

## **BOUNDARY ADJUSTMENT AGREEMENT**

### **AMONG:**

THE CORPORATION OF THE TOWNSHIP OF MELANCTHON, "Melancthon"

and

THE CORPORATION OF THE COUNTY OF DUFFERIN, "Dufferin"

and

THE CORPORATION OF THE TOWNSHIP OF SOUTHGATE, "Southgate"

and

THE CORPORATION OF THE COUNTY OF GREY, "Grey"

### **INTRODUCTION:**

Dufferin, Grey, Melancthon, and Southgate ("the municipalities") have negotiated an agreement among them for the transfer of a parcels of land ("the annexed lands"), located in Dufferin and Melancthon to Grey and Southgate by way of a restructuring proposal pursuant to sections 25.2 and 25.4 of the *Municipal Act*, R.S.O. 1990, Chapter M45.

This document sets out the agreement among the municipalities.

**THIS DOCUMENT WITNESSES** that in consideration of the mutual covenants and agreements contained in it, and subject to the terms and conditions contained in it, the municipalities agree as follows:

#### **1.0 EFFECTIVE DATE AND IMPLEMENTATION:**

1.1 This agreement is deemed to constitute a restructuring proposal, which will be submitted to the Minister of Municipal Affairs and Housing ("the Minister") for implementation, effective July 1<sup>st</sup>, 2022 ("the effective date"). The Minister is authorized by the municipalities to implement those provisions of this agreement that the Minister has authority to implement. The municipalities agree that all of the provisions of the agreement are binding upon them, whether contained in the Minister's Order or otherwise.

## **2.0 LANDS TO BE ANNEXED**

2.1 This Boundary Adjustment Agreement concerns a proposed annexation of part of Melancthon, in Dufferin to the Southgate, in Grey as follows:

The 2 parcels of land as offered by Melancthon to Southgate, generally described as the following:

- Parcel #1 being bounded by the westerly limit of Highway #10, the southerly limit of Dufferin Road #9, the easterly limit of Melancthon Road 2<sup>nd</sup> Line North East and the northerly limit being the south property line of Melancthon lands Concession #1 & Concession #2, Lots 229, SETSR, being 200 acres in size.
- Parcel #2 being bounded by the westerly limit being the east side of Melancthon property Concession #2, Lot #241 SWTSR, the southerly limit being the north side of Melancthon property Concession #1, Lot #242 SWTSR, the easterly limit being Highway #10 and the north limit being Southgate property Concession #1, Lot #240, SWTSR, being 50 acres in size.

These lands are referred to in this agreement as "the annexed lands".

**2.2** The municipalities agree as follows:

- i. That it is in their interest to create a common servicing corridor for the purpose of installation and operation of municipal services and utilities of every nature and description.
- ii. The common corridor will be contained within the road allowance of Dufferin Road #9 (as same exists or as may be modified from time to time) beginning at the intersection of Dufferin Road #9 and Highway #10 and thence easterly within the Dufferin Road #9 road allowance to its intersection with Melancthon Road 2<sup>nd</sup> Line North East.
- iii. The common corridor will be common in the sense that the municipalities will each be entitled to access and use thereof for services and utilities as aforesaid as and when needed throughout the entire common corridor; and
  - a) The municipalities agree to enter into a written contract which will more particularly define the parameters of their relationship pertaining to the common corridor including, without limiting generality, such matters and things as mutual/common connections, common use of services and obligations of with respect to one another for construction, maintenance and repair.
  - b) Grey and Southgate agree that with respect to that portion of Dufferin Road #9 situated between the westerly limit of Highway #10 and the easterly limit of Melancthon Road 2<sup>nd</sup> Line North East (the "Flato Option #1 lands");

