



Department: Chief Administrative Officer

Report Number: A-024-19

Council Meeting Date: October 15, 2019

Title: Boundary Adjustment Update

Objective

To provide an update to Council and seek direction.

Background

Council has authorized the committee to continue discussions with SWOX to move towards an agreement on Boundary adjustment. With the meetings held in 2019 significant progress has been made.

The Committee is recommending the following be approved by Council.

1. The lands previously included within the proposal remain in the proposal with the addition of the Groot property east of Harris Street.
2. Tax phase-ins be 10 years for residential and farm, This is an increase from the previous 8 year phase in that had been agreed too. This has been requested by SWOX to help with the transition for property owners. Interestingly they have agreed to a 5 year phase in for the Woodstock boundary adjustment. It remains a 5 year phase in for Commercial and Industrial.
3. Existing taxes will be paid in perpetuity based on the taxes levied the day before boundary adjustment becomes effective.
4. Indexing of taxes will be based on the Ontario CPI adjusted annually for January.

5. Payment dates used for County and School Board purposes will be used for the Boundary adjustment agreement.
6. Future residential lands developed will be compensated at \$250.00 per unit, estimated at 558 units but to be adjusted should lands initially contemplated for commercial or industrial lands be changed to residential use at a later point.
7. Future commercial and industrial lands will be shared on a 24/76 SWOX/Ingersoll basis.
8. Roads and road allowances within the lands affected by the boundary adjustment will come entirely into the Town of Ingersoll, whereby Ingersoll will be responsible for all maintenance and capital upgrades.
9. Unopened Road allowances:
 - a) Pye Farm, on King Street West. North of the railway tracks SWOX will maintain ownership and may dispose of at their discretion. South of the railway tracks will be transferred to Ingersoll to facilitate future development of the lands across the rail corridor.
10. South of 401 Whiting Street extension, will be sold to the Town of Ingersoll at a market rate of \$25,000 per acre, at an estimated value of \$175,000 for the seven acres. Ingersoll will have to pay for survey costs to determine exact size of the parcel.
11. Energy efficiencies will be governed by applicable statutes and best efforts clauses within Subdivision agreements.
12. Agriculture, specifically livestock operations will be implement, if possible with special policy or zoning provisions to allow for rebuilding or expansion of existing operations that come into the Town with the boundary adjustment.
13. Municipalities will readily agree to mutual and automatic fire agreements
14. CAMI is a significant taxpayer for each municipality and as such has been negotiated independently. Based on current market value assessment the calculations show that should all of the lands be in Ingersoll at its industrial tax rate, 21.8 percent collected would represent the amount currently collected by SWOX. These amounts would be calculated annually to the net taxes collected by the Town after boundary adjustment. **SWOX has requested that Ingersoll pay 24 percent of the net taxes going forward, this would compensate SWOX approximately \$47,000 more than their current entitlement annually in**

perpetuity. The Ingersoll committee is split on this request, staff are not supportive. Council direction will be needed on this issue.

Analysis

See table below.

The joint committee is suggesting that a joint public meeting could be held in November to solicit public feedback and meet the restructuring guidelines established by the province.

Interdepartmental Implications

n/a

Financial Implications

See attached chart

Recommendation

THAT staff report A-024-19 be received by the Council of the Corporation of the Town of Ingersoll as information.

AND FURTHER THAT Council gives the following direction to the Ingersoll Boundary Adjustment Committee.

