



TOWN OF INGERSOLL
Town Centre

March 14th, 2017

George Way, Councillor
Chair SWOX Boundary Committee
312915 Dereham Line
Mt. Elgin, Ontario, N0J 1N0

Dear George

Enclosed you will find the summary position of Ingersoll for land requests and compensation proposed for a boundary adjustment.

As you are aware the clock is ticking as any agreement needs to be finalized and approved prior to December 31st, 2017. This would require the agreement, covering all the issues would need to be finalized and approved by both Ingersoll and South West Oxford, as well as the County and final approval by the Minister of Municipal Affairs and Housing.

Under the Provincial Policy Statements, Municipalities are required to keep a 20 year supply of land on hand for orderly development and growth. Ingersoll is well below that threshold currently. Depending on the calculations the County Planning department suggests that Ingersoll is at or below a 15 year supply, while Ingersoll would suggest that it is below a 12 year supply if the current three year trend continues.

The County only does calculations based on building permits issued, while Ingersoll is looking at lot sales and lot availability. With the secondary planning issues it can take at least 3 – 5 years to bring new lands into the planning cycle to create opportunities for development. So even if lands were brought into Ingersoll in 2017 or 2018 it may be 2020 or beyond when those lands would become part of the development mix. By that time Ingersoll will be below half of its required land inventory!

Ingersoll is benefiting from a number of factors that are encouraging interest. Location on the 401 corridor and price are the two factors that are making Ingersoll competitive to other jurisdictions. Unfortunately land availability is threatening to derail this boom phase as builders are out of lots for sale and only one new development is anticipated to come on stream in late 2017.



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Within the County Plan, Ingersoll, Tillsonburg and Woodstock have been identified as the growth centres for the County. In short, if the growth centres flourish then the whole county can flourish. However without the opportunities to grow, the reality will be stagnation.

As to employment lands, in 2014 Watson and Associates on behalf of the County stated that Ingersoll was deficient in its land inventory by 160 acres. Since that time additional lands have been utilized that would bring this deficiency closer to the 200 acre level. Other lands included in the inventory deemed "developable" have significant challenges relating to Upper Thames restrictions. In fact one development of 32,000 feet was lost as the industrial lands identified could not get the necessary approvals within the time frames required. The development was lost to Woodstock.

With limited lands available for Ingersoll's proposed Multi-use Recreational facility, the Town may be forced to use 25 acres or more of its employment land inventory to meet this need. That creates further deficiencies in its employment lands reservoir.

Ingersoll has not been able to agree with your request for a serviced industrial park in your Municipality for a number of reasons. However, the offer to partner with Ingersoll on the development of its own industrial lands was met with very little enthusiasm from SWOX. Although there was little direct communications, Ingersoll's understanding was that the land was too expensive. Currently Ingersoll has approximately \$35,000 per acre in costs in the property. Woodstock just bought industrial land in 2016 for \$44,000 per acre. Farm land is currently selling for \$20,000 - \$25,000 per acre, to purchase farmland for industrial purposes in an urban setting would attract a premium.

From Ingersoll's perspective the current inputted costs are not unreasonable. Staff in speaking with staff from both Norwich and Woodstock indicated that they felt the offer was a creative one that could provide a means of future assessment growth for both SWOX and Ingersoll. Woodstock obviously is not prepared to consider such a partnership at this time, while staff in Norwich suggested it was a very attractive proposal.

The offer could easily be extended to new lands if the model proved successful and satisfactory to both Municipalities as a trial.

Ingersoll has offered fair compensation in these discussions. Ingersoll's commitment to providing SWOX with its current tax amounts with an indexing factor, in perpetuity provides ongoing stability to your financial wellbeing. By adding a commitment to share 12% of future Ingersoll industrial taxes provides you a revenue stream for future growth.



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The option of prepaying your existing taxes in a lump sum of \$1,600,000 provides flexibility for you as a municipality to address some current capital challenges without the need for borrowing. The decision to exclude CAMI from the boundary adjustment preserves one of your large industrial taxpayers.

Finally, the offer to share a cash payment for each new residential building permit of \$200 dollars or to advance you \$50,000 to use now also provides you revenues and flexibility. Woodstock has not proposed this in any of its discussions with you, East Zorra Tavistock or Norwich to our knowledge.

