

THIS AGREEMENT first written as of the 2 day of December, 2024

BETWEEN:

CITY OF SPRUCE GROVE

Being a municipal corporation in the Province of Alberta pursuant to the *Municipal Government Act*, R.S.A. 2000 Chapter M-26

("the City")

-and-

TOWN OF STONY PLAIN

Being a municipal corporation in the Province of Alberta pursuant to the *Municipal Government Act*, R.S.A. 2000 Chapter M-26

("the Town")

ANNEXATION AGREEMENT

WHEREAS:

- A. On 28 of February, 2024, the City gave notice to the Town of the City's intention to annex from the Town approximately 79 ha of land including the road right-of-way of Boundary Road currently located in the Town's municipal boundary, pursuant to Section 116 of the *Municipal Government Act*, R.S.A. 2000 Chapter M-24;
- B. On 16 of October, 2024, the City gave an amended notice to the Town of the City's intention to annex from the Town approximately 9.56 ha more or less of land including the road right-of-way of Boundary Road currently located in the Town's municipal boundary, pursuant to Section 116 of the *Municipal Government Act*, R.S.A. 2000 Chapter M-24;
- C. Pursuant to Section 117 of the *Municipal Government Act*, the City and the Town met and conducted interest-based negotiations to resolve issues related to the proposed Annexation as well as other issues of concern to one or both of the parties regarding the proposed Annexation;
- D. The City and the Town have now reached an agreement in respect of the proposed Annexation and other matters and desire to document the settlement by way of a formal agreement;

NOW THEREFORE in consideration of the mutual obligations and covenants contained herein, and for other good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, the City and the Town hereby agree as follows:

Part 1.0 Definitions

In this Agreement:

- 1.1. "Act" means the *Municipal Government Act*, RSA 2000, Chapter M-26 as amended or replaced from time to time;
- 1.2. "Agreement" means this Annexation Agreement including the above preamble and all schedules attached to it;
- 1.3. "Annexation" means the incorporation of the Annexation Territory within the boundaries of the City of Spruce Grove;
- 1.4. "Annexation Order" means the Order in Council by the Lieutenant Governor of Alberta authorizing the Annexation of the Annexation Territory within the boundaries of the City;
- 1.5. "Annexation Territory" means those lands located within the Town shown on the map attached hereto as Schedule A-1 and legally described in Schedule A-2 attached hereto;
- 1.6. "Boundary Road" means the roadway lying within Road Plan 1282 LZ, as shown in Schedule A-3 attached hereto;
- 1.7. "City" means The City of Spruce Grove, a municipal corporation in the Province of Alberta or the area within the corporate limits of the City, as the context requires.
- 1.8. "Effective Date of Annexation" means the later of:
 - a. The earliest date specified in the Annexation Order on which the Annexation is to be effective; or
 - b. The date on which the Lieutenant Governor in Council of the Province of Alberta authorizes the Annexation in Council;
- 1.9. "Parties" means both the Town and the City and "Party" means either the Town or the City as the context requires, and excludes any other person such as an owner of lands within or in the vicinity of the Annexation Territory;
- 1.10. "Town" means the Town of Stony Plain, a municipal corporation in the Province of Alberta or the area within the corporate limits of the Town of Stony Plain, as the context requires;
- 1.11. "Tribunal" means the Land and Property Rights Tribunal;
- 1.12. "West Lands" means the portion of the parcel within the SE 6-53-27 W4M that are west of the Annexation Territory, and east of Atim Creek as depicted on the Schedule A-6.

Part 2.0 Purpose

- 2.1. This Agreement between the City and the Town establishes:
 - a. That the Town supports the proposed Annexation; and
 - b. The terms and conditions under which the Parties agree that the Annexation shall occur.
- 2.2. The Parties agree that the Annexation Territory includes land shown on Schedule A-1, attached and legally described in Schedule A-2 to this Agreement, including all titles and road plans lying within the same, on the terms set out in this Agreement.