Attachments

- 1) South-West Oxford and Ingersoll Boundary Adjustment Discussions Committee Agreement
- 2) Boundary Adjustment Buyout, Financial Impact
- 3) SWOX CAMI CVA and Tax Impact
- 4) Boundary Adjustment Maps

Prepared by: William Tigert, Chief Administrative Officer

Attachment 1

South-West Oxford and Ingersoll Boundary Discussions Committee Agreement	
Positions as of October 15 th 2019	
Area	<p>Ingersoll and South-West Oxford agree on boundary adjustment area to be considered.</p> <p>Lands to be included are agreed to. The Groot property has been added based on conversations with the owner and SWOX Map attached</p>
Phase-in Taxation	<p>Ingersoll team will take South-West Oxford request for Phase-In of taxation back to Ingersoll Council for consideration as follows:</p> <ul style="list-style-type: none"> ✓ Residential and Farm Phase in 10 years ✓ Industrial and Commercial Phase in 5 years <p>Ingersoll committee members agreed to the additional two years phase in for residential and farm.</p>
Compensation for residential & farm properties.	<p>Ingersoll suggested that we agree to use the average inflation rate in Canada for the previous year; noting that the Canada CPI was 1.6% for 2017. This would better represent the average Consumer Price Index (CPI) for Canada. Ingersoll agreed to take back whether we should look at the CPI for Ontario vs. Canada. <u>Ingersoll staff will prepare a report to be shared with South-West Oxford.</u></p> <p>Ingersoll suggested that payments to be made to South-West Oxford for taxes within the annexation area be paid quarterly using the same dates used for School Board and Upper Tier payments. South-West Oxford committee agreed to consider this.</p> <p>Ingersoll staff have reviewed the indexing provision and are now comfortable with the indexing provision as suggested by SWOX. That is the Ontario CPI adjusted annually for January each year.</p> <p>Ingersoll Staff are supportive of the payments being made on the same schedule as payments to the County and the School Boards.</p>
Compensation for existing industrial & commercial.	<p>Ingersoll Committee suggested that the effective date for taxes be the day before the boundary adjustment occurs. (I.e. in the case of a January 1, 2020 boundary adjustment date the existing valuation tax date would be December 31, 2019).</p>

	<p>Valuation Adjustments would take place based on when that assessment comes on line.</p> <p>Ingersoll staff have reviewed the indexing provision and are now comfortable with the indexing provision as suggested by SWOX. That is the Ontario CPI adjusted annually for January each year.</p> <p>Ingersoll Staff are supportive of the payments being made on the same schedule as payments to the County and the School Boards.</p>
<p>Identified industrial properties</p> <p>(decrease in assessment due to downsizing or closure)</p>	<p>Ingersoll Committee suggested that the effective date for taxes be the day before the boundary adjustment occurs. (I.e. in the case of a January 1, 2020 boundary adjustment date the existing valuation tax date would be December 31, 2019).</p> <p>In the event CAMI or Bell-Camp ceased operations; whatever new assessment is would be calculated pre-amalgamated. Only reimburse SWOX for assessment then.</p> <p>Ingersoll staff have proposed a flat rate percentage to be used for CAMI, based on total assessment and SWOX current tax dollars 21.8 percent would compensate for the CAMI portion of taxes. Spread sheet attached. However SWOX has requested that Ingersoll compensate at a rate of 24 percent of next taxation. The Ingersoll committee will need direction from Council on this issue.</p>
<p>Future Compensation for new commercial and industrial development + expansion of existing commercial & Industrial</p>	<p>Staff will sit down and agree how many properties we are going to flag...expansion shared at 24%. Identifying what properties are the most important. Identify existing properties that would be flagged. All new is at 24%.</p> <p>Quarterly and discussed earlier for payments.</p>
<p>Future - New Residential Development</p>	<p>Ingersoll agreed to a calculation based on 558 residential unit at \$250.00 per unit...one-time upfront payment of \$139,500.00. Ingersoll will identify the lands north half of Pye Farm...identify through this in the agreement these are the properties identified...in future should some of the lands identified commercial and industrial be identified as residential a future payment could be made.</p> <p>South-West Oxford anticipates:</p> <ul style="list-style-type: none"> ✓ commercial and industrial development on the lands south of the #401 ✓ 50% of Pye farm in the west boundary area with commercial/industrial development ✓ 50% of the Pye farm with residential development ✓ Majority of land east of Ingersoll as residential ✓ Small portion of land east of Ingersoll as commercial/industrial ✓ Additional \$250.00 (indexed annually by Ontario CPI) per unit (based on 11 per net acre calculation) if residential development land is expanded in the future.

