

BEFORE: THE LOCAL AUTHORITIES BOARD

IN THE MATTER OF THE "Municipal Government Act":

AND IN THE MATTER OF an application by the Council of the City of Medicine Hat, in the Province of Alberta, for the annexation of certain territory lying immediately adjacent thereto and thereby its separation from the Municipal District of Cypress No. 1.

Pursuant to Section 20 of the Municipal Government Act, the Council of the City of Medicine Hat, in the Province of Alberta, petitioned the Local Authorities Board for the Province of Alberta, for the annexation to the City of Medicine Hat of all that territory described as follows:

ALL THAT PORTION OF THE NORTH HALF OF SECTION THREE (3), TOWNSHIP THIRTEEN (13), RANGE SIX (6), WEST OF THE FOURTH MERIDIAN NOT WITHIN THE CITY OF MEDICINE HAT

ALL THAT PORTION OF SECTION TEN (10), TOWNSHIP THIRTEEN (13), RANGE SIX (6), WEST OF THE FOURTH MERIDIAN NOT WITHIN THE CITY OF MEDICINE HAT

SECTION FIFTEEN (15), TOWNSHIP THIRTEEN (13), RANGE SIX (6), WEST OF THE FOURTH MERIDIAN

ALL THAT PORTION OF THE NORTH EAST QUARTER OF SECTION THIRTEEN (13), TOWNSHIP THIRTEEN (13), RANGE SIX (6), WEST OF THE FOURTH MERIDIAN LYING SOUTHWESTERLY OF THE RIGHT BANK OF THE SOUTH SASKATCHEWAN RIVER AND NOT WITHIN THE CITY OF MEDICINE HAT

SECTION TWENTY-TWO (22), TOWNSHIP THIRTEEN (13), RANGE SIX (6), WEST OF THE FOURTH MERIDIAN

SECTION TWENTY-THREE (23), TOWNSHIP THIRTEEN (13), RANGE (6), WEST THE OF FOURTH MERIDIAN

ALL THAT PORTION OF SECTION TWENTY-FOUR (24), TOWNSHIP THIRTEEN (13), RANGE SIX (6), WEST OF THE FOURTH MERIDIAN LYING WESTERLY OF THE RIGHT BANK OF THE SOUTH SASKATCHEWAN RIVER

ALL THAT PORTION OF THE SOUTH HALF OF SECTION TWENTY-FIVE (25), TOWNSHIP THIRTEEN (13), RANGE SIX (6), WEST OF THE FOURTH MERIDIAN LYING WESTERLY OF THE RIGHT BANK OF THE SOUTH SASKATCHEWAN RIVER

THE SOUTH HALF OF SECTION TWENTY-SIX (26), TOWNSHIP THIRTEEN (13), RANGE SIX (6), WEST OF THE FOURTH MERIDIAN

THE SOUTH HALF OF SECTION TWENTY-SEVEN (27), TOWNSHIP THIRTEEN (13), RANGE SIX (6), WEST OF THE FOURTH MERIDIAN

ALL THAT PORTION OF THE NORTH WEST QUARTER OF SECTION NINETEEN (19), TOWNSHIP THIRTEEN (13), RANGE FIVE (5), WEST OF THE FOURTH MERIDIAN LYING WESTERLY OF THE RIGHT BANK OF THE SOUTH SASKATCHEWAN RIVER

ALL THAT PORTION OF THE SOUTH WEST QUARTER OF SECTION THIRTY (30), TOWNSHIP THIRTEEN (13), RANGE FIVE (5), WEST OF THE FOURTH MERIDIAN LYING WESTERLY OF THE RIGHT BANK OF THE SOUTH SASKATCHEWAN RIVER

ALL GOVERNMENT ROAD ALLOWANCES INTERVENING AND ADJOINING THE ABOVE DESCRIBED LANDS

THE ABOVE DESCRIBED TERRITORY CONTAINS ONE THOUSAND SEVEN HUNDRED TWENTY-ONE AND SEVENTY-TWO HUNDREDTHS (1,721.72) HECTARES, (4,254.46 ACRES), MORE OR LESS

(hereinafter called "the said territory")

which lies immediately adjacent to the City of Medicine Hat, and thereby its separation from the Municipal District of Cypress No. 1, and in respect to which the Board held a public hearing into the matter on June 15, 1988.

