

Township of Southgate

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Staff Report CAO2021-082

Title of Report: Draft Melancthon-Southgate Land Annexation & Boundary Adjustment Agreement Report

Department: Administration

Council Date: December 1, 2021

Council Recommendation:

Be it resolved that Council receive Staff Report CAO2021-082 as information; and

That Council consider approval of the draft Annexation and Boundary Agreement with the County of Dufferin, the Township of Melancthon, the County of Grey and the Township of Southgate; and

That Council direct staff to present the draft Annexation and Boundary Adjustment Agreement to and work with the County of Dufferin, the Township of Melancthon and the County of Grey and to finalize the agreement for Council to consider, approve and forward to Ministry of Municipal Affairs and Housing for final Provincial approval.

Background:

Flato Developments has advised the Township of Southgate that they have purchased 250 acres of land in the Township of Melancthon. Flato Developments' Shakir Rematullah has informed Melancthon Mayor White of his plan to develop property in his Township.

Since then Flato, Southgate Mayor and CAO has since met virtually with Melancthon Mayor and CAO with good discussions and commitments to engage in Council discussions related to boundary adjustments. What will be required is a 4-way agreement executed by the 2 County and 2 Township entities. Melancthon Council as a whole has had initial discussions at their November 4th, 2021 Council meeting. Mayor White provided a verbal update to Council regarding proposed annexation by Southgate Township for a future Flato Development.

Southgate Council received staff report CAO2021-076 at the November 17th, 2021 Council meeting and approved the following motion:

Moved by Deputy Mayor Milne; **Seconded by Councillor** Frew;

Be it resolved that Council receive Staff Report CAO2021-076 as information; and

That Council direct the Mayor and the CAO to continue to work with and meet with Township of Melancthon Mayor and CAO to deal with the Flato Developments request for annexation of lands; and

That Council direct staff to develop a draft Boundary Adjustment Agreement for consideration by the County of Dufferin, the County of Grey, the Township of Melancthon and the Township of Southgate. Carried No: 2021-657

Staff Comments:

Staff has developed a Draft Annexation and Boundary Adjustment Agreement as a template document based the review of similar agreements and the Restructuring Proposal for Shelburne and Melancthon from 2002.

The basis for this annexation request by Flato Developments with the Township of Melancthon transferring lands to the Township of Southgate is to access Dundalk's urban services. The Flato Development plan requires municipal water services, wastewater disposal mains/trunks lines and treatment plant infrastructure.

The considerations that are reflected in this Draft Annexation and Boundary Adjustment Agreement is based on the following considerations:

- Transfer of lands an area developer has purchased for future development.
- Consider existing road assets that will be impacted by the future development of the annexed lands related to the installation of servicing utilities and increase traffic and levels of service.
- Assessing credit for existing municipal assets and services that are associated with the Melancthon lands to be annexed.
- Tax compensation for lost revenues for a set period of time based on the taxation on the annexation date.
- Shared tax revenues for the new development on the annexed lands based on a percentage of the new tax and taxation increases realized from development growth; or
- One-time payments between municipalities based on each new residential building permit issued on the annexed lands.
- Covering all direct costs of the annexation paid for by the benefitting municipality/county.

Staff recommend that the Draft Melancthon-Southgate Land Annexation & Boundary Adjustment Agreement report be approved as presented by Council to start the negotiations and advance the dialogue with the Township of Melancthon, Dufferin and Grey County.

Financial Impact or Long-Term Implications

There is no financial impact to the municipality as a result of this report in the 2021 budget other than staff time to develop the agreement.

In 2022 we will require a legal review of the Annexation and Boundary Adjustment Agreement. Any development costs related to this project would be growth related and captured in a Development Agreement with Flato Developers being assessed any costs incurred by Southgate or Melancthon would incur related agreement legal review and all off site service costs to cross Highway #10 and extend services to the annexed properties.

The basis of an Annexation and Boundary Adjustment to deal with transition issues and compensation for future taxation losses is a 10 year agreement that shares the increased taxes realized from the development of the annexed property.

Communications & Community Action Plan Impact:

This report has been written and presented to Council to communicate accurate information to the public.

Goal 1 - Attracting New and Supporting Existing Businesses and Farms

Action 1: The residents and businesses of Southgate envision a growing and diverse local economy, which respects our agricultural background while also attracting new businesses and new employment opportunities in keeping with the renewed growth of our population.

Concluding Comments

1. That Council receive staff report CAO2021-082 as information.
2. Council consider approval of the draft Annexation and Boundary Adjustment Agreement with the County of Dufferin, the Township of Melancthon, the County of Grey and the Township of Southgate.
3. Council direct staff to present the draft Annexation and Boundary Adjustment Agreement to and negotiate with the County of Dufferin, the Township of Melancthon and the County of Grey to finalize the agreement for Council to consider, approve and forward to Ministry of Municipal Affairs and Housing for final Provincial approval.

Respectfully Submitted,

CAO approval: Original Signed By

Dave Milliner – CAO

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Attachments:

- Attachment #1 - Draft Melancthon Land Annexation & Boundary Adjustment Agreement Report
- Attachment #2 - Restructuring Proposal for Town of Shelburne and the Township of Melancthon, 2002