



February 8, 2022 Council Meeting

‘Closed Session Item’

(M-1)

Proposed City of Calgary Annexation
(Legislative and Intergovernmental Services)

“Byron Riemann”

Byron Riemann, A/Chief Administrative Officer

This is a confidential item.

One of the duties of Councillors under Section 153(e) of the *Municipal Government Act* is to keep in confidence matters discussed in private at a council or council committee meeting until discussed at a meeting held in public.

LEGISLATIVE AND INTERGOVERNMENTAL SERVICES

TO: Council

DATE: February 8, 2022 **DIVISION:** 6

FILE: RVC2022-01 **APPLICATION:** N/A

SUBJECT: **Confidential:** Proposed City of Calgary Annexation – Initiation of Process and Appointments to Annexation Negotiation Committee

EXECUTIVE SUMMARY:

On September 17, 2021, the City of Calgary (the City) formally notified Rocky View County (the County), the Minister of Municipal Affairs and the Land and Property Rights Tribunal (LPRT) of a proposed annexation of 1675.48 hectares (4142.5 acres) of land located in the southeast of the County and immediately east of the City (Attachment 'A'). Administrations from the County and City have notified impacted landowners within 1.6 km of the proposed area, as per *Municipal Government Act* (MGA) requirements, and discussed process considerations (Attachment 'B'). Administration is requesting direction to proceed with negotiations, as per MGA requirements, and the appointment of members to the Annexation Negotiation Committee (ANC).

ADMINISTRATION RECOMMENDATION:

Section 117 of the MGA outlines the County's obligations upon receipt of a notice of annexation. Those include meeting with the initiating party to discuss the proposals included in the notice and negotiating the proposals in good faith. Administration has provided five motions that would allow the County to engage in annexation discussions and recommends proceeding in accordance with Option #1.

DISCUSSION:

The proposed annexation area is located in Division 6 in the southeastern portion of the County and is further identified in Attachment 'A'. It is generally identified as a City of Calgary growth area in the Rocky View / Calgary Intermunicipal Development Plan (IDP). The City's rationale for the proposed annexation is:

1. That the area is located in the City's future growth area, as agreed upon in the Rocky View/Calgary IDP – the City has expressed concern about a potential developer-led Area Structure Plan in the area;
2. To ensure an adequate long-term supply of industrial land for the City;
3. Stormwater management and the preservation of environmentally sensitive areas; and
4. Supporting economic development.

The subject land is bounded on the south by the Canadian Pacific Railway mainline, which includes additional lands also owned by CP that could accommodate a future rail siding or off-loading area. The majority of the subject lands are zoned for agricultural purposes, with a number of light industrial businesses located along Glenmore Trail and Range Road 283. There are also a number of small agricultural, residential and direct control parcels within the area. There are a few abandoned wells in the area, as well as oil and gas pipelines (including a sour gas line).

The topography of the lands are generally flat with two distinct drainage catchments areas: the west portion flowing to the Shepard Regional Drainage catchment area, and the east portion flowing to the Bow River catchment area. The area is characterized by a significant number of wetlands, including a

Administration Resources

Ben Manshanden, Legislative and Intergovernmental Services

large perennial slough in the northwest. The area is not currently serviced by water and wastewater infrastructure; existing developments are serviced by individual well and septic systems. Access to the area is facilitated by Glenmore Trail and Township Road 232 (east/west connections), and Range Road 284, 283 and 282 (north/south).

As further outlined in Attachment 'C', the annexation process will involve good-faith negotiations by the Annexation Negotiation Committee with the intent to reach a mutually agreed-upon Annexation Agreement, in principle. If agreement is reached by the Committee, respective Councils must review and approve the agreement before an application for annexation (including the negotiation report) is made to the LPRT. If there is no agreement, the parties will provide the negotiation report to the LPRT with an explanation of why negotiations were unsuccessful.

