

This Agreement made this _____ day of July, 2007

BETWEEN:

Town of Blackfalds, a Municipal Corporation in the Province of Alberta, hereinafter the “Town”

- and -

Lacombe County, a Municipal Corporation in the Province of Alberta, hereinafter the “County”

WHEREAS the Town and County have adopted the Blackfalds Intermunicipal Development Plan which provides for the coordination of land use planning in an area of County surrounding the Town, hereinafter the “Intermunicipal Area”

WHEREAS the Town and County wish to promote sustainable economic development within certain portions of the Intermunicipal Area in close proximity to the Town, hereinafter the “Joint Economic Area,” and

WHEREAS the Town and County wish to establish a long term land use planning and economic relationship between the Town and County within this Joint Economic Area, recognizing that where municipalities in a community work together, a stronger community will emerge, and

WHEREAS the Town and County wish to provide an economic benefit to the Town from commercial and industrial development that locates within the Joint Economic Area through the sharing with the Town of taxes raised by the County, recognizing the added value of development that is possible with the extension of Town water and wastewater systems and the agreement of the Town not to seek annexation of lands west of Highway 2.

WHEREAS the County has, by resolution passed _____, authorizes the Town pursuant to Section 54 of the *Municipal Government Act*, R.S.A. 2000, c. M-26, to provide water and wastewater services within the Joint Economic Area in accordance with this agreement.

NOW THEREFORE in consideration of the payment to the Town of a share of taxes collected by the County from within the Joint Economic Area as determined under this agreement, which the parties agree is good and valid consideration, the parties agree as follows:

Establishment and Purpose of Joint Economic Area

1. The Town and County hereby establish a Joint Economic Area, the geographic extent of which is set out in Figure 1, attached to and forming part of this Agreement, within which the parties will encourage commercial and industrial development to the benefit of both the Town and County, minimizing the impact of municipal jurisdictional boundaries and using to advantage, the availability of service by the Town's public water and waste water systems.
2. Where development is proposed on lands that are outside of, but in proximity to the Joint Economic Area and the land use and servicing requirements of the proposed development are similar to the land uses and servicing requirements prescribed within the Joint Economic Area, the Town and County will give consideration to amending, within one year of development approval, the boundaries as shown on Figure 1 to include within the Joint Economic Area the lands proposed for development.

Land Use Planning and Development Control

3. The land use planning and development control provisions for the Joint Economic Area shall be prescribed within the Blackfalds Intermunicipal Development Plan, County Land Use Bylaw and any area structure plan or outline plan adopted.

Development and Servicing of Lands

4. The physical construction of sites for commercial and industrial developments within the Joint Economic Area is expected to be undertaken by private interests and the County shall require that the terms of such development and the requirements of the private developers be set out in a development agreement.
5. The developers of privately developed land shall be required generally to pay for the full costs of directly servicing the lands including the off-site and on-site requirements for roads, surface drainage and storm sewer systems, semi-public and public water and wastewater systems and other utilities.
6. The County or the Town, either separately or jointly, may consider undertaking the development of lands in the Joint Economic Area directly and such development shall be addressed in a separate agreement between the parties.
7. The Town shall permit development within the Joint Economic Area to connect to and be served by the Town's public water and wastewater services, such services being provided on a user-pay, utility rate basis, subject to the availability of capacity in these systems to service the developments.

8. Where a development wishing to receive water or waste water services from the Town's system is unable to connect for lack of capacity, the Town shall use its best efforts to provide sufficient capacity as soon as may be practical.
9. Those areas of the Joint Economic Area where public water and wastewater servicing is required are identified on Figure 1 and the County shall set out further in Area Structure Plans, the manner in which public water and wastewater services are to be provided in these areas.
10. The County shall require a developer initially and individual property owners subsequently, to fund the net cost, defined as the total cost of construction less any grant and other funds attributed, of the
 - a) proportionate share of providing overall water supply capacity and wastewater treatment capacity necessary to serve a development area
 - b) proportionate share of extending water and wastewater trunk mains to a development area
11. Where a developer is required to bring water and wastewater trunk mains from areas beyond their development area or required to oversize the trunk mains through its development area for the benefit of other development areas, the County shall permit, subject to a reasonable time limitation, a developer to recover proportionate costs of extension or oversize from subsequent developers whose lands will benefit from these main extensions or oversized trunk mains.
12. The County shall require a developer initially and individual property owners subsequently, to fund the cost of:
 - a) constructing local water distribution mains and wastewater collection mains within a development area
 - b) installing service lines to individual lots within the development area
13. Except as provided below, the County shall collect contributions for costs identified in section 10 a) and 10 b) at the time of development in the form of offsite levies or as direct construction contributions under a development agreement.
14. Where a development is within the areas of the Joint Economic Area where public water and wastewater servicing is required but is either too remote from existing public water and wastewater infrastructure or is of insufficient size in its initial development to economically warrant the extension of public water or wastewater systems, the County shall require the developer to either:

- a) pay offsite levies and / or construction contributions of sufficient value to fund the construction of these systems in the future, or
 - b) provide a legally enforceable deferred servicing agreement which would enable the collection of sufficient contributions for the construction of these public systems at a future time from properties deemed to benefit from these systems.
15. Where the provision of public water or wastewater systems is deferred, the County shall include in the development agreement the criteria or circumstances which, when met or occur, will trigger the installation of the systems.
16. Notwithstanding the general expectation that the development of lands within the Joint Economic Area is at the initiative of land owners or developers, the Town and County separately or jointly may choose to extend water or wastewater infrastructure as a means of facilitating or encouraging development within the Joint Economic Area and may expect a recovery of these investments through offsite levies, direct construction contributions or utility rate surcharges.
17. When a developer is making application for the development and/or subdivision of lands within the JEA the County and Town will consider taking of lands for Municipal Reserve as allowed under the Municipal Government Act.

Sharing of Taxes and Grants in lieu of Taxes

18. As empowered under the provisions of Section 55 of the *Municipal Government Act, supra*, the County agrees to share with the Town, municipal taxes, other special purpose taxes and grants in lieu of municipal or special purpose taxes (hereinafter "Taxes") arising from new commercial, industrial and public uses developed within the Joint Economic Area during the currency of this Agreement.
19. Taxes derived from the assessment of linear property not required to service these new developments shall not be shared.
20. For development within the Joint Economic Area which is not provided with water and/or wastewater services from the public systems of the Town, the County will share with the Town 30% of the Taxes levied annually on these developments.
21. Where development within the Joint Economic Area is provided with water or waste water services from the public system of the Town, the County will share with the Town 40% of the Taxes levied annually on these developments, which shall be in addition to whatever utility charges and fees that are to be paid for water or waste water services.

22. Where development within the Joint Economic Area is provided with water and waste water services from the public system of the Town, the County will share with the Town 50% of the Taxes levied annually on these developments, which shall be in addition to whatever utility charges and fees that are to be paid for water and waste water services.
23. The County shall remit to the Town the Taxes to be shared under this Agreement, by September 30th in each year.
24. The County agrees to permit the Town to inspect the Assessment and Tax Roll of the County to the extent necessary to confirm the amount of Taxes that are to be shared.
25. The sharing of Taxes under this Agreement shall be recognized during the determination of overall funding arrangements between the Town and County for broader, shared services agreements.

Administration of the Agreement

26. A review of the provisions of this agreement will take place on an annual basis or at such time as the Town has less than 10% of its industrial designated land available for development.
27. During the currency of this Agreement, the Town agrees not to make application for annexation of lands lying to the west of Highway 2 within the Intermunicipal Area.
28. This Agreement shall continue in effect until terminated in accordance with the provisions of this Agreement.
29. The termination process may be initiated by either party by giving written notice to the other party.
30. Where notice of termination has been given, the Agreement shall terminate on December 31 of the year after the year in which notice is given.
31. If this agreement is terminated:
 - a) The County agrees to convey to the Town any funds collected by the County from developers and land owners for off site levies and development contributions that are attributable to the Town for the provision of public water and wastewater services.
 - b) The County agrees that it would not oppose annexation by the Town of any portion of the Joint Economic Area lying adjacent to the boundaries of the Town, should the Town so choose to initiate an

application for annexation, and the Town agrees to pay to the County for period of 10 years an amount equivalent to the amount of Taxes the County would have received under this agreement.

Resolution of Disputes

- 32. Disputes that may arise between the parties that are related to matters of land use planning and development control with the Joint Economic Area shall be resolved in accordance with the dispute resolution procedures of the Blackfalds Intermunicipal Development Plan.
- 33. All other disputes between the parties with respect to this Agreement shall be addressed in the following manner:
 - 33.1. The party initiating the dispute shall provide the responding party in writing the nature of the dispute and complete information concerning the disputed matter.
 - 33.2. Within 14 days, the responding party shall provide a reply to the initiating party addressing the issues of the disputed matter.
 - 33.3. If the dispute remains unresolved, the initiating party may request in writing of the responding party that the dispute be referred to the Intermunicipal Committee established by the Town and County which shall consider the dispute within 28 days of receiving the written request of the initiating party.
 - 33.4. If the matter cannot be resolved by the Intermunicipal Committee, the parties agree to appoint a mediator to mediate a resolution of the dispute between the parties.
 - 33.5. If the dispute remains unresolved after mediation, the parties may agree to refer the matter to arbitration in accordance with the *Arbitration Act*, R.S.A. 2000, c.A43 and be bound by the decision made.
 - 33.6. If the dispute is not referred to arbitration, the initiating party may seek such legal remedy as may be applicable.

IN WITNESS WHEREOF the parties hereto have executed this agreement effective the day and year first above written.

TOWN OF BLACKFALDS

LACOMBE COUNTY

Mayor

Chief Administrative Officer

Reeve

County Commissioner