Boundary Roads	<p>Ingersoll and South-West Oxford Committee agreed that regular maintenance will be borne 100 percent by the Town of Ingersoll along with all capital improvements.</p> <p><u>Unopened road allowances</u></p> <p>South-West Oxford noted that the unopened road allowances have a cash value and as such money should be paid to the Township for the transfer of ownership.</p> <p>Ingersoll committee has agreed that the entire road allowances would come into the Town on the <input type="text"/> effective boundary adjustment date, and Ingersoll would assume the entire maintenance costs and future capital costs of any road improvements required for development. Ingersoll will use whichever tools are available to finance improvements.</p> <p>Ingersoll Council has agreed with SWOX to purchase the unopened Road allowance that is the extension of Whiting Street in Ingersoll at a price of \$25,000 per acre, with the parcel estimated to be at 7 acres. The purchase price would be approximately \$175,000.</p>
Mutual Aid & automatic aid agreements	<p>Ingersoll Committee noted that Ingersoll Fire Services will take over 401 area becomes part of the Town of Ingersoll. An Automatic Aid Agreement would be negotiated with SWOX for tankers to respond to that area until such time as hydrants are available.</p> <p>Ingersoll Fire Chief will work with SWOX to enter into the necessary service agreements to provide fire service.</p>
Energy Efficiency	<p>Ingersoll will use its' best efforts to build this into subdivision agreements.</p> <p>Ingersoll Staff agree that a best efforts will be used when negotiating subdivision agreements to achieve energy efficiency targets as discussed.</p>
MDS	<p>South-West Oxford expressed concerns regarding the ability of agricultural operations to expand:</p> <ul style="list-style-type: none"> ✓ Inside the newly established Ingersoll boundary; and ✓ Outside the newly established Ingersoll boundary. <p>South-West Oxford requested an agreement which would allow the farming operations inside the proposed boundary to expand their operations by 50%. A similar request was made for the farming operations outside of the annexation areas; that would be impacted by the new settlement boundary.</p>

	<p>Ingersoll noted that any application made to expand an agricultural operation would need to comply with provincial requirements under MDS and County Policies. It could not prejudge the application.</p> <p>South-West Oxford noted that if the Groot farm was removed from the boundary adjustment discussions it could sterilize the majority of development in the area East of Ingersoll.</p> <p>Ingersoll noted it would be willing to discuss the matter further once it has run the MDS scenarios.</p> <p>South-West Oxford agreed to send a copy of the East-Zorra Tavistock/Woodstock information regarding a similar discussion during their boundary adjustment discussions.</p> <p>Ingersoll's committee has agreed to recommend the attached policy for consideration to protect the livestock operations in existence within the proposed boundary adjustment area on the effective date.</p>
<p>Municipal water & water servicing.</p>	<p>South-West Oxford Council noted that there are 2 or 3 farm properties with livestock that have existing wells and are heavy water users. Hooking up to Town water/sewer services for the existing operation would have a significant financial impact. South-West Oxford noted that it didn't have an issue with residential properties being hooked onto new water/sewer services as they become available.</p> <p>Ingersoll noted that the County sets the parameters for hooking up to water and sewer. In addition, the Town of Ingersoll Zoning By-Law has water/sewer as a mandatory requirement. Discussion would need to take place at the County regarding forced connection by-laws. Ingersoll is willing to consider changes to its zoning by-law for the properties identified by the Township. (Groots, Bright Horizon Farms and VanManen).</p> <p>Ingersoll is supportive of this approach of site specific zoning provisions, with the understanding that the County is the tier of local government responsible for sewer and water and can override with a force connection bylaw.</p>