- c) All upgrades, improvements and expansions of Dufferin Road #9, as identified in the approved development plans for the Flato Option #1 lands, shall be undertaken by the Grey and Southgate through Flato Developments at no cost to Dufferin or Melancthon;
- d) Prior to construction of the upgrades, improvements and expansions noted in
  - (i) above, Grey and Southgate agrees that:
  - (ii) the Grey and Southgate may connect roads to the Dufferin Road #9; and
  - (iii) improvements required to facilitate such connection of roads to the Dufferin Road #9 and cost sharing amongst affected parties pertaining thereto shall be determined pursuant to a Traffic Impact Study.
  - (iv) Grey and Southgate shall provide the Dufferin and Melancthon with access to the Option #1 Flato Lands via no fewer than three (3) intersections including Intersection Road and additional connections as justified by a Traffic Impact Study. Access to Option #2 lands will be provided by roadway connections from the Southgate Concession 1, Lot 240, SWTSR property.

2.3 Dufferin and Grey County agrees that they will determine jurisdiction and maintenance over the following:

- i. all of that portion of the present Dufferin Road #9 road allowance from Hwy #10 to the east to the intersection of Melancthon Road 2<sup>nd</sup> Line North East & Dufferin Road #19

And the County of Dufferin and County of Grey agrees to determine the developer requirements that:

- ii. it will undertake traffic studies to assess the present and future requirements for all upgrades, improvements and servicing so that the present Dufferin Road #9 section of roadway to an urban standard.
- iii. the County will pass all necessary by-laws to give effect to the provisions above.

### **3.0 REPRESENTATION:**

3.1 The annexed lands shall form part of the Township of Southgate and designated into the urban area in the Village of Dundalk as of the effective date and the residents of the annexed lands shall be entitled to vote in the Township of Southgate in the regular municipal elections to be held on October 24<sup>th</sup>, 2022 in accordance with the *Municipal Elections Act, 1996*.

#### **4.0 COMPENSATION:**

4.1 In consideration of the transfer of the annexed lands from the Township of Melancthon to the Township of Southgate, the Township of Southgate will make payments based on the present-day taxation and assessment base on the year of transfer for a period of 10 years to the Township of Melancthon and the County of Dufferin, payable as follows:

<b>YEAR</b>	<b>SOUTGATE &amp; GREY CTY</b>	<b>MELANCTHON</b>	<b>DUFFERIN CTY</b>
Distribution	Annual Tax Collected	____%	____%
2022 Taxation \$			
May 1, 2023 Tax \$			
May 1, 2024 Tax \$			
May 1, 2025 Tax \$			
May 1, 2026 Tax \$		"	"
May 1, 2027 Tax \$			
May 1, 2028 Tax \$			
May 1, 2029 Tax \$			
May 1, 2030 Tax \$			
May 1, 2031 Tax \$			
May 1, 2032 Tax \$			

4.2 Interest at the rate of 1.0% per month shall be payable by the Township of Southgate to the Township of Melancthon and the County of Dufferin as the case may be on any amount of the above mentioned sums that are not paid on the due dates in question and interest shall accrue on any outstanding balance from the date the payment was due pursuant to this agreement until the balance is received by the Township of Melancthon or the County of Dufferin as the case may be.

#### **5.0 TAX COLLECTION AND ASSESSMENT**

5.1 **Outstanding Taxes** - The Township of Melancthon will issue, prior to January 9, 2023, a final notice of all real property taxes, charges or rates levied under any general or special Act in the annexed lands and uncollected as of December 31, 2022 ("outstanding taxes") to each affected property owner, instructing them to remit all outstanding taxes to the Township of Southgate. The Township of Melancthon shall remit to the Township of Southgate within 30 days following receipt by the Township of Melancthon any payments on account of outstanding taxes remitted to the Town subsequent to the effective date.

5.2 The outstanding taxes shall be deemed to be taxes due and payable to the Township of Southgate and may be collected by the Township of Southgate.

5.3 Prior to January 16, 2023, the clerk of the Township shall prepare and furnish to

the clerk of the Township of Southgate a special collector's roll showing all outstanding taxes and the persons assessed for them.

