



DEPARTMENT: Chief Administrative Officer

REPORT NO: A-007-18

COUNCIL DATE: February 12, 2018

TITLE: Update of Boundary Negotiations with SWOX

OBJECTIVE: To provide information and seek direction on remaining issues.

BACKGROUND: Below is a table of proposals and counter proposals that the committees from both SWOX and Ingersoll have been discussing.

The framework of the discussions have followed the guidelines established by Ingersoll to its committee, in November 2017.

South-West Oxford and Ingersoll Boundary Discussions			
	SWOX – October 3, 2017 Proposal	Ingersoll	Results of January 29, 2018 Discussion
Area	Expanded area to include lands West, East & South of Ingersoll	Agrees to expanded area	Ingersoll and South-West Oxford agree on boundary adjustment area to be considered. Lands to be included are agreed to.
Phase-in Taxation	5-year for commercial & industrial 10-year phase in for residential and farm	Residential 8 year Commercial & Industrial 5 year. Farming 5 year.	Ingersoll team will take South-West Oxford request for Phase-In of taxation back to Ingersoll Council for consideration as follows: <ul style="list-style-type: none"> Residential and Farm Phase in 8 years Industrial and Commercial Phase in 5 years Ingersoll Staff and Committee support the proposed phase in as suggested
Compensation for residential & farm properties.	Ingersoll to pay a sum equaling the Township tax levy at the time of boundary adjustment on residential and farm properties (in the annexation area) indexed by Ontario CPI for the month of January each year. Payment is to be made to the Township in the same manner as taxes (Interim 50% of previous year in April; final balance owing after CPI applied...due in Oct.) in perpetuity.		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> 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. 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. Ingersoll Staff are supportive of the payments being made on the same schedule as payments to the County and the School Boards.
Compensation for existing industrial & commercial.	Ingersoll to pay a sum equaling the Township tax levy at the time of annexation on <u>fully implemented assessments</u> in the annexation area indexed by the Ontario CPI for the month of January each year. Payments are to be made in the same manner as taxes (interim 50% of previous year in April; final balance owing after CPI	SWOX's existing taxes on the day before boundary adjustment be paid in perpetuity, indexed annually by the CPI from the previous year.	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). Valuation Adjustments would take placed based on when that assessment comes on line. 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. Ingersoll Staff are supportive of the payments being made on the same schedule as payments to the County and the School Boards.

	applied payment in October) in perpetuity		
Identified industrial properties (decrease in assessment due to downsizing or closure)		Taxes on identified industrial properties, including CAMI & Bell Camp along with any others identified at the time of the agreement shall have taxes adjusted accordingly for any reductions caused by downsizing or close or the cessation of operations	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). In the event CAMI ceased operations; whatever new assessment is would be calculated pre-amalgamated. Only reimburse SWOX for assessment then. Calculation could be done at the time. Senior staff will discuss it and bring it back a joint recommendation. Legacy appeals. Questions of fairness. Flag assessments so that we can know.
Future Compensation for new commercial and industrial development + expansion of existing commercial & Industrial	Ingersoll to pay the Township 24% of Ingersoll annual taxes collected on all new commercial and industrial development in the amalgamation area; in the same manner as taxes (Interim 50% previous year; final balance owing in October.	Compensation for Industrial and Commercial lands be at 24% of Ingersoll's rates when developed	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%. Quarterly and discussed earlier for payments. The primary issue is the implications of dealing with the CAMI site. Staff from both municipalities will meet to try and establish a fair, comprehensive, easily administered and long term proposal for consideration of the committees and ultimately.
Future - New Residential Development	Eleven (11) homes per net acre. \$250.00 per res unit on 11 units per net acre for all residential lands. A lump sum payment is to be paid up front (within a fiscal year) with additional monies paid should unit per net acre rise above 11.	Provision for upfront payment at \$250.00 per unit, based on lands proposed for residential development calculated at an average of 11 units per acre.	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 res a future payment could be made. South-West Oxford anticipates: <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. Ingersoll Staff are comfortable with this approach and will provide SWOX with estimates for consideration at next joint meeting. Ingersoll understands the concern from SWOX on lands being initially identified as commercial or industrial subsequently being changed to residential. To safe guard their financial interests, SWOX has asked that any agreement contain provisions that would allow for payments of \$250.00 indexed, for future residential lots established from lands originally envisioned for Commercial or Industrial.

