

Annexation Agreement dated June 30, 2017

Between:

CITY of EDMONTON
(the "City")

And

LEDUC COUNTY
(the "County")

Preamble

- A. Pursuant to section 116 of the *Municipal Government Act* (RSA 2000, Chapter M-26) (the "MGA"), the City issued notices of intent to annex land from the County on March 15, 2013 and revised the notice on April 15, 2015 and January 30, 2017.
- B. Negotiations between the two parties began on June 26, 2014, and through monthly negotiations the "Framework for Agreement" (the "Framework") was drafted and signed on November 30, 2016, attached hereto as Schedule "A".
- C. Pursuant to section 117 of the MGA, the Negotiations continued building upon the Framework and resulted in agreement to the annexation of lands described in this document (the "Agreement").
- D. The parties wish to have continued collaboration in the preparation and implementation of the agreed upon annexation.

1. Annexation Lands

- 1.1 The City and the County agree that the lands described in Schedule "B" (the "Said Lands") shall, pursuant to an order by the Lieutenant Governor in Council (the "Annexation Order"), be annexed to the City from the County effective the date so issued by the Annexation Order (the "Effective Date").
- 1.2 The parties agree that unless mutually agreed, the City's boundary shall not shift again in any given sector of the County until joint planning for that sector has been completed.

- 1.3 The parties agree that the joint planning referenced in 1.2 shall be complete and approved by the Councils of the County and the City within five years from the Effective Date.
- 1.4 Notwithstanding the above, the City and the County acknowledge that the Province of Alberta has ultimate jurisdiction of annexation matters and that neither party intends for this Agreement to bind the Province of Alberta.

2. Inter-Jurisdictional Accord

- 2.1 The parties signed an Inter-Jurisdictional Accord attached hereto as Schedule "C".
- 2.2 Pursuant to the Inter-Jurisdictional Accord and the Framework, the parties agree to work together to ensure that the Airport reaches its potential as a key economic driver and contributor to the region's sustainability and success in such a manner that also avoids constraining it.
- 2.3 The parties agree that no new land use plans or rezoning of lands will be approved for the lands west of the Airport as shown on Schedule "D", without prior inter-municipal consultation or until joint planning related to the Airport and surrounding area has been completed.

3. Agriculture Land

- 3.1 The parties agree to jointly promote the concept of an agricultural land reserve or similar protection for agricultural land into the future.
- 3.2 Notwithstanding the above the parties agree that the Said Lands will be developed beyond agricultural land uses in accordance with existing or future statutory plans.
- 3.3 The parties acknowledge that the protection of agricultural land must be done as a region through a regional agriculture master plan and in collaboration with the Government of Alberta.

4. Roads

- 4.1 The City and County hereby agree to enter into collaborative, good faith discussions with each other to address:
 - i. shared interests in the functional planning of boundary roads including Highway 19, Township Road 510 and Range Road 243;
 - ii. cost sharing agreements related to updated design and construction of roads and municipal drainage infrastructure as required for each

boundary road; and

- iii. protocols for the review of proposed major developments located along any of the boundary roads, except for those lands in North Nisku under a local area structure plan or lands included in the Crossroads area structure plan or any lands under an area structure plan or local area structure plan within the City as of the date of this Agreement. Such planned lands will adhere to the standard referral protocol.

- 4.2 The City and County acknowledge that each party shall maintain its right to authorize or restrict any access to, or servicing from, any municipal infrastructure. In consideration for conformity with functional design and binding financial commitments from the other municipality, the City and County will respectively grant appropriate access rights to its infrastructure from lands located in the other municipality.
- 4.3 The City and County agree to mutually engage with Alberta Transportation regarding the final alignment, access and protection of the high load corridor status and maintain Provincial jurisdiction of Highway 19 and Highway 625.

5. Municipal Reserves

- 5.1 The County acknowledges that all money in place of Municipal Reserves provided to the County pursuant to the MGA and arising from subdivision of land in the Crossroads Area Structure Plan, will be paid to the City within thirty (30) days of the Effective Date, or the date of the Annexation Order, whichever occurs later.

6. Arterial Roadway Assessments

- 6.1 The County acknowledges that all money provided to the County arising from levies collected to fund the arterial roadway system within the Crossroads Area Structure Plan, will be paid to the City within thirty (30) days of the Effective Date, or the date of the Annexation Order, whichever occurs later.

7. East Area

- 7.1 The parties agree that it would be desirable and beneficial to jointly plan future growth in the southeast area of the Said Lands and therefore agree to work collaboratively on the interfaces between North Nisku, East Vistas,

the Town of Beaumont and the City and that the City and County will work together to seek consensus from the Town of Beaumont.

8. Effective Date of Annexation

- 8.1 The City and the County agree that the annexation should be effective as soon as possible. Both parties agree to request from the Province of Alberta that the Effective Date of the annexation be January 1, 2019.

9. Compensation

- 9.1 As consideration for the mutually binding obligations contained within this Agreement, the City hereby agrees to pay to the County compensation for the annexation of the Said Lands as follows:
- i. within thirty (30) days of the Effective Date or the Annexation Order date, whichever is later, a lump-sum compensation amount of \$3,200,000. The City shall pay the County the compensation amount upon fulfillment of the action plan outlined in Article 13.1.; and
 - ii. ten (10) annual payments of \$530,000 on or before June 30 of each year commencing with the year of the Effective Date or the Annexation Order date, whichever is later.
- 9.2 Notwithstanding Article 9.1, no compensation shall be due and payable in any form until the Effective Date.
- 9.3 The assessor of the City must assess, for the purposes of taxation commencing in the year of the Effective Date and subsequent years, the annexed land and the assessable improvements to it.
- 9.4 In order to allow the City to assess the annexed land, the County will provide to the City, as soon as practicable, and in any event no later than 60 days of being requested by the City, all assessment records relating to the annexed land and the assessable improvements to it.