- 2.3. The Parties agree that the rules relating to Annexation as set forth in Section 135 of the Act shall apply to the Annexation.

Part 3.0 Mutual Cooperation

- 3.1 The City and Town agree to use all reasonable efforts and to fully cooperate with one another to ensure that the terms and conditions of this Agreement are fulfilled.
- 3.2 "Reasonable efforts" and "cooperation" referenced in this Part 3 shall include, but shall not be limited to:
- a. The Parties' provision of all information reasonably required by the other Party with respect to the Annexation for submission to the Tribunal or other government departments;
 - b. Written confirmation by the Town to the Tribunal that it is not opposing the Annexation;
 - c. Any further assistance that the Parties may reasonably request, including an appearance by the Town and the City before the Tribunal for the purpose of confirming the terms, covenants and conditions contained within this Agreement to ensure a recommendation of full approval of the Annexation by the Tribunal and full approval of the Annexation by the Lieutenant Governor in Council;
 - d. The proper and timely implementation the Annexation; and
 - e. The proper and timely performance of all things required to give effect to this Agreement, all of which shall be without cost or charge to the City other than as may be specified herein.
- 3.3 The Parties shall fully support and recommend to the Tribunal that the intent of this Agreement be incorporated in the recommendation to the Minister of Municipal Affairs pursuant to Sections 120 to 124 of the Act.
- 3.4 The Town agrees that it shall not seek, nor support any efforts to seek, to have any portion of the Annexation Territory excluded from or lands outside the Annexation Territory added to the Annexation.
- 3.5 The City agrees to prepare, file, and present such reports and studies as are necessary to support the Annexation before the Tribunal in accordance with the principles of Annexation previously established by the Tribunal.
- 3.6 Within thirty (30) days following the Annexation Order, or as otherwise mutually agreed upon, the Town agrees to provide, at no extra cost to the City, all information requested by the City with respect to the Annexation Territory to facilitate the orderly and efficient transfer of the jurisdiction and administration of the Annexation Territory following Annexation.
- 3.7 The information referred to in Section 3.6 is detailed in Schedules A-4 and A-5 and includes, but is not limited to, all information relating to assessment and taxation bylaws, policies, procedures and valuations in effect from time to time in the Town before and after Annexation, in the event that all or part of the Annexation Territory is subject to conditions governing assessment and taxation.

- 3.8 Without limiting the generality of Sections 3.6 and 3.7, the Town shall provide to the City, when so requested, true copies of the records, information and bylaws of the type described in Schedules A-4 and A-5.
- 3.9 Upon the Effective Date of the Annexation, the Town shall transfer all subdivision, planning and development files for the Annexation Territory to the City.
- 3.10 The Parties acknowledge and agree that the City will only make use of the information provided to the City by the Town pursuant to this Agreement in accordance with the provisions of the *Freedom of Information and Protection of Privacy Act*, R.S.A. 2000 Chapter F-25, as amended from time to time.
- 3.11 The Parties agree to cooperate respecting discussions with Alberta Transportation and Economic Corridors to facilitate:
- a. Intersection improvements with Highway 16A; and
 - b. Intersection improvements on Boundary Road north of Highway 16A where Alberta Transportation and Economic Corridors has jurisdiction.

Part 4.0 Effective Date of Annexation

- 4.1 The Parties shall recommend to the Tribunal that the Effective Date of the Annexation be January 1, 2025.

Part 5.0 Assessment and Taxation

- 5.1 The Parties have agreed that for taxation purposes in 2025 and subsequent years up to and including the 2050 tax year:
- a. The land in the Annexation Territory and the assessable improvements to it must be assessed by the City on the same basis as if they had remained in the Town;
 - b. The land in the Annexation Territory and the assessable improvements to it must be taxed by the City in respect of each assessment class that applied to the lands in the Annexation Territory and the assessable improvements to it using the tax rate established by the Town or by the City, whichever is lower; and
 - c. The City will use best efforts to collect the aforementioned taxation and remit the same to the Town.