Boundary Roads	<p>Town of Ingersoll to assume ownership of both sides of:</p> <ul style="list-style-type: none"> - Clarke Road from Harris Street (#19 Highway) to the eastern boundary of the Groot barn. - Curry Road from Union Road to Plank Line (Highway #19) - Union Road west of Culloden Line - Wallace Line from Thames River to Thompson Road - Thomas Road from the west boundary of Pye Farm (where tracks cross Thomas Road) to existing Town Boundary <p>Town of Ingersoll and SWOX will share ownership of Robinson Road and would enter into a boundary agreement.</p> <p>Unopened road allowance will be discussed separately.</p>	<p>Boundary roads remain a shared cost between Ingersoll/SWOX/Successors. The cost will be calculated as follows:</p> <ul style="list-style-type: none"> - Until lands are developed maintenance shall be shared on a 50/50 basis; - As the lands are developed capital costs shall be shared on a 76/24 Ingersoll/Swox basis. (reflects the revenue sharing component); - After development of the lands operating/maintenance costs shall be shared on a 76/24 basis. 	<p>Ingersoll and South-West Oxford Committee agreed that regular maintenance will be split on a 50/50 basis between the municipalities. A boundary service sharing contract would be negotiated between the municipalities to work out the details of maintenance. Every effort will be made to ensure that we don't redo work.</p> <p>Ingersoll Council believes that the construction of new roads for commercial/industrial purpose should be split on the same basis as the taxation is shared (24/76). Ingersoll and the County of Oxford do not charge development charges for commercial/industrial development.</p> <p>South-West Oxford Works Superintendent will confirm that standard of the existing Township owned roadways near CAMI.</p> <p>South-West Oxford Committee will take back Ingersoll suggestion of 76/24 capital split for new commercial/industrial shared roadways back to council.</p> <p><u>Unopened road allowances</u> Ingersoll suggested that all unopened road allowances in boundary adjustment area to transferred to Town ownership as part of the boundary adjustment agreement.</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 does not agree with paying for unopened road allowances, they were conveyed to the Township when the lands were originally established. They should be conveyed to the Town at no cost the same as the open road allowances will be.</p>
Mutual Aid & automatic aid agreements	<p>The Township will enter into a fire service agreement with the Town of Ingersoll for servicing the 401 corridor.</p>	<p>SWOX Agree to mutual, as well as automatic aid agreement for the provision of fire suppression as determined necessary by the Fire Chief of the Town of Ingersoll.</p>	<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 meet with South-West Oxford Fire Chief to discuss servicing and bring information back.</p>
Energy Efficiency	<p>Solar ready rooftops as well as garages with conduit for EV charging units.</p>	<p>Ingersoll will enforce the requirements of the OBC at the time of construction, which hopefully include capacity for electrical charging capabilities in 2018</p>	<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>

		and solar roof capabilities in 2019.	
MDS	<p>All agricultural properties within the annexation area maintain their ability to expand livestock operations in the future.</p> <p>Protection of expansion of agricultural properties outside of annexation area to allow for future expansion.</p>	Livestock expansions within the settlement area would have to comply with provincial requirements under MDS and County Policies.	<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>
Municipal water & water servicing.	Farm properties awaiting development and farm residences shall not be forced to hook up to a municipal water or sewer for supply prior to development/rezoning.		<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>

ANALYSIS: From Staff's perspective this is as close to an agreement that the committees have reached in almost four years of negotiations.

INTERDEPARTMENTAL IMPLICATIONS: Boundary adjustments will have significant implications for all aspects of the Town for the next 20 years.

FINANCIAL IMPLICATIONS: Financial implications have been presented within the text of the report.

RECOMMENDATION:

THAT Council receive this report numbered A-007-18 as information.

AND FURTHER THAT Council provides the committee with direction on the outstanding issues.

Prepared by: William J. Tigert, Chief Administrative Officer