10. Land Owner Transition Provisions

- 10.1 As consideration for the entering into of this Agreement, the parties agree that for taxation purposes after the Effective Date, and subsequent years, up to and including 2069, or such year as required to accommodate a fifty year transition period, the Said Lands and assessable improvements to it, except for linear property:
- i. for any given year, must be taxed by the City using the lower of the tax rate for the assessment classification or subclassification that is

currently assigned to the Said Lands and assessable improvements to it, or the tax rate for the assessment classification or subclassification that was assigned by the County as of the Effective Date. For greater clarity, the tax rates to be compared are the current tax rate and the tax rate for any given taxation year, and

- ii. The City will exempt farm buildings at the same level of exemption as if the buildings remained in the County pursuant to the Matters Relating to Assessment and Taxation Regulation AR 220/2004, or any subsequent regulation exempting farm buildings from taxation.

10.2 *Notwithstanding* Article 10.1 above the landowner transition provisions for taxation shall no longer apply where in any taxation year, a portion of the Said Lands:

- i. becomes a new parcel created as a result of subdivision or by instrument or any other method that occurs at the request of, or on behalf of the landowner,
- ii. is redistricted at the request of, or on behalf of the landowner, under the City's Land Use Bylaw to another district, or
- iii. is connected to municipal water and sewer at the request of, or on behalf of the landowner, or
- iv. receives a Major Development Permit to change the use of the land, and / or construct a permanent building or an addition to a permanent building, except in the following instances:
 - 1. major development permit for exterior alterations or renovations to an existing building,
 - 2. development permit for residential accessory uses or buildings, or
 - 3. any farm building or structure that would be exempted from assessment.

11. Tax Arrears

- 11.1 The parties agree that any taxes arrears owing to the County prior to the Effective Date, in respect to the Said Lands, shall be transferred and become payable to the City with any lawful penalties that were incurred prior to the Effective Date as if the Said Lands were still within the jurisdiction of the County; and upon the City collecting those taxes and penalties owing, the City shall pay them to the County.

12. Transition Provisions

- 12.1 The parties acknowledge that this annexation may have a number of impacts on property owners located within the Said Lands. The City agrees to work with the County and affected land owners in a good faith nature to understand and mitigate such impacts. These impacts may include, but are not limited to:
- i. Access to the Leduc Regional Landfill,
 - ii. Agricultural inspection services,
 - iii. Business license requirements, and
 - iv. Pet license requirements.
- 12.2 The parties will make reasonable efforts to facilitate an agreement between Epcor and the Capital Region Southwest Water Services Commission is reached regarding the ownership and operation of the Boundary Pump Station located within the Said Lands.

13 General Provisions

- 13.1 The City and the County agree to develop an action plan prior to the Effective Date for the transfer of all relevant records, documents, bylaws, resolutions, planning decisions, decisions in progress and any other like relevant documents or materials in order to ensure the annexation of the Said Lands can be implemented on the Effective Date.
- 13.2 This Agreement cannot be modified or amended except by an instrument in writing signed by both the City and the County.
- 13.3 Nothing contained within this Agreement shall nullify, replace, circumvent, extend or modify any existing jurisdiction, statutes or other regulations which govern the parties.
- 13.4 The parties agree to perform tasks, to issue instructions, to enter into such discussions and execute further documents as may be necessary from time to time in order to carry out the terms of this Agreement in accordance with their true intent.
- 13.5 The terms of this Agreement are indivisible. For further clarification, the parties agree that this Agreement shall only be binding in so far as it is in accordance with the specific terms of the requested Annexation Order.
- 13.6 The validity and interpretation of this Agreement, and of each article and part within this Agreement, will be governed by the laws of the Province of Alberta.

14 Term

- 14.1 This Agreement shall be valid upon the full execution by the parties and shall terminate on the Effective Date or the date of the Annexation Order, whichever is later.
- 14.2 Notwithstanding 14.1, the parties agree to honour the commitments made in this agreement beyond the Effective Date, unless such commitments contravene the Annexation Order.

15 Dispute Resolution

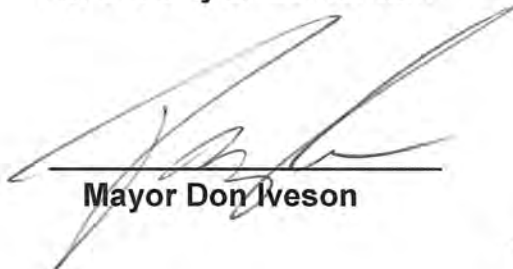
- 15.1 In the event of a dispute that arises from the implementation of this Agreement, the parties shall follow the process outlined here to resolve any disputes:
- i. the parties shall undertake an Administrative review in consultation with each other and shall engage the City and County Councils, respectively, as necessary;
 - ii. upon unsuccessful resolution through the Administrative review process, either party may initiate formal mediation; and
 - iii. either party may seek resolution of a matter through application to the Municipal Government Board.

16 Request to MGB

- 16.1 In furtherance of attaining the objectives contained within the Agreement, both parties agree to request the Municipal Government Board to recommend to the Lieutenant Governor in Council to include all matters contained in the Agreement within the Annexation Order.

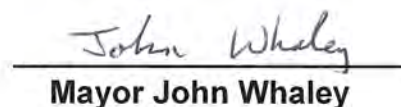
Signed this 30th day of June, 2017 at Edmonton International Airport, Alberta.

For the City of Edmonton:



Mayor Don Iveson

For Leduc County:



Mayor John Whaley

CITY of EDMONTON / LEDUC COUNTY ANNEXATION

Framework for Agreement

References

- A. Map of Proposed Annexation Areas [Appendix A]
- B. Land Descriptions [Appendix B]
- C. Map of North Nisku [Appendix C]
- D. Terms of Reference [Appendix D]

Background

The City of Edmonton has proposed an annexation of significant lands within Leduc County to allow it to address residential growth pressures into the future and to match residential growth with sufficient non-residential development to create balanced and sustainable assessment over time.

Leduc County has expressed a desire to jointly plan for growth management, to find ways to protect agricultural lands to the extent possible and to ensure a predictable revenue stream that will allow it to remain viable and be sustainable over time.

The discussions on these matters have been taking place in the context of what is occurring in the Edmonton Metropolitan Region and in particular the *Edmonton Metropolitan Region Growth Plan* and the Metro Mayors' Alliance initiative.

Overarching Premise

The City and the County acknowledge that together they need to collaborate on sustainable growth as regional partners.

Strategic Interests

The key strategic interests of the County and the City can be summed up as follows:

- Leduc County – To remain viable and sustainable into the future while pursuing a diversified economic base, protecting priority agricultural lands and completing long term joint planning prior to any further boundary changes.

