planning and Design Guidelines will be incorporated into the major area structure plan with the intent of providing detailed environmental guidelines for the development of more detailed neighbourhood area structure plans with the intent of preserving and mitigating impacts on the waterbodies in the annexation area. These practices have previously been applied to the area structure plans adopted by The City for the areas adjacent to Hazlett Lake and Cameo Lake, Both of these lakes have extensive setbacks that protect the entire wetland extent.

The City will use this information to maintain wildlife corridors within an urbanized development context. The City recognizes that the Highway 2 underpass in the annexation area is a significant wildlife corridor for ungulates in the area. The city will try to mitigate the impacts of development on wildlife during the development of the area structure plan.

An example of how the ecological profile data is incorporated into major area structure plans is provided below in Figure 7 from the North of 11A MASP. This information is accompanied by detailed environmental policy direction for subsequent land use planning. Coincidentally, the ecological profile data for the annexation area was included in this figure as it had been previously collected due to the interconnected nature of natural systems beyond the North of 11A MASP boundary.

Figure 7 - North of 11A MASP Ecological Profile Data



### 3.5 Red Deer County Municipal Development Plan

The Red Deer County Municipal Development Plan was adopted on September 21, 2021. The plan provides policy and direction for how The County will develop in annexation areas and when The County will support applications from annexing municipalities. The County MDP has been attached as Appendix L.

The County has a long history of cooperating with its urban and rural neighbours on annexation applications. The County MDP provides policy direction on how to work with annexing municipalities. Section 10.3 Annexation directs The County to promote land stewardship principles and support, in principle, annexation proposals that:

*recognize and respect the value of its agricultural land base and the viability of its existing and planned non-agricultural tax base;*

*incorporate sustainable development principles, including higher density residential development and compact urban form to minimize the development footprint on agricultural lands;*

*provide sufficient land to meet the growth needs of urban neighbours in accordance with sound Planning principles. (Appendix L -p.43)*

The County MDP provides direction to support the annexation of lands that provide the following criteria:

*the proposal conforms with any applicable Intermunicipal Development Plan; and*

*the lands in question represent a logical extension to urban land use patterns and servicing networks. (Appendix L -p.43)*

The County MDP also highlights the importance of the Land and Property Rights Tribunal's 15 annexation principles. The plan gives direction for The County to endeavour to support annexation requests from neighbouring municipalities that provide rational and justification for a proposed annexation based on the LPRT annexation principles in absence of criteria authorized by section 76 of the Municipal Government Act.

The MDP also provides policy direction for how The County will direct development along its urban fringes.

*7.1.4 Future Annexation Areas - New industrial and commercial development in The County shall not be approved on lands that are proposed for annexation or have the potential to be annexed in future unless the lands are so identified in an Intermunicipal Development Plan. (Appendix L - p.28)*

*8.2.5 Urban Fringe Reserves - Municipal and/or School Reserves within the urban fringe of urban municipalities shall be allocated in accordance with the applicable Intermunicipal Development Plan. In cases where dedication is not addressed in an IDP, reserves may be deferred in order to provide opportunities for the urban municipality to make the best use of the lands once annexation occurs. (Appendix L - p. 34)*

### 3.6 Area Structure Plans

No area structure plans have been adopted for any lands within the proposed annexation area. Area Structure Plans will need to be developed and adopted if the proposed annexation is approved.



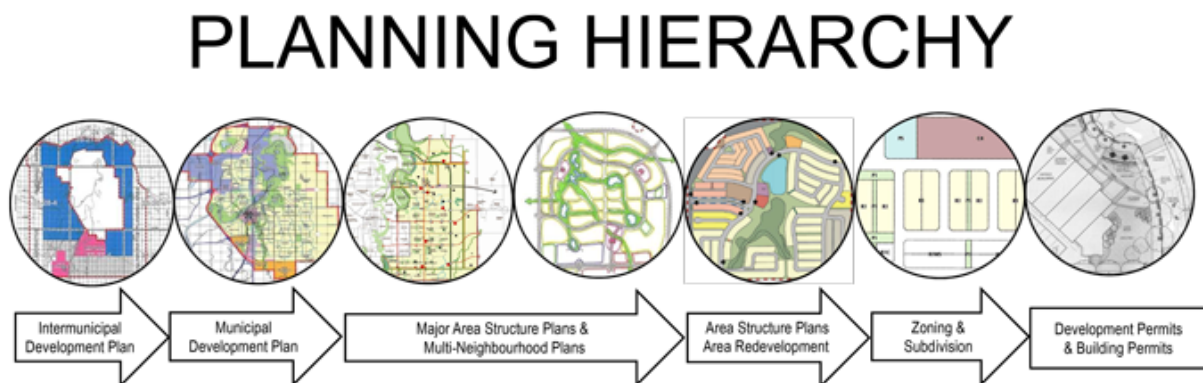
## 4.0 Land Uses and Servicing

### 4.1 Future Land Uses

The proposed annexation area is intended to be added to the lands within the current city boundary to create a new area to be planned and developed as a Highway 2 fronting regional commercial power center at the intersection of Highways 2 and 11A.

More precise details of the development will be determined through the development and adoption of a Major Area Structure Plan and Neighbourhood Area Structure Plan after a successful annexation. The City of Red Deer uses a hierarchical statutory and bylaw structure as defined by the Municipal Government Act. Figure 8 outlines the steps that must be followed before development can commence for development in The City. This process will apply to the annexation lands if this annexation were approved.

**Figure 8 - City of Red Deer Planning Hierarchy**



\*The Intermunicipal Collaboration Framework is above the IDP since its adoption on March 29, 2022.

The City may add the annexation lands to the existing North of 11A Major Area Structure Plan or may choose to develop and adopt a new major area structure plan (MASP) for the area. The development and adoption of a neighbourhood area structure plan (NASP) will likely be completed concurrently with the MASP. These statutory plans will conform to The City's MDP and be consistent with The City's planning tools and policy documents including the Neighbourhood Planning and Design Standards and the Engineering Design Guidelines.

When statutory plans are developed, they are typically circulated to the adjacent landowners and must also be referred to the bordering municipality. During this circulation, concerned citizens can provide input into the plan. The City Council adoption process also includes a public hearing where citizens can address Council directly as required by the Municipal Government Act.

The land will eventually be rezoned in alignment with the area structure plan. All future land uses are required to conform to the zoning regulations of the respective district as outlined in The City of Red Deer Land Use Bylaw 3357/2006.

## 4.2 Location of Annexation Lands

The decision to expand The City boundary to the northwest into the proposed annexation area includes the following factors:

1. The City's desire for new land that can accommodate a Highway 2 fronting regional commercial development that can help satisfy The City's economic development goal to capitalize on its location in the Edmonton-Calgary Corridor.
2. The land is contiguous to The City's existing boundary and development.
3. The relative cost of providing key municipal services; specifically, water, wastewater, stormwater, and transportation access.
4. A landowner that desires to be annexed and intends to develop a regional highway fronting commercial development.

The annexation lands satisfy the following:

1. The proposed annexation area offers land for future Highway 2 facing commercial growth that addresses The City's need to increase this type of land supply.
2. The proposed annexation area will support The City's strategic economic development goals to maintain Red Deer's position as the major urban service centre in Central Alberta and a major growth centre in the Calgary/Edmonton corridor.
3. The annexation lands are in a highly desirable location from a development purview as they are accessible and located at the intersection of provincial Highways 2 and 11A.
4. The land parcel size is suitable for a regional commercial power centre.
5. The proposed annexation area is contiguous to The City's western boundary across the highway from the future neighbourhood of Hazlett Lake and it is also contiguous to The City's northern boundary of the Queen's Industrial Business Park.
6. The proposed annexation provides a cost-effective means to be serviced, having access to water services in Queens, wastewater services from the SLRWWC line, and being located adjacent to two provincial highways.
7. The landowner and mines and mineral rights owner is supportive of the annexation and would like to develop their lands as a regional commercial power center.

## 4.3 Ability to Extend Municipal Infrastructure Services

The City of Red Deer's administrative staff has undertaken a high-level review of the serviceability of the proposed annexation lands. It is the opinion of The City that the annexation lands can provide a logical extension of the existing growth pattern. The land can be serviced in a cost-effective, efficient, and coordinated approach. Figure 9 illustrates a servicing overview of the annexation lands and a figure for each of these municipal infrastructures is attached as Appendix M. The servicing details will be refined during the development of the statutory plans and servicing studies following a successful annexation.

### 4.3.1 Water

The annexation lands can be serviced by municipal water by tying into the services directly to the south of the annexation lands from additional capacity in the Queens Business Park reservoir and pump station. The future development of these lands will be required to be serviced by The City's piped

municipal water system, which draws and treats water from the Red Deer River. There are no anticipated impacts to groundwater wells adjacent to the annexation area.

A servicing study will need to be undertaken to determine the long-term water servicing requirements. This detail will be determined when a neighbourhood area structure plan is developed for the area as water capacity and flow will be determined by the approved land uses when a NASP is adopted.

#### 4.3.2 Wastewater

The annexation lands can be serviced by municipal wastewater services by tying into the existing Sylvan Lake Regional Wastewater Commission (SLRWWC) line located in the southeast of the proposed annexation area. The regional wastewater line has the capacity to accommodate the future development of the annexation lands.

It's anticipated the development will require a lift station and force main; though, a detailed design will need to be undertaken to determine the requirements for this infrastructure. This will be completed when the statutory plan and servicing study is developed as capacity and flow requirements will be determined by the approved land uses when a NASP is adopted.

#### 4.3.3 Stormwater

The stormwater service requirements required by the annexation lands can be provided onsite by storm water management facilities and natural flow patterns and existing outlets and outlet pipes to the north and northeast into the Blindman river.

The City will need to review the developer's drainage plans at the time of development approvals. The typical requirement for development is that existing drainage routes need to be maintained pre-and post-development. Approvals for changes to surface water runoff must also be obtained from Alberta Environment and Protected Areas.

#### 4.3.4 Transportation & Roadway Access

As part of the consultation with the affected authorities, the former Minister of Transportation, from the consultation of affected authorities, indicated Highway 2 and Highway 11A within the annexation area shall remain under the jurisdiction of Alberta Transportation as provincial highways. The Highway 2 and Highway 11A interchange ramps shall also remain under the jurisdiction of Alberta Transportation as a provincial highway. No direct access to or from Highway 2 will be permitted, meaning access to the proposed annexation land area will only be available from Highway 11A and 75 Avenue intersections.

A detailed traffic study will be required to determine future access from the intersection of Highway 11A 75 Avenue to the annexation lands. The intersection will likely require improvements to accommodate vehicular access to the annexation lands. The improvements will be determined based on the land uses determined through the adoption of an area structure plan for the area. Improvements required and costs due to future development traffic will be completed and borne by the developer.

Not shown on the roadway access figure, The City, through the adoption of the area structure plan, will endeavour to provide a long-term design solution that separates vehicles accessing the annexation lands from vehicles accessing the residential neighbourhood of Linn Valley.