If negotiations are unsuccessful, or if they are successful but an objection from the public is received (as is likely), the LPRT will conduct a public hearing on the matter of annexation. After the LPRT hearing, the LPRT will prepare a report and recommendation to the Minister of Municipal Affairs. The Minister will make a recommendation for an Order in Council, and an Order in Council will be issued by Cabinet to complete the annexation (if approved or approved in part).

The Annexation Negotiation Committee is proposed to be comprised of two members of Council from each municipality, with a third serving as an alternate. Three members of Administration from each municipality are proposed to participate in negotiations (appointed by the CAO), and additional subject matter experts may attend by invitation. Decisions of the ANC are typically made by consensus, and the goal is to reach an agreement on annexation, including the lands to be included and compensation for lost tax revenues. Discussions will be wide-ranging, and a number of technical studies may be necessary during the process to support negotiations. The ANC may consider financial impacts, road conditions/maintenance, stormwater drainage, tax revenue, existing servicing arrangements, environmental conditions, future land uses, and other issues as directed by the committee in negotiating the annexation agreement. The timeframe for annexation processes is typically 12-18 months.

The annexation process itself would be led by the City of Calgary, according to the requirements outlined in the MGA. Attachment 'B' shows a draft Terms of Reference for the committee, which is subject to change as per direction from the ANC. This Terms of Reference is intended to provide the ANC with significant flexibility to determine how the negotiation process will unfold.

Administration recommends that the ANC appoint a mediator early in the process, as this increases the likeliness of productive negotiation discussions. The County has used mediators in all recent annexations and has been able to reach agreement for uncontested annexations. To assist with the cost of mediation, City and County Administrations have prepared a joint application for an Alberta Community Partnership grant. If approved, the grant will provide up to \$15,000 to pay for one third of the costs of mediation. To fulfill the requirements of the grant application, a supporting resolution from Council is required, as per Motion #5 in Option 1.

Administration is requesting Council direction to proceed with annexation negotiations, as per MGA requirements, and the appointment of elected members to the Annexation Negotiation Committee. Administration is also requesting approval of the draft Terms of Reference for the Annexation Negotiation Committee, and approval of the Alberta Community Partnership grant submission to defray costs associated with mediation.

BUDGET IMPLICATIONS:

Costs associated with the annexation process are anticipated to include mediator fees, venue rentals, food/travel costs, potential joint studies, and potential legal fees for representation at the LPRT hearing. It is anticipated that these costs can be covered by Administration's current budget. Should additional funds be required to support this process, Administration will bring a report to Council requesting a budget adjustment.



OPTIONS:

- Option #1 Motion #1: THAT receipt of the City of Calgary's initiation of proposed annexation be acknowledged, and that the County enter into annexation negotiations.
- Motion #2: THAT Council approve the Annexation Negotiation Committee Terms of Reference, as per Attachment B.
- Motion #3: THAT the Division _ and Division _ Councillors be appointed to the Annexation Negotiation Committee, and the Division __ Councillor be appointed as an alternate member.
- Motion #4: THAT Administration be directed to assign three members of Administration as representatives on the Annexation Negotiation Committee.
- Motion #5: THAT Rocky View County supports the City of Calgary's submission of a joint Alberta Community Partnership grant application to defray mediation costs associated with annexation negotiations.
- Option #2 THAT alternative direction be provided.

Respectfully submitted,

Concurrence,

"Amy Zaluski"

"Byron Riemann"

Director,
Legislative & Intergovernmental Services

Acting Chief Administrative Officer

ATTACHMENTS: Attachment 'A' – Notice of Annexation Application, City of Calgary, September 17, 2021
Attachment 'B' – Draft Annexation Negotiation Committee Terms of Reference
Attachment 'C' – Annexation Process Flowchart



September 17, 2021

To: **Honourable Ric McIver**
Minister of Municipal Affairs
Government of Alberta

Kent Robinson
Acting Chief Administrative Officer
Rocky View County

Susan McRory
Chair
Land & Property Rights Tribunal

From: **Mayor Naheed K. Nenshi**
Mayor
City of Calgary

Re: **Formal Initiation of The City of Calgary Annexation Application**

On 2021 July 05 and 2021 September 13, Calgary City Council authorized the City of Calgary (The City) Administration to begin preparation of annexation documentation. The purpose of this letter is to fulfill the requirements of Section 116 of the Municipal Government Act (MGA) and to initiate an annexation application for the area illustrated on the map included in Appendix 1.