- City of Edmonton – To be financially sustainable while serving as the environmentally responsible economic, social and cultural centre of a successful Edmonton Metropolitan Region.

Considerations

In addition to the main strategic interests there are a number of subsidiary interests or considerations that are important to take into account.

- Leduc County
 - Preservation of agricultural land.
 - Support provided to small urban centres helps them to remain viable.
 - Largely agricultural, therefore needs to secure long term diversified assessment base to ensure revenue.
- City of Edmonton
 - As the largest municipality in the region, has greater fiscal and financial capacity than the others.
 - As central hub, provides access to programs, services and amenities to the whole region.
 - As major urban centre in the region, absorbs a high proportion of residential development, therefore needs to achieve as close to a 70/30 residential to non-residential assessment ratio as possible.
 - As the major urban centre, sees the need to secure a 30 – 50 year sector land supply to effectively manage urban growth demands over time.
- Joint
 - Edmonton Metropolitan Region Growth Plan provides context.
 - Success of the Airport and the *Aerotropolis* concept is a shared goal.
 - Protection of landowner interests as well as the public good.
 - Certainty and predictability.
 - Diversified assessment base to mitigate revenue risk.
 - A successful Edmonton Metropolitan Region.

Key Framework Elements

Expressed in broad terms, the key framework elements that would form the basis of an agreement and therefore an uncontested annexation are:

1. **Agree** to jointly champion the concept of an agricultural land reserve or similar protection for agricultural land into the future recognizing that the lands currently under consideration for annexation will be developed. In so doing, recognize that the

protection of agricultural land must be done as a region and in collaboration with the Government of Alberta.

2. **Agree** that Leduc County will retain the North Nisku industrial area (see Appendix C) and the reservoir and agree that the City will amend the *Southeast Notice of Intent to Annex* accordingly.
3. **Agree** on an urban growth area for Edmonton east of North Nisku, north of Township Road 510 and west of Range Road 234 to address residential and non-residential growth pressures at or above the densities contemplated in the *Edmonton Metropolitan Region Growth Plan*.
4. **Agree** that it would be desirable and beneficial to jointly plan future growth in the southeast area given the interfaces between North Nisku, East Vistas, the Town of Beaumont and the City of Edmonton in collaboration and that the City and County will work to bring the Town of Beaumont into that consensus.
5. **Agree** on an urban growth area for Edmonton west of the QE II Highway and north of Highway 19 to address residential and non-residential growth pressures at or above the higher densities contemplated in the *Edmonton Metropolitan Region Growth Plan*.
6. **Agree** that the City will withdraw the lands west of the Airport and south of Highway 19 from the *Southwest Notice of Intent to Annex*.
7. **Agree** to work together to ensure that the Airport reaches its potential as a key economic driver and contributor to the region's sustainability and success; the corollary being, to avoid constraining it. To that end, no new land use plans or rezoning of lands will be approved in the Airport shadow west of the Airport until joint planning for the Airport area has been completed. The first preparatory stage of this joint planning, to be completed by 30 June 2017 and to be undertaken by the City of Edmonton, Leduc County and the Edmonton International Airport, is to identify the servicing requirements of the Airport and the fiscal and financial impacts of different jurisdictional scenarios. The results of this work will guide whether or not the City of Edmonton ultimately includes the Airport in its final annexation application (see Appendix D). The work is to be informed by the *Aerotropolis* concept and be based on the principle of "shared investment for shared benefit".
8. **Agree** that unless mutually agreed, the City's boundary will not shift again in any given sector of Leduc County until joint planning for that sector has been completed. **Agree** that the joint planning contemplated under this Framework for Agreement must be complete and approved by the Councils of Leduc County and the City of Edmonton within five years from the date of its approval. **Agree** that any future boundary changes will comply with the results of the joint planning undertaken in fulfillment of this

Framework for Agreement.

9. **Agree** to work together to protect the Highway 19 and Highway 625 high load corridors.

Notes:

1. The concept of joint planning as it is used in this *Framework for Agreement* is meant to be: inclusive not restrictive; include both statutory and non-statutory elements; and, be primarily between the City of Edmonton and Leduc County. The form that the joint planning will take is to be determined and agreed upon by both municipal Councils by 1 July 2017.
2. The term "Edmonton Metropolitan Region" has been approved by the Capital Region Board (CRB) for use instead of the term "Capital Region".

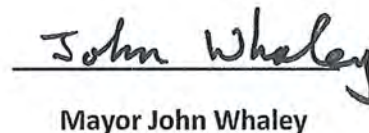
Signed this 30th day of November 2016 at Nisku, Alberta.

For the City of Edmonton:

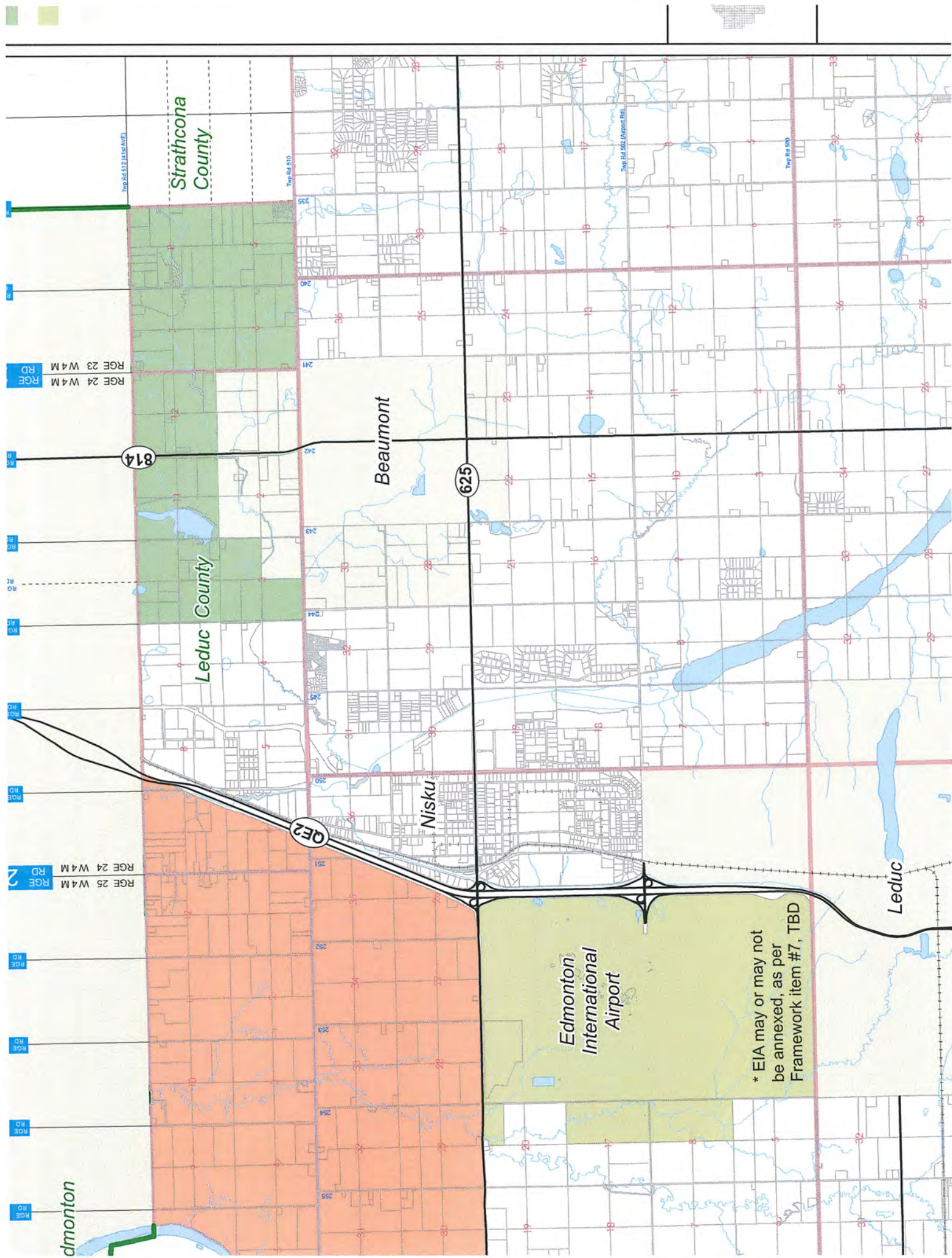


Mayor Don Iveson

For Leduc County:



Mayor John Whaley



814

625

962

Beaumont

Nisku

Edmonton
International
Airport

Leduc

Strathcona
County

Leduc
County

Edmonton

* EIA may or may not
be annexed, as per
Framework item #7, TBD

RGE 23 W4M
RGE 24 W4M
RD

RGE 24 W4M
RGE 25 W4M
RD 2

City of Edmonton / Leduc County

Annexation Framework for Agreement:

Legal Descriptions of Annexation and Joint Planning Areas

Revised Southwest Annexation Area

DESCRIPTION OF LANDS TO BE ANNEXED

The lands proposed for annexation to the City of Edmonton are described on the attached map, Appendix A, including all titles and road plans that lie within listed Sections unless otherwise stated, and are described as follows:

Township 51, Range 26, West of the 4th Meridian:

All of those portions of Section 1 lying east of the right bank of the North Saskatchewan River.

Township 51, Range 25, West of the 4th Meridian:

Sections 1, 2, 3, 4, 9, 10, 11, 12, and all of those portions of Sections 5, 6, 7, 8 lying east and south of the right bank of the North Saskatchewan River.

Township 51, Range 24, West of the 4th Meridian:

All of those portions of Sections 6, 7, 8 lying west of the western boundary of the Queen Elizabeth II Highway (Highway 2) right-of-way.

Township 50, Range 26, West of the 4th Meridian:

Sections 25, 36.

All of those portions of the northeast quarter of Section 26 lying east of the middle thread of an unnamed creek running through the said quarter section, the said middle thread intersection the south boundary thereof one thousand eight hundred and eighty one (1881) feet more or less easterly from the south west corner thereof and intersecting the north boundary three hundred and ninety six (396) feet more or less easterly from the north west corner thereof containing 40.5 hectares (100 acres), more or less.

All of those portions of the east half of Section 35 lying east and south of the right bank of the North Saskatchewan River.

Township 50, Range 25, West of the 4th Meridian:

Sections 9, 10, 15, 16, 21, 22, 27, 28, 29, 30, 31, 32, 33, 34, and east halves of Sections 8, 17, and the north half of the north east quarter section of Section 20 excluding Lot C Plan 8120750, and all of those portions of Sections 11, 14, 23, 26, 35, 36 lying west of the western boundary of Queen Elizabeth II

Highway right-of-way, and all of those portions of Sections 3, 4 lying north of Township Road 500 (65 Avenue in the City of Leduc), and all of those portions of Section 2 lying west of the western boundary Queen Elizabeth II Highway right-of-way and north of Township Road 500 (65 Avenue).

Revised Southeast Annexation Area

DESCRIPTION OF LANDS TO BE ANNEXED

The lands proposed for annexation to the City of Edmonton are described on the attached map, Appendix A, including all titles and road plans that lie within listed Sections unless otherwise stated, and are described as follows:

LANDS WITHIN LEDUC COUNTY:

Township 51, Range 24, West of the 4th Meridian:

Sections 1, 2, 3, 10, 11, 12.

Township 51, Range 23, West of the 4th Meridian:

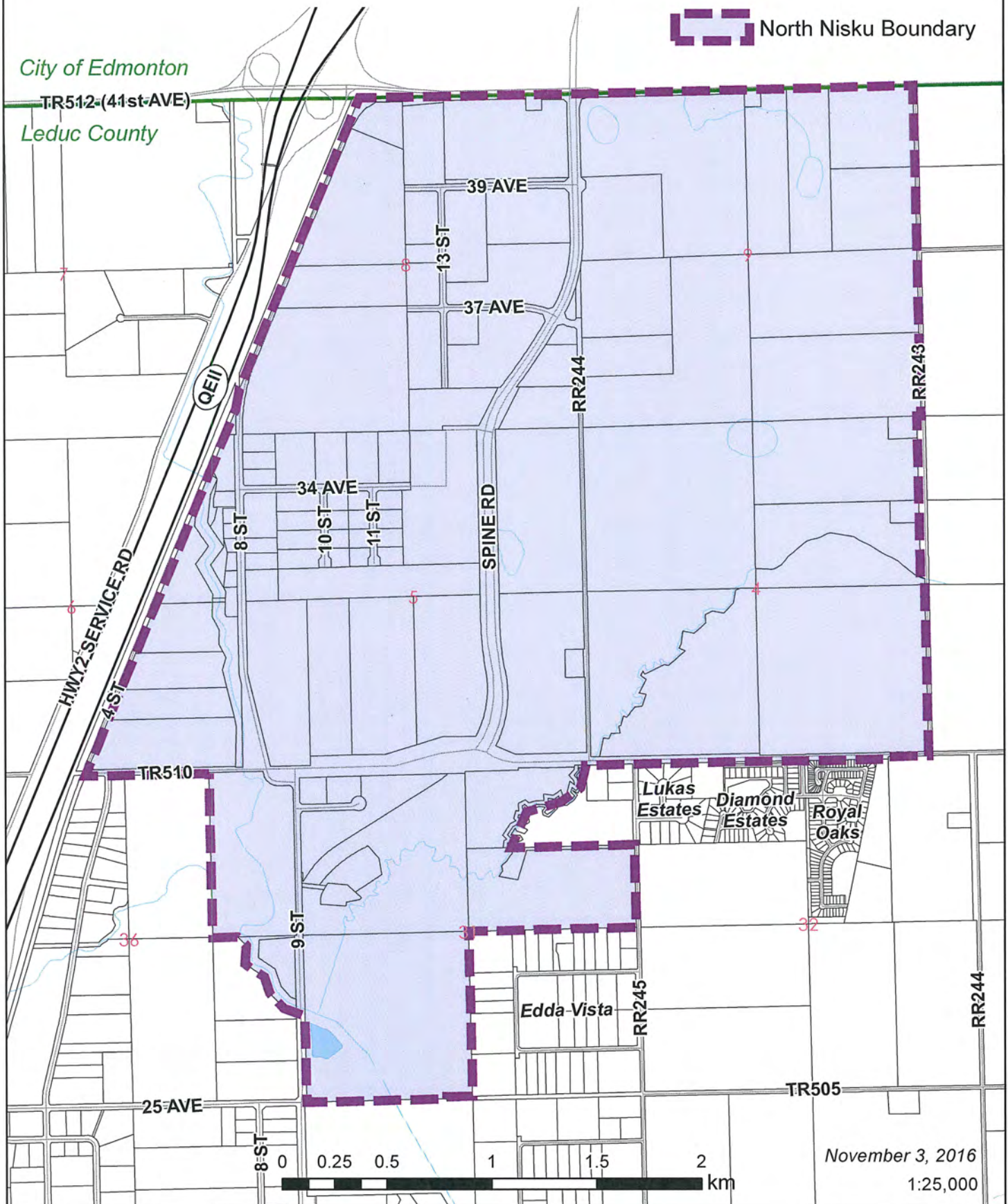
Sections 5, 6, 7, 8.

LANDS WITHIN TOWN OF BEAUMONT:

Highway 814 (50 Street)

All of those portions within the roadway right-of-way from the south boundary of the City of Edmonton at 41 Avenue SW to the south boundary of Township Road 510.

Appendix C: Map of North Nisku



CITY of EDMONTON / LEDUC COUNTY ANNEXATION

Terms of Reference Edmonton International Airport

BACKGROUND

Key Framework Element 7 of the City of Edmonton / Leduc County Annexation Framework for Agreement calls for a collaborative approach to creating the conditions for the Airport to fulfill its potential as a key contributor to the Edmonton Metropolitan Region's success. In preparation for a more comprehensive joint planning initiative it calls upon the City and the County in collaboration with the Airport Authority to undertake preparatory work to identify the Airport's servicing needs and the fiscal and financial implications of two jurisdictional scenarios related to the annexation proposal. These Terms of Reference will guide the implementation of the initial preparatory work contemplated by Framework Element 7.

INTENT

The intent is to provide information that will guide whether or not the City of Edmonton ultimately includes the Airport in its final annexation application.

ISSUES TO BE EXAMINED

Specific issues to be examined are:

1. The Edmonton International Airport's servicing and transportation requirements.
2. The fiscal and financial impacts of two jurisdictional scenarios: the Airport annexed and the status quo.

TIMEFRAME

Work is to be complete by 30 June 2017.

ADMINISTRATIVE WORKING GROUP

An administrative working group is to be appointed to do the work necessary.

FACILITATION

Bill Sutherland and Bill Diepeveen will provide facilitation support as necessary.

STEERING COMMITTEE

The CAOs of the City and the County will act as a Steering Committee.