The development company interested in developing the annexation lands believes if they are able to obtain off-ramp access from Highway 2 it will reduce the number of vehicles at the Highway 11A/75 Avenue intersection by approximately 40 percent. Recently, The landowner in the annexation area has submitted a letter from the current Minister of Transportation and Corridors, Hon. Devin Dreeshen, that was addressed to Hazlett Lake Ventures. The letter dated March 7, 2023, from the Minister states:

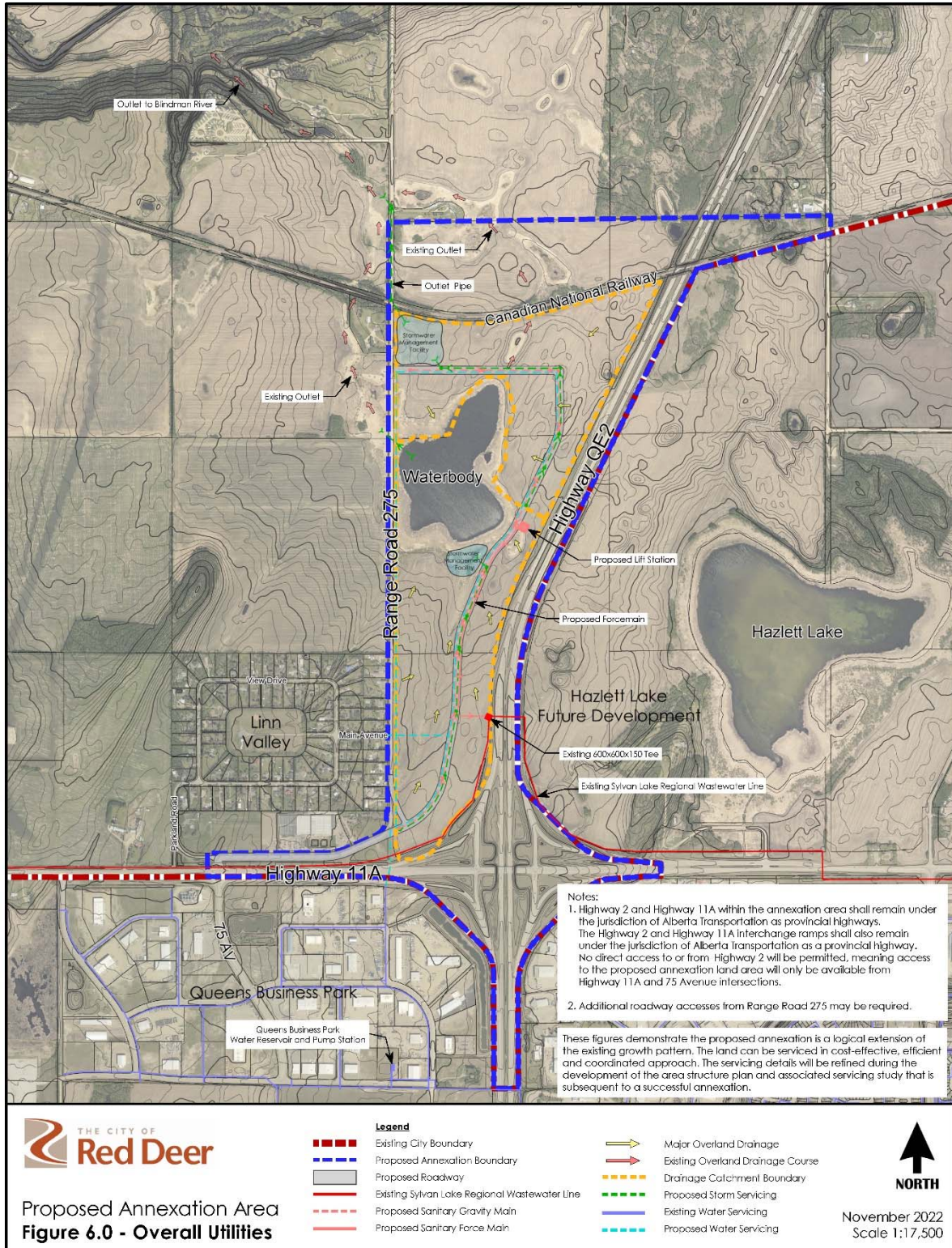
*I appreciate hearing about the Hazlett Lake Ventures project at our meeting. As we discussed, I asked department staff to evaluate your proposal for access into the development area and can now provide a response.*

*Transportation and Economic Corridors is supportive of the opportunity Hazlett Lake Ventures is looking to bring to the area, as a project of this type would support and enhance economic development for both the local communities, and the province. As such, the department is requesting Hazlett Lake Ventures provide an economic Analysis outlining the incremental economic benefits that will directly result from the proposed project having a direct at-grade off-ramp from southbound Highway 2, relative to access from the existing Highway 11A/75 Avenue/Range Road 275 intersection.*

*In addition, Transportation and Economic Corridors approves Hazlett Lake Ventures initiating a Traffic Impact Assessment as per your initial request. The request for additional information related to the economic analysis and Traffic Impact Assessment stems from the department's need for quantifiable justification to consider a deviation from the existing Order in Council 587/2009, restricting freeway and access locations specific to the designation of Highway 2 as a freeway with high-capacity, high-speed, free-flow roadways void of at-grade accesses.*

*Upon receipt of the requested information, department staff will initiate a thorough, timely review of any material provided. In the interim, department staff will continue to work with you to identify possibilities regarding an all-turns access at the existing Highway 11A/75 Avenue/Range Road 275 intersection.*

Figure 9 - Municipal Servicing of the Annexation Lands





## 5.0 Negotiation Report

### 5.1 Negotiations Process

In the months following the filing of the Notice of Intent to Annex Land, negotiations between The City and The County were first undertaken jointly by the municipal administrators via email and telephone. The outcomes are based on the prior policy direction in our shared Intermunicipal Development Plan. These negotiations culminated with a document referred to as the Administrative Annexation Proposal. The intent of the document was to form the foundation of the Negotiation Report for the annexation application. The document outlines where the administrations agreed and did not agree. There were no matters not agreed to.

The Administrative Annexation Proposal was forwarded for review to The City and County's Regional Collaboration Committee, a joint council sub-committee comprised of the Mayors and two Councillors from each municipality. This committee is not an approving body, but its purpose is to work together on items of intermunicipal and mutual interest. As there were no matters not agreed to, the committee did not need to undertake additional negotiations. The committee reviewed the proposal and accepted the document without requesting any changes.

The document was then placed on The City's annexation project webpage [www.reddeer.ca/annexation](http://www.reddeer.ca/annexation) to make it equally available to the landowners and the general public.

Please refer to 11.0 Certification for Council records for the authorization of the annexation application as well as the certification of acceptance of the Annexation Application and Negotiation Report.

### 5.2 Matters Agreed To (to be included in Annexation Order)

The City and County agree to and request the following details to be included in the annexation order.

#### 5.2.1 Proposed Annexation Area

The area first proposed for annexation in the Notice of Intent to Annex Land has been modified. The northernmost boundary in the Notice of Intent to Annex Land was based on aligning the new boundary with the pre-existing boundary of the railway on the east side of Highway 2 that was established during the 2009 annexation.

Comments provided by the landowner had requested the entirety of their parcel be annexed into The City. The landowner had previously had the same land parcel split by the 2009 annexation and having a portion of the parcel in both municipalities has caused them difficulty.

The City is amendable to the landowner's request. The annexation of these areas can be accommodated while satisfying the annexation principles.

The adjusted proposed annexation includes all lands contained within:

- That portion of the SW ¼ Sec 8; 39-27-W4M and including that portion of the CN Railway (Plan 2712 AK) located west of Highway 2 (Plan 2058 LZ); and
- That portion of the SE ¼ Sec 8; 39-27-W4M and including that portion of the CN Railway (Plan 2712 AK) adjacent to those lands already within The City of Red Deer; and

- That portion of the W ½ Sec 5; 39-27-W4M located west of Highway 2 (Plan 2058 LZ) adjacent to those lands already within The City of Red Deer; and
- That portion of SE ¼ Sec 6; 39-27-W4M located south of and including Linn Valley Lane (RR275) and Plan 112 3127 excluding the westernmost 120m of Plan 112 3127 and Lot P, Block 4, Plan 6222KS.

All portions of all intervening and adjacent roads and public utility rights-of-way including Highway 2, Highway 11A and interchange, Range Road 274, and Range Road 275. Excepting there out all mines and minerals.

### 5.2.2 Reserve Lands

All reserve lands shall be transferred in alignment with IDP policy 3.4.3(1)(b)(V).

*(V) Provide that The County shall consult with The City prior to the disposition of reserve lands within The City of Red Deer Growth Area. Upon issuance of an annexation order, The County shall transfer to The City all public reserve lands within the annexed area together with funds equal to the value of cash in lieu of reserves plus the proceeds of the disposition of any reserve lands within the annexed area received by The County after the date of the adoption of this Plan.*

### 5.2.3 Effective Annexation Date

The municipalities agree to an effective annexation date of September 1, 2023. If it is not possible to obtain an effective annexation in time for September 1, 2023, the municipalities agree to the alternate date of January 1, 2024, for the effective annexation date.

The Final Compensation Agreement of the Red Deer County and City of Red Deer Intermunicipal Development Plan (IDP) outlines the following.

*5. b) Each annexation subsequent to phase 1 shall have an effective date being the first day of September of the year following the calendar year in which the report on negotiations was filed with the Municipal Government Board.*

The City anticipates filing the Negotiation Report in early 2023 and would prefer not to unduly delay the ability to plan and develop the lands with an effective annexation of September 1, 2024. The municipalities agree that the annexation can proceed in the same year the Negotiation Report is filed with the Land and Property Right Tribunal.

The municipalities recognize the proposed annexation date is somewhat unconventional based on the review of recent board orders. A review of board orders since 2015 shows a trend of effective dates of January 1. Both municipalities support a January 1, 2024, effective annexation date if preferred by the LPRT.

The municipalities would prefer to avoid a retroactive annexation due to the operational complexities that it can create.



#### 5.2.4 Operational Responsibility

The municipalities agree that all operational responsibilities for the lands within the annexation area become The City’s responsibility on the effective annexation date. If the order for the annexation lists a different effective annexation date than what is proposed, the transfer of the operational responsibilities should also be subject to this change.

#### 5.2.5 Compensation for Loss of Municipal Property Tax Revenue

The municipalities agree The City will compensate The County for the annexation in alignment with the IDP policies.

*Policy 3.6.3(7) - Compensation for the Phase I Annexation area and the formula for all future annexations are attached hereto as Appendix “A”, “FINAL ANNEXATION COMPENSATION AGREEMENT” in this Plan.*

*The City will compensate The County for lost tax revenue by compensating:*

- 100% of the lost tax revenue in year one after the effective annexation;
- 80% in year two,
- 60% in year three,
- 40% in year four,
- and 20% in year five as the final payment for lost tax revenue.

Based on this formula the municipalities agree to Schedule 1 for compensation from The City to The County. If the effective annexation date is changed to January 1, the municipalities continue to agree to Schedule 1 for Compensation.

The annual payment schedule is based on the requirements of the IDP. The municipalities agree to a single payment of all owed compensation payable on July 31, 2024. The single transaction will reduce administrative costs for both municipalities.

#### Schedule 1 - County Compensation for Annexation

County Compensation for Annexation		
Year 1	\$ 3,900.41	Payable: July 31, 2024
Year 2	\$ 3,120.33	Payable: July 31, 2025
Year 3	\$ 2,340.25	Payable: July 31, 2026
Year 4	\$ 1,560.17	Payable: July 31, 2027
Year 5	\$ 780.08	Payable: July 31, 2028
<b>Total over 5 years</b>	<b>\$ 11,701.24</b>	

These values are based on The County’s assessments and The Province’s designated industrial property assessments and uses The County’s 2022 mill rates. Table 3 provides an overview of the total taxable assessment and the total taxes collected by Red Deer County.