as as Sept 18, 2019 excl CAMI

#	Roll #	Owner	MPAC Acres/Area	9-1-1 #	Road	2015 Assessment						
						RT	FT	TT	CT	CU	IT	IU
		West side of Ingersoll										
	011-020-41800	Kloepfer Holdings Ltd.	119	274171	Wallace	186,195	1,387,647					
	011-020-41700	North, Norman R.	12	274233	Wallace	290,250						
	011-020-21501	Watson, Timothy W.	25	274279	Wallace	529,250						
	011-020-14800	Pye, Lawrence & Sherry	97.04	583530	Hamilton	165,850	714,225	128,175				
	011-020-18300	CPR	21.25	563445	Thomas					201,500		
	011-020-09900	Kuipers, Jordan	0.15	583571	Hamilton	15,500						
	011-020-14300	Mezenberg, Cornelius	0.15	476	King St	40,500						
	011-020-14401	Featherstone, Ryan	1.36	583570	Hamilton	331,500						
	011-020-14402	Moskal, Todd	0.39	583566	Hamilton	255,373						
	011-020-14400	Ulch, Linda	0.58	583564	Hamilton	345,000						
	011-020-14403	Ratter, Scott	1.17	583560	Hamilton	368,250						
	011-020-14404	Henderson, Wm	0.37	583558	Hamilton	270,000						
	011-020-14501	Harris, Allan	0.64	583552	Hamilton	274,000						
	011-020-14600	Gillies, Lloyd	0.8	583550	Hamilton	272,000						
	011-020-14605	Cartmale, Bradley	0.68	583546	Hamilton	360,500						
	011-020-14700	Hunter, Wm	1.28	583542	Hamilton	302,750						
		West Side Total Area	281.86									
		East Side of Ingersoll										
	011-020-37000	S. Czuper	4.9	334256	Plank	332,000						
	011-020-36900	2149343 Ontario Inc.	7.5	543395	Clarke					1,200,175	59,575	
	011-020-36700	Bell Camp	9.95	543943	Clarke	468,000						
	011-020-36601	R & B Clifford	28.22	543961	Clarke	65,500	448,425					
	011-020-44901	LaRose, Walter	1.14	543922	Clarke	307,000						
	011-020-44900	GROBOOK FARM LTD***	22.5	543936	Clarke	319,400	1,084,850					
		East Side Total Area	74.21									
Option 5 Totals	Total West and East Side		356.07			5,498,818	3,635,147	128,175	-	201,500	1,200,175	59,575
Ratio						1.0000	0.2350	0.2500	1.9018	1.3313	2.6300	1.7095
WEIGHT.ASSM						5,498,818	854,260	32,044	-	268,249	3,156,460	101,843

***estimated acreage for Caffyn Farm

SWOX Taxes Rates 2019

Rate	Class	Value	RT	FT	TT	CT	CU	IT	IU	TOTALS
0.0048409	RT	\$ 26,619.23								
0.001137612	FT/TT	\$ 4,135.39		\$ 145.81						
0.00920642	CT	\$ -								
0.00644449	CU	\$ 1,298.56								
0.01273157	IT/LT	\$ 15,280.11								
0.00827552	IU/LU	\$ 493.01								
	SWOX	\$ 26,619.23	\$ 4,135.39	\$ 145.81	\$ -	\$ 1,298.56	\$ 15,280.11	\$ 493.01	\$ 47,972.12	

Ingersoll Tax Rates 2019

Rate	Class	Value	RT	FT	TT	CT	CU	IT	IU	Ingersoll
0.00925739	RT	\$ 50,904.70								
0.002175487	FT/TT	\$ 7,908.21		\$ 278.84						
0.0176057	CT	\$ -								
0.012324	CU	\$ 2,483.29								
0.02434694	IT/LT	\$ 29,220.59								
0.0158255	IU/LU	\$ 942.80								
	Ingersoll	\$ 50,904.70	\$ 7,908.21	\$ 278.84	\$ -	\$ 2,483.29	\$ 29,220.59	\$ 942.80	\$ 91,738.44	