Representing the City of Medicine Hat were Dr. Ken C. Sauer, Alderman and Chairman of the Southeast Alberta Regional Planning Commission, W. R. Bauman, Alderman and Chairman of the City Land Planning Committee, A. Atwal, City Planning Advisor, R. Barnes, City Assessor, and L. R. Thompson, Commissioner of Public Works.

The Municipal District of Cypress No. 1 was represented by Lutz Perschon, Manager.

A. J. Muller, Executive Director, represented the Southeast Alberta Regional Planning Commission.

Mr. and Mrs. Walter Springer, landowners, appeared on their own behalf.

The Forty Mile Gas Co-op Ltd., which had earlier submitted a written brief, was represented by Ms. Barb Buford.

Alberta Agriculture, Alberta Environment and Alberta Transportation and Utilities submitted written briefs to the Board.

Mr. K. A. C. Clarke, landowner, had submitted a written brief to the Board prior to the hearing.

The said territory is an inverted L-shaped parcel of land contiguous to the City of Medicine Hat northwest boundary. For ease of description, the said territory will be identified as Blocks 1 through 3.

Block 1 is a wedge shaped area comprising 702.37 acres. The Block is bounded by Box Springs Road and the City's Brier Park Industrial Area on the east, the Canadian Pacific Railway mainline from Medicine Hat to Calgary on the south, the Town of Redcliff industrial area on the west and the Broadway Avenue on the north. The City of Medicine Hat owns 155 acres within the Block with the balance held by eleven owners having varying interests in the remaining six parcels. The soils are Class 4 under the Canada Land Inventory (CLI) agricultural rating system and are primarily cultivated or in improved pasture production. The topography is gently undulating to rolling.

Block 2 is a square shaped area of 640 acres, bounded by Box Springs Road and the City's Brier Park Industrial area on the east, Broadway Avenue on the south, the Town of Redcliff's east boundary and the production north thereof on the west and the production west of the City of Medicine Hat's north boundary on the north. This Block also consists of Class 4 CLI soil with some in native grass and the balance in grain. One gas well site is located within the Block. The topography is gently undulating to rolling. Three owners have an interest in the five parcels which form Block 2.

Block 3 is a large rectangular shaped area, one and one half miles wide, comprising 2,912.09 acres bounded on the east by the right bank of the South Saskatchewan River, on the south by the Brier Park Industrial Area and the City's north boundary and the production west thereof. The soils vary from Class 4 CLI in the west to Class 6 CLI along the north and east edges of the Block. A coulee system traverses the northern portion in an easterly direction towards the river. The undulating topography is interspersed by drainage channels, coulees, ravines and river banks. Most of the land is still in native grass except for some cultivated forage to the east and the irrigated river flood plains. Natural gas developments, including wells, pipelines, compressor and meter stations, are located within the Block. The City of Medicine Hat owns approximately 1,265 acres with the balance held by fifteen other landowners. Some of the City owned lands are developed as a stock car racing track, shooting range and trap shooting range. Within this Block, approximately 66% of the land would be suitable for development purposes, the balance being unsuitable due to environmental and topographic reasons.

The City of Medicine Hat submitted that the said territory is the second stage of a comprehensive annexation proposal. The first stage, approved by Board Order No. 16100, annexed 7,622 acres for residential and commercial use. When the first stage was approved in 1982, population growth was projected at 5% per year, which would have resulted in a population by the year 2000 of approximately 103,000. The City of Medicine Hat now acknowledged that the 1982 projected growth rate has not continued but is expected to stabilize at approximately 2% per year.

The City of Medicine Hat contended that it is desirable to have a common boundary with the Town of Redcliff, to which the City supplies natural gas, electricity and sanitary

sewerage services. The proposed uses of Blocks 1 and 2 upon annexation, which would result in a common boundary between the two urban municipalities, are light industrial and general industrial comparable to the Town of Redcliff's zoning adjacent thereto. Annexation would provide the City with long term planning control, even though the lands may not be required for a considerable time. The City acknowledged that it still had approximately 105 acres of light industrial and 80 acres of general industrial lands available for development and that this supply would be sufficient for more than 25 years at the present rate of consumption.