**Table 3 - 2022 Property Taxes for the Annexation Area**

<b>2022 Property Taxes for the Annexation Area</b>			
	<b>Farmland</b>	<b>Machinery &amp; Equipment</b>	<b>Designated Industrial Property</b>
Total Taxable Assessment	\$ 55,870.00	\$ 50,140.00	\$ 224,820.00
Municipal Portion of mill rate (Red Deer County)	9.296	12.2965	12.2965
Eligible for Compensation	\$ 519.37	\$ 616.55	\$ 2,764.50
Total County Taxes Eligible for Compensation (2022)	<b>\$ 3,900.41</b>		

The municipalities agree to any taxes owing to The County at the end of December 31, 2023, in respect of the annexed land and any assessable improvements to it are transferred to and become payable to The City together with any lawful penalties and costs levied in respect of those taxes, and The City upon collecting those taxes, penalties and costs must pay them to The County.

There are no capital improvements in the annexation area that are subject to compensation. The annexation financial compensation of the IDP states:

*No additional or other compensation of any nature of kind will be payable by The City to The County with respect to future annexations.*

### 5.2.6 Landowner Assessment and Tax Transition Period & Special Conditions

The proposed annexation area includes parcels of land that are both exempt and taxable. Most of the taxable parcels are assessed and taxed as farmland with a smaller area assessed and taxed as Designated Industrial Properties.

For the below-stated reasons, and to promote administrative efficiency, The City is proposing that no provisions for an assessment and tax transition period be included in the proposed annexation. This proposal to forgo an assessment and tax transition period is acceptable to both landowners within the annexation area.

Farmland:

- The annexation and proposed conditions are supported by the landowner.
- It is The City’s understanding the landowner intends to develop an area structure plan and subsequently rezone and subdivide their lands for commercial development at the earliest possible opportunity, which would cease any assessment and tax transition as is common practice for annexations in Alberta.
- There are no improvements on the farmland.

- The 2022 municipal portion of the tax rate for farmland in The City (0.0093338) is nearly identical to the 2022 tax rate in The County (0.009296). The difference in the annual taxes for the farmland in the proposed annexation area is approximately \$2.11.

Designated Industrial Property (DIP):

- The landowner of the designated industrial property within the annexation area is neutral on the annexation, neither supporting nor objecting to the annexation.
- The landowner has indicated the impact of the tax changes is nominal and they have no concerns.
- The annual estimated changes to the taxes for the landowner are estimated to be -\$51.93.
- DIP assessments are completed and standardized by The Province.
- The City of Red Deer does not tax Machinery and Equipment. The annual reduction for this tax in the proposed annexation area is estimated to be -\$616.55.
- The 2022 municipal portion of the mill rate for designated industrial between The City of Red Deer (0.0148079) and Red Deer County (0.0122965) is slightly higher and will increase. The annual increase for the proposed annexation area is estimated at +\$564.61.

In the event the LPRT does not agree with no transition period, The municipalities in alignment with *Annexation Bulletin No. 1 – 2005* would then request the following:

- 25-year (2024-2048) assessment and taxation transition period for the farmland in the proposed annexation area. During this period, the properties in the annexation area will be assessed as if they were still in The County and taxed using the lower of the two municipal tax rates for up to 25 years.
- 10-years (2024-2033) taxation transition period for the non-residential in the proposed annexation area. During this period, the properties in the annexation area will be taxed using the lower of the two municipal tax rates for up to 10 years.
- The assessment and tax transition period be terminated early if the land:
  - becomes a new parcel of land created as a result of subdivision or separation of title by registered plan of subdivision or by instrument or any other method that occurs at the request of, or on behalf of, the landowner, or
  - is redesignated at the request of, or on behalf of the landowner under The City of Red Deer Land Use Bylaw to another designation, or
  - is connected to city services, including but not limited to water and sanitary services.
- The assessment and tax transition period will cease to apply at the end of that taxation year in respect of that portion of the annexed land and the assessable improvements to it.
- When the assessment and tax transition period 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 following year in the same manner as other property of the same assessment class in The City of Red Deer is assessed and taxed.

The term of this proposed assessment and tax transition period aligns with The City’s 2009 annexation of County land and is anticipated to extend well beyond the development timeframe for lands within the proposed annexation. The 25-year period for farmland aligns with the average assessment and transition period provided for other municipal annexations in Alberta since 2016 as outlined in Table 4. It also exceeds the recommended 5-15 years proposed in *Annexation Bulletin No. 1 – 2005* and the average transition period provided in other annexations from Red Deer County. The 10-year transition period for designated industrial properties aligns with the average transition period for annexations from Red Deer County and the recommended 5-15 years proposed in *Annexation Bulletin No. 1 – 2005*.

**Table 4 - Summary of Assessment and Tax Transition Period in Alberta**

<b>Summary of Assessment and Tax Transition Period in Alberta</b>		
	<b>Board Orders since 2016</b>	<b>Annexations from Red Deer County</b>
Longest Assessment and Tax Transition Period	50 Years	16 Years 25 Years (Farmlands)
Shortest Assessment and Tax Transition Period	13 Years	5 Years
Average Assessment and Tax Transition Period	27.64 Years	10.67 Years 15.67 Years (farmland)

### 5.2.7 Landowner and Public Consultation

The municipalities agree that landowner and public consultation will be in alignment with the plan outlined in the Notice of Intent to Annex Land. The opportunity for consultation will be provided to all landowners being annexed and all members of the public who wish to be consulted.

The City is responsible for mailing information to all adjacent residents to provide information on how they can participate in the proposed annexation consultation. This includes all landowners in the community of Linn Valley.

As is the standard of practice, all information collected from the consultation process is included in this Annexation Application for the Land and Property Rights Tribunal’s consideration. See 6.0 Consultation Process and Outstanding Concerns

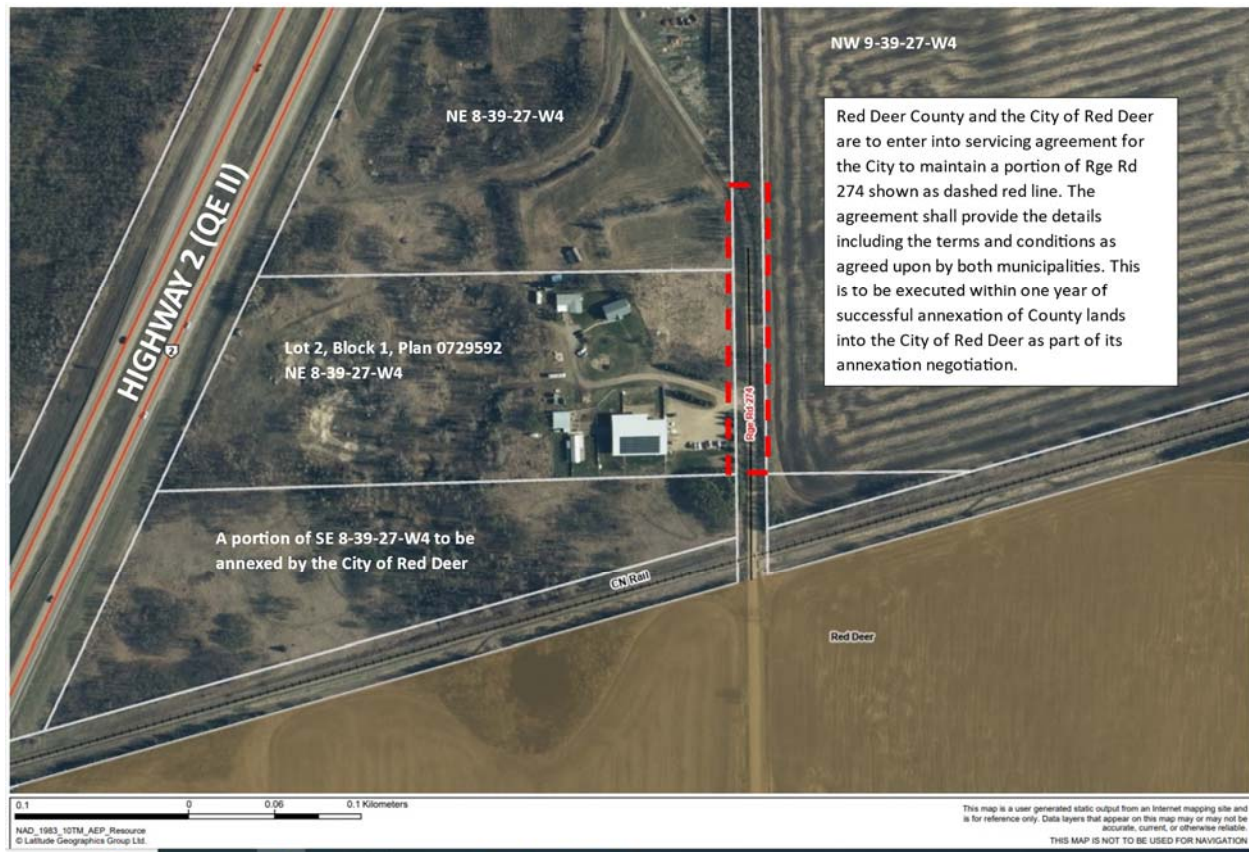
### 5.3 Matters Agreed To as a Follow-up to Annexation (Not to be included in Annexation Order)

The City and County agree to and request the following details be excluded from the annexation order.

#### 5.3.1 Road Maintenance Agreement

The municipalities agree that The City will maintain Range Road 274 access road immediately north of The City approximately 221.56 m in length, outlined in red in Figure 10 located within The County. This small road crosses the CN Rail line to access three parcels of land west of Range Road 274. The municipalities will enter into an agreement to make this arrangement possible which would be financially and practically beneficial for both municipalities.

Figure 10 – County road to be maintained by The City based on agreement.



### 5.3.2 Intermunicipal Development Plan

The municipalities are committed to continued participation in the ongoing review of the Intermunicipal Development Plan (IDP) and fully support the adoption of a new IDP. The new IDP will provide additional direction for all future annexations, such as phasing and location.

The municipalities agree that neither the annexation will delay the adoption of a new IDP, nor will the IDP delay the annexation. The annexation will be processed under the current IDP, though should the new IDP be prepared and adopted in time it will have provisions supporting the proposed annexation and therefore the annexation can continue to occur under the provision of a new IDP.

### 5.4 Matters Not Agreed To

The annexation negotiations process did not result in any matters not agreed to by The City and The County.

### 5.5 Dispute Resolution/Results

There is no requirement for dispute resolution.



## 6.0 Consultation Process and Outstanding Concerns

### 6.1 Consultation Activities and Events

The City of Red Deer undertook consultation in alignment with the Notice of Intent to Annex Land. Consultation took place after general agreement on negotiations between The City and The County. All consultation activities used the revised annexation area. The notable engagement opportunities took place from October through December 2022. The comment submission deadline was extended from November 14 to December 18, 2023, to provide additional time for consultation and comment submission.

A list and record of the consultation materials, activities, and events are attached as Appendix N. They can be summarized as:

- Website,
- Letter to affected landowners, nearby landowners, and affected authorities,
- Email information updates via email list,
- Advertising notices,
- Individual One-on-one meetings,
- Telephone and email correspondence, and
- Open house.

### 6.2 Consultation Process and Identification of Concerns

The summary below identifies the emerging themes and outcomes of all consultation activities organized into three categories.

- 1) Landowners and mines and mineral right owners
- 2) The public, nearby landowners, and special interest groups
- 3) Affected authorities who responded to the Notice of Intent to Annex Land

#### 6.2.1 Landowners and Mines and Mineral Owners in the Annexation Area

Immediately after notifying the landowner of the Notice of Intent to Annex Land, they requested the proposed annexation area be adjusted to annex the entirety of their parcels of land. The City was amenable to this change and has included the area in all consultation activities. The revised annexation area now has two private landowners.