5.4 The Township of Southgate shall pay to the Township of Melancthon prior to February 1, 2023 an amount equal to the outstanding taxes.

5.5 **Tax Sales** - The Township of Southgate shall have the authority to continue with any tax sale procedures in the annexed lands initiated by the Township of Melancthon pursuant to the provisions of the *Municipal Tax Sales Act* that have not concluded by the effective date. The proceeds of such tax sales, subject to the provisions of the *Municipal Tax Sales Act*, shall vest in the Township of Southgate subject to settlement pursuant to paragraph 5.4

5.6 **Assessment Roll Transfer** - If the Minister does not issue the restructuring Order for this proposal prior to the finalization of the assessment roll for the annexed lands for the year 2022, the Municipal Property Assessment Corporation (MPAC) shall be authorized to amend the assessment roll for the annexed lands for the taxation year 2022 to reflect the transfer of the annexed lands from the Township of Melancthon to the Township of Southgate. For the purposes of the assessment roll to be prepared for the Township of Southgate for taxation in the year 2023, the annexed area shall be deemed to be part of the Township of Southgate and shall be assessed on the same basis that the assessment roll for the Township of Southgate is prepared.

5.7 **Local Improvement By-law** - Any charges for local improvements that have been initiated by the Township of Melancthon pursuant to a by-law passed under the provisions of the *Local Improvement Act* in the annexed lands that are still in effect at the effective date ("local improvement charges") shall be collected by the Township of Southgate pursuant to such local improvement by-law and shall be paid to the Township of Melancthon annually on July 31 for the total amount levied in that year.

5.8 Prior to January 16, 2023, the clerk of the Township of Southgate shall prepare and furnish to the clerk of the Township of Southgate in respect of the annexed land, a schedule detailing the local improvement charges, to facilitate billing of these by the Township of Southgate and payment of these amounts to the Township of Melancthon.

## **6.0 TAX PHASE-IN**

6.1 Commencing January 1, 2023, any increase in the rate of taxes for municipal purposes for the annexed lands which would occur solely as a result of this annexation shall be phased in for the municipal portion of the real property tax bill equally over a period of five years. Notwithstanding the foregoing, the municipalities agree that capping legislation will apply.

## **7.0 PROVISION OF MUNICIPAL SERVICES:**

7.1 The Township of Southgate will assume all responsibility for the provision of municipal services including but not limited to roads, sewer, water, police protection and fire protection for the annexed lands and the said municipal services shall

become the responsibility of the Township of Southgate as of the effective date or as otherwise agreed to by the municipalities. Municipal services will include the cost of the supply and maintenance or repair of any appurtenances or other equipment that may be necessary for the operation of the service in question.

## **8.0 STUDIES, PLANS, RECORDS:**

8.1 The Township of Melancthon and the County of Dufferin will transfer to the Township of Southgate and the County of Grey any studies, plans, records, designs or similar material that it has prepared and that are public in nature and relate to the annexed lands.

8.2 **OMB Appeals** - The Township of Melancthon and the County of Dufferin agree that after the effective date they will continue to cooperate with the Township of Southgate and the County of Grey by providing such supporting information and documentation that is in their possession or under their control that is requested by the Township of Southgate to enable the Township of Southgate to respond to court actions or appeals brought to the Ontario Municipal Board by residents of the annexed lands.

8.3 **Municipal Drains** - The Township of Melancthon and the County of Dufferin agree to provide to the Township of Southgate the information and documentation on hand with respect to the municipal drains located in the annexed lands that may be the subject of assessments under the *Drainage Act*.

## **9.0 EMPLOYEES:**

9.1 There will be no transfer of employees or other staff from the Township of Melancthon or the County of Dufferin to the Township of Southgate as a result of this restructuring.