AIRPORT ENGAGEMENT

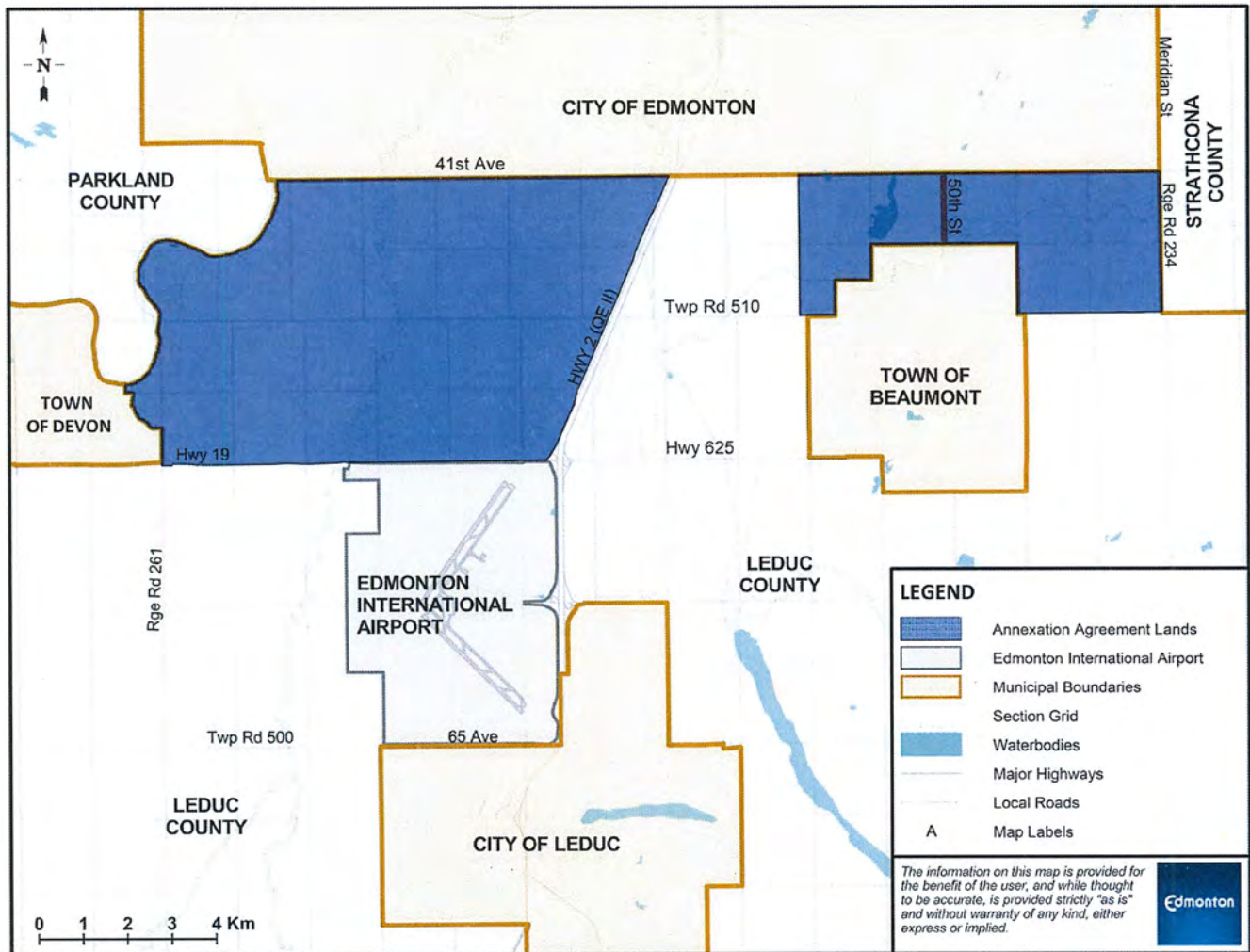
It is important that the Airport be engaged in this exercise and that its input be given appropriate weight.

REPORTING EXPECTATIONS

A final report is to be provided to the Annexation Negotiating Committee no later than 30 June 2017.

City of Edmonton / Leduc County Annexation Agreement

Map 1: Annexation Lands



City of Edmonton / Leduc County Annexation Agreement**Legal Descriptions of Annexation Lands**

Southwest Annexation Area**DESCRIPTION OF LANDS TO BE ANNEXED**

The Annexation Lands as depicted on Map 1 attached to this Schedule B, including all titles and road plans that lie within listed Sections unless otherwise stated, and are described as follows:

Township 51, Range 26, West of the 4th Meridian:

All of those portions of Section 1 lying east of the right bank of the North Saskatchewan River.

Township 51, Range 25, West of the 4th Meridian:

Sections 1, 2, 3, 4, 9, 10, 11, 12, and all of those portions of Sections 5, 6, 7, 8 lying east and south of the right bank of the North Saskatchewan River.

Township 51, Range 24, West of the 4th Meridian:

All of those portions of Sections 6, 7, 8 lying west of the western boundary of the Queen Elizabeth II Highway (Highway 2) right-of-way.

Township 50, Range 26, West of the 4th Meridian:

Sections 25, 36.

All of those portions of the northeast quarter of Section 26 lying east of the middle thread of an unnamed creek running through the said quarter section, the said middle thread intersection the south boundary thereof one thousand eight hundred and eighty one (1881) feet more or less easterly from the south west corner thereof and intersecting the north boundary three hundred and ninety six (396) feet more or less easterly from the north west corner thereof containing 40.5 hectares (100 acres), more or less.

All of those portions of the east half of Section 35 lying east and south of the right bank of the North Saskatchewan River.

Township 50, Range 25, West of the 4th Meridian:

Sections 27, 28, 29, 30, 31, 32, 33, 34, and all of those portions of Sections 26, 35, 36 lying west of the western boundary of Queen Elizabeth II Highway right-of-way.

Highway 19

All of those portions within the roadway right-of-way from the eastern boundary of the Town of Devon to the western boundary of the Queen Elizabeth Highway 2.

Southeast Annexation Area

DESCRIPTION OF LANDS TO BE ANNEXED

The Annexation Lands as depicted on Map 1 attached to this Schedule B, including all titles and road plans that lie within listed Sections unless otherwise stated, and are described as follows:

LANDS WITHIN LEDUC COUNTY:

Township 51, Range 24, West of the 4th Meridian:

Sections 10, 11, 12, and the north-east, north-west and south-west quarters section of Section 3.

Township 51, Range 23, West of the 4th Meridian:

Sections 5, 6, 7, 8.

Range Road 243

All of those portions within the roadway right-of-way from the south boundary of the City of Edmonton at 41 Avenue SW to the south boundary of Township Road 510.

Township Road 510

All those portions within the roadway right-of-way from the eastern boundary of the Town of Beaumont to the western boundary of Strathcona County at Range Road 234.

All those portions within the road right-of way from the western boundary of Range Road 243 to the western boundary of the Town of Beaumont.

***CITY of EDMONTON, LEDUC COUNTY, CITY of LEDUC
and***

EDMONTON REGIONAL AIRPORTS AUTHORITY

INTER-JURISDICTION COOPERATION ACCORD

BACKGROUND

This accord has its genesis in discussions between Leduc County and the City of Edmonton related to the City's need to accommodate growth into the future. It became apparent to both early on that they shared the common interest of ensuring that the Edmonton International Airport (the "Airport") be given the support it needs to optimize its potential including access to services, infrastructure and land use planning so as not to constrain its ability to operate around the clock 365 days per year. In addition, both municipalities recognized that this goal could not be achieved without the active involvement of both the Edmonton Regional Airports Authority (the "Authority") and the City of Leduc. It is this recognition, as well as shared regional interests that underlies the collaborative foundation of this accord.

An important opportunity exists therefore, to create a model of inter-jurisdictional collaboration that not only has the potential to significantly contribute to the economic prosperity of the Edmonton Metropolitan Region (the "Region") but also to reshape the paradigm and expectations of such collaboration and the relationships upon which it is based into the future.