Block 3, in the City's view, is also necessary for planning control and expansion of the petro-chemical industrial base. Industries such as Alberta Gas Chemicals Ltd., Canadian Fertilizers Ltd. and Western Co-op Fertilizers Ltd., all located in the City's Brier Park Industrial Area, require large tracts of land on which to locate. Several potential developments, each requiring 160 to 320 acres, have been discussed with the City. Over the past 15 years, pursuant to its long term industrial development strategy, the City of Medicine Hat has acquired, through purchase, eight quarter sections in Block 3 and one quarter section in Block 1:

The City of Medicine Hat advised that it had conditional acceptance from the Town of Redcliff and the Redcliff School District No. 2283 to the annexation proposal. This acceptance is based on an agreement in which the City would pay, in the first year following annexation, the School District 75% of the School Board's requisition applicable to the said territory, 50% in the second year and 25% in the third year at which time financial compensation would cease and that the boundaries of the Medicine Hat School system and the City be made coterminous.

The City of Medicine Hat had also received conditional acceptance of the annexation proposal from the Municipal District of Cypress No. 1 in exchange for \$15,690 to be paid to the Municipal District.

The City of Medicine Hat acknowledged that the assessment of farm land would increase by approximately six to six and one half times and residential acreages by approximately two times. Furthermore, farm and acreage residences under the City's policy will be assessed at 65% and farm buildings would be assessed at 32½%. The City acknowledged that the municipal portion of taxes applicable to the said territory would increase from the present \$11,000 to \$27,000 annually. A similar increase can be anticipated respecting the school requisition.

The City of Medicine Hat concluded that the annexation proposal is consistent with the City's General Municipal Plan, 1979, and the Northeast Industrial Area Structure Plan prepared for the said territory and updated in 1985.

The Municipal District of Cypress No. 1 advised that the Municipal District is not in opposition to the application but requested that assessment considerations be granted to the owners since the land use will not be converted from agricultural to urban for a considerable time period. The said territory represents less than 1% of the Municipal District's entire assessment base.

The Southeast Alberta Regional Planning Commission confirmed that the City's application conforms to the Southeast Alberta Regional Plan, 1983, and that as such the Commission supports the annexation.

Walter Springer, owner of the irrigated land in the river valley within Block 3, expressed concern regarding increased taxes resulting from annexation as well as further environmental degradation arising from the development of more petro-chemical plants. In his view, the City of Medicine Hat should purchase his land prior to further industrialization.

Kenneth Clarke, with an interest in Blocks 1 and 2, expressed concern in a written brief that the said territory would not be required for a considerable period of time and that urban assessment and taxation would make it unprofitable to continue the present agricultural use of land.

Alberta Agriculture, in its written brief, advised the Board it had no concerns with the annexation.

Alberta Environment also advised the Board that it had no major concerns with the proposed annexation but cautioned the need to protect the flood plain and the valley breaks from industrial development.

Alberta Transportation and Utilities advised the Board it had no objections to the annexation.

Solicitors acting on behalf of the Forty Mile Gas Co-op Ltd. advised the Board, in writing, that the Co-op preferred to retain the franchise rights within the said territory and would seek compensation if the City of Medicine Hat chose to service the area.

The Board, having considered the evidence received at the hearing, has reached the following conclusions:

1. That the City of Medicine Hat, as the Board determined in Board Order No. 16100, will continue to serve as a regional service centre but at a somewhat reduced growth rate from that anticipated in 1982.

2. That the said territory is excessive to the foreseeable industrial growth requirements of the City of Medicine Hat. Notwithstanding, since Blocks 1 and 2 consist of a one mile wide strip of rural lands lying between the industrial areas of the City of Medicine Hat and the Town of Redcliff, there is merit in the City exercising planning control over the area, as future industrial growth will predominantly emanate from the City. The City will also provide housing for the majority of employees employed thereon. Furthermore, since the City of Medicine Hat already provides gas, electricity and sewerage to Redcliff, the City would also provide these services to this area when required. In addition, neither the Municipal District of Cypress No. 1, the Town of Redcliff or the Southeast Alberta Regional Planning Commission is opposed to the annexation or suggested that a joint general municipal plan would be a logical alternative to annexation. Therefore Blocks 1 and 2 should be annexed to provide the City the necessary planning control and ultimately land for industrial expansion.

3. That there is merit in the City of Medicine Hat's position that a large block of land be available to allow expansion of the petrochemical base. Since such expansion is determined by national and even international market forces, the City has little alternative but to be prepared to seize opportunities as presented and to this end the City has purchased land within Block 3. Also a considerable portion of Block 3 is undevelopable for topographic reasons resulting in far less developable land than would normally be the situation. Again, neither the Municipal District of Cypress No. 1 nor the Southeast Alberta Regional Planning Commission proposed the development of a joint general municipal plan as an alternative to annexation. The Northwest Industrial Area Structure Plan for the subject territory, prepared on behalf of the City, is deemed by the rural municipality and the planning authority as sufficient to warrant the immediate transfer of jurisdiction. Therefore Block 3 should be annexed, notwithstanding that the Block may not be completely developed for heavy industrial use in the foreseeable future.