Information packages were mailed to the landowners in the annexation area explaining the impacts and changes related to the proposed annexation. These information packages also included a comment and consent form for landowners to fill out and return. No other major concerns were identified by either of the landowners. A copy of the notice letter and the subsequent information package to the landowners has been attached as Appendix O.

The City has continued to correspond by telephone and email, as well as meet in person or virtually with the landowners and their representatives upon request.

### 6.2.2 Landowners and Mines and Mineral Owners Consent & Summary of Comments

The landowner of all the farmland in the annexation area is in favour of annexation and has requested to be annexed into The City of Red Deer. They have provided comments related to the support of the annexation and the development they would like to undertake on their lands. These comments are summarized in Table 5 and attached in full as Appendix P.

The designated industrial property (CN Rail) is neutral on the annexation neither in support nor opposing the annexation. Their comments have been summarized in Table 5 and the comment sheets and correspondence with this landowner has been attached as Appendix P.

The farmland landowner has submitted letters of support from third parties that they had received in support of the annexation. These letters have been included in the Appendix alongside their comment sheet in Appendix P.

The mines and minerals in the proposed annexation area are owned by a numbered company. The mines and minerals owner is in favour of the annexation and provided no additional comments. The comment sheets and correspondence with the Mines and Mineral Owners have been included in Appendix P.

**Table 5 - Summary of Landowner and Mines and Mineral Owner Comments**

Summary of Landowner and Mines and Mineral Owner Comments	
Hazlett Farms	<p><i>We are very much in favour of the annexation and have been working on it for over 10 years.</i></p> <p>Summary of Comments:</p> <ul style="list-style-type: none"> <li>• In favour of and strongly support the annexation</li> <li>• The future commercial project aligns with provincial aspirations and the project is one of two in Red Deer listed on the Premier of Alberta’s “Quick Win List”.</li> <li>• The annexation area exceeds several of the characteristic requirements, namely its visibility and access from Highway 2, which will attract the interest of major destination retailers.</li> <li>• Annexation lands are the last location available along Red Deer’s Highway 2 corridor for such a development and should be considered a priority for economic development and meeting municipal and provincial goals.</li> <li>• The City of Red Deer does not have a large parcel of land in inventory suited for a large-scale regional commercial development. More importantly, there is no commercial land with direct access to Highway 2 (highway commercial land) to attract big box retailers to Central Alberta.</li> <li>• The future development will benefit The City of Red Deer and the Central Alberta region through economic development, job creation, investment attraction, and increased tax base, while also providing balance to The City’s existing retail landscape.             <ul style="list-style-type: none"> <li>• Putting Albertans back to work (almost 2000 permanent jobs, not including construction or induced employment),</li> <li>• Attracting investment (investment range of approx. \$300M), and</li> <li>• Making life better for citizens via ongoing municipal/provincial revenues (\$5.5M/yr. in property taxes alone).</li> </ul> </li> <li>• The annexation of these lands shouldn’t be a surprise to anyone.</li> <li>• The Hazlett Family has been a long-time landowner and community member in the annexation area and the lands adjacent to the annexation area.</li> <li>• The Hazlett Family is a good neighbour, and the lands will be developed in consort with Hazlett family values and continued respect for our neighbours.</li> </ul>



	<ul style="list-style-type: none"> <li>The placement of a commercial development may provide benefits to the adjacent residential community of Linn Valley, such as limiting noise and visibility of Highway 2, potential access to city municipal infrastructure, jobs, amenities, commercial conveniences, and increasing land values.</li> </ul>
CN Rail	<i>CN is neutral to the proposed annexation as it won't impact CN's Right of Way. As per our property tax group, the impact is nominal and we have no further concerns.</i>
1084476 Alberta Ltd.	<i>No Comments.</i>

### 6.2.3 Summary of Public Support and Opposition to Annexation.

The comment sheets for the public and adjacent landowners had not included a field to indicate whether the commenter was in support, neutral, or opposed to the annexation, though, based on the nature of the comments the below summary was extrapolated.

- When multiple comment sheets were provided by a single person, these were only counted once in the below summary.
- When a comment sheet included multiple names from a single household all names listed have been counted in the summary.
- This summary includes third-party letters of support submitted by the landowner in the annexation area.

**Table 6 - Summary of Public and Adjacent Landowners' Support and Opposition to Annexation**

<b>Summary of General Public and Adjacent Landowners' Support of and Opposition to Annexation</b>	
In Favour of annexation	8
Neutral or unattributable	4
Opposing annexation	43

### 6.2.4 Summary of Views Expressed by Public, Nearby Landowners, and Special Interest Groups

Feedback from the public is primarily from acreage landowners and residents in the immediately adjacent acreage community of Linn Valley, west of the proposed annexation area. The comments collected by The City of Red Deer are focused primarily on concerns related to the future development of the annexation lands. Comments were also submitted by members of an environmental special interest group, Red Deer River Naturalists. These comments mostly focused on development impacts on the water, flora, and wildlife. All comment sheets that were submitted from the public and these groups have been attached as Appendix Q. The letters in Appendix Q have been organized alphabetically by surname.

The submitted comments from all comment sheets, letters, and emails have been summarized in Table 7 below and ordered by most often cited to least often cited. The number next to each category represents the number of written submissions that reference the specific concern. The summary of the table is not intended to replace the individual letters as they should be read in their entirety. The summary is only intended to try to group similar concerns and to better understand the severity of these concerns.

The City has received letters of support that were submitted by one of the landowners in the annexation area. These letters have not been included in this summary. Copies of these letters are included in Appendix P as part of the landowner submissions.

#### 6.2.5 Responses and Mitigation of Concerns

The City has responded to all collected comments and concerns in Table 7. There are a few comments specific to the annexation that will change the boundary between The City and The County. Most comments and concerns collected by The City during the consultation process are related to the future development of the annexation lands.

The concerns raised about future development are valid. In general, development concerns are typically addressed during the development and approval of statutory plans such as the major area structure plan and the neighbourhood area structure plan. These plans are when the detailed design for both the land uses and servicing is considered. The City of Red Deer and its applicants are directed by MDP policy to undertake public consultation during the development of area structure plans as outlined in The City's Municipal Development Plan.

When statutory plans are developed, they are typically circulated to the adjacent landowners and must also be referred to the bordering municipality. During this circulation, concerned citizens can provide input into the plan. The City Council adoption process also includes a public hearing where citizens can address Council directly as required by the Municipal Government Act.

Table 7 - Summary of Public Comments and City Responses

Summary of Public Comments and City Responses			
# of letters ref. topic	Topics	Description of Concern	City Response and Mitigation of Concern
23	Traffic and Access	Impacts of increased traffic on the area, including safety, concerns related to the intersection access of Highway 11A & RR275, and a desire to keep commercial traffic and Linn Valley traffic separate.	<p>Annexation changing the municipal boundary is not anticipated to increase traffic to the area.</p> <p>It is anticipated that the future development of the annexation lands will increase traffic in the area. The former Minister of Transportation has indicated that no direct access to or from Highway 2 will be permitted nor from the Highway 11A interchange ramps. Access to the annexation area will be from the Highway 11A and 75 Avenue intersection.</p> <p>The current Minister of Transportation and Economic Corridors has indicated a willingness to examine the economic benefit and traffic impact assessment with respect to an at-grade Highway 2 access.</p> <p>The City will consider these concerns when planning for future development. As more detailed planning for this area progresses and the type of development is better known, a traffic study will be completed to determine any impacts to this intersection. Improvements required resulting from development traffic will be completed by the developer. It is likely for development will trigger the need for improvements. The City will continue to work with Alberta Transportation.</p>
20	Availability of Lands & Timing of Annexation	This is not the right time for The City to be annexing land. The City should not be annexing land until existing undeveloped and vacant lands in The City have been developed. The City does not have a land deficiency nor a deficiency of highway fronting commercial lands. There are more suitable lands elsewhere within The City of Red Deer to accommodate a highway fronting commercial development.	<p>The City of Red Deer has lands that are suitable for different types of land use development. The proposed annexation is based on the need for land fronting onto Highway 2 that is suitable for a regional commercial power centre. There are no lands in The City that are suitable for a regional power centre.</p> <p>All other lands along Highway 2 that have adopted area structure plans or are developed. These details are outlined in 2.3 Reason for Annexation.</p>
13	Wetland	Desired preservation of wetlands or other concerns related to the impacts of development on the wetland in the annexation area.	<p>Annexation changing the municipal boundary is not anticipated to impact the wetlands in the annexation area.</p> <p>It is anticipated that the future development of the annexation lands could impact the wetland in the annexation area. The City will consider these concerns during the development of the area structure plans. The plan will be in alignment with The City's values and regulations as outlined in The City's Municipal Development Plan, Neighbourhood Planning and Design Standards, and the River Valley and</p>

			<p>Tributaries Park Concept Plan. See 3.2.5 Environmental and Ecological Management.</p> <p>When plans are developed, wetlands and other sensitive environmental features are preserved where possible, and impacts are mitigated when preservation is not possible. The City of Red Deer complies with all provincial and federal regulations and has had great success in protecting wildlife and water quality by preserving tree stands and water bodies and integrating them into our neighbourhoods. Approvals for changes to surface water runoff and wetlands must be obtained from Alberta Environment and Protected Areas.</p> <p>The City has collected considerable ecological data for the annexation area as attached in Appendix J. The City is familiar with the sensitive natural capital in the annexation area and will use this information to help plan the area when it is time to develop the area structure plans.</p> <p>The adopted Hazlet Lake Area Structure Plan is an example that demonstrates The City’s commitment to wetlands. This plan preserves the entire wetland extent adjacent to Hazlett Lake. The regulations and standards that preserved the Hazlett Lake lands would equally apply to the future development of the annexation area.</p> <p>The development of the area structure plan in The City of Red Deer includes public consultation. Draft area structure plans are typically circulated to the adjacent landowners and must also be submitted to the bordering municipality. During this circulation, concerned citizens can provide input into the plan. City Council’s plan adoption process includes a public hearing where citizens can address Council directly.</p> <p>The lands adjacent to the waterbody will be zoned with an appropriate land use district and the uses on these lands will have to conform to the district. Often lands adjacent to waterbodies are zoned A2 Environmental Preservation District or P1 Parks and Recreation District to limit the uses and protect these sensitive lands.</p>
13	Noise	Concerns of increased noise due to traffic and future commercial activity.	<p>Annexation changing the municipal boundary is not anticipated to increase noise in the annexation area.</p> <p>Once the area is developed, the noise level is anticipated to be comparable to other urbanized commercial areas within The City. The future development may have the added benefit of blocking some of the noise currently generated by Highway 2 traffic.</p> <p>The City of Red Deer regulates noise through the Community Standards Bylaw and the Land Use Bylaw. These bylaws will apply to annexed areas.</p>

