



STAFF REPORT

Title: Lakeshore Environmental Reserve Lands Licence Agreement Implementation

Meeting Date: March 18, 2025

Executive Summary:

Administration is seeking the Committee's feedback in relation to the proposed implementation of licence agreements for the use of the City's Environmental Reserve lands.

Background:

Since 2019, Administration has been working to resolve the long-standing issue of private encroachments on the City's reserve lands along the shore of Cold Lake. The City's lands were a combination of lands registered as Municipal Reserve (MR) and Environmental Reserve (ER) as well as several parcels simply designated as Reserve (R) under previous provincial legislation.

It is important to recognize that many of the encroachments have been in place for many years, and may have survived multiple changes in ownership, hence the current owners of the adjacent properties may not be the parties responsible for their construction. It should also be noted that, in the early 2000s, the City had entered into agreements with adjacent owners to allow some of the observed encroachments under the *Lakeshore and Environmental Reserve Lands Policy*. The intent of the policy was to "grandfather" the existing encroachments until such time as the City had developed a vision and plan for the lakeshore reserve lands. This policy was rescinded by Council in 2009 as it was determined that the policy, although well intentioned, did not comply with the requirements of the *Municipal Government Act* (MGA).

In 2019, the City retained a surveyor to document all existing encroachments on the City's lakeshore reserves so that the full scope of the issue could be understood, as well as to have a complete understanding of the types of encroachments that were in place. It also served to educate adjacent property owners where their actual property boundaries lay, relative to the City's lands and the lakeshore.

In the summer of 2020, an open house was held for the public to discuss the findings of the 2019 survey and gather feedback on possible options to move forward. Options presented ranged from sale of the City's lands to strict enforcement and removal of encroachments. The majority of the attendees at the open house were in favor of the City either selling or leasing the reserve lands.



In early 2021, Council had given direction to reduce the City's reserve lands to the 6-metre minimum width as stipulated by the MGA, with the balance of the lands to be offered for sale to the adjacent property owners. The exception to this being several areas in Horseshoe Bay with a history of slope instability, where the full reserve lands would be retained. As a result, Administration commissioned another survey to determine the current location of the bed and shore of the lake (which also forms the boundary between lands under the City's jurisdiction and those under Provincial jurisdiction through Alberta Environment and Parks (AEP) as well as prepare for the eventual sale of the surplus reserve lands. When the survey was received, it became apparent that the shoreline had shifted significantly in a number of locations due to the natural erosion processes of the lake. It was foreseeable that, if the City retained only a minimal strip of reserve land along the lake, that this would potentially be eroded through in 30 years. This would result in discontinuous public access along the lakeshore as well as leaving no buffer between private properties and those under AEP jurisdiction.

Given the foreseeable issues due to erosion, it was determined that the best way to proceed would be to retain all City owned reserve lands to ensure that the public will continue to have access to and along the lakeshore. The current process seeks to balance the need to maintain public access and a buffer along the lake, while allowing lake-adjacent residents to continue to use the ER lands for recreation purposes.

To allow the City to enter licence agreements with the adjacent property owners, the existing Municipal Reserves (MR) were re-designated as Environmental Reserves (ER) in the fall of 2021. Per Section 676 of the MGA, Environmental Reserve (ER) lands may be used for alternative purposes, beyond those specified in Section 671(1) of the MGA (which restricts use of ER to a public park or being left in its natural state), subject to Council passing a bylaw after holding a public hearing. Section 676 also allows ER lands to be leased or otherwise disposed of for a term of not more than three (3) years. The *Parks and Public Facilities Bylaw* was updated in 2023 to include the specified alternative uses of the ER lands.

A standard Licence of Occupation agreement for use of the ER lands was included in the *Environmental Reserve Lands Policy* in 2022 which establishes the framework for the management and licensing of ER lands. Key points of the policy include:

- Establishing that any alternative uses of the City's ER lands must be consistent with the purposes of conservation, recreation and provision of public access as set out in the MGA.
- Only Adjacent Owners that share a property boundary with the ER lands may Licence ER lands.



- Sets the Licence Agreement Administrative fee of \$500.
- Requires that the Licensee provide \$2,000,000 comprehensive liability insurance to save harmless the city from any claim arising from the Licensee's use of the City's lands. This insurance requirement is consistent with other City agreements.
- Provides the template Licence agreement to be used by Administration.
- Delegates the authority to execute Licence agreements to the CAO.

The licence agreement is based upon the same basic structure as the City's encroachment agreements. Given that the City wants to ensure that the public will continue to have access to and along the lakeshore lands, the draft agreement has been structured as a licence of occupation, rather than as a lease. A licence of occupation allows for specified private improvements to exist on public land but does not confer exclusive possession or use of the land to the licensee. This addresses a concern raised by the public that some lakeshore owners, at least in the past, have treated the City's lands as private property and have directed persons who were lawfully on public land to leave. The licence agreement has been structured as follows:

- Licence term is three (3) years, as this is the maximum term allowable per the MGA;
- Licences are structured to automatically renew for additional terms of three (3) years upon receipt of the renewal payment;
- The licence fee has been set at \$500 (same fee as for an encroachment agreement);
- In the event that the licensee sells their property, the licence can be assigned to the purchaser for the balance of the current term, after which the new owner would enter into a new licence agreement with the City.

With the necessary groundwork in place, Administration is proposing to begin contacting owners of properties adjacent to the City's lakeshore ER lands, with the intent to bring all properties into compliance with the *Environmental Reserve Lands Policy No 221-AD-22* and *Parks and Public Facilities Bylaw No. 812-PL-23* by the fall. Administration's proposed timeline is:

- Send a letter and information package to all private property owners with land adjacent to the City's ER lands by March 30, 2025, requesting that property owners



with encroachments on the ER contact the City to request a licence agreement by with a target of May 31, 2025.

- Any property owners who haven't followed up by May 31, 2025, will be contacted again, via a letter posted on the owner's front door, advising that staff will be returning in one week to conduct a site visit, with the expectation that site visits will be completed during the month of June and July, 2025 to confirm that encroachments either still exist, or have been removed by the owner.
- Subsequently, a briefing will occur with Council relating to enforcement of encroachments and appeals.

Due to the strong emotions surrounding the use of reserve lands, administration is seeking the Committee's feedback on the proposed plan to rollout the licence agreements to owners of properties adjacent to the City's lakeshore ER lands.

Alternatives:

For discussion and feedback only.

Recommended Action:

For discussion and feedback only.

Budget Implications (Yes or No):

No

Submitted by:

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