



## **COUNCIL – AGENDA REPORT**

**Meeting Date:** 17 December 2024  
**Subject:** Remove Reserve Designations for Desired Uses  
**Directorate:** City Manager

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### **Issue:**

Council is being asked to align current uses of City-owned land with the appropriate land designation for identified City-owned lands to preserve the current services and business operations on the subject properties. The areas will continue to be zoned for public open space and public recreation under the Land Use Bylaw.

### **Policy / Council Direction:**

In certain circumstances, the *Municipal Government Act*, RSA 2000, c M-25 (the “MGA”) allows municipalities to ask for and hold land under a reserve designation for public benefit. The MGA limits how this reserve-designated land may be used. Municipal reserve (MR) land may only be used for public parks, public recreation, school board purposes and to separate land uses.<sup>1</sup>

The reserve designation should be removed if the municipality needs to lease some or all of the land.<sup>2</sup> The municipality must use the rent payments for the former reserve’s public purpose.<sup>3</sup> To remove a reserve designation, a municipality must first advertise the proposed change and then hold a public hearing.<sup>4</sup> Afterwards, Council may pass a resolution to notify Alberta Land Titles Office of the request for designation removal.<sup>5</sup>

In addition to any reserve-designation restrictions, property within the City is governed by the City’s *Land Use Bylaw*, B-01/2016. This bylaw sets out zoning districts that prescribe allowable uses of the land. The properties subject to this report are zoned as either Public Open Space District (P-1) or Public Facilities District (P-2). This zoning requires spaces be used as a park, recreation facility, open space, or ancillary purposes.

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<sup>1</sup> MGA, s 671(2)

<sup>2</sup> MGA, s 675(1)

<sup>3</sup> MGA, s 675(3)(a)

<sup>4</sup> MGA, ss 674(1)(a)(i) and (3)

<sup>5</sup> MGA, s 675(3)

Attachment “1” of this report contains excerpts from the relevant sections of the MGA and the Land Use Bylaw.

On October 1, 2024, Council directed Administration to commence the public hearing process so Council can consider whether to remove specific reserve designations so the land’s historic uses and leases better align with modern legislation.

### **Background:**

Administration is continually adapting to the City of Airdrie’s rapid growth by updating its practices, where needed. In reviewing the City’s leasing procedures, Administration found an opportunity to maximize the positive experiences of the Airdrie community within the limitations of legislation and the City’s finite resources.

Administration has identified properties where the reserve designation restrictions do not align with the businesses and services that have historically operated there (see Attachment “2” for a list of the properties). Some of the activities do not fit within the reserve’s permitted purposes. Many operations require a lease agreement for their certainty, security, and exclusive property access. As well, most have invested in developing their leased properties.

For years, the Airdrie community has used and enjoyed the services offered by the non-profit organizations and commercial businesses leasing portions of these lands. Their services and activities range from social clubs to BMX sports to physiotherapy to food services. Their operations conform to the land’s zoning under the Land Use Bylaw.

On May 1, 2024 and October 1, 2024, Administration presented information to Council in closed session about the properties itemized in Attachment “2”. At the October 1, 2024 meeting, Council instructed Administration to commence the process to consider the removal of the reserve designations.

### **Council Committee Routed Through:**

This report was not routed through a committee because interest in City-owned land is wholly the jurisdiction of Council and there are no implications on service provision if approved.

### **Administration Recommendation:**

Administration recommends removing the reserve designation from the properties listed in Schedule “2”.

By removing the restrictive reserve designation from certain lands, the Airdrie community can continue to utilize the amenities offered there while the City better complies with legislation and the common law. The non-profits and businesses can carry on under lease agreements, which is the best practice for these operation types.

If the reserve designation is removed, it is important to note the following:

- The City is not losing ownership of the lands.

- The services and access the public currently enjoys will not change.
- The *Land Use Bylaw* protects the use of the lands for the public because the zoning aligns with the reserve's public purpose. Additional restrictions may be added this way, if desired.
- The City must use any rent payments to finance the reserve's public purpose.
- Council can reinstate the reserve if it's desirable to discontinue leasing the space.

This recommendation is not creating a policy to regularly remove reserve designations. This plan is for specific properties where longstanding leases or uses do not align with the restrictions of reserve-designated land. Administration has implemented processes to ensure leasing procedures better conform with the MGA going forward.

There are risks to this approach, notably the granting of an interest in City land. However, these risks can be addressed by well-drafted contracts between the parties. Also, the building community may have concerns about this direction. The City can manage these concerns with clear communication to the builders and developers that this approach is only considered where there is a historical lease or use of the land that does not align with the MGA.

### **Alternatives/Implications:**

1. Keep reserve designations and only allow licences to occupy: If the City only licences the reserve-designated land, then the City avoids giving an interest in the land, entering into a legislated landlord/tenant relationship, and having instruments registered on title. It also complies with the MGA. The risk is these properties will not be suitable for operations that require leases. Licences to occupy do not give businesses exclusive access and use of the property, are often short-term, do not permit certain development or investments, and may disqualify businesses for loans and grants.
2. Make no changes: The City could continue to lease reserve-designated lands. This is against the legal advice and does not conform with the MGA. While the leases on reserve land have not been an issue, there is uncertainty for the City and lease-holders.

### **Budget Implications:**

No changes to the approved budget are required. Land Titles charges a \$30 fee per parcel to remove Reserve designations. The estimated cost is \$180 plus mailing costs and can be accommodated in Corporate Properties' operating budget.

The MGA requires the proceeds from the disposition of reserve land to be accounted for separately and used for the reserve's permitted uses. This means that the payments the City receives from the organizations renting the space will be used to pay for public parks, public recreation, or school board purposes. Administration is prepared to make the necessary accounting changes to satisfy these requirements.

### **Communications and Engagement:**

Today's public hearing was first advertised on November 21, 2024. The advertisements are in accordance with MGA sections 216.4 and 606, and the City's *Public Notification Bylaw*, B-02/2019. Notices were posted at each of the subject sites listed, as required by MGA section 674(3) on December 2, 2024.

In November, the organizations with leases and licences on the subject properties were sent information about the proposed reserve designation removal and public hearing.

### **Recommendation:**

THAT Council directs the City Manager, being a designated officer of the City of Airdrie, to notify the Registrar of the Land Titles Office that the provisions of the Municipal Government Act, have been complied with and request the Registrar to remove a designation of municipal reserve, or equivalent, from the properties identified in Attachment "2" of the "Reserve Designations Alignment" report presented at the December 17, 2024 regular Council meeting.

"Sonya Hope"

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Sonya Hope, Municipal Legal Counsel

Staff Presenter:	Sonya Hope, Municipal Legal Counsel
External Presenter:	N/A
Department:	City Manager
Reviewed by:	Charlotte Satink, City Clerk; Mike Korman, Manager of Advocacy and Investment
Attachments:	#1: Excerpts from the MGA and Land Use Bylaw #2: Reserve-designated Lands with Historical Leases