11	Wildlife	Concerns of future development impact on wildlife and wildlife movement.	<p>Annexation changing the municipal boundary is not anticipated to impact wildlife in the annexation area.</p> <p>It is anticipated that the future development of the annexation lands will impact the wildlife in the annexation area. The City will consider these concerns when planning for future development. Before development can occur in the annexation area an area structure plan will need to be adopted by Red Deer City Council. Statutory planning in Red Deer considered the impacts on wildlife and tried to mitigate those impacts as best as possible within an urban context. The plan will be in alignment with The City's values and regulations as outlined in The City's Municipal Development Plan, Neighbourhood Planning and Design Standards, and the River Valley and Tributaries Park Concept Plan. See 3.2.5 Environmental and Ecological Management</p> <p>The City has collected considerable wildlife observation data for the annexation area as attached in Appendix J. The City is familiar with wildlife movements in and through the annexation area and will use this information to help plan the area when it is time to develop the area structure plans.</p> <p>The development of the area structure plan in The City of Red Deer includes public consultation. Draft area structure plans are typically circulated to the adjacent landowners and must also be submitted to the bordering municipality. During this circulation, concerned citizens can provide input into the plan. City Council's plan adoption process includes a public hearing where citizens can address Council directly.</p>
11	Opposes Urban Development	A desire for the annexation lands to remain in a rural setting and not permit any development. Concerns that it will change the character of the adjacent neighbourhood of Linn Valley.	<p>The annexation lands are in The City Growth Area as identified in the Intermunicipal Development Plan since it was adopted in 2007. These lands have been planned for future city urbanization.</p> <p>The annexation does not include the community of Linn Valley, which will remain in The County. The annexation will not change any of the land uses within the community.</p>
9	Crime, Security, Homeless, & Loitering	Concerns that development will attract crime and cause other security issues, make the area unsafe, and attract homeless people and loiterers in the adjacent community of Linn Valley.	<p>Annexation changing the municipal boundary is not anticipated to increase crime, security, homelessness, or loitering on or adjacent to the annexation lands.</p> <p>The City of Red Deer regulates nuisances and disruptive public behaviours through the Community Standards Bylaw. This bylaw will apply to annexed areas.</p> <p>The City of Red Deer has increased its budget for municipal policing for the annexation area and also contracts the service of the RCMP to respond to incidents of crime. The annexation area if annexed into The City will be the operational responsibility of The City.</p>

9	Groundwater & Water Table	Concerns of how future development may impact groundwater and the water wells of adjacent lands of Linn Valley.	<p>Annexation changing the municipal boundary is not anticipated to impact groundwater or the water table.</p> <p>As outlined in 4.3 Ability to Extend Municipal Infrastructure Services, the future development of these lands will be serviced by The City's piped municipal water system, which draws and treats water from the Red Deer River. There are no anticipated impacts to groundwater wells adjacent to the annexation area.</p> <p>The City of Red Deer complies with all provincial and federal regulations and has great success in protecting water quality by preserving wetlands and water bodies and integrating them into our neighbourhoods. Wetlands are under the authority of The Province of Alberta through Alberta Environment and Protected Areas. All changes to wetlands must receive approvals from this authority.</p>
6	Overland Drainage	Concerned about how future development may impact overland drainage, watershed function, and whether there is a flood risk for adjacent lands of Linn Valley or contamination of downstream water bodies.	<p>Annexation changing the municipal boundary is not anticipated to impact overland drainage.</p> <p>The City will consider these concerns when planning for future development. The City will review the developer's drainage plans. The typical requirement for development is that existing drainage routes need to be maintained pre-and post-development. Approvals for changes to surface water runoff must be obtained by the developer from Alberta Environment and Protected Areas.</p> <p>An initial assessment is included in 4.3 Ability to Extend Municipal Infrastructure Services.</p>
6	Amend MASP	A desire for The City to amend the North of 11A Major Area Structure Plan and instead allow commercial on the east side of Highway 2 and not pursue the annexation.	<p>It is The City's opinion that the North of 11A Major Area Structure Plan has the maximum highway-fronting lands that the area can support. When the statutory plan was adopted, the highway-fronting commercial was placed along highway 11A on both sides of the C &amp; E Trail to maximize exposure and access. The lands adjacent to Highway 2 and Hazlett Lake are planned for residential development.</p> <p>The North of 11A Ara Structure Plan also states:  <i>The limited transportation capacity has an impact on the land use design for the North of 11A area. The Generalized Land Use Concept map was modelled, containing the potential for about 2.3 million square feet of commercial floor space, and was found to be supportable by the transportation system at full buildout. Therefore, the amount of development being proposed must be consistent with the available transportation capacity. The consistency between the land use and transportation plans must be maintained in the development and approval of the multineighbourhood, neighbourhood or industrial area structure plans. These statutory documents shall contain provisions that ensure this consistency between the land use and transportation plans.</i></p> <p>Similar studies and respective recommendations will be considered when the major area structure plan is developed for the annexation lands.</p>
6	Public Interest	Annexation of the lands will not benefit The City or serve the public interest and will only benefit the landowner.	It is The City's opinion that the proposed annexation is in the public's interest as has been outlined throughout this application.

5	Not commercial	A desire for the future land use to not be commercial development and would prefer residential development in the annexation lands. A commercial development is not suitable next to the Linn Valley neighbourhood.	<p>Based on growth and real estate calculations attached as Appendix G, The City has sufficient land for residential development. This application is to satisfy the need to provide Highway 2 fronting lands to satisfy The City's strategic need to maintain Red Deer's position as the major urban service centre in Central Alberta and a major growth centre in the Calgary/Edmonton corridor and expand The City's western Boundary. See 2.3.1 Highway 2 Fronting Commercial Lands.</p> <p>There are no parcels in Red Deer along Highway 2 that are suitable to accommodate a regional commercial power centre.</p>
5	Property Values	Concerned the annexation will reduce property values for adjacent landowners.	<p>Annexation is only a change to the jurisdictional boundary and is one of many factors that may influence property values. Annexation is not anticipated to significantly affect the value of adjacent properties.</p> <p>Typically, property values of lands being annexation and those adjacent to annexation have increased in the years after annexation. The City is unable to indicate whether these changes are directly attributed to the annexation or a general increase in property value over time.</p>
4	Property Taxes	Concerned property taxes will increase for adjacent landowners in Linn Valley.	<p>Only landowners within the annexation area will be affected by City tax assessment and rate changes. Following annexation, these properties will begin to pay property taxes to The City of Red Deer.</p> <p>All properties in The County outside of the annexation area, such as Linn Valley, will continue to be assessed and taxed by Red Deer County.</p>
3	Separate vehicle access for annexed lands	A desire for the annexation lands to have separate access from the existing intersection. Including highway access or separate intersection.	<p>The former Minister as part of the consultation with affected authorities indicated that access to the annexation lands is only permitted from the Highway 11A and 75 Avenue intersection and that no direct access to or from Highway 2 will be permitted and that Highway 2 and Highway 11A, including intersection ramps.</p> <p>The current Minister of Transportation and Economic Corridors has indicated a willingness to examine the economic benefit and traffic impact assessment in respect to an at-grade Highway 2 access.</p> <p>When the area structure plan is being developed, The City will work with the applicant (developer) to determine if there is a design solution that can separate commercial vehicular traffic from Linn Valley residential traffic.</p> <p>The City will consider these concerns when planning for future development. As more detailed planning for this area progresses and the type of development is better known, a traffic study will be completed to determine any impacts to this intersection. Improvements required resulting from development traffic will be completed by the developer. It is likely development will trigger the need for improvements. The City will continue to work with Alberta Transportation.</p>

3	Sound Barrier, Landscaping, & Fence	Desired sound barrier, fence, or landscaping to increase privacy, reduce noise, and keep transients/criminals out of Linn Valley.	<p>These concerns will be addressed during the development of an area structure plan, which can only occur after annexation. If the annexation is approved, The City will work with the applicant as they develop an area structure plan and try to find solutions that mitigate the impact of the commercial development on the adjacent community of Linn Valley.</p> <p>The development of the area structure plan in The City of Red Deer includes public consultation. Draft area structure plans are typically circulated to the adjacent landowners and must also be submitted to the bordering municipality. During this circulation, concerned citizens can provide input into the plan. City Council's plan adoption process includes a public hearing where citizens can address Council directly.</p>
3	Air Pollution and Air Quality	Concerns of decreased air quality due to an increase in exhaust fumes and commercial activity.	<p>Annexation changing the municipal boundary is not anticipated to change the air quality in the annexation area.</p> <p>Once the area is developed, the air quality is anticipated to be comparable to other urbanized commercial areas within The City.</p> <p>The City of Red Deer regulates nuisances through the Community Standards Bylaw and the Land Use Bylaw. These bylaws will apply to annexed areas.</p>
3	Privacy	Concerns that privacy of adjacent lands in Linn Valley will be reduced.	<p>Annexation changing the municipal boundary is not anticipated to change the privacy of adjacent properties.</p> <p>The future development of the annexation lands will bring more people into the area. The concerns of privacy can be considered during the development of an area structure plan. If the annexation is approved, The City will work with the applicant as they develop an area structure plan to determine if privacy concerns can be mitigated.</p> <p>All development in The City of Red Deer must conform to the Land Use Bylaw which includes conditions for the development officer to consider that the development would not unduly interfere with the amenities of the neighbourhood or materially interfere with or affect the use, enjoyment or value of neighbouring parcels of land.</p> <p>The development of the area structure plan in The City of Red Deer includes public consultation. Draft area structure plans are typically circulated to the adjacent landowners and must also be submitted to the bordering municipality. During this circulation, concerned citizens can provide input into the plan. City Council's plan adoption process includes a public hearing where citizens can address Council directly.</p>



3	Quality of life	Concerned that annexation will result in a reduced quality of life due to the future development of the land	<p>Annexation changing the municipal boundary is not anticipated to change the quality of life for the adjacent properties.</p> <p>The future development of the annexation lands will provide commercial services and amenities to the adjacent landowner and the central Alberta region. The concerns related to the quality of life might be able to be addressed during the development of the area structure plan. If the annexation is approved, The City will work with the applicant as they develop an area structure plan to determine if the quality of life concerns can be improved.</p> <p>All development in The City of Red Deer must conform to the Land Use Bylaw which includes conditions for the development officer to consider that the development would not unduly interfere with the amenities of the neighbourhood or materially interfere with or affect the use, enjoyment or value of neighbouring parcels of land.</p> <p>The development of the area structure plan in The City of Red Deer includes public consultation. Draft area structure plans are typically circulated to the adjacent landowners and must also be submitted to the bordering municipality. During this circulation, concerned citizens can provide input into the plan. City Council's plan adoption process includes a public hearing where citizens can address Council directly.</p>
3	Opposed to Industrial Development	Opposed to industrial development in the annexation area.	The City intends for the lands to be developed for Highway fronting commercial uses. The City does not intend for the lands to be used for industrial uses. There are sufficient lands in The City to accommodate The City's industrial growth needs.
2	Lights	Concerns about the impacts of lighting of future development on the adjacent landowner of Linn Valley	<p>Annexation changing the municipal boundary is not anticipated to increase light in the annexation area.</p> <p>Once the area is developed, the lighting is anticipated to be comparable to other urbanized commercial areas within The City.</p> <p>The City of Red Deer regulates lighting and nuisances through the Community Standards Bylaw and the Land Use Bylaw. These bylaws will apply to annexed areas and the approval of development permits will need to be consistent with the regulations set out in the Land Use Bylaw at the time of adoption. Lighting can sometimes be a consideration of the development permit approval process.</p>
2	Expand the Annexation Area	A desire to expand the annexation area to include the entire drainage watershed of spirit creek.	<p>The City of Red Deer does not require the additional lands to justify the annexation of the spirit creek drainage watershed.</p> <p>It is The City's opinion that high-quality planning of overland drainage can occur with the watershed remaining in Red Deer County, as was done following the 2009 annexation.</p> <p>The City will review the developer's drainage plans. The typical requirement for development is that existing drainage routes need to be maintained pre-and post-development. Approvals for changes to surface water runoff are managed by Alberta Environment and Protected Areas.</p> <p>The City will work closely with Alberta Environment, Red Deer County, and the applicant to ensure that all regulations are being followed and proper approvals are obtained.</p>