Ingersoll has come into the discussions, putting their best deal forward, perhaps this was an error in strategy, as there has been little acceptance that there isn't more to be given. Unfortunately, Ingersoll approached the discussion from the beginning with a need for win/win philosophy but has not been able to convince your group that the offer is fair and at the maximum.

Ingersoll has consistently told you that it will not be able to agree to terms that make the Town financially vulnerable to excessive costs outside of its control. So although it has agreed that it would work towards a higher average land use intensification, 11 units per acre, it is subject to third party challenges and approvals that negate Ingersoll's ability to guarantee.

Penalties for timing of development, failures to meet mandatory employment thresholds, energy efficiency requirement beyond the building code requirements, cannot be agreed to. Ingersoll has been clear from the onset that requirements such as these create significant financial threats to the Town and its wellbeing.

Ultimately, should these requirements not be abandoned by SWOX Ingersoll does not see a way forward. It is Ingersoll's understanding that Woodstock has advised you of this as well.

Concerns have been identified that there is not much in it for the residential property owners that may be transferred. That is why Ingersoll is suggesting an eight year phase in on the change from SWOX taxes to Ingersoll taxes. One has to acknowledge that these residences have benefited from being in close proximity to the Town, whether it is for social, economic or recreational needs. They have had the benefits of what an urban settlement provides without having to pay the taxes to support those services. Ingersoll can only really expand by encompassing these existing homes, so the time has come to make that change and eight years is a reasonable time frame for a phase in.



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Brantford and Brant have had their agreement approved by the Province. It sees the transfer of 2720 hectares or more than 6700 acres move into the city. The compensation agreed to is to be a lump sum payment of \$11,633,500 paid in equal installments over ten years and the payment of Brant County's taxes phased out over 11 years without any indexing. At the end of that period there is no further compensation to Brant County. This represents 3 percent of Brant County's land mass.

In comparison Ingersoll is requesting .003 percent of SWOX area in the boundary adjustment. Calculated on a per acre value, Ingersoll is being far more generous in its offer than what has been agreed upon elsewhere.

In summation, Ingersoll believes that the two years of discussions have been interesting and productive, but the time is running out if an agreement is to be reached. I would ask that through your staff you circulate the document to your committee and the balance of your Council. I would be more than happy to attend your Council meeting on March 21st at 7 pm to address the Ingersoll proposal and answer any questions your Council members may have. I will leave that suggestion to your discretion, please provide direction to me accordingly.

I look forward to our joint committee meeting next Tuesday at 4:30 pm and remain optimistic that a fair and reasonable agreement can be reached.

Sincerely,



Fred Freeman, Deputy Mayor
Chair, Ingersoll Boundary Committee

c Mary Ellen Greb, CAO South-West Oxford
Ingersoll Council Members

1. **Exclude CAMI** – Based on the discussion the consensus is CAMI lands will be excluded from the boundary adjustment area discussions for the following reasons.
 - a. Loss of a major Industrial Tax Payer to SWOX.
 - b. Public Relations with CAMI from Ingersoll perspective would be difficult.
 - c. Complexity of annual adjustments due to tax write-offs and appeals.
 - d. Cost as a lump sum payment could be a disadvantage factored with unknown longevity of plant.
 - e. Vacant land that likely will remain dormant for development as long as CAMI is in operation.
 - f. The risk that CAMI may cease operations or relocate to another jurisdiction.
2. **SWOX Tax** – Ingersoll is willing to ensure SWOX is sustained financially with the proposed boundary adjustment. Ingersoll will be committing to the payment of the SWOX pre boundary adjustment taxes on all lands transferred in perpetuity and providing for an indexing factor. Ingersoll proposes that amount to be a factor equal to the percentage increase of Ingersoll annual tax levy minus one percent. For example Ingersoll's tax levy increase for 2017 is 2.47, percent the indexing factor for SWOX lands this year would be set at 1.47 percent. As an alternative Ingersoll is willing to pay a onetime present value payment of \$1,600,000.00 for all future taxes. The discount factor incorporates a growth component and represents a fair present value of future taxes.
3. **Revenue Sharing New Development**- Ingersoll's position remains that it is willing to cost share on the future Industrial employment land taxes with SWOX on an 88/12 ratio. For clarity as new Industrial lands are developed on lands previously in SWOX, brought in through a boundary adjustment, new Industrial land taxes will be shared with SWOX, this is in addition to the continued payment of SWOX former taxes with an indexing factor discussed above. There is no sharing of future residential tax revenues, in its place the offer of sharing a onetime payment of 200 dollars at building permit remains in force. Ingersoll is prepared to prepay an estimated 250 permits to SWOX as a onetime payment of \$50,000.00.
4. **Tax Phase In** – Taxes on lands formerly in SWOX will be phased in over the next five years for all lands other than residential. Residential lands will be phased in over the next eight years. This is to lessen the impact on residential ratepayers transitioning from SWOX tax bills to Ingersoll tax bills. Ingersoll believes these properties currently enjoy the amenities provided by the Town's recreation and commercial services, they identify themselves for all practical purposes as living in Ingersoll. Sewer and Water services are supplied by the County and do not form the basis of residential taxes. Therefore the timing of connection should not impact the phasing requirement of the residential properties to move the Ingersoll residential rate over eight years.
5. **Development Densities** – Ingersoll is willing to commit to the process of promoting the amending of its Official Plan policies to move the average residential density to 11 units per acre. This is in response to SWOX's concerns about the need for wise development of lands through intensification and preserving the agricultural lands in a reasonable fashion. While this