Part 6.0 Compensation Payable to the Town

- 6.1 The Parties agree there is no compensation payable to the Town by the City as a result of the Annexation, except as expressly contemplated under this Agreement.

Part 7.0 Additional Considerations Arising from Negotiations

- 7.1 The Parties acknowledge that upon the Effective Date of Annexation, jurisdiction for the Annexation Territory will transition to the City and the City will assume all financial and other responsibilities associated with having jurisdiction for the Annexation Territory, except as expressly contemplated in this Agreement.

- 7.2 The Parties agree that upon the Effective Date of Annexation and upon assumption of the Annexation Territory, the City will be solely responsible for determining the scope, phasing and ultimate design of the Boundary Road upgrades to an urban standard, except as expressly contemplated in this Agreement.
- 7.3 The Parties acknowledge that the Boundary Road upgrades will take place in phases:
- a. If the Annexation Order is made on or before January 1, 2025, the Parties anticipate that construction of the first phase will commence in 2025 and will consist of the two eastern lanes of a designed four-lane urban cross section arterial roadway; and
 - b. The second phase will consist of the build out of the roadway to a four-lane arterial roadway by the addition of the two western lanes and will be undertaken at a time and in a manner as determined at the sole discretion of the City.
- 7.4 Unless the Parties otherwise agree, neither Party will initiate an Annexation of lands within the boundaries of the other Party for at least 25 years from the Effective Date of Annexation.
- 7.5 The City agrees to maintain the existing 4 agricultural/residential accesses (as depicted on Schedule A-7, Existing Accesses), from the NE 6-53-27 W4M, Lot 1, Plan 9322978, and the SE 6-53-27 W4M to the west of the Boundary Road right-of-way unless and until:
- a. An alternative or replacement access/intersection is provided and approved by the landowner and the City of Spruce Grove; or
 - b. An existing access is no longer required for agricultural/residential purposes as approved by the landowner.
- 7.6 In addition to maintaining existing accesses referenced in 7.5 above, if the Town requests a new intersection with the Boundary Road (or a municipal road within the NW 5-53-27 W4M) to directly or indirectly serve lands remaining within the Town (including lands within the NE 6-53-27 W4M, or the SE 6-53-27 W4M) then:
- a. The City will be the regulatory authority relating to all engineering elements within its boundaries and the Town will be the regulatory authority relating to all engineering elements within its boundaries, provided that in all cases, the City will be the regulatory authority with respect to any new intersections with Boundary Road;
 - b. The City and the Town agree to work together in planning the location and design of any new intersections, having regard to traffic safety and sound engineering principles, provided that the location and design of any new intersections will be in the sole discretion of the City;
 - c. The Town agrees, as a condition of allowing any intersection between Boundary Road and the West Lands (as depicted on Schedule A-6, West Lands), to require the landowner to:

- i. Pay the Town (to remit to the City) funds equivalent to the following amount, namely the transportation levies in the City's off-site levy Bylaw, and for clarity:
 - A. The amount payable shall be determined by the City's off-site levy bylaw in place at the time of the payment. The City shall keep the Town apprised of any increase in the transportation levies in City's off-site levy bylaw between time the Town provides the City with a finalized agreement with the landowner of the West Lands, and the time the landowner of the West Lands is obliged to pay these funds to the Town;
 - B. The amount shall not include amounts exceeding the amount of transportation levies under the City's off-site levy bylaw; and
 - C. The amount payable by the West Lands shall not exceed the amount payable for Boundary Road improvements if the West Lands were comparable lands within the SW 5-53-27 W4M;
- ii. Pay to the Town (to remit to the City) the costs of improvements not contemplated in the City's off-site levy bylaw but within the City's boundary for intersections and related appurtenances/work (without limiting the generality of the foregoing, related appurtenances/work shall include landscaping, associated stormwater management and lighting).
- d. The Town shall remit the sums referenced in (c) above to the City; and
- e. The Town agrees that if the sums referenced in (c) above are not remitted to the City, the City is not required to allow access from the West Lands through the intersection(s) onto Boundary Road.