Notification

By copy of this letter, this notification is being sent to Rocky View County (the County) (the municipal authority from which the land is to be annexed), the Land and Property Rights Tribunal, the Minister of Municipal Affairs, and all of the following relevant local authorities:

- Alberta Health Services
- Calgary Board of Education
- Calgary Catholic School District
- Rocky View School Division
- Conseil FrancoSud

Description of Lands to be Annexed and Reasons for the Proposed Annexation

Appendix 1 contains a map and a description of the lands that are the subject of this proposed annexation. The City of Calgary seeks to annex those lands identified in pink. Appendix 2 also contains a summary of the reasons for the proposed annexation. A complete justification for the annexation will be provided as part of the report required under Section 118 of the MGA.

Proposals for Consulting the Public and Landowners

Appendix 3 contains an overview of the proposed public and landowner consultation program.



Authorization

The matter of the potential annexation was addressed by City Council in closed session at its Combined Meeting of Council during the 2021 July 05 and 2021 September 13 meetings. Appendix 4 includes the City Council minutes from those dates.

Negotiations Committee

In order to address the requirements of Section 117 of the MGA, an Intermunicipal Negotiation Committee will be established, and will be comprised of representatives from The City of Calgary and the Rocky View County. It is expected that representatives from each municipality will be selected during the respective municipal organizational meetings of council after the municipal elections. Please advise Natasha Kuzmak at (403) 801-3658 who will represent the County on the Negotiations Committee.

Should you have any further questions with respect to the proposed annexation, please contact either Kelly Cote at (403) 305-0207 or Natasha Kuzmak at (403) 801-3658.

Sincerely,

Naheed K. Nenshi
MAYOR

Cc. Alberta Health Services
Calgary Board of Education
Calgary Catholic School District
Rocky View School Division
Conseil FrancoSud

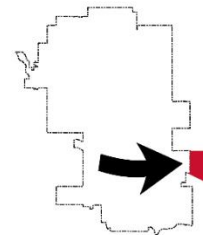
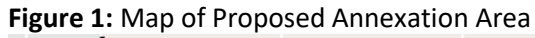


APPENDIX 1 – Description of the Lands to Be Annexed

The lands proposed for annexation to The City of Calgary are situated in Rocky View County, and are generally described as the City of Calgary industrial growth area in the Rocky View County – City of Calgary Intermunicipal Development Plan. The proposed annexation lands are generally shown in Figure 1. The boundaries of the proposed annexation are:

- North: Highway 560/extension of Glenmore Trail from Calgary
- East: Range Road 282
- South: the Canada Pacific Railway line
- West: Range Road 284

It is anticipated that the lands proposed for annexation may have minor adjustments made prior to the submission of the final annexation application. Prior to the submission of the annexation application, the lands will be legally surveyed and a legal description of the lands will be included in the application.





APPENDIX 2 –

Reasons for the Proposed Annexation Description of Lands to Be Annexed

Section 116(2) of the Municipal Government Act requires that an initiating municipality, as part of the written notice of a proposed annexation, “set out the reasons for the proposed annexation”. The following is an overview of the major reasons why The City of Calgary is pursuing annexation of the described lands. Further and more detailed annexation justification will be provided as part of the report to be prepared describing the results of the annexation negotiation, as well as the public and landowner consultation process.

The annexation justification and rationale are based on long-standing agreements with Rocky View County, long-term industrial land supply needs, and the effective provision of land servicing.