will still allow Ingersoll to grow its population, tax base, commercial and industrial opportunities for the entire area to benefit from. Ingersoll will undertake secondary planning to incorporate a net residential density of approximately 11 units per net acre developed and use its best efforts to implement this density.

6. **Energy Initiatives** – Ingersoll is bound by the Ontario Building Code and does not have any authority or mechanisms to extract higher commitments from developers than what is required by law. However Ingersoll will attempt to encourage higher levels of energy efficiency and the Energy star homes program as a voluntary measure from both the Developers and the Builders by providing information and encouragement during the drafting of future agreements to advocate for higher levels of energy efficiency.
7. **Penalty Provisions:**
 - a. **Employment Density Requirements** – Ingersoll will not agree to any penalty provisions or mandatory requirements for employment density for new development on the transferred lands.
 - b. **Residential Density Requirements** – Ingersoll will not agree to any penalty provisions should it not be able to achieve an average of 11 units per acre. Many of these decisions are beyond its control either at the County level or at the Provincial level and subject to appeal by the development community.
 - c. **Development Timelines** – Ingersoll will not agree to any stipulations, timelines or associated penalties for the development of any lands transferred under a boundary adjustment agreement. The timing and the development of the lands is a complicated and not an exact science that depends on many external factors, including but not limited to, the market conditions, County servicing timing, the overall economy, demographic trends and consumer preferences to name but just a few. This along with other factors would not allow Ingersoll to predict the timelines for development.
8. **Shared Industrial Park** - Ingersoll remains open to the joint development of the Town owned lands on Clark Road. The development would be based on a cost/tax sharing basis with an Ingersoll/SWOX 55/45 split. This is an alternative to providing cross border services for a SWOX developed industrial park.

Why Boundary Adjustment is Beneficial to both Ingersoll and SWOX

1. Increased assessment to pay for services, increased assessment to reduce burden on existing tax payers.
 - Ingersoll provides a number of services not only to its own residents as well to residents from adjacent municipalities like SWOX. These services include the indoor pool, arena parks, trails, senior centre, youth centre, sport fields and other recreation services. By adding to the existing tax base there is an opportunity to maintain these facilities and potentially expand them to meet the needs of the community at large. Currently Ingersoll is looking at developing a multi-use recreational facility that will serve not only its citizens but the community around the Town as well.
2. Deficient Land Supply.