2	Municipal Affordability	Concerned The City is unable to afford the annexation, the subsequent development, and operational costs.	<p>8.0 Financial Analysis of Proposed Annexation demonstrates that the additional operating and capital expenses within the annexation area will not have an adverse effect on The City’s overall financial capacity.</p> <p>The cost of development and the related infrastructure improvements are the responsibility of the private land developer.</p>
2	Economic Development	Support of economic growth potential that the future development on the annexation land might attract, particularly those focused on entertainment and lifestyle.	This will be considered during the development and review of the area structure plan when the applicant proposes specific commercial zoning for the lands.
2	Property Values	Support for the annexation and future development as it will increase property values for adjacent landowners.	<p>Annexation is only a change to the jurisdictional boundary and is one of many factors that may influence property values. Annexation is not anticipated to significantly affect the value of adjacent properties.</p> <p>Typically, property values of lands being annexation and those adjacent to annexation have increased in the years after annexation. The City is unable to indicate whether these changes are directly attributed to the annexation or a general increase in property value over time.</p>
2	Compensation for Adjacent Landowners	Desired financial compensation for the adjacent landowner in Linn Valley or The City to pay for a new community hall. Request for The City to buy Linn Valley properties.	<p>Typically, annexations in Alberta consider the tax and assessment transition periods for lands within the annexation area. There are no financial changes as a result of the annexation for the adjacent properties or community hall in the Linn Valley neighbourhood.</p> <p>The City and County IDP outlines compensation as well as tax and assessment transition policy to annexations between the municipalities. There are no policies in the IDP to compensate adjacent landowners. The Negotiation Report between The City and The County does not include any consideration of compensation for adjacent landowners.</p>
1	Farmland Loss	Concerned the annexation will result in a loss of some of the best fertile farmland in The Province.	<p>The Red Deer County and City of Red Deer Intermunicipal Development Plan have considered the importance of farmland in the Intermunicipal Development Plan area. The area identified for agriculture or open space is located south of The City of Red Deer. See Figure 6 - Intermunicipal Development Plan Map and Appendix H.</p> <p>The annexation is consistent with the IDP, and the annexation area is within The City Growth Area, which is planned to be urbanized and developed for city land uses.</p>

1	Trails, Natural Habitat, Gardens	A desire for greenspaces, local gardens, trails, and natural habitats to be included in future development.	<p>The City will consider this request when planning for future development. These types of amenities are typically considered during the development of an area structure plan. If the annexation is approved, The City will work with the applicant as they develop an area structure plan. The City's Neighbourhood Planning and Design Standards typically require the allocation of greenspace and these types of amenities.</p> <p>The development of the area structure plan in The City of Red Deer includes public consultation. Draft area structure plans are typically circulated to the adjacent landowners and must also be submitted to the bordering municipality. During this circulation, concerned citizens can provide input into the plan. City Council's plan adoption process includes a public hearing where citizens can address Council directly.</p>
1	Future Planning	Concerned that an area structure plan has not yet been developed for the annexation lands.	An area structure plan can not be adopted for the annexation area by Red Deer City Council until the lands have been successfully annexed into The City of Red Deer.
1	Desired City Services	Desired connection to urban servicing for the adjacent neighbourhood of Linn Valley when the annexation lands are developed. (water, sewer, power, internet, etc.)	<p>The Negotiation Report does not include any conditions for the extension of services from the annexation lands into Linn Valley.</p> <p>The City and The County have a mutually adopted Intermunicipal Collaboration Framework that outlines the sharing and provision of services between the municipalities. The County can request the extension of municipal service to the Community of Linn Valley under this framework.</p>
1	Opposing City Services	Opposing urban servicing to be extended into the neighbourhood of Linn Valley when the annexation lands are developed. (water, sewer, power, internet, etc.)	<p>The Negotiation Report does not include any conditions for the extension of services from the annexation lands into Linn Valley.</p> <p>The City and The County have a mutually adopted Intermunicipal Collaboration Framework that outlines the sharing and provision of services between the municipalities. The County can request the extension of municipal service to the Community of Linn Valley under this framework.</p>

### 6.3 Affected Authorities Who Responded to the Notice of Intent to Annex Land

The City of Red Deer filed its Notice of Intent to Annex Land to all authorities listed in the Notice of Intent to Annex Land on February 25, 2022. The City received the following responses from four authorities. Copies of the notification letter that accompanied the Notice of Intent to Annex Land and the responses from these authorities have been attached as Appendix R.

#### 6.3.1 Alberta Ministry of Municipal Affairs

The City received a response from then Minister of Municipal Affairs Hon. Ric McIver indicating the ministry had received the Notice of Intent to Annex Land. The Minister confirmed the Land and Property

Right Tribunal's receipt of the Notice of Intent to Annex Land and that they would be responsible for the review and recommendation of the annexation application once received. This letter is attached as Appendix R.

### 6.3.2 Alberta Transportation

The City received a response from then Minister of Transportation Hon. Rajan Sawhney who indicated there were no objections to The City of Red Deer's proposed annexation. The letter ensured to clarify that access to the annexation lands would only be available from the Highway 11A and 75 avenue intersection and that no direct access would be permitted from Highway 2.

The Minister indicated Highway 2, Highway 11A, and the interchange ramps shall remain under the jurisdiction of Alberta Transportation as a provincial highway.

In alignment with *Annexation Bulletin No.2 – 2008 Annexation Crossing Primary (Provincial) Highways* The city also corresponded with Mr. Stuart Richardson, Infrastructure Manager of Alberta Transportation to determine if there were any other considerations that The City's Annexation Application would need to consider. He confirmed that there were no additional considerations.

Copies of the Minister's letter and the correspondence with Mr. Richardson have been attached as Appendix R.

The City's annexation application complies with the Minister's direction. The City has ensured that the public is aware of this constraint during the public consultation.

Recently, the City has been informed of a letter received by Hazlett Lake Ventures that has indicated Alberta Transportation is willing to review the economic benefits and a traffic impact assessment to determine if access from Highway 2 can be quantifiably justified. (see 4.3.4 Transportation & Roadway Access)

### 6.3.3 Land and Property Rights Tribunal

The City received a letter from the Land and Property Rights Tribunal's Case Manager Rick Duncan. The letter kindly explained the annexation process and the resources available for the annexation process.; particularly the Application Checklist and the importance of addressing the 15 LPRT Annexation Principles. This letter is attached as Appendix R.

This application conforms to the Annexation application requirements and the 15 LPRT Annexation Principles.

### 6.3.4 Telus

The City received an email from Telus Communications indicating they had no objection to the Notice of Intent to Annex Land. This letter is attached as Appendix R.

### 6.3.5 All Other Affected Authorities

The City has not received any other correspondence or objections from any other authorities that were notified by the Notice of Intent to Annex Land. A full list of affected authorities is included in Appendix N and reflects the list from the Notice of Intent to Annex Land in Appendix B.



## 7.0 Land Title Copies

A copy of all land title certificates acquired on March 15, 2023, has been attached as Appendix S.

### 7.1 Titled Lands Proposed for Annexation

**Table 8 - Title Lands Proposed for Annexation**

<b>Titled Lands Proposed for Annexation</b>	
<p>Owner: HAZLETT FARM LTD.            Title Number: 7F213            Short Legal: 4;27;39;8;SW,            Area (Ha): 61.629            Short Legal: 4;27;39;8;SE            Area (Ha): 54.88</p> <p>Figure 11 areas: 1, 2</p>	<p>Owner: HAZLETT FARM LTD.            Title Number: 202 025 268 +5            Short Legal: 4;27;39;5;NW            Area (Ha): 27.752            Short Legal: 4;27;39;5;SW            Area (Ha): 24.201</p> <p>Figure 11 areas: 5, 6</p>
<p>Owner: CANADIAN NATIONAL RAILWAY COMPANY.            Title Number: 792 279 956            Railway Plan: 2712AK            Short Legal: 2712AK;RLY;39            Area (Ha): 5.0</p> <p>Description: Portion of plan intervening proposed annexation area.            Figure 11 area: 3</p>	<p>Owner: RED DEER COUNTY            Title Number: 952 016 738            Short Legal: 9123387;4;1A            Area (Ha): 0.116</p> <p>Figure 11 area: 7</p>
<p>Owner: HER MAJESTY THE QUEEN IN RIGHT OF ALBERTA AS REPRESENTED BY THE MINISTER OF TRANSPORTATION AND UTILITIES OF PROPERTY SERVICES BRANCH            Title Number: 952 014 260            Short Legal: 9123387;4;2            Area (Ha): 0.17</p> <p>Figure 11 area: 8</p>	<p>Owner: HER MAJESTY THE QUEEN IN RIGHT OF ALBERTA AS REPRESENTED BY THE MINISTER OF TRANSPORTATION AND UTILITIES OF PROPERTY SERVICES BRANCH            Title Number: 952 014 259            Short Legal: 9123387;4;1            Area (Ha): 0.29</p> <p>Figure 11 area: 9</p>
<p>Owner: RED DEER COUNTY            Title Number: 912 322 043 +4</p> <p>Short Legal: 6222KS;4;P            Area (Ha): 0.30 of 0.43</p> <p>Description: Portion of plan intervening proposed annexation area.            Figure 11 area: 10</p>	