1. Long-Standing Rocky View County – City of Calgary Agreements

During annexation negotiations in 2006, the County and The City identified areas in which each municipality would direct growth. The 2006 annexation agreement between The City and the County states that The City and the County shall recognize and plan long-term residential and industrial growth corridors through an intermunicipal development Plan. The growth areas were later documented in the jointly approved 2007 Rocky View County – City of Calgary Intermunicipal Development Plan (IDP), which is still in effect. Planning processes are currently underway in the County to complete an Area Structure Plan (ASP) on a portion of the proposed annexation area, which is in The City's industrial growth area as set out in the IDP. If successful, these processes, which would pre-determine the planning, land use, and subdivision pattern, would significantly impact Calgary's ability to conduct planning after annexation and make future integration of the lands into City planning and servicing more complex.

2. Long-Term Industrial Strategy

To ensure adequate long-term land supply of industrial land, The City is seeking annexation of the proposed lands. A successful annexation will increase the supply of The City's large industrial lots (greater than 5 hectares), which will accommodate the evolving needs of industrial developers. Industrial buildings are getting larger, and there is increasing demand for larger parcels of land.

3. Stormwater Management and Environmental Stewardship

Annexation of the proposed annexation area will ensure that the development of this area meets the requirements of The City, in particular the protection of the environment through effective stormwater management concepts and preservation of environmentally sensitive lands.

4. Supporting Economic Development

The City of Calgary is best able to provide efficient water, wastewater and stormwater servicing to the lands proposed for annexation, as well as to enhance the transportation network to ensure efficient goods movement. Key factors that influence The City's ability to provide servicing include proximity to the lands, ability to service, and resources. Provision of servicing supports economic opportunities for the Calgary Metropolitan Region and the province.



APPENDIX 3 – Proposals for Public Consultation and Meetings with Landowners

Section 116 (2)(c)(i) and (ii) specify that the notice for annexation must include proposals for consulting with the public and meeting with the owners of the land to be annexed and keeping them informed about the progress of the negotiations. The following public consultation program is proposed in order to meet this requirement.

1. Website

The City of Calgary will host a website that will provide affected landowners and the general public with easy access to current information. The website will include a map of the subject site, information on public consultation sessions and description of ways to obtain more information. The option to sign up for an electronic mailing list will also be provided to all interested citizens and will provide a mechanism for quickly distributing new information to interested parties. Information and opportunities for engagement will also be promoted through social media. Information about and links to the website of Rocky View County will also be included.

2. Open House

At minimum two open house sessions will be held at a location in close proximity to the lands proposed for annexation. Virtual meeting options will be available if required. The open houses will be held in the first and second quarters of 2022 for the purposes of providing information and identifying landowner interests and issues. A mailed out invitation will be provided to those landowners within 1.6 kilometres of the subject lands and the open houses will be advertised in both a Calgary newspaper and a rural newspaper, as well as promoted through social media. A list of all people with concerns or interest in the annexation will be established in order to document different issues and how they will be dealt with. Email correspondence will be used as much as possible for communication. However, it is also recognized that not all interested parties may wish to communicate electronically and in those instances communication by telephone or letter will be undertaken.

A summary of the public consultation program and public comments will be included in the report to the Land and Property Rights Tribunal as required in Section 118 of the MGA.



APPENDIX 4 – Authorization

Excerpt from the confirmed minutes of The City of Calgary Council Meeting 2021 July 05

14.2 ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

14.2.1 Intermunicipal Update, C2021-1036

Administration in attendance during the Closed Meeting discussions with respect to Report C2021-1036:

Clerks: K. Martin and L. Gibb. Law: J. Floen, D. Mercer, and H. Oh. City Manager: D. Duckworth. Advice: C. Arthurs, S. Dalgleish, C. Male, D. Morgan, K. Black, S. Huber, A. Jaffari, N. Kuzmak, J. White, K. Cote, F. Lakha, M. Sheldrake, M. Atkinson, and J. Chapman.

The following documents were distributed with respect to Report C2021-1036:

- A confidential presentation; and
- A confidential document.

Moved by Councillor Carra

Seconded by Councillor Chahal

That with respect to Report C2021-1036, the following be adopted:

That Council:

1. Approve the recommendations contained in the confidential report; and
2. Direct that the contents of this report, attachments, recommendations and Closed Meeting discussions remain confidential pursuant to Section 16 (disclosure harmful to business interests of a third party) and Section 21 (disclosure harmful to intergovernmental relations) of the *Freedom of Information and Protection of Privacy Act* until 2031 July 05, except as required by confidential recommendation 1.