Tax Classes	Definitions
RT	Residential

Difference

FT	Farm
TT	Managed Forest
CT	Commercial Occupied
CU	Commercial Vacant
IT	Industrial Occupied
IU	Industrial Vacant
LT	Large Industrial Occupied
LU	Large Industrial Vacant

Difference

-	\$	24,285.47	-	\$	3,772.83	-	\$	133.03	\$	-	-	\$	1,184.72	-	\$	13,940.48	-	\$	449.79	-	\$	43,766.32
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Updated: Sept 18, 2019, using OPTA
For Estimate Purposes only

General Motors (CAMI)
 Ingersoll and SWOX
 For Boundary Negotiations Purposes

CAMI			Ingersoll		SWOX			Total
Year	Notes	Property Class	CVA	CVA	CVA	CVA	cva	CVA
		Roll #	030-065-31100-0000	030-065-096-00	011-020-41600	011-020-41400	011-020-50301	Total Rolls
2019		CT	\$ 6,113,700	\$ 332,650	\$ 1,226,975		\$ 2,398,575	\$ 10,071,900
		CUN		\$ 182,850			\$ 373,175	\$ 556,025
		IT			\$ 113,375			\$ 113,375
		LT	\$ 44,906,600			\$ 33,021,800		\$ 77,928,400
		LU	\$ 2,257,200			\$ 564,200		\$ 2,821,400
		RT	\$ 942,800		\$ 1,393,900			\$ 2,336,700
			\$ 54,220,300	\$ 515,500	\$ 2,734,250	\$ 33,586,000	\$ 2,771,750	\$ 93,827,800
Total			\$54,735,800		\$39,092,000			\$93,827,800
Assessment Split			58.34%		41.66%			100%

If all properties were in Ingersoll
 this would be levied for all properties

SWOX Levy for SWOX properties
 using SWOX tax rates

This is in keeping with current model prior
 to any annexation/boundary adjustment

Town of Ingersoll		SWOX	
2019 Tax Rate	Levy	2019 Tax Rate	Levy
By Class			
0.01760570	\$ 177,323	0.00920642	\$ 33,378.34
0.01232400	\$ 6,852	0.00644449	\$ 2,404.92
0.02434694	\$ 2,760	0.01273157	\$ 1,443.44
0.02434694	\$ 1,897,318	0.01273157	\$ 420,419.36
0.01582550	\$ 44,650	0.00827552	\$ 4,669.05
0.00925739	\$ 21,632	0.0048409	\$ 6,747.73
Total	\$ 2,150,536	Total	\$ 469,062.84
Weighted Avg Tax Rate	0.02292003	Weighted Avg Tax Rate	0.01199895

Town of Ingersoll	
Tax Rate	Levy
By Class	
0.01760570	\$ 113,492.50
0.01232400	\$ 2,253.44
0.02434694	\$ -
0.02434694	\$ 1,093,338.30
0.01582550	\$ 35,721.32
0.00925739	\$ 8,727.87
Total	\$ 1,253,533
Weighted Avg Tax Rate	0.02290153