## **10.0 PROPERTY:**

10.1 **Transfer of Utility Assets** - Subject to paragraph 10.2, the Township of Melancthon will transfer, as of the effective date to the Township of Southgate any pipes, pumping stations and related appurtenances for any public utilities in the annexed lands if applicable.

10.2 The Township of Melancthon agrees to transfer ownership of water mains and services identified in Schedule "A" to the Township of Southgate, Dundalk Waterworks Department as of the effective date.

10.3 **Transfer of Roadway Assets** - All real property, including but not limited to any roadways, bridges, street fixtures, easements and restrictive covenants running with Township of Melancthon land located in the annexed lands, vests in the Township of Southgate which will assume ownership and control and responsibility for the maintenance and repair of these as of the effective date or as otherwise agreed to

by the municipalities.

10.4 All real property, including but not limited to any roadways, bridges, street fixtures, easements and restrictive covenants running with County of Dufferin land located in the annexed lands, vests in the County of Grey which will assume ownership and control and responsibility for the maintenance and repair of these as of the effective date or as otherwise agreed to by the municipalities.

10.5 The municipalities acknowledge that the maintenance, repair and construction of the municipal road system located within the annexed lands shall remain at the same level of service currently provided by the Township of Melancthon or the County of Dufferin, until the Township of Southgate and the County of Grey assumes responsibility for the maintenance, repair and construction of the roads on the effective date or as otherwise agreed to by the municipalities.

10.6 **Securities Held In Trust** - Any securities, letters of credit or similar instruments that are held in trust by the Township of Melancthon with respect to any Site Plan Agreements, Subdivision Agreements or any other development agreements in the annexed lands shall vest with the Township of Southgate as of the effective date and documentation related thereto shall be transferred to the Township of Southgate prior to February 1, 2023.

10.7 **Franchise Utility Agreements** - The Township of Melancthon and County of Dufferin agree to transfer their rights in any utility franchise agreements or contracts for natural gas, telephone, telecommunications and cable television installations in the annexed lands to the Township of Southgate as of the effective date.

10.8 **Land Transfers** - There will not be transfer of any property from the Township of Southgate to the Township of Melancthon or to the County of Dufferin other than as provided for in this proposal.

## **11.0 LIABILITIES:**

11.1 **Litigation** - Except as specifically provided for in this agreement, any liabilities, obligations or responsibilities that the Township of Melancthon or the County of Dufferin may have that relate to the annexed lands shall be transferred to the Township of Southgate as of the effective date. The Township of Melancthon and the County of Dufferin are not aware of any litigation that relates to the annexed lands.

11.2 Any litigation commenced prior to the effective date, or after the effective date with respect to matters that occurred prior to the effective date with respect to the annexed lands, remains the obligation of the Township of Melancthon or the County of Dufferin, as the case may be.

## **12.0 MUNICIPAL BY-LAWS AND OFFICIAL PLANS:**

12.1 **Official Plan & Zoning By-law** - Any comprehensive zoning By-law or

amendments thereto, or site plan control bylaws, passed pursuant to section 34 or 41 or predecessor of those sections of the *Planning Act*, or any Official Plan or amendments thereto of the Township of Melancthon that have been approved or adopted for the annexed lands pursuant to the provisions of the *Planning Act* shall be deemed to be part of the zoning By-law and Official Plan for the Township of Southgate as of the effective date and shall remain in full force and effect in the annexed lands until amended or repealed or otherwise replaced by the Township of Southgate pursuant to the provisions of the *Planning Act*.

12.2 Any part of an Official Plan of the County of Dufferin pertaining to the annexed lands ceases to apply to the annexed lands as of the effective date.

12.3 Any application to amend the Comprehensive Zoning By-law or the Official Plan for the Township of Melancthon that was initiated prior to the effective date for the annexed lands shall be continued by the Township of Southgate having regard for the zoning By-law and Official Plan for the Township of Melancthon.