Part 8.0 Status of Past Agreements

- 8.1 The Parties agree that there are no representations, warranties, or agreements, either written or oral, relating to the subject matter of this Agreement which:
 - a. Are binding on the Parties, and
 - b. Are not contained in or referred to in this Agreement.

Part 9.0 Termination of this Agreement

- 9.1 This agreement shall terminate and be of no force and effect upon the occurrence of any of the following events, whichever shall first occur:
 - a. The City's withdrawal of the Annexation application; or
 - b. Refusal of the Annexation application by the Lieutenant Governor in Council.

Part 10.0 Notices

- 10.1 Any notice required to be given under this Agreement shall be given in writing and delivered to:
- a. In the case of the City, to the City Manager; and
 - b. In the case of the Town, to the Chief Administrative Officer.

Part 11.0 Dispute Resolution

- 11.1 Where the Parties cannot agree on the interpretation, application or operation of certain provisions of this Agreement, the Parties agree to first engage in conciliatory discussions and negotiations (as outlined below) to resolve the disagreement, failing which the Parties agree to submit the issues in dispute to mediation (as outlined below) before a single mediator agreed to by both Parties, the cost of which shall be borne equally between the Parties.
- 11.2 Once a disagreement has been identified, conciliatory discussions must commence within thirty (30) calendar days of the identification of the issue(s).
- 11.3 In the event that the issue(s) is/are not resolved within three (3) months of the commencement of conciliatory discussions, the issue(s) shall proceed to mediation for a maximum of three (3) months, unless a mutual agreement to extend such deadline is reached between the Parties.
- 11.4 Notwithstanding Section 11.3, the Parties may proceed to mediation prior to the expiry of the three (3) months referred to in Section 11.3 following the completion of at least one (1) conciliatory meeting for a maximum of six (6) months, unless a mutual agreement to extend such deadline is reached between the Parties.
- 11.5 Where the Parties are unable to resolve their disagreement through the dispute resolution mechanisms and within the time periods specified above, the City and the Town shall submit such issues to binding arbitration within thirty (30) days of the conclusion of the mediation, which shall proceed as stipulated herein.
- 11.6 Prior to referring a matter for arbitration:
- a. The party intending to so refer shall notify the other in writing of the details, nature and extent of the dispute; and
 - b. Within fourteen (14) days of receipt of such notice, the responding party shall advise the first of the action it is prepared to take to resolve the dispute.
- 11.7 If the first party does not accept the proposed resolution within fourteen (14) days of receipt of the proposal, then the Parties shall refer the dispute to arbitration before a panel of three (3) arbitrators (the "Arbitration Committee") appointed in the following manner:

- a. Each party shall appoint an arbitrator and upon doing so shall forthwith give notice in writing thereof to the other party;
 - b. If either party fails to appoint an arbitrator within seven (7) days of receiving a notice of appointment from the other party as required under subsection (a), the other party may apply to a Justice of the Court of King's Bench of Alberta to appoint an arbitrator on behalf of and at the expense of the party in default;
 - c. The arbitrators appointed by or for the Parties hereto shall appoint a third arbitrator and, if they fail to do so within fourteen (14) days after the last of them was appointed, either party on notice to the other party may apply to a Justice of the Court of King's Bench of Alberta to appoint a third arbitrator;
 - d. The appointment of all arbitrators, except those appointed by a Justice as herein provided, shall be in writing;
 - e. The arbitrators shall have the power to obtain the assistance, advice or opinion of such engineer, architect, surveyor, appraiser, valuer or other expert as they may think fit and shall have the discretion to act upon any assistance, advice or opinion so obtained; and
 - f. The party initiating the arbitration shall bear the costs incurred by each party as a result of the arbitration if the initiating party is unsuccessful at the arbitration; otherwise, each party shall bear its own costs.
- 11.8 The decision of the majority of the Arbitration Committee shall be the decision of the Arbitration Committee and shall be binding and immediately implemented by both the City and the Town.
- 11.9 Each of the Parties shall do all acts and things and execute all deeds and instruments necessary to give effect to any resolution reached under this Part.
- 11.10 Except as modified herein, the provisions of the *Arbitration Act*, R.S.A. 2000, c.A-43 as amended shall apply.