SWOX Share (Existing) 21.8%

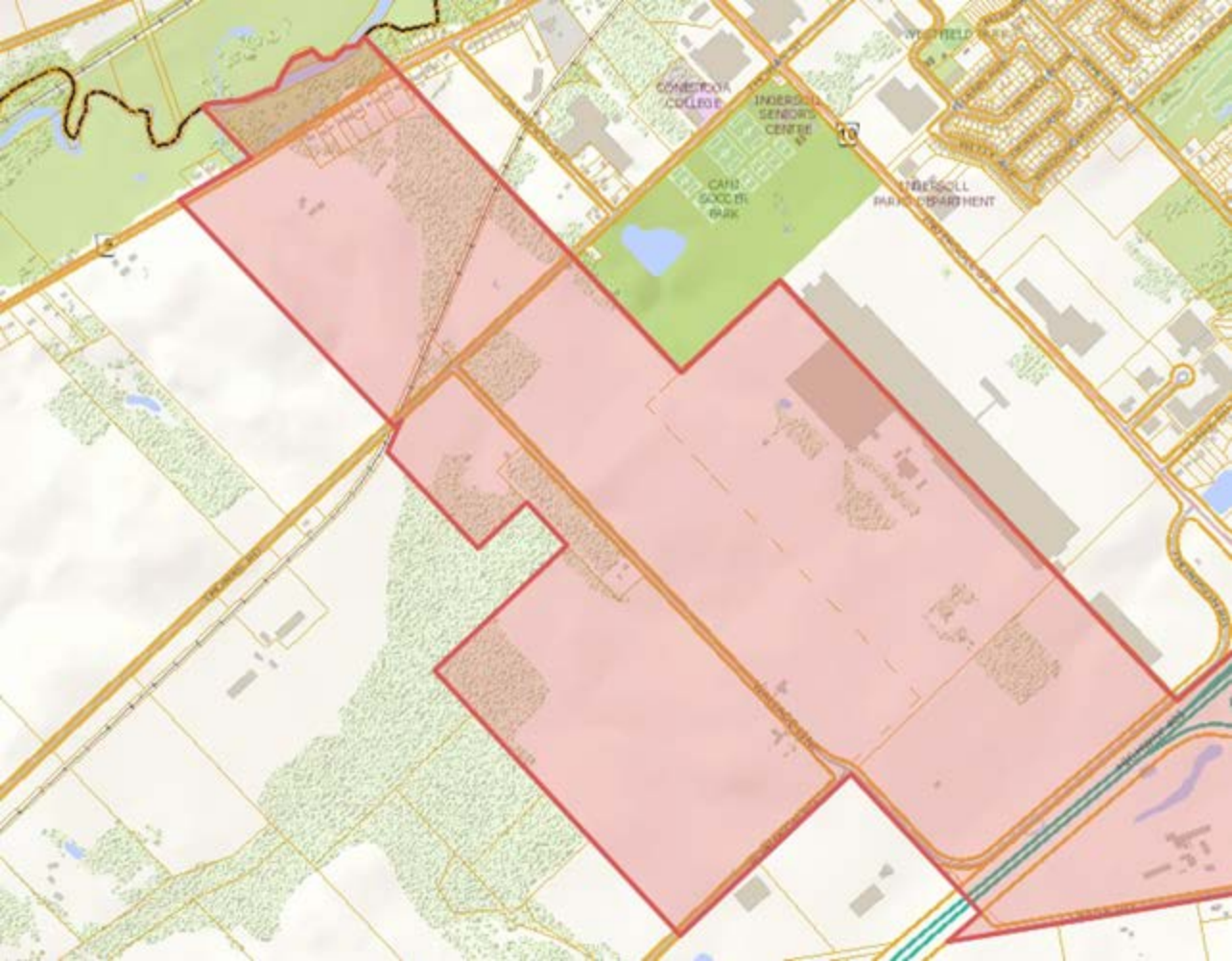
SWOX Share (Proposed) - 24% of Taxes for all properties at Ingersoll Tax Rate