12.4 The Township of Melancthon will circulate to the Township of Southgate any application that may be made to the Township of Melancthon prior to the effective date for an Official Plan Amendment, zoning By-law Amendment, Consent for Severance, Minor Variance, Site Plan Agreement, Plan of Subdivision or Plan of Condominium for the annexed lands.

12.5 **Other Municipal By-laws in Force & Effect** - Save and except as provided for in Sections 12.1 and 12.2, and this paragraph, any By-laws and Resolutions of the Township of Southgate shall come into force and take effect in the annexed lands as of the effective date save and except for the Township of Melancthon By-laws and County of Dufferin By-laws passed pursuant to the *Highway Traffic Act* or the *Municipal Act*, that regulate the use of highways by vehicles or pedestrians, which establish speed limits or parking restrictions within the annexed lands or that regulate the encroachment or projection of buildings or any portion thereof upon or over highways, by-laws of the Township of Melancthon or the County of Dufferin passed under section 45, 58, or 61 or a predecessor of those sections of the *Drainage Act*, by-laws passed under section 10 of the *Weed Control Act*, and by-laws conferring rights, privileges, franchises, immunities or exemptions that could not have been lawfully repealed by the council of the Township of Melancthon or the County of Dufferin, as the case may be, which By-laws shall be deemed to be By-laws of the Township of Southgate and shall remain in force and effect until amended or replaced by the Council for the Township of Southgate.

12.6 **Development Charges By-law** - The Township of Melancthon's Development Charges By-law as it affects the annexed lands shall continue to apply to the annexed lands as if it were a By-law of the Township of Southgate and shall remain in full force and effect in the annexed lands until amended or repealed or otherwise replaced by the Township of Southgate pursuant to the provisions of the *Development Charges Act*.

12.7 **Non-resident Charges** - All residents in the annexed lands shall, as of the effective date, be residents of the Township of Southgate and all non-resident charges assessed against these residents for the use of facilities in the Township of



Southgate or services of the Township of Southgate shall cease to apply as of the effective date.

### **13.0 MORATORIUM:**

13.1 Subject to Article 13.3, the municipalities agree that none of them will seek any further changes to the boundary separating the Township of Southgate from the Township of Melancthon and the County of Dufferin until the earlier to occur of the following two dates:

- (a) January 1, 2027; or
- (b) at a date prior to January 1, 2027, when the Township of Southgate has demonstrated, acting reasonably, that there is an insufficient inventory of employment land and residential land to accommodate the Township of Southgate's projected growth for a time horizon of up to twenty years. The Township of Southgate shall demonstrate the insufficiency of said inventory by utilizing and conforming with the *Projection Methodology Guidelines of the Ministry of Municipal Affairs and Housing - 1995* (the "*Guidelines*"), and by conforming with the *Provincial Policy Statement* issued under section 3 of the *Planning Act of Ontario*, which came into effect by Order in Council No. 746-96 on May 22, 1996.

Notwithstanding the generality of Article 13.1 (b) above, when utilizing the *Guidelines* in the calculation of the Total Land Requirements of the Township of Southgate, there shall be included in the calculation of "designated vacant lands" the total area of all lands in the Township of Southgate which have not been fully developed in accordance with applicable zoning and/or official plan provisions, regardless of ownership.

13.2 For greater certainty, the municipalities agree that any disagreement arising among them concerning implementation or interpretation of Article 13.1 (b) above shall be referred to mediation and then arbitration in accordance with the provisions of Article 14 below.

13.3 Notwithstanding Article 13.1 or any other provision of this agreement, the municipalities agree that minor boundary changes between the Township of Southgate and Township of Melancthon and the County of Dufferin may be required from time to time and may be effected by a mutual agreement of the Township of Southgate, the County of Dufferin and the affected County municipality (Grey) requesting a restructuring order to be signed by the Minister of Municipal Affairs and Housing or by such procedure as the Province of Ontario may in future enact for these purposes.