Part 12.0 General

- 12.1 Each of the Parties hereto shall at all times undertake all such further acts and execute and deliver all such further documents as shall be reasonably required to fully perform the terms and conditions of this Agreement.
- 12.2 The headings and section numbers contained in the Agreement are for convenience and reference only and in no way define or limit the scope or intent of this Agreement or any provision of this Agreement.
- 12.3 This Agreement constitutes the entire Agreement of the Parties hereto with respect to the subject matter hereof, and this Agreement shall not be amended, modified, or discharged except by an instrument in writing executed under the authority of each of the Parties.

- 12.4 No waiver by or on behalf of either Party of any breach of the covenants or conditions contained in this Agreement shall take effect or be binding upon the Party unless the same be expressed in writing under the authority of that Party and any waiver so given shall extend only to the particular breach so waived and shall not limit or affect any rights with respect to any other breach.
- 12.5 The preamble and Schedules attached to this Agreement form part of this Agreement.
- 12.6 Nothing in this Agreement is intended to nor shall be construed as fettering or restricting the lawful authority of any board, tribunal, other quasi-judicial entity, or elected municipal Council (or member of the Council), in the exercise of discretion vested in it by law.
- 12.7 If any provision of this Agreement is found to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall remain in full force and effect.

This Agreement Dated and made effective on 2 day of December, 2024

City of Spruce Grove

Per: 