- Ingersoll was identified in the 2014 Watson study to be deficient in approximately 160 acres of Employment lands. Since that time the land base for employment has been further depleted with development. It is now estimated that Ingersoll is deficient by at least 200 acres. There can be an argument that this number is more realistically 250 acres when the balance of the lands are examined for development constraints. Primarily these constraints revolve around Upper Thames Constraints that would either restrict or eliminate feasible development.
 - Additionally if Ingersoll is unsuccessful in negotiating a boundary adjustment, it will be required to use lands currently in the Town to develop its multi-use facility. The estimated 40-50 acres necessary for full development and consolidation of recreational facilities will only add to the land inventory shortage problem.
3. Increased workforce pool (residential development) and increased jobs (industrial development), Strengthen economy.
 - The number one issue identified by US industrial site selectors is the readily accessibility of a workforce to meet the needs of industry. For example of the 2500 to 3000 jobs at CAMI only 25 percent have an Ingersoll address. The other 75 percent commute from communities 30 to 60 minutes away. Growing the town will assist in meeting the existing industrial demand for labour as well as assist in attracting new jobs to the town. This would provide jobs to area residents as well. It also finances the County portion of the Tax bill that could as a result lower the rural tax bill proportionally. It will increase the potential of creating jobs for local youth who are from either SWOX or Ingersoll that want financial opportunities to stay in this part of the province.
 4. Provide new services and increase quality of life
 - With growth comes the possibility of providing additional services to the community and neighbouring communities as well. These could include recreation, medical and entertainment services.
 5. Increased economic base for commercial (downtown, other businesses)
 - Ingersoll needs to expand its population base to shore up the support for the existing commercial community while assisting in enticing new commercial activities. With enhanced shopping options it will benefit Ingersoll residents and SWOX residents that do meet some, if not all, of their buying needs in the Town.
 6. Larger base for hospital, schools, ensuring vitality.
 - With the challenges faced both by the schools within the area and the Hospital, growth can assist in maintaining the service levels and helping to keep those services in the local community. The Hospital is always at risk and by growing the community it would assist in making sure that that institution remains vibrant and adds to the service amenities that the Town has to offer.
 7. Increased effective use of public facilities – pool, arena, arts, and fusion.
 - Population growth would assist in reducing the operating deficits that come from a limited demand for facilities.
 8. Increased inventory of houses and industrial land to meet market demand – longer time supply

- This in turn can lead to more or expanded housing opportunities for various segments, including more options for first time home buyers or seniors looking to downsize.
9. More green space and park land (along Thames River) – opportunities to develop better trail systems.
 10. In a broad perspective Ingersoll is only looking to receive 300- 350 acres to meet its 20 year supply of land to support growth from SWOX. Currently The Town is deficient in this 20 year supply requirement by 5 to 8 years.
 - This is a requirement of both the Provincial Policy Statement and the current official plan for the County.
 - This represents less than **.004 percent** of the land area of SWOX Township
 - Boundary adjustment safeguards SWOX existing Tax base and allows for an indexing factor
 - Provides for a revenue stream based on new home development (one time) as well as shares of the new growth from Ingersoll's taxes (12 % in perpetuity) on Industrial lands.
 11. There is no progressive municipality that argues that stagnant or declining growth is a goal worth pursuing.

Oxford County communities can either grow stronger together, in mutually beneficial relationships as proposed in this boundary adjustment, or they can linger and stagnate separately and allow potential investment to move to other, proactive locations along the 401 corridor.



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MEMO

Draft Update on Ingersoll's Potential Growth Land Need – March 2017

The intent of this memo is to assist the Town of Ingersoll and any abutting municipalities that may be involved in future municipal boundary adjustment discussions by providing an updated planning staff estimate of Ingersoll's potential growth land need as of December 31st, 2016. It is noted that final land need requirements and identification of the most appropriate direction for any settlement expansion would need to be confirmed through the comprehensive review process that is required to re-designate any annexed lands for settlement purposes.

Provincial Policy Context

Provincial direction on land use planning is provided through the 2014 Provincial Policy Statement (PPS). The PPS directs that settlements, particularly fully serviced settlements, shall be the focus for growth and development.

The PPS directs that sufficient land shall be made available within settlement areas to accommodate an appropriate range and mix of land uses to meet projected needs for a time horizon of up to 20 years. Further, it directs that municipalities are to provide for an appropriate range and mix of housing types and densities to meet projected requirements (e.g. forecasted residential demand) and maintain at all times the ability to accommodate residential growth for a minimum of 10 years, with a minimum 3 year supply of residential units available through lands suitably zoned to facilitate intensification/re-development and land in draft approved and registered plans.