24% \$ 516,128.53

SWOX Actual Levy \$ 469,062.84

\$ 47,065.69

Excluding the body shop on Ingersoll side



CONESTOGA COLLEGE

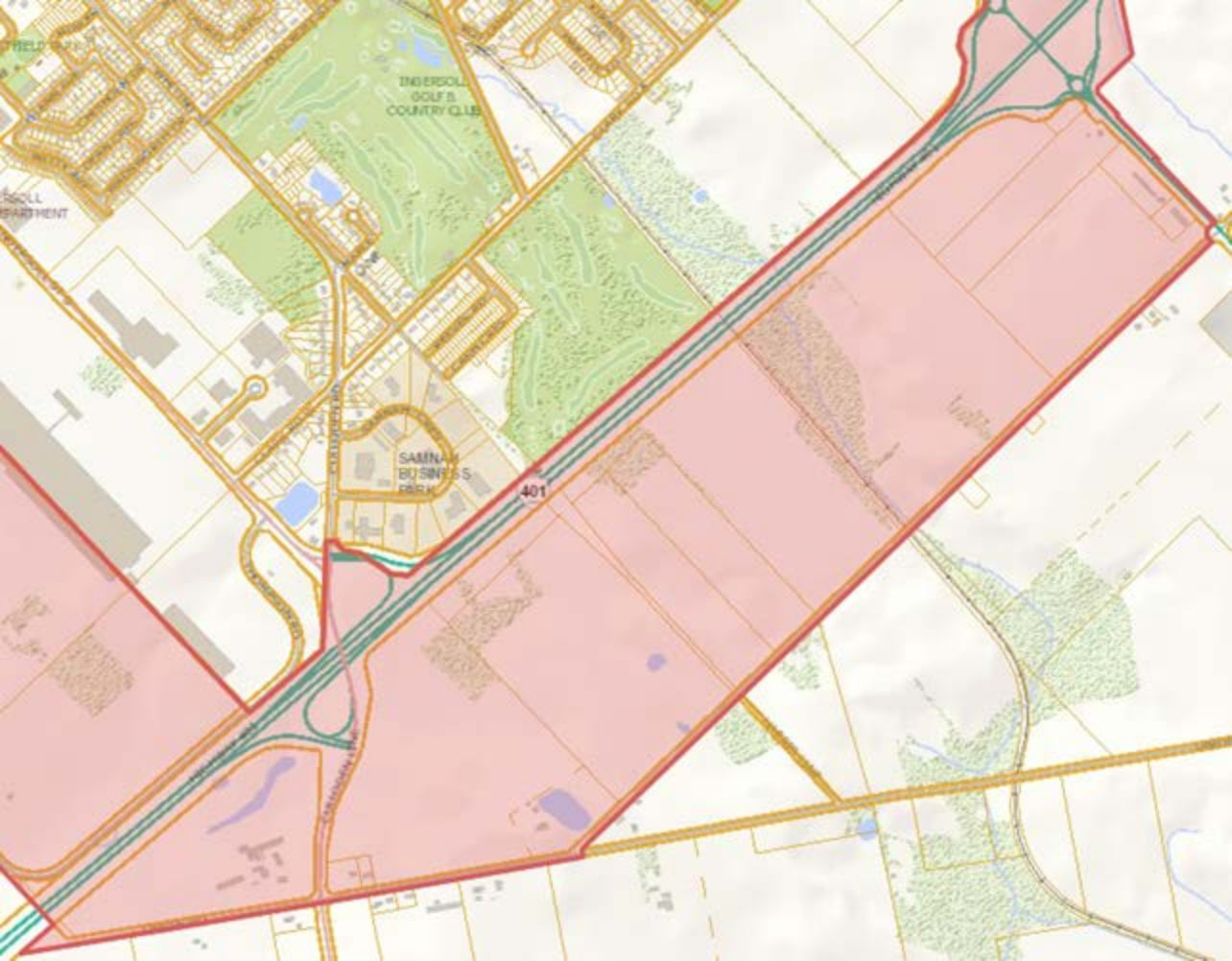
INDIAN SENECA CENTRE