## 7.2 Titled Mines and Minerals in Annexation Area

**Table 9 - Mines and Minerals in the Annexation Area**

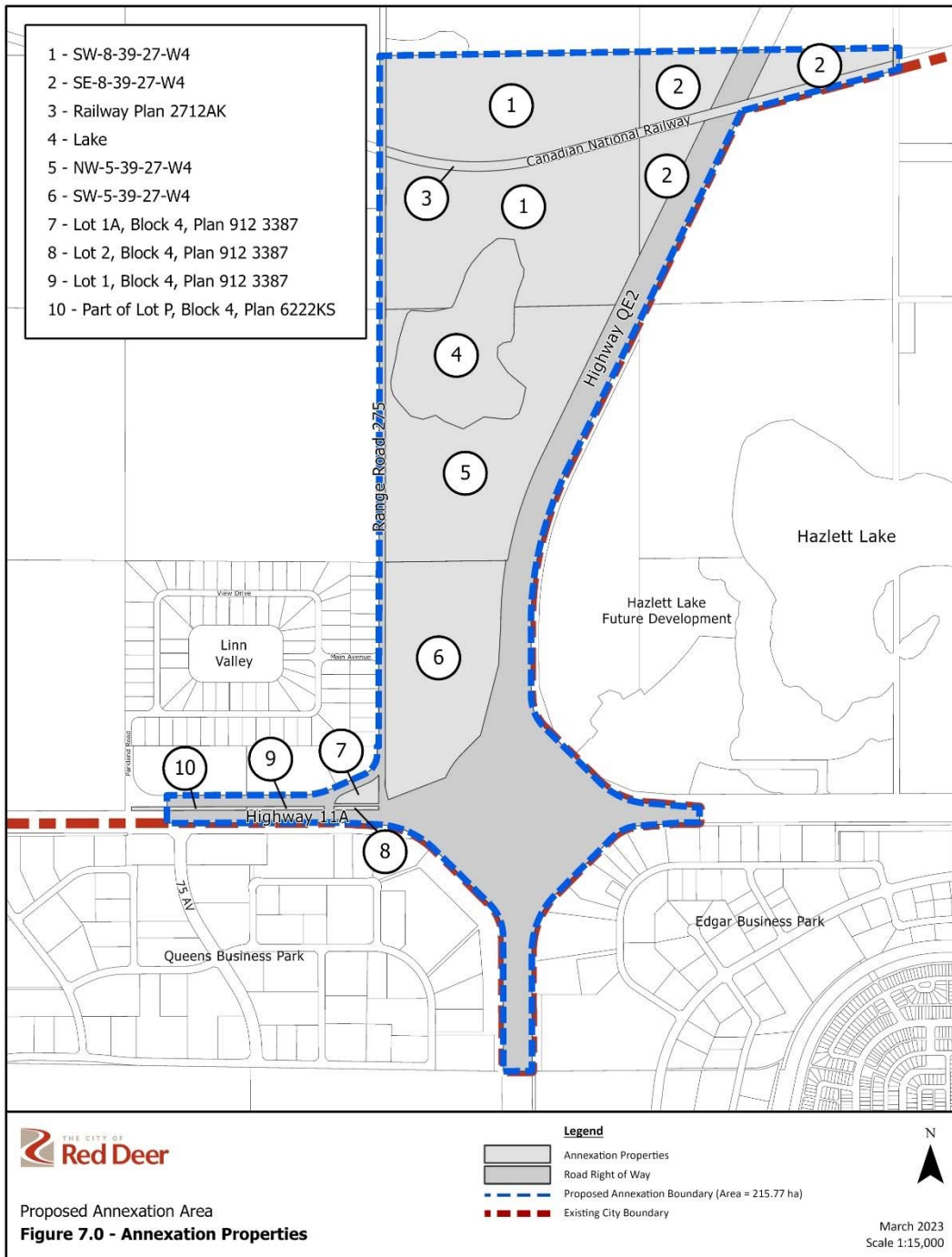
<b>Mines and Minerals in the Annexation Area</b>	
Owner: 1084476 ALBERTA LTD. Title Number: 182 185 215 Short Legal: 4;27;39;8;SW Short Legal: 4;27;39;8;SE	Owner: 1084476 ALBERTA LTD. Title Number: 182 185 215 +2 Short Legal: 4;27;39;5;NW Short Legal: 4;27;39;5;SW
Owner: 1084476 ALBERTA LTD. Title Number: 182 185 215 +3 Short Legal: 4;27;39;8;SW Short Legal: ;27;39;8;SE	

## 7.3 Non-Titled Lands – Road Allowances and Rights of Way – Proposed for Annexation

All portions of all intervening and adjacent roads and public utility rights-of-way including Highway 2, Highway 11A and interchange, Range Road 274, and Range Road 275. Excepting there out all mines and minerals.



Figure 11 - Annexation Properties

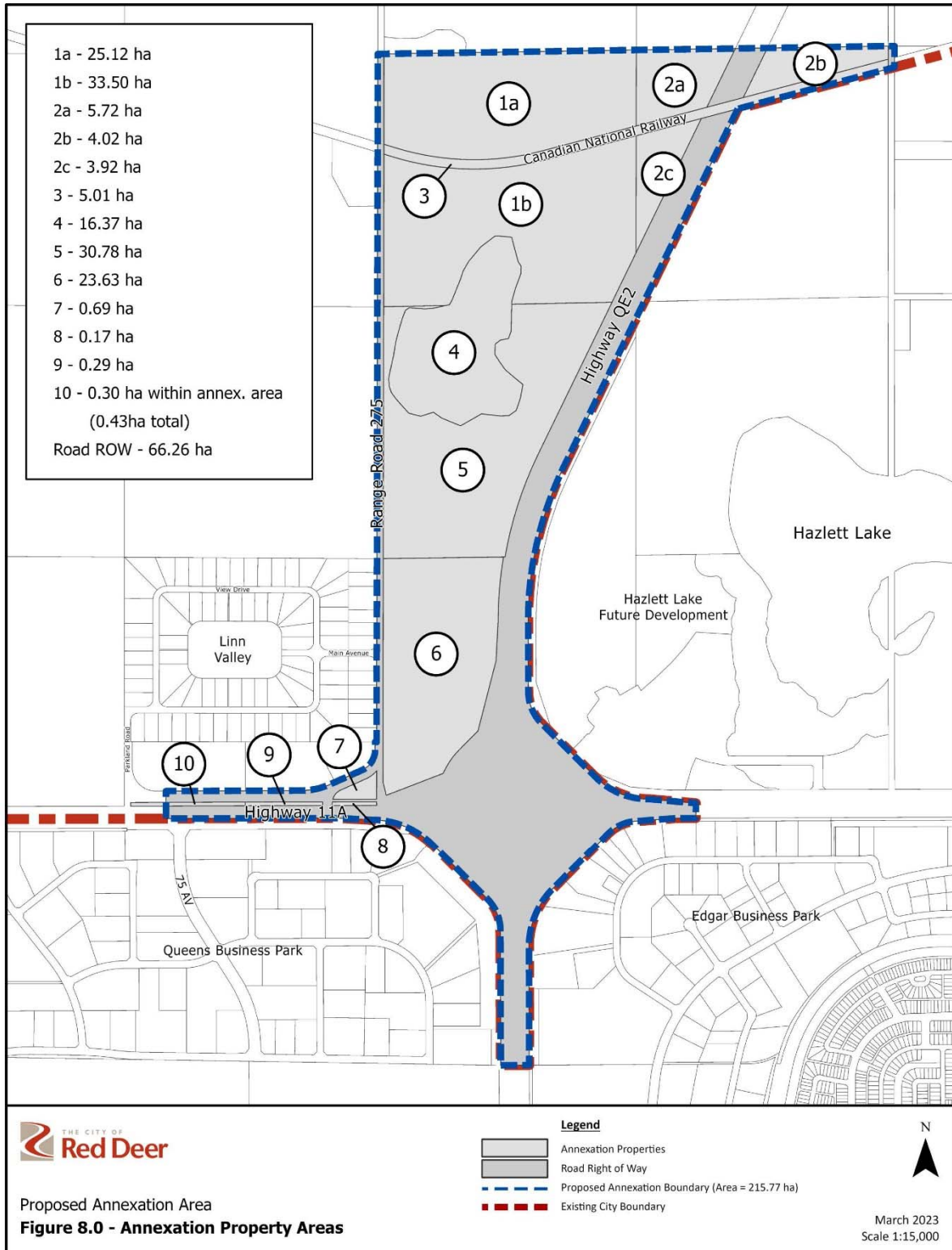


## 7.4 Owner Contact Information

**Table 10 - Owner Contact Information**

<b>Owner Contact Information</b>	
<p>Figure 12 areas: 1a, 1b, 2a, 2b, 2c, 5, 6</p> <p>HAZLETT FARM LTD.            [REDACTED]            411 #6 Michener Blvd.            Red Deer, AB, T4P 0K5</p> <p>[REDACTED]</p>	<p>Figure 12 area: 3</p> <p>CANADIAN NATIONAL RAILWAY COMPANY.            Proximity Group            935 Rue de la Gauchetiere Ouest. 15th Floor            Montreal, Quebec, H3B 2M9</p> <p>[REDACTED]</p>
<p>Figure 12 areas: 7 &amp; 10</p> <p>RED DEER COUNTY            c/o Ron Barr, Long Range Planning Manager            38106 Range Road 275            Red Deer County, AB            T4S 2L9</p> <p>[REDACTED]</p>	<p>Figure 12 areas: 8 &amp; 9</p> <p>Alberta Transportation            c/o Stuart Richardson, Infrastructure Manager            4th Floor, Provincial Building            4920 51 Street            Red Deer, Alberta T4N 6K8</p> <p>[REDACTED]</p>
<p>All Mines and Minerals</p> <p>1084476 ALBERTA LTD.            [REDACTED]            411 #6 Michener Blvd.            Red Deer, AB, T4P 0K5</p> <p>[REDACTED]</p>	

Figure 12 – Annexation Property Areas





## 8.0 Financial Analysis of Proposed Annexation

### 8.1 Financial Indicators of Annexation

The tables below contain the financial indicators that demonstrate the relative impact of the proposed annexation on The City and The County. By all measures the impact on both The City and The County is comparatively small; typically measured as a fraction of a percent.

**Table 11 - Annexation Area Relative to Red Deer County**

<b>Annexation Area Relative to Red Deer County</b>			
	<b>Red Deer County</b>	<b>Annexation Area</b>	<b>Percent of Total</b>
<b>Population</b>	19,933	0	0 %
<b>Dwelling Units</b>	8,674	0	0 %
<b>Total Equalized Assessment</b>	\$ 6,352,974,845	\$ 330,830	0.0022 %
<b>Municipal Roadways (km)</b>	3,178	3.3	0.1038 %
<b>Area (ha)</b>	391,925	215.77	0.0550 %

**Table 12 - Annexation Area Relative to The City of Red Deer**

<b>Annexation Area Relative to The City of Red Deer</b>			
	<b>City of Red Deer</b>	<b>Annexation Area</b>	<b>Percent of Total</b>
<b>Population</b>	100,844	0	0 %
<b>Dwelling Units</b>	43,404	0	0 %
<b>Total Equalized Assessment</b>	\$ 15,264,030,837	\$ 330,830	0.0052 %
<b>Municipal Roadways (km)</b>	571	3.3	0.578 %
<b>Area (ha)</b>	10,434	215.77	2.067 %

**Table 13 - Impact on Select Financial Indicators**

<b>Impact on Select Financial Indicators</b>		
	<b>Without Annexation</b>	<b>With Annexation</b>
Red Deer County – Equalized Assessment Per Capita	\$ 318,716	\$ 318,700
City of Red Deer – Equalized Assessment Per Capita	\$ 151,363	\$ 151,366

### 8.2 Budgetary Impacts of Annexation to The City of Red Deer

The City has a 2-year budgetary cycle and these estimated costs have already received budgetary approvals by Red Deer City Council in the 2023-24 Operating and Capital Budgets. The total estimated annual operational costs, \$672,107, represent 0.166% of The City's expenditures in comparison to the estimated \$404,000,000 of the 2024 operating budget. The total estimated capital costs in the year, \$140,000 represents 0.132% of The City's expenditures in comparison to the estimated \$106,282,516 of the 2024 capital budget.

It is the opinion of The City that the additional operating and capital expenses within the annexation area do not have an adverse effect on The City's overall financial capacity.

The cost of the municipal tax compensation package to Red Deer County in the first year following annexation is estimated to be \$3,900.41. This is a flow-through amount, collected from the annexed properties and will not impact existing City of Red Deer ratepayers.

In the first year following annexation, The City will need to add operating expenses related to the provision of general governance and administrative services to the properties in the annexation area. Many of these services are incidental and can be absorbed into The City's ongoing operations without any budgetary requirement. There are also operational and capital costs attributed to the annexation area that will increase The City's operating and capital expenses in the areas of tax and assessment, city planning, municipal policing, and parks and public works.

The most significant operational costs are allocated to staffing resources for municipal policing. This increase is due to The City's increased responsibility to respond to motor vehicle collisions for Highway 2 and highway 11A in the annexation area. These annual operating costs for municipal policing are estimated to be \$429,831 and a one-time operating cost of \$5,000. The capital costs are estimated to be \$95,000. These costs have been approved by Red Deer City Council in the 2023-24 operating and capital budgets.

The increased costs to the Parks and Public Works Department include the annual maintenance of the 2,300 meters of roadway that is mostly comprised of Rang Road 275 and a short segment of Range Road 274. The annual operating costs to maintain these sections of the road in the current state are estimated at \$45,316. This is based on routine annual operating costs to maintain 1.7km of gravel road and 1.6km of paved road. There is also an estimated one-time capital cost of \$46,000 for the inspection and maintenance of the two rail crossings. Furthermore, the parks related responsibilities related to mowing, pest management, and tree care is estimated at \$12,381, based on routine annual operating costs to maintain similar types of lands within The City.