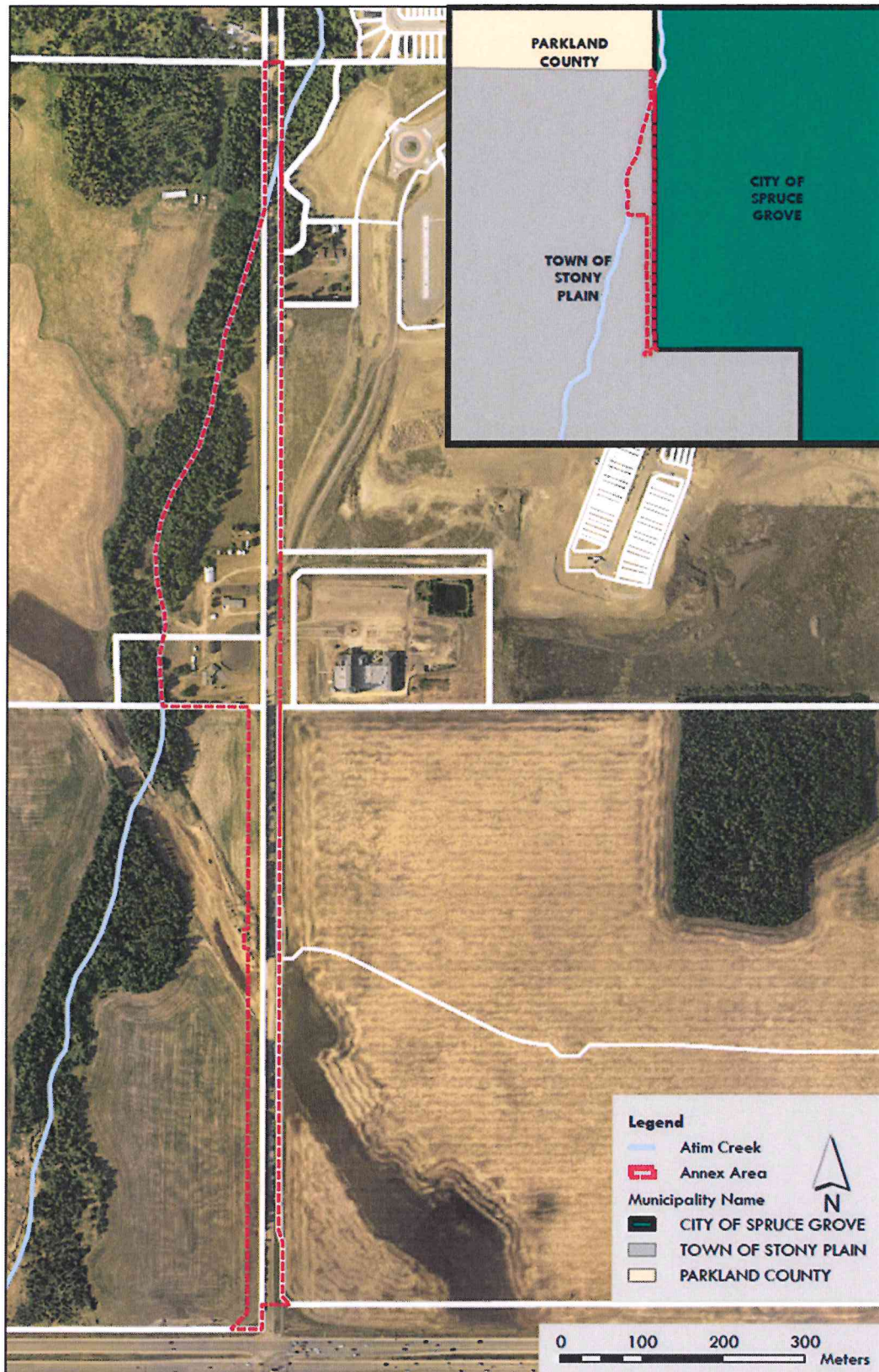
City Manager

Town of Stony Plain

Per: 

Chief Administrative Officer

Schedule A-1 – Annexation Territory



Schedule A-2 – Annexation Territory Legal Description

List of Legal Descriptions for Lands within the Proposed Annexation Area

1. All that portion of the north/south Government Road allowance (Boundary Road) adjacent to the west half of Section 5-53-27-W4M which lies north of a line drawn between road posts R8 and R13 as shown on Road Plan 802 2789 and south of the production of the north boundary of the said Section 5-53-27-W4M.
2. All that portion of the MERIDIAN 4, RANGE 27, TOWNSHIP 53, SECTION 6, QUARTER NORTH EAST CONTAINING 64.7 HECTARES (160 ACRES) MORE OR LESS, EXCEPTING THEREOUT: PLAN 932 2978 1.534 HECTARES (3.79 ACRES) MORE OR LESS
Lying South and East of the centre line of Atim Creek.
3. All that portion of Lot 1 Plan 932 2978 lying east of the centre line of Atim Creek.
4. The following described real property in the Town of Stony Plain, Alberta being a portion of MERIDIAN 4, RANGE 27, TOWNSHIP 53, SECTION 6, QUARTER SOUTH EAST CONTAINING 64.7 HECTARES (160 ACRES) MORE OR LESS EXCEPTING THEREOUT A) PLAN 2201 JY 1.43 HECTARES (3.54 ACRES), B) ROAD PLAN 1282 LZ 1.55 HECTARES (3.85 ACRES), C) PLAN 152 1338 0.123 HECTARES (0.304 ACRES) described as follows in three parts:

PART 1: The most easterly 17.05m in perpendicular width of the said quarter section lying north of the north boundary of Road Plan 1282 LZ.

PART 2: Commencing at a point 17.05m west of the east boundary of said quarter section along the north boundary of Road Plan 1282 LZ, thence westerly 19.95m along Road Plan 1282 LZ, thence north easterly at an angle of 37 degrees from the boundary of Road Plan 1282 LZ to the intersection of a line perpendicularly offset 17.05m from the east boundary of the said quarter section, thence southerly to the point of commencement.