ROLL CALL VOTE:

For: (11): Councillor Gondek, Councillor Davison, Councillor Keating, Councillor Demong, Councillor Colley-Urquhart, Councillor Farrell, Councillor Sutherland, Councillor Chahal, Councillor Woolley, Councillor Carra, and Mayor Nenshi

Against: (3): Councillor Chu, Councillor Farkas, and Councillor Magliocca

MOTION CARRIED

Excerpt from the confirmed minutes of The City of Calgary Council Meeting 2021 September 13

7. CONSENT AGENDA

Moved by: Councillor Farrell

Seconded by: Councillor Chahal

That the Consent Agenda be adopted as follows:



7.1. DEFERRALS AND PROCEDURAL REQUESTS

7.1.1 Deferral Request at Confirmation of Agenda, UCS2021-1350

7.2. BRIEFINGS

7.2.1. Returning Officer's Response to 2021 June 21 Request from Council, C2021-1335

7.2.2. Anti-Racism Action Committee and Assessment Review Board Resignations, 2021-1191

7.2.3. COVID-19 Service and Financial Impacts – July Update, C2021-1179

7.3. Calgary Parking Authority 2021 Distribution to The City of Calgary, TT2021-1258

7.4. Integrated Risk Management Mid-Year Update (Including Information Technology), AC2021-1029

Attachment 4 held confidential pursuant to Section 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act*.

Review By: 2026 July 22

7.5. External Auditor Management Letter for Off-Site Levy Balances Audit, AC2021-1062

7.6. City Auditor's Office 2nd Quarter 2021 Report, AC2021-1100

7.7. Industrial Control Systems Security Audit, AC2021-1099

Attachment 1 held confidential pursuant to Section 20 (Disclosure harmful to law enforcement) of the *Freedom of Information and Protection of Privacy Act*.

Review By: 2036 July 22

7.8. External Auditor 2021 Audit Service Plan, AC2021-1048

7.9. Foothills + McMahon Concept Plan Update and Final Report Presentation, FRA2021-1325

7.10. Benefit Driven Procurement Pilot: Final Report, PFC2021-1282

7.12. Council Innovation Fund Application – A Planning Model for Grass Roots Park Space Development in North-Central Calgary, PFC2021-1349

7.14. General Hospital Legacy Fund Terms of Reference and Multimodal Bridge Project, PFC2021-1235

7.16. Naming of a City Park, PFC2021-1343

Held confidential pursuant to Section 23 (Local public body confidences) of the *Freedom of Information and Protection of Privacy Act* until Council rises and reports.

Review By: 2021 September 13

7.17. Business Reopening Grant Program - Progress Update (Verbal), PFC2021-1366

7.19. September 2021 Intermunicipal Update, IGA2021-1219



Held confidential pursuant to Section 16 (Disclosure harmful to business interests of a third party), Section 21 (Disclosure harmful to intergovernmental relations), and Section 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act*.

Review By: 2031 September 02

For: (14): Mayor Nenshi, Councillor Chu, Councillor Gondek, Councillor Farkas, Councillor Davison, Councillor Keating, Councillor Demong, Councillor Colley-Urquhart, Councillor Farrell, Councillor Sutherland, Councillor Chahal, Councillor Woolley, Councillor Magliocca, and Councillor Carra

MOTION CARRIED

Note: Recommendation adopted by Consent Agenda at the Combined Meeting of Council on 2021 September 13

7.1.9. September 2021 Intermunicipal Update, IGA2021-1219

RECOMMENDATION OF THE INTERGOVERNMENTAL AFFAIRS COMMITTEE, 2021 SEPTEMBER 02:

That Council:

1. Adopt the recommendation contained in the report; and
2. Direct that the contents of this report, Attachments 1, 2, 3, and recommendations, remain confidential pursuant to Section 16 (Disclosure harmful to business interests of a third party), Section 21 (Disclosure harmful to intergovernmental relations), and Section 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act* to be reviewed by 2031 September 02.