This opportunity recognizes that the City of Edmonton, Leduc County, the City of Leduc and the Edmonton Regional Airports Authority have long standing and multi-faceted relationships. All four exist within the Edmonton Metropolitan Region and are committed to contributing to its success.

This opportunity is also built on a foundation of shared success and shared interests. The City of Edmonton, the largest municipality and de facto regional central city; Leduc County, host municipality for the Airport; the City of Leduc, currently the Airport's closest urban neighbour; and the Authority, have together already achieved significant success in positioning the Airport as a key element of the Region's economic and social fabric.

It has also long been recognized that it is in the strategic best interests of the Region as a whole and the municipalities surrounding the Airport in particular, to create certainty and to ensure

that the Authority and the Airport have the regional services, transportation linkages and municipal support to allow them to fulfill their potential as key components of the Region's economic prosperity.

At the same time, it has also long been recognized that each municipality has certain key interests. The City of Edmonton for example, wants to enable its long-term sustainability and that of the Region by ensuring effective complementary planning, compatible land uses and infrastructure connections that are economical and avoid duplication. For its part, Leduc County wants to jointly plan for growth management, to find ways to protect agricultural lands to the extent possible and to ensure a predictable revenue stream that will allow it to remain viable and be sustainable into the future. At the same time, the City of Leduc, while impacted by its proximity to the Airport and its operations, wants to leverage that proximity to achieve mutual benefit and ensure that the Airport is not unduly constrained in the long-term.

The Authority is an independent not-for-profit, non-share capital corporation with rights, responsibilities and obligations granted to it under both Federal and Provincial legislation including but not limited to on Airport land development. The Authority is mandated by that legislation to contribute to the economic prosperity of the Region and Northern Alberta. The Authority's jurisdiction over the Airport is independent of municipal boundaries and is not and cannot be subordinated to municipal jurisdiction. The Airport sits on Federal Government land which the Authority is tasked to manage under the terms of a long-term ground lease with the Federal Government (the "Ground Lease"). In accordance with the Ground Lease, an agreement currently exists between the Authority and Leduc County that ensures that the development of the Airport lands is and will continue to be in harmony with the overall planning objectives of Leduc County and that where applicable, the development of Airport lands complies with restrictions, requirements and procedures agreed upon by the Authority and the County. The nature of the aviation industry and airport operations is such that the Authority must take a long-term approach to its development of the Airport.

The evolution of the current relationships among the City of Edmonton, Leduc County, the City of Leduc and the Authority provides an unprecedented opportunity to innovate, capitalize on the strengths, capacity and capabilities of each to achieve more than would otherwise be possible while at the same time recognizing that what is occurring in the Region and in particular the *Edmonton Metropolitan Region Growth Plan*, the regional economic development initiative, the Authority's Strategic Plan and economic development concepts such as *Aerotropolis*, *Airport City* and *Port Alberta* and that their individual interests will also evolve over time.

AIM

The aim of this Accord is to set out the principles, broad guidance and terms of reference for a four-party approach to creating the conditions that will allow the Edmonton International Airport to achieve its potential as a key economic driver and contributor to the Edmonton Metropolitan Region's sustainability and success.

ENABLING INTERPRETATION

The Accord is to be interpreted as enabling inter-jurisdiction cooperation and collaboration.

PARTNERS

The partners to this Accord are the City of Edmonton, Leduc County, the City of Leduc and the Edmonton Regional Airports Authority (the “Partners”).

GUIDING PRINCIPLES

This Accord and any actions resulting from it are to be based on the following principles:

- The Airport is an enabler of the Region’s economic success.
- Collaboration is necessary to ensure sustainable growth over time.
- Shared investment for shared benefit is a desired goal.
- Changes to existing fiscal and servicing arrangements should be equitable and produce net benefit.
- Efficient and effective service provision, transportation linkages and land use are in the best interests of the Partners.

DEFINITION

- *Jurisdiction* means the official power to make legal decisions.

TERMS OF REFERENCE

1 PURPOSE/INTENT

- a) The purpose of the collaborative initiative under this Accord is to ensure coordinated, complementary and coherent short, medium and long-term planning and implementation among the Partners in the areas of land use, services, transportation, economic development, coordination with other orders of government and cost and benefit sharing.
- b) In so doing, the intent is to create the conditions that will allow the Authority and the Airport to optimize their potential as key contributors to the economic prosperity and long-term success of the Region. A key enabling condition is that the Partners protect the 24-7 operations of the Airport through appropriate land use.

2 GENERAL OUTLINE

- a) This collaborative initiative will focus on land use, services, transportation linkages, economic development and cost and benefit sharing. It will be carried out in three phases each of which may have sub-phases if needed:
 - i) Phase 1 – Immediate Operational Issues, Shared Investment for Shared Benefit Model and Conceptual Framework Development;
 - ii) Phase 2 – Detailed Plans; and
 - iii) Phase 3 – Implementation.

3 DELIVERABLES

- a) The aim of Phase 1 is to address the immediate operational issues identified by the Authority, to develop a workable shared investment for shared benefit model that would potentially be scalable, to develop a plan for engaging the Provincial and Federal orders of government, to develop a coordinated response to the potential monetization of the Airport and to develop four complementary high level conceptual frameworks in key focus areas. These high level conceptual frameworks together constitute a joint development approach for the Airport. The seven deliverables for Phase 1 are:
 - i) Immediate Operational Issues Resolution;
 - ii) Inter-jurisdictional Land Use Framework;
 - iii) Inter-jurisdictional Servicing and Transportation Framework;
 - iv) Inter-jurisdictional Economic Development Framework;
 - v) Inter-jurisdictional Cost and Benefit Sharing Framework;
 - vi) A plan for engaging senior orders of government; and
 - vii) A coordinated response to the potential monetization of the Airport.
- b) The subsequent aim, once the high level conceptual frameworks are approved, would be to do the necessary detailed planning for each. Specific deliverables for Phases 2 and 3 will be determined as each phase is further defined.

4 TIMELINE

- a) It is anticipated that Phase 1 will require 12-24 months.
- b) It is also anticipated that the Phases identified will overlap with each other.
- c) Detailed timelines for subsequent phases will be developed as each phase is further defined.