PART 3: All that portion lying between two lines, the first line offset 17.05m perpendicularly west from the east boundary of the said quarter section and the second line offset 27.55m perpendicularly west from the east boundary of the said quarter section and bounded on the north by a line offset 264.70m perpendicularly south of the north boundary of the said quarter section, and bounded on the south by a line offset 441.96m perpendicularly north of Road Plan 1282 LZ.

5. All that portion of road within Plan 802 2789 which lies north of a line drawn between road posts R8 to R13 as shown on said plan lying within the SW ¼ Section 5-53-27-W4M.

[illegible]

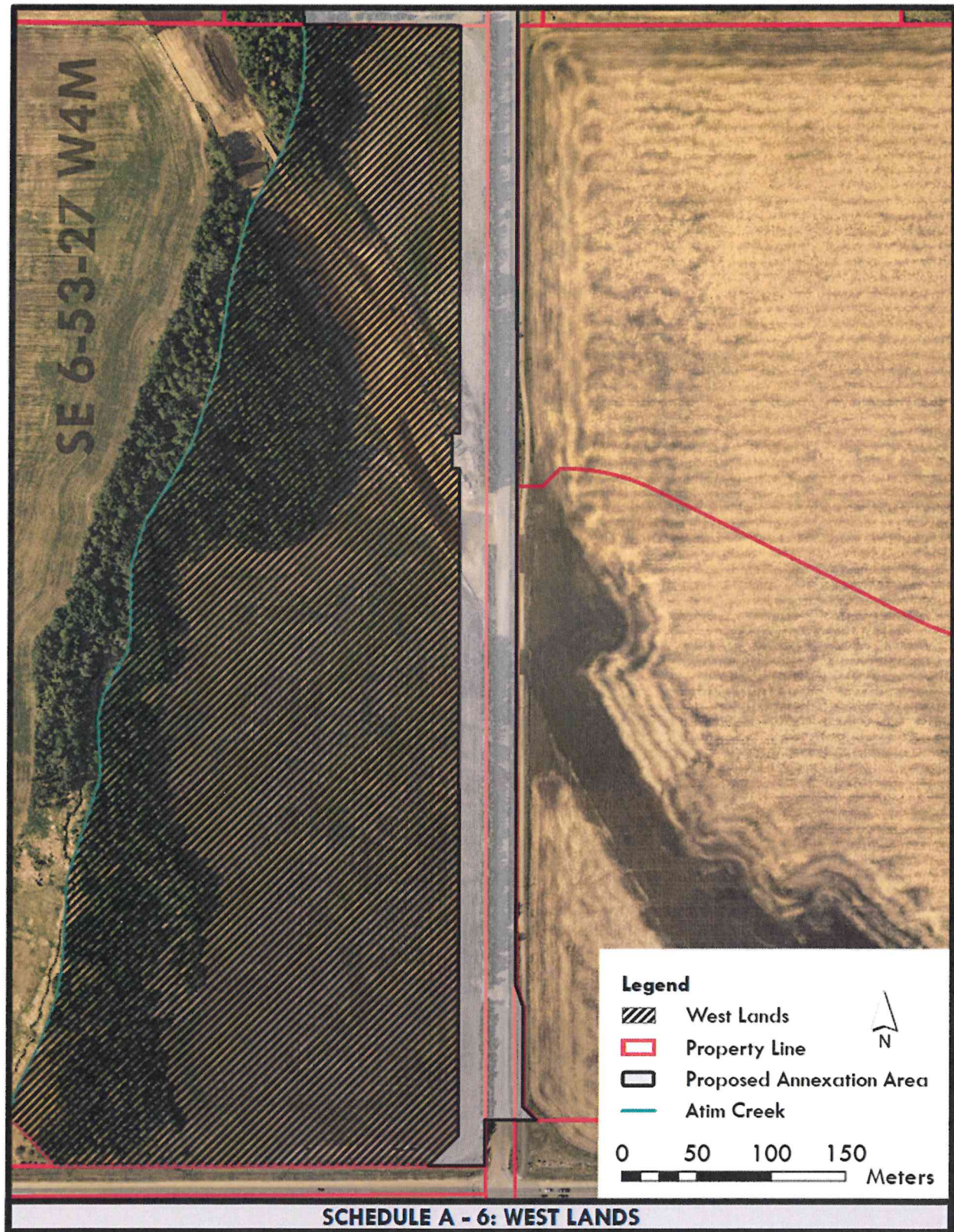
Schedule A-4 – Required Assessment Records