Terms of Reference

Annexation Negotiation Committee City of Calgary and Rocky View County

1. Introduction

On September 17, 2021, The City of Calgary (The City) gave notice to the Land and Property Rights Tribunal, Rocky View County (The County) and other local authorities, proposing to annex land from The County into The City. This precipitates the need, pursuant to the Municipal Government Act (MGA), for the two municipalities to enter into good faith negotiations on annexation. The proposed annexation lands are located within The City's industrial growth area as per the Rocky View – Calgary Intermunicipal Development Plan (2012).

2. Legislation

The legislative framework for annexation negotiations is provided in Division 6 of the *Municipal Government Act* (MGA) and more specifically Section 117 (1) and (2) of the MGA:

Direct negotiations

117(1) The municipal authorities from which the land is to be annexed must, on receipt of the notice under section 116, meet with the initiating municipal authority to discuss the proposals included in the notice and negotiate the proposals in good faith.

(2) If there are matters on which there is no agreement, the initiating municipal authority and the one or more municipal authorities from which the land is to be annexed must, during the negotiations, attempt to use mediation to resolve those matters.

3. Task of the Annexation Negotiation Committee

The Annexation Negotiation Committee is tasked with negotiating a draft Annexation Agreement between The City and The County, which would be forwarded upon completion of the negotiation process to the respective Councils for consideration.

4. Negotiation Principles

The following principles shall guide the annexation negotiation process and communications between The City of Calgary and Rocky View County.

The Annexation Negotiation Committee will:

- **Share** interests, needs and concerns with each party toward a common understanding to facilitate mutually beneficial solutions to interests, needs and concerns;
- **Understand** each other's growth aspirations by providing full disclosure and factual information;
- **Respect** each other's points of view and have honest interaction and realistic expectations;

- **Respect** which aspects of development planning and growth are of mutual interest and which areas are of single jurisdictional interest;
- **Support** each other in finding mutually beneficial solutions; and
- **Communicate** effectively to clarify any challenges and provide a clear and mutually supportive message to the public and media.

5. Committee Member Roles and Responsibilities

To promote efficient and constructive discussions of the Annexation Negotiation Committee, the roles and responsibilities include:

- Make every effort to attend scheduled meetings – this will ensure continuity in discussion and progress is made at each meeting;
- Engage in discussions in a respectful manner – seek to listen and understand each others' perspectives to best explore solutions that meet the needs of both municipalities; and
- Communicate back to respective Councils on the discussions of the Annexation Negotiation Committee.

6. Terms of Engagement

6.1. Annexation Negotiation Committee Composition

The Annexation Negotiation Committee will be comprised of two appointed members of Council from each municipality and two to three Administration members from each municipality. An alternate Councillor may be appointed by both municipalities at any time if deemed necessary by a municipality. Each municipality will determine appropriate members of their Administration to sit on the Annexation Negotiation Committee. The City will appoint two to three members (total) of City Administration from the following Departments: Deputy City Manager's Office and Planning and Development. The County will appoint appropriate Administration members to the Committee. Further staff and subject matter experts may attend and contribute to meetings as deemed appropriate by each municipality. Quorum for the Committee shall be established by the Annexation Negotiation Committee.

6.2. Roles and Decision Making

The role of the Annexation Negotiation Committee and its approach to decision making will be determined by the Annexation Negotiation Committee at the inaugural meeting.

6.3. Meeting Procedures

Meeting procedures including the timing of meetings, how meetings will be chaired, and other procedures will be defined by the Annexation Negotiation Committee at the inaugural meeting.

6.4. Facilitation / Mediation

Annexation Negotiation Committee members will select a mediator early in the process from a list maintained by Alberta Municipal Affairs to support successful negotiations.

7. Scope

The scope and topics requiring negotiations with respect to lands within proposed annexation will be determined by the Annexation Negotiation Committee. Technical studies may be required to support negotiations, as determined by the Annexation Negotiation Committee.