- d) It is anticipated that once Phase 1 is complete, Phase 2, the creation of detailed plans for each of the four focus areas, will require 1-3 years and that Phase 3, implementation, will take place over the medium to long term, 3-15 years. It is also anticipated that opportunities for concurrent activity will shorten these timelines.

5 FACILITATION

- a) Phase 1 is to be facilitated as required by Bill Sutherland and Bill Diepeveen in support of the Oversight Committee and any working groups that might be created (see below).
- b) Facilitation for subsequent Phases will be determined as the scope of those Phases is defined.

6 OVERSIGHT COMMITTEE

- a) The Oversight Committee will be a committee of elected officials plus the Chief Administrative Officers or designate from each of the City of Edmonton, Leduc County and the City of Leduc and a member or members of the Authority's executive management as determined by it.
- b) The CAOs and a member of the Authority's executive management or their designates will perform the functions of a steering committee if and when required as determined by the Oversight Committee.

7 WORKING GROUPS

- a) Working groups will be established as required under the authority of the Oversight Committee with terms of reference approved by that Committee.
- b) Working groups will report to the Oversight Committee as required.

8 DECISION-MAKING

- a) The Oversight Committee will report to the Councils of the City of Edmonton, Leduc County, the City of Leduc and the President and Chief Executive Officer of the Authority.
- b) The Oversight Committee and working groups established under the Accord will use a consensus approach to decision-making.
- c) Unless otherwise delegated, the Councils of the City of Edmonton, Leduc County and the City of Leduc and the President and Chief Executive Officer of the Authority are the final decision-making authorities.

9 PROCESS/METHODOLOGY

- a) Project Charters are to be jointly developed by the Partners for the creation of each of the four high-level conceptual frameworks called for in Phase 1. The geographic area to which each framework applies is to be mutually agreed and specified in the relevant project charter. Project Charters are to be presented to the Oversight Committee for approval.
- b) Concurrently, Work Plans for each of the four Phase 1 conceptual frameworks are to be jointly developed. Work Plans are to be presented to the Oversight Committee for information.
- c) The Oversight Committee is authorized to determine how best to get the work done whether it be through the use of in-house resources, external consultants or a combination of both.
- d) The collection and creation of data and information in support of activities undertaken under this Accord is to be done in a mutually acceptable way.
- e) The process stewards under this Accord will be the Facilitators as required.

10 REPORTING EXPECTATIONS

- a) Working Groups will report to the Oversight Committee no less than monthly for Phase 1. Reports may be verbal, in writing or a combination of both. Reporting requirements for subsequent phases will be determined when those phases are further defined.
- b) Respective representatives on the Oversight Committee will ensure that the Councils of the two Cities and the County and the President and Chief Executive Officer of the Authority are kept informed on a timely basis; the aim being to ensure that there are no surprises and that all members of each are getting the same information at the same time.

11 COORDINATING INSTRUCTIONS

- a) Funding. Costs associated with this initiative will be shared as determined by the Oversight Committee. The City of Edmonton will be the Partner responsible for ensuring financial accounting and accountability on behalf of the Partners.
- b) Administrative Support. Each Partner will contribute to the administrative support for the collaborative initiative under this Accord as determined by the Oversight Committee with advice from the Facilitators.

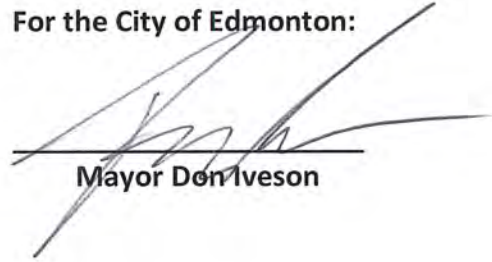
- c) Communications and Information Sharing. Direct liaison and full disclosure of information among the Partners as required is authorized. All discussions and information-sharing is to be considered WITHOUT PREJUDICE unless determined otherwise by the Oversight Committee or a mutually agreed upon decision is made by respective Councils and the President and Chief Executive Officer of the Authority.
- d) Confidentiality. Unless determined otherwise by the Oversight Committee, work done under the umbrella of this Accord is to be considered CONFIDENTIAL. The Oversight Committee is to routinely review the implementation of this provision with a view to ensuring appropriate public disclosure of information.
- e) Public Engagement. Notwithstanding the need for confidentiality, public engagement may from time-to-time be useful. Such engagement will be mutually determined and agreed upon as required.

CONCLUSION

The success of the collaborative initiative under this Accord will require good faith on the part of each Partner, a commitment to meaningful collaboration, a focus on achieving mutual benefit and by extension, benefit for the Edmonton Metropolitan Region as a whole and a willingness to make shared investment for shared benefit.

Signed this 30th day of June, 2017 at Edmonton International Airport, Alberta.

For the City of Edmonton:



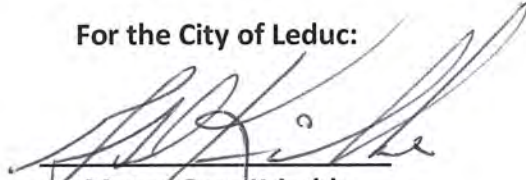
Mayor Don Iveson

For Leduc County:



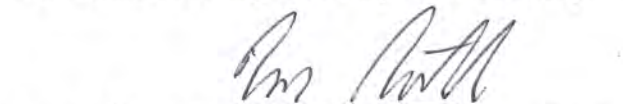
Mayor John Whaley

For the City of Leduc:



Mayor Greg Krischke

For Edmonton Regional Airports Authority:

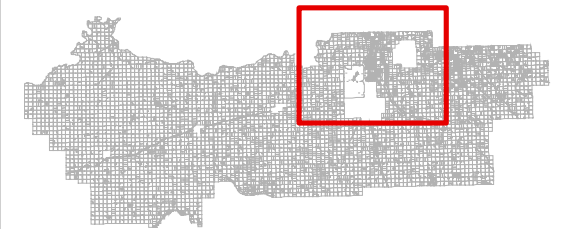


President & Chief Executive Officer Tom Ruth

Schedule "D"

Legend

-  Lands West of the Airport
-  Proposed Annexation Area A
-  Proposed Annexation Area B
-  Airport
-  City/Town



Updated: June 7, 2017