1. The assessment roll for the Annexation Territory showing all detail required pursuant to Sections 303 and 304 of the Act.
2. The property records for all properties taxable and exempt within the Annexation Territory.
3. Assessment files relating the annexed parcels.
4. Decisions of the assessment tribunals that specifically apply to annexed parcels.
5. Farm income data for annexed parcels that qualify as farmland.
6. Details of any exemptions granted under the Act and the former Municipal Taxation Act to the annexed parcels.
7. Copies of any Bylaws, Order or Acts granting an exemption under the Act, the former Municipal Taxation Exemption Act or private Acts that specifically apply to annexed parcels.
8. Explanation of any codes used in the assessment roll or on the property record cards and other similar information.
9. Maps of the annexed area showing legal and parcel plan boundaries used for assessment purposes.
10. All procedures and policies used for the current general assessment. Details of market data relied on for the current general assessment.
11. Details of any ongoing rebates of taxes under the Act.
12. Details of any assessment performed by the Chief Provincial Assessor.
13. Details of any machinery and equipment assessments.
14. The most recent Supplementary Assessment bylaw.
15. The current classification bylaw if not included in the property tax bylaw.
16. Details of equalized assessments necessary for the City to calculate school tax rates.
17. Review of the Town's equalized assessment by the City's assessment staff from time to time, such review to include examination of the market data used and the methodology of calculation and an explanation of the same by the Town.
18. All the above records and information shall be supplied concurrent with the preparation of the 2024 assessment roll for the 2025 tax year, shall be updated as of the date of Annexation or the date of assumption of responsibility for assessment by the City, and shall be provided from time to time as necessary to permit the City to comply with the terms and conditions of the Agreement, which this Schedule forms a part.

Schedule A-5 – Tax and Levy Records and Information

1. The current tax roll as it relates to the Annexation Territory.
2. Details of the tax levy and of arrears, if any, including any changes transferred to the tax roll such as utility and weed bills for each annexed parcel.
3. Details of any local improvement levies affecting the Annexation Territory including a copy of the bylaw, a copy of the borrowing bylaw and details, and the terms of the levy on each annexed parcel.
4. Tax recovery details for properties and arrears, properties with tax notifications, properties that have been finally acquired under the Act and the former Tax Recovery Act, and properties where the redemption period has not expired including expiry date, details of tax sale trust accounts dates, and details of any proceeds of sales that are covered by a tax sale trust account.
5. School support details on a parcel by parcel basis together with supporting records including, but not limited to, copies of any corporate school declarations.
6. The policy and bylaw for any tax discounts.
7. The policy and bylaw for penalties.
8. A list of properties owned by the Town.
9. The boundaries of any tax zones that have been established for recreational, fire or other districts.
10. A record of any tax certificates that have been issued within the preceding two (2) years.
11. A copy of the property tax bylaws (mill rate bylaws), including among other things, fire, and recreation districts for the current year and for the last ten (10) years.
12. A list of all properties subject to any grant, and copies of any agreements where a grant-in-lieu of taxes is to be paid.
13. A list of annexed parcels and relevant details of taxation, including procedures for linear properties.
14. A list of land owned by the Town and leased to third Parties including copies of all leases.

Schedule A-6 – West Lands



Schedule A-7 – Existing Accesses