4. That it is anticipated that the City of Medicine Hat will plan the urbanization of the subject territory in such a manner that those lands under agricultural cultivation,

especially the irrigated lands, will not be converted to non-agricultural uses until specifically required. Furthermore that the environmentally sensitive lands consisting of escarpments, ravines and flood plains be protected against environmental degradation.

5. That proposed annexation of the said territory is the result of an intermunicipal agreement in lieu of joint general municipal planning which will result in considerable delay prior to the farm lands being required for urban uses, therefore the assessment should not exceed that which would have been applicable if the lands had remained within the Municipal District of Cypress No. 1.

6. That the City continue to avail its land purchase policy to those landowners who no longer wish to continue their farming and ranching operations within the City's jurisdiction.

7. That the said application to annex the said territory by the City of Medicine Hat should be GRANTED IN FULL.

THEREFORE, subject to the Lieutenant Governor in Council approving this Order, or prescribing conditions that the Order is subject to and approving the Order subject to those conditions, or varying the Order and approving the Order as varied. IT IS ORDERED AS FOLLOWS:

I. That there be annexed to the City of Medicine Hat, in the Province of Alberta, and thereupon be separated from the Municipal District of Cypress No. 1, the following described territory:

ALL THAT PORTION OF THE NORTH HALF OF SECTION THREE (3), TOWNSHIP THIRTEEN (13), RANGE SIX (6), WEST OF THE FOURTH MERIDIAN NOT WITHIN THE CITY OF MEDICINE HAT

ALL THAT PORTION OF SECTION TEN (10), TOWNSHIP THIRTEEN (13), RANGE SIX (6), WEST OF THE FOURTH MERIDIAN NOT WITHIN THE CITY OF MEDICINE HAT

SECTION FIFTEEN (15), TOWNSHIP THIRTEEN (13), RANGE SIX (6), WEST OF THE FOURTH MERIDIAN

ALL THAT PORTION OF THE NORTH EAST QUARTER OF SECTION THIRTEEN (13), TOWNSHIP THIRTEEN (13), RANGE SIX (6), WEST OF THE FOURTH MERIDIAN LYING SOUTHWESTERLY OF THE RIGHT BANK OF THE SOUTH SASKATCHEWAN RIVER AND NOT WITHIN THE CITY OF MEDICINE HAT

SECTION TWENTY-TWO (22), TOWNSHIP THIRTEEN (13), RANGE SIX (6), WEST OF THE FOURTH MERIDIAN

SECTION TWENTY-THREE (23), TOWNSHIP THIRTEEN (13), RANGE SIX (6), WEST OF THE FOURTH MERIDIAN

ALL THAT PORTION OF SECTION TWENTY-FOUR (24), TOWNSHIP THIRTEEN (13), RANGE SIX (6), WEST OF THE FOURTH MERIDIAN LYING WESTERLY OF THE RIGHT BANK OF THE SOUTH SASKATCHEWAN RIVER

ALL THAT PORTION OF THE SOUTH HALF OF SECTION TWENTY-FIVE (25), TOWNSHIP THIRTEEN (13), RANGE SIX (6), WEST OF THE FOURTH

MERIDIAN LYING WESTERLY OF THE RIGHT BANK OF THE SOUTH SASKATCHEWAN RIVER

THE SOUTH HALF OF SECTION TWENTY-SIX (26), TOWNSHIP THIRTEEN (13), RANGE SIX (6), WEST OF THE FOURTH MERIDIAN

THE SOUTH HALF OF SECTION TWENTY-SEVEN (27), TOWNSHIP THIRTEEN (13), RANGE SIX (6), WEST OF FOURTH MERIDIAN

ALL THAT PORTION OF THE NORTH WEST QUARTER OF SECTION NINETEEN (19), TOWNSHIP THIRTEEN (13), RANGE FIVE (5), WEST OF THE FOURTH MERIDIAN LYING WESTERLY OF THE RIGHT BANK OF THE SOUTH SASKATCHEWAN RIVER

ALL THAT PORTION OF THE SOUTH WEST QUARTER OF SECTION THIRTY (30), TOWNSHIP THIRTEEN (13), RANGE FIVE (5), WEST OF THE FOURTH MERIDIAN LYING WESTERLY OF THE RIGHT BANK OF THE SOUTH SASKATCHEWAN RIVER

ALL GOVERNMENT ROAD ALLOWANCES INTERVENING AND ADJOINING THE ABOVE DESCRIBED LANDS

THE ABOVE DESCRIBED TERRITORY CONTAINS ONE THOUSAND SEVEN HUNDRED TWENTY-ONE AND SEVENTY-TWO HUNDREDTHS (1,721.72) HECTARES, (4,254.46 ACRES), MORE OR LESS.