Planning staff generally advise that the Area Municipalities strive to maintain the ability to accommodate projected residential needs for the full 20 year period for a variety of reasons, such as:

- Providing the ability to accommodate higher than anticipated short to mid-term growth and to account for ownership constraints and other potential development challenges;
- Facilitating more comprehensive and coordinated long term planning; and

- Providing for a broader range and choice of housing types, densities and sites.

The Large Urban Centres (e.g. City and Towns) and Serviced Villages (e.g. Thamesford, Mt. Elgin) are intended to be the primary focus for growth and function as service centres for the surrounding area. As such, maintaining an adequate supply of land to accommodate forecast residential and employment growth in these settlements is key to the economic and social wellbeing of both the Area Municipalities and the County.

Further, given the considerable time required to complete municipal boundary adjustment and comprehensive review/secondary planning processes, a reasonable amount of additional lead time (e.g. 3 years) is typically suggested to ensure a 20 year land supply is maintained at the completion of the process. The PPS does not limit planning for infrastructure and public services or for the protection of employment areas beyond the 20 year period, provided lands are not designated beyond the 20 year period. This may include consideration of lands somewhat beyond the current 20 year need and potentially phasing the re-designation of the lands as settlement over time, as demand warrants. Such an approach may also provide additional flexibility for establishing a logical corporate boundary.

Ingersoll Land Need Estimates

Residential Land Supply

The Tables below provide an overview of the estimated residential land supply and demand for Ingersoll as of December 31st, 2016 under two different scenarios.

The first scenario compares the current estimated land supply to the current County approved growth forecasts (Current Planning Reference Scenario).

Given the higher than forecasted growth that has been experienced in a number of areas of the County since the growth forecasts were last updated, a second scenario is also provided for comparison purposes. This scenario reflects the potential land need if the higher than forecasted growth that was experienced in Ingersoll over the last five year period 2011-2016 were to continue to exceed the forecasts by a similar margin over the next 20 years.

The supply estimates in the following tables are derived from 2017 draft land supply model outputs/mapping (e.g. lot fabric, building permit data, development approvals, land use designations/zoning and other data) as of December 31st, 2016.

a) Scenario 1 (Planning Reference Scenario)

➤ Estimated Dec. 31st, 2016 supply compared to 2014 Watson growth forecasts for 2017 – 2037

20-YEAR DEMAND VS. SUPPLY (# of dwelling units)			
CATEGORY	Singles/Semis	Townhouse/multiple	Apartments
Demand	623	181	40
Supply	429	405	28
MARGIN (+/-)	-194	+224	-12

Notes:

- 3 year supply as of Dec. 31st, 2016 was 251 SFD/SEMI, 159 TH and 28 Apt.
- 10 year supply is the same as the 20 year supply in the table
- The supply figures include an estimate of the number of residential units that could potentially be accommodated through infill development on identified vacant residential lots/blocks. They do not include an estimate of units that could potentially be accommodated through other forms of intensification or re-development on existing built sites (e.g. construction of additional dwelling units).

Comments/Observations

- Low Density (e.g. Single detached/Semis) – If no additional units are created through intensification/re-development on existing built sites, an additional 194 dwelling units would be required within the Town of Ingersoll to accommodate the 20 year demand.
 - Based on historic average densities for such housing forms in Town this would equate to the need for approximately 15 gross ha (37 gross acres) of additional land.
 - In this case, 'gross' means gross development lands (e.g. net of protected natural heritage features and natural hazards).
 - If a 3 year lead time is assumed, an additional 7 gross ha (17 gross acres) may be required.
 - It appears that some of the identified undersupply could potentially be accommodated through re-designation of excess Medium Density land and infilling/intensification on underutilized land.
- Medium Density (e.g. townhomes) – If no additional units are created through intensification on existing built sites, it appears the Town could accommodate 224 more units than required to address the 20 year demand.
 - A number of development applications have recently been submitted that would reduce the excess supply of medium density land, if approved (e.g. would allow for development of single detached dwellings and apartments on some of the excess MD land)
- High Density (e.g. apartments) – Although there appears to be a slight undersupply of vacant lands for apartment units, this deficiency could likely be addressed through intensification and re-development in the Central Area or re-designation of lands in other appropriate locations.

b) Version 2 (Comparison scenario)

➤ Estimated supply compared to demand if actual growth continues to exceed forecast growth by a similar rate to 2011-2016 (e.g. 27%) over the next 20 years (2017-2037)

20-YEAR DEMAND VS. SUPPLY (# of dwelling units)			
CATEGORY	Singles/Semis	Townhouse/multiple	Apartments
Demand	791	230	51
Supply	429	405	28
MARGIN (+/-)	-362	+175	-23

Note: Based on recently released 2016 Census Household data, it appears total household growth in Ingersoll (e.g. 61 units/yr. from Census) for the period 2011-2016 exceeded total forecasted growth (e.g. 48 units/yr. from Watson) by approximately 27%.