### **14.0 DISPUTE RESOLUTION:**

14.1 **Mediation:** A dispute arising out of the interpretation of this agreement may

be resolved through mediation by way of a mediator agreed to by the municipalities to this agreement. If the municipalities cannot agree on a mediator or the dispute is not resolved through the mediation, the matter in dispute shall be referred to arbitration as set out in section 14.2 below.

**14.2 Arbitration:** A dispute arising out of the interpretation of this agreement may be referred to arbitration to resolve the dispute in accordance with the provisions of the *Arbitrations Act, 1991*. The appointment of the arbitrator and the conduct of the arbitration will be governed by the provisions of the *Arbitrations Act, 1991*.

**14.3** Where a dispute is referred to arbitration under subsection 2, the decision of the arbitrator shall be final.

**14.4** The costs associated with mediation or arbitration proceedings under this section shall be shared equally between the municipalities if only two municipalities are parties to the mediation or arbitration and shall be paid fifty percent by the Township of Southgate and the balance of the costs shared equally between the Township of Melancthon and the County of Dufferin if the three municipalities are parties to the mediation or arbitration.

## **15.0 AMENDMENTS:**

**15.1** The Township of Melancton, the County of Dufferin, County of Grey and the Township of Southgate all agree that the municipalities may at any time amend any provision of this Agreement which does not become incorporated into and form part of the Minister's Order, provided that all municipalities agree to the amendment in writing.

## **16.0 OTHER PROVISIONS**

**16.1** This Agreement is conditional upon the issuance of an Order by the Minister implementing the restructuring proposal submitted by the municipalities.

**16.2** This Agreement contains the entire agreement among the municipalities, and it is acknowledged and agreed that there are no other representations, warranties, conditions, collateral agreements, inducements or promises, oral or otherwise, affecting the relationship of the municipalities except as set out in this agreement.

**16.3** The invalidity, illegality or unenforceability of any particular provision, article or sub-article in this Agreement shall not affect any other provisions of this Agreement, and the balance of this Agreement shall remain valid and in full force and effect notwithstanding any such invalidity, illegality or unenforceability.

**16.4** The failure of a municipality or municipalities to require performance by the other or others of any provision of this Agreement shall in no way affect its right thereafter to enforce such provision, nor shall the waiver of a breach of any provision by a municipality or municipalities be taken or be held to be a waiver of any further breach of the same provision or the breach of any other provision of this

Agreement.

16.5 The municipalities recognize and agree upon their respective autonomous jurisdictions and their right to self-governance and undertake to work cooperatively on issues of mutual concern. The municipalities agree that they will not object to, cause delay of or otherwise involve themselves with regulatory approval or implementation of any transportation, water and wastewater servicing solutions chosen for implementation by the respective municipalities, so long as such are identified in the municipalities' master plans as these exist from time to time and approved by the appropriate regulatory authority.

#### **17.0 BINDING AGREEMENT**

17.1 The municipalities agree that all provisions of this agreement, whether or not they are contained in the Minister's restructuring order, are binding among the municipalities.

#### **18.0 SIGNATURES:**

18.1 The municipalities, by the respective persons authorized by the Township of Melancthon, the County of Dufferin, the Township of Southgate and the County of Grey, are executing this agreement under seal.

#### **THE CORPORATION OF THE TOWNSHIP OF MELANCTHON**

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Darren White, Mayor

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Denise Holmes, Clerk

We have the authority to bring the Corporation.

**THE CORPORATION OF THE COUNTY OF DUFFERIN**

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\_\_\_\_\_, Warden

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Michelle Dunne, Clerk

We have the authority to bring the Corporation.

**THE CORPORATION OF THE TOWNSHIP OF  
SOUTHGATE**

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John Woodbury, Mayor

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Lindsey Green, Clerk

We have the authority to bring the Corporation.

**THE CORPORATION OF THE COUNTY OF GREY**

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Selwyn Hicks, Warden

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Heather Morrison, Clerk

We have the authority to bring the Corporation