The increase to the operational costs for both assessment and taxation and city planning is generally not required immediately upon annexation but instead has been pre-emptively funded to adequately provide services in preparation for future development and to be able to provide lead time and fill these new positions with staff that have the proper accreditations. The operating costs are respectively \$150,828 and \$34,292.

The city anticipates that operational and capital expenditures for the area will increase in parallel with future development, similar to other developing areas within The City. The City anticipates that additional resources for operations of tax and assessment will be required in years two and three following an annexation; \$111,815 and \$142,916 but is ultimately dependent on the rate of development of these lands.

### 8.3 Budgetary Impacts of Annexation to Red Deer County.

The total annual property taxes in the annexation area amount to \$3,900.41. It is the opinion of The City that the loss of this property tax revenue will not have an adverse effect on The County's overall financial capacity. The County will be compensated for the loss of tax revenue as agreed upon by both municipalities as outlined in 5.2.5 Compensation for Loss of Municipal Property Tax Revenue.

The annexation may result in a small reduction in operational costs for The County as they will no longer be responsible for the operation and maintenance of the municipal roads and municipal reserve lands within the annexation area.





## 9.0 Annexation Principles and Relation to Proposed Annexation

The following section addresses the annexation principles that have been established under MGB Order 123/06. Each principle is listed below and is followed by a response describing how the proposed annexation meets the principle.

### Principle 1

*Annexations that provide for intermunicipal cooperation will be given considerable weight. Cooperative intermunicipal policies in an intermunicipal development plan will be given careful consideration, weight and support so long as they do not conflict with Provincial policies or interests.*

#### *Response:*

The City and The County have a collaborative and cooperative relationship, which has facilitated the annexation process. The proposed annexation conforms to the municipalities' intermunicipal development plan that has been in place since 2007. The IDP was adopted by both municipalities in conformance with the MGA requirements in open meetings after each had the opportunity to consult with their respective residents and obtain independent legal advice.

Supporting information is provided in 5.0 Negotiation Report and 3.1 Red Deer County and The City of Red Deer Intermunicipal Development Plan.

### Principle 2

*Accommodation of growth by all municipalities (urban or rural) must be accomplished without encumbering the initiating municipality and the responding municipality's ability to achieve rational growth directions, cost effective utilization of resources, fiscal accountability and the attainment of the purposes of a municipality described in the Act.*

#### *Response:*

The proposed annexation reflects the mutually agreed upon Intermunicipal Development Plan. The annexation lands are within The City Growth Area and do not impinge or encumber The County to grow in their respective growth areas.

Supporting information is provided in 3.1 Red Deer County and The City of Red Deer Intermunicipal Development Plan and 5.0 Negotiation Report.

### Principle 3

*An annexation or annexation conditions should not infringe on the local autonomy given to municipalities in the Act unless provisions of the Act have been breached or the public interest and individual rights have been unnecessarily impacted.*

#### *Response:*

The proposed annexation does not infringe upon the ability of either municipality to manage land use and govern within their respective boundaries, nor does it breach the public interest or unnecessarily impact individual rights.

Supporting information is provided in 3.1 Red Deer County and The City of Red Deer Intermunicipal Development Plan, 5.0 Negotiation Report, and 6.0 Consultation Process and Outstanding Concerns.

#### Principle 4

*An annexation must be supported by growth projections, availability of lands within current boundaries, consideration of reasonable development densities, accommodation of a variety of land uses and reasonable growth options within each municipality (initiating and responding municipality).*

#### *Response:*

The proposed annexation reflects the need for additional lands to accommodate the long-term commercial growth within The City to achieve the strategic goal of the municipal vision to maintain Red Deer's position as the major urban service centre in Central Alberta and a major growth centre in the Calgary/Edmonton corridor. The annexation will provide The City with an area that can be planned to accommodate a regional commercial power centre.

Supporting information is provided in 2.3 Reason for Annexation and 2.4 Growth and 3.1 Red Deer County and The City of Red Deer Intermunicipal Development Plan.

#### Principle 5

*An annexation must achieve a logical extension of growth patterns, transportation and infrastructure servicing for the affected municipalities.*

#### *Response:*

The proposed annexation is based on logical continuous growth patterns that reflect the ability to accommodate the needs of commercial land uses and an efficient extension of water, wastewater, stormwater, and transportation infrastructure systems.

Supporting information is provided in 4.0 Land Uses and Servicing.

#### Principle 6

*Each annexation must illustrate a cost effective, efficient and coordinated approach to the administration of services.*

#### *Response:*

The proposed annexation involves lands that can be serviced with municipal infrastructure in a cost-effective manner.

Supporting information is provided in 8.0 Financial Analysis of Proposed Annexation and 5.0 Negotiation Report.

#### Principle 7

*Annexations that demonstrate sensitivity and respect for key environmental and natural features will be regarded as meeting provincial land use policies.*

*Response:*

There is a significant natural feature within the annexation area, particularly the large waterbody and wetland. This application includes information that demonstrates the importance of these features to The City of Red Deer. The City's plans and policies will help guide the preservation and protection of natural features when the area structure plan is being developed.

Supporting information is provided in 3.2.5 Environmental and Ecological Management, 3.3 River Valley and Tributaries Park Concept Plan, and 3.4 City of Red Deer Ecological Profiles.

#### Principle 8

*Coordination and cost effective use of resources will be demonstrated when annexations are aligned with and supported by intermunicipal development plans, municipal development plans, economic development plans, transportation and utility servicing plans and other related infrastructure plans.*

*Response:*

The proposed annexation is cost effective and consistent with the Red Deer County and The City of Red Deer Intermunicipal Development Plan as well as the Red Deer County Municipal Development Plan and The City of Red Deer Municipal Development Plan.

Supporting information is provided in 3.1 Red Deer County and The City of Red Deer Intermunicipal Development Plan, 5.0 Negotiation Report, and 8.0 Financial Analysis of Proposed Annexation.

#### Principle 9

*Annexation proposals must fully consider the financial impact on the initiating and responding municipality.*

*Response:*

The proposed annexation has considered the financial impact on The City and The County, and it does not pose a significant impact on either municipality. The IDP formula supports a much larger annexation, but in contrast, the Colliers Real Estate report demonstrates slow population growth. By annexing a relatively small area in comparison to the IDP formula, the application is prudent in minimizing the financial risks to both municipalities.

Supporting information is provided in 8.0 Financial Analysis of Proposed Annexation and 5.0 Negotiation Report.

#### Principle 10

*Inter-agency consultation, coordination and cooperation is demonstrated when annexation proposals fully consider the impacts on other institutions providing services to the area.*

*Response:*

The proposed annexation involved consultation with other local authorities and seeks to address impacts where possible. This application demonstrates satisfactory inter-agency consultation, coordination, and cooperation.

Supporting information is provided in 6.0 Consultation Process and Outstanding Concerns and more 5.0 Negotiation Report.

#### Principle 11

*Annexation proposals that develop reasonable solutions to impacts on property owners and citizens with certainty and specific time horizons will be given careful consideration and weight.*

##### *Response:*

The proposed annexation includes requested conditions from a landowner to include the entirety of their land in the annexation area. The City's application reflects this request.

Supporting information is provided in 6.0 Consultation Process and Outstanding Concerns.

#### Principle 12

*Annexation proposals must be based on effective public consultation both prior to and during any annexation hearing or proceedings.*

##### *Response:*

The proposed annexation involved public consultation throughout the process. The consultation has been consistent with the Public Consultation Program outlined in the Notice of Intent to Annex Land.

Supporting information is provided in 6.0 Consultation Process and Outstanding Concerns.

#### Principle 13

*Revenue sharing may be warranted when the annexation proposal involves existing or future special properties that generate substantive and unique costs to the impacted municipality(s) as part of the annexation or as an alternative to annexation.*

##### *Response:*

The proposed annexation does not propose long-term revenue sharing.

#### Principle 14

*Annexation proposals must not simply be a tax initiative. Each annexation proposal must have consideration of the full scope of costs and revenues related to the affected municipalities. The financial status of the initiating or the responding municipality(s) cannot be affected to such an extent that one or the other is unable to reasonably achieve the purposes of a municipality as outlined in section 3 of the Act. The financial impact should be reasonable and be able to be mitigated through reasonable conditions of annexation.*

##### *Response:*

The proposed annexation is not motivated by the transfer of tax revenue from one municipality to another. The lands in the proposed annexation generate limited tax revenue. The financial impact on The City and The County is negligible.

Supporting information is provided in 5.0 Negotiation Report and 8.0 Financial Analysis of Proposed Annexation.

#### Principle 15

*Conditions of annexation must be certain, unambiguous, enforceable and be time specific.*

#### *Response:*

The proposed annexation includes a request for conditions that are certain, unambiguous, enforceable and time specific.

Supporting information is provided in 2.0 Lands Proposed for Annexation and 5.0 Negotiation Report.



## 10.0 Closure and Requested Outcomes

Based on negotiations with Red Deer County and responses to concerns raised by landowners, The City wishes to pursue annexation of the lands shown in Figure 1 – Lands Proposed for Annexation.

*The City is seeking annexation of these lands because:*

- These lands are needed to satisfy the need for Highway 2 fronting commercial land to fulfill The City's Municipal Development Plan's Regional Planning and Intermunicipal Planning objective to maintain Red Deer's position as the major urban service centre in Central Alberta and a major growth centre in the Calgary/Edmonton corridor.
- These lands are needed to be able to have land suitable for a Highway 2 regional commercial power centre.
- These lands are needed for The City to expand its western boundary for its longer-term development needs. There is no developable land along The City's western boundary that are undeveloped or unplanned.
- The annexation area reflects the agreement between The City and The County in the Intermunicipal Development Plan and is further refined in the Negotiation Report.
- The annexation is supported by the Intermunicipal Development Plans annexation formula, which demonstrates a need for The City to apply for the annexation of lands from The City Growth Area.
- The annexation area is serviceable with extensions of municipal water, wastewater and stormwater systems.
- The lands are contiguous with The City's boundaries and represent a logical extension of The City's jurisdiction.

*The City is requesting:*

- The lands illustrated in Figure 1 and described in 7.1 Titled Lands Proposed for Annexation and 7.3 Non-Titled Lands – Road Allowances and Rights of Way – Proposed for Annexation be annexed to The City of Red Deer,
- The effective date of annexation be consistent with the request in 5.2.3 Effective Annexation Date of this application,
- The conditions pertaining to the assessment and taxation of annexed lands as outlined in 5.2.6 Landowner Assessment and Tax Transition Period & Special Conditions of this application be attached to the Order-in-Council giving effect to annexation, and
- The conditions pertaining to compensation for the loss of municipal tax revenue as outlined in 5.2.5 Compensation for Loss of Municipal Property Tax Revenue of this application be attached to the Order-in-Council giving effect to annexation.





## 11.0 Certification

The municipality Chief Administrative Officers have signed a Certificate of the Report on Negotiations (Appendix T) to certify that the Annexation Application and Negotiation Report accurately reflect the results of negotiations concerning the annexation.

A copy of the resolution by The City of Red Deer Council authorizing the annexation application and certifying The Annexation Application and Negotiation Report as accurate as well as a copy of the resolution by Red Deer County Council accepting the Annexation Application and Negotiation Report are attached as Appendix T.