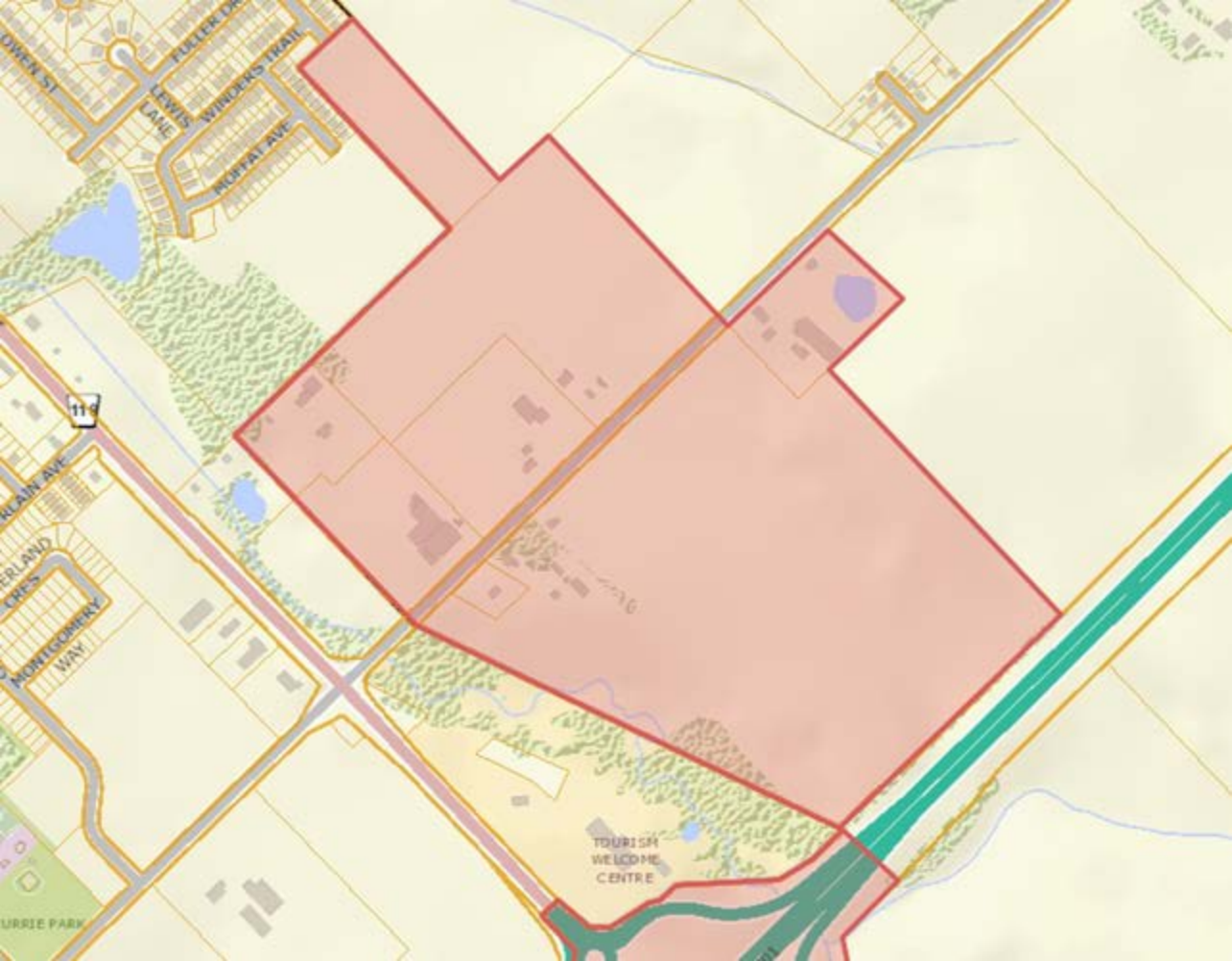
CAHILL SOCCER PARK

WESTFIELD PARK

TREBISCOLL PARK DEPARTMENT

10





FULLER CR.
LEWIS-WINNERS TRAIL
MCFAY AVE.

114

CURRAN AVE.
ERLAND
CRIS
MONTGOMERY
WAY

TOURISH
WELCOME
CENTRE