Comments/Observations

- At this point, this scenario is simply provided for land need discussion purposes (e.g. to provide an indication of the additional land that would be required if current growth trends were to continue). The approved County growth forecasts would need to be updated to formally evaluate and confirm any impacts that the recent higher than expected growth may have on the 20 year growth forecast.
- Single detached/Semis – If no additional units are created through intensification/re-development on existing built sites, an additional 362 dwelling units would be required within the Town to accommodate the 20 year demand.
 - Based on historic average densities for such housing forms in the Town this would equate to a need for approximately 28 gross ha (69 gross acres) of additional land.
 - In this case, 'gross' means gross development lands (e.g. net of protected natural heritage features and natural hazards).
 - If a 3 year lead time is assumed, an additional 9 gross ha (22 gross acres) may be required.
 - It appears that some of the identified undersupply could potentially be accommodated through re-designation of excess Medium Density land and infilling/intensification on underutilized land.

Review of 2011-2016 building permit data indicates that an average of 55 single detached and semi-detached dwellings were constructed annually, which exceeded the forecasted average annual growth in singles/semis (e.g. of 35/yr.) for that period by approximately 57%.

- If the construction of SFDs/SEMIs were to continue to exceed forecast growth by a similar rate over the current 20 year planning period 2017-2037, it would equate to a potential land need of approximately 42 gross ha (104 gross ac) assuming historic average densities.
 - It is noted that over the last 3 year period (2014-2016), the average number of singles/semis constructed annually was 62 units/ per year, with 91 such units constructed in 2016.
- Medium Density (e.g. townhomes) and High Density (e.g. apartments) – Similar to comments provided under Scenario 1.

Employment Land Supply

The County Population, Household and Employment Forecasts and Employment Land Needs Study (Watson, 2014) identified a need for an additional 65 gross ha (161 gross acres) to accommodate forecast employment land demand in Ingersoll for the 20 year period 2013-2033. The study indicates an average annual employment land demand of 4 net ha (10 net acres) or 5.3 gross ha (13 gross acres) over that 20 year period, based on a 75% net to gross ratio.

If it is assumed the Town's forecasted annual employment land demand is achieved and remains at the same rate for the current 20 year period 2017-2037, it appears that the Town would require an additional approximately 21 gross ha (52 gross ac) of employment land, for a total land need of approximately 86 gross ha (213 gross acres) by the end of that period. In this case, 'gross' means gross development lands (e.g. net of protected natural heritage features and natural hazards).

Further, if a 3 year lead time is assumed at that same annual demand rate, an additional 16 net ha (39 gross ac) of employment land may be required.

Summary Comments

Planning staff are not aware of any requirement to justify the proposed location, configuration and/or extent of the lands to be incorporated into the corporate boundary of an urban municipality as part of the annexation process under the Municipal Act. However, these considerations are still key if such lands are intended for settlement expansion purposes, as the permitted uses on such lands are determined by their existing Official Plan designation and zoning (e.g. agricultural), not by the location of the corporate boundary. Development/use of any annexed lands for urban type purposes would require an Official Plan amendment to re-designate the lands to 'settlement'. Such amendments must be consistent with the policies of the 2014 Provincial Policy Statement and the Official Plan, both of which require a comprehensive review to justify the need for and most appropriate direction for any settlement expansion. The types of Official Plan amendments tend to be closely monitored by the Province to ensure they can be justified in accordance with Provincial policy.

Therefore, planning staff would strongly advise that relevant land use planning considerations be reviewed as part of the boundary adjustment process. This will help to ensure that the municipalities involved in the discussions have a clear understanding of whether the location and extent of any lands proposed to be annexed can be reasonably justified for re-designation to 'settlement' if they were to be incorporated into an urban municipal boundary.