(A sketch showing the general location of the annexed lands is attached as Schedule "A".)

II. That any taxes owing to the Municipal District of Cypress No. 1 as at December 31, 1988, in respect of the aforementioned properties shall transfer to and become payable to the City of Medicine Hat together with any lawful penalties and costs levied thereon in respect of any such taxes; however, upon the City of Medicine Hat collecting any or all of such taxes, penalties or costs, such collection shall forthwith be paid by the City of Medicine Hat to the Municipal District of Cypress No. 1.

III. (A) That the assessor for the City of Medicine Hat shall, for taxation purposes in the year 1989, reassess the annexed lands and assessable improvements thereon, which are by this Order annexed to the City of Medicine Hat, so that the assessment thereof shall be fair and equitable with other lands and assessable improvements in the City of Medicine Hat, and the provisions of the Municipal Taxation Act regarding the assessment roll shall mutatis mutandis apply to such assessment.

(B) That, notwithstanding Clause III (A), the assessor for the City of Medicine Hat shall, for taxation purposes, classify and assess any farm land, farm residences and farm buildings located on a parcel of land annexed by this Order to the City of Medicine Hat, as if the land, residences and buildings were farm land, residences or buildings located in a rural municipality, and which if located in the Municipal District of Cypress No. 1 would be classified as farm land, residences and buildings pursuant to the Municipal Taxation Act.

(C) That such "farm land, residences and buildings" classification shall be given to such land, residences and buildings only for the years 1989 to 1993 inclusive after which time such classification shall immediately terminate: provided however:

(i) that if the land or residences and buildings located on the said parcel are, pursuant to Clause III (B) above, determined by the assessor for the City of Medicine Hat as being no longer "farm land, residences and buildings", even if they had been located in the Municipal District of Cypress No. 1 referred to in Clause III (B), then such classification of "farm land, residences and buildings" shall immediately terminate in respect of the said parcel; or

(ii) that if the Council of the City of Medicine Hat, by Resolution, makes an application to the Local Authorities Board and establishes before the Local Authorities Board that, for good and sufficient reason, the provisions of Clause III (B) should be varied prior to the date established in Clause III (C), the Local Authorities Board may reduce the time such classification as "farm land, residences and buildings" shall remain in effect.

(D) The owner of a parcel annexed by this Order, or other interested person, may apply to the Local Authorities Board for an extension of the time limit for the classification of "farm land, residences and buildings" as established in Clause III (C) and the Local Authorities Board may, for good and sufficient reasons, order that the provisions of Clause III (C) be varied, extended or rescinded.

IV: That the Chief Provincial Assessor, appointed pursuant to the provisions of the Municipalities Assessment and Equalization Act, shall, for taxation or grant purposes commencing in the year 1989, reassess or revalue, as the case may be, all properties that are assessable or subject to valuation under the terms of the Electric Power and Pipe Line Assessment Act and the Municipal and Provincial Properties Valuation Act, and which lie within the areas that are by this Order annexed to the City of Medicine Hat, so that the assessment or valuation shall be fair and equitable with properties of a similar nature.

V. That the effective date of this Order is the Thirty-first (31st) day of December, 1988.

Dated and signed at the City of Edmonton, in the Province of Alberta, this 5th day of July, 1988.

LOCAL AUTHORITIES BOARD:
(SGD.) BRYAN CLARK, ACTING CHAIRMAN

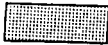
CERTIFIED A TRUE COPY:
RAY MYRONIUK,
ACTING SECRETARY

(SGD.) HENRY THIESSEN, MEMBER

SCHEDULE "A"

A SKETCH SHOWING THE GENERAL LOCATION OF THE
AREAS AFFECTED BY BOARD ORDER No. 18674

EFFECTIVE DATE: DECEMBER 31, 1988



AFFECTED AREA(S)

