

TO: Members of Council

RE: Township of Norwich - Boundary Adjustment Committee Report

AIM

To provide an update on boundary adjustment negotiations with the Township of Norwich and to approve the advancement of a Boundary Adjustment Proposal for public consultation subject to the same approval by the Council of the Township of Norwich.

BACKGROUND

City Council approved the establishment of a Boundary Adjustment Committee and authorized the Mayor to invite the Township of Norwich to commence boundary adjustment discussions in May of 2023. Representing City Council on this committee are Mayor Acchione, Councillor Lauder, and Councillor Leatherbarrow. The Council of the Township of Norwich accepted the invitation and there have been three meetings of the two committees over the past year.

A primary reason for a boundary adjustment is to bring sufficient lands into the city to allow for the realignment of Patullo Avenue to intersect with Highway 59 at a more distant location from the Highway 401 ramp terminals. This realignment was identified by MTO as a requirement to allow further industrial development along the north side of Patullo Avenue. The City completed the Municipal Class Environmental Assessment and identified the preferred road realignment option which extends through the Township of Norwich. The City cannot own this new realigned road as the land associated with the road is outside the limits of the City. A boundary adjustment to include these lands in the City is necessary.

The two Boundary Adjustment Committees developed a potential area to be considered along with draft terms of an agreement for a boundary adjustment at the last meeting of May 2nd. The Next step is to advance this proposal to each Municipal Council for authorization to take the proposal to public consultation.

COMMENT

The lands under consideration for boundary adjustment are attached to this report.

The draft terms of agreement, in principle, include both a compensation element for the Township and a tax mitigation and tax phase-in element for Township of Norwich property owners within the residential and farm tax classes.

Compensation (assuming adjustment as of January 1, 2025)

Base Compensation Payment (in perpetuity)

Real Property Tax for Township Own Purposes:

- (a) The Treasurer of the Township shall provide the total own purposes taxes levied by the Township for the properties located within the annexed area for 2024 ("Base Amount") by October 1, 2024;
- (b) The City shall pay to the Township compensation annually, beginning in the year 2025, equal to the Base Amount and,
- (c) Beginning in 2026 and for each subsequent year, the Base Amount shall be adjusted annually on January 1 by the percentage change in the all items Canada Consumer Price Index for the previous 12 months.

Joint Prosperity Compensation:

Beginning in 2025, the City shall pay to the Township annually a share of the City's own purpose taxes as follows:

(a) Commercial Tax Class:

20% of the City's share of the Woodstock tax rate levied each year calculated by applying the City tax rate to the Commercial assessment as per the roll as returned reduced by the indexed (CPI) Commercial assessment as of the boundary adjustment date.

(b) Industrial Tax Class:

24% of the City's share of the Woodstock tax rate levied each year calculated by applying the City tax rate to the Industrial assessment as per the roll as returned reduced by the indexed (CPI) Industrial assessment as of the boundary adjustment date.

Tax Mitigation & Tax Phase-in (applicable only to Residential and Farm property classes)

A tax mitigation and tax phase-in of City taxes will occur according to the following schedule:

- (a) Tax Mitigation: Commencing January 1, 2025, Residential and Farm property classes within the Annexed Lands which would receive an increase in taxes solely as a result of this annexation will receive a credit on the property tax roll. The credit will be calculated by applying the City and Township tax rates (2024) to the assessed value of each property at January 1, 2025. This credit will remain unchanged until December 31, 2029.

- (b) Tax Phase-In: Commencing January 1, 2030, Residential and Farm property classes within the Annexed Lands which received an increase in taxes solely as a result of this annexation and a tax credit (as determined in clause (a)) for each of the first five years since the annexation took effect, will commence a five year phase-in of taxes ending on December 31, 2034. The tax phase-in will be calculated by dividing the credit determined in clause (a) by 5 and reducing the credit each year by this amount.

- (c) In 2025, all other tax classes will pay the full amount of the real property taxes assessed for municipal purposes by the City.

- (d) In the event that:
 - (i) A residential property receives a planning approval for re-development or intensification of property use, the tax credit is eliminated.
 - (ii) A farm property is redeveloped, the tax credit will be eliminated.
 - (iii) There is a change in ownership during the tax mitigation period, the tax credit continues to be available.
 - (iv) There is a change in ownership during the tax phase-in period, the tax phase-in is eliminated.

Next Steps

This report seeks authorization to advance this proposal to public consultation and **does not seek to approve the proposal**. The recommendation to advance the proposal to public consultation is subject to the Council of the Township of Norwich also approving to advance the proposal to public consultation. The Township of Norwich Council will consider this proposal at its June 4, 2024 meeting, which precedes the City Council meeting, meaning that City Council will know if the Township has approved moving the proposal to public consultation before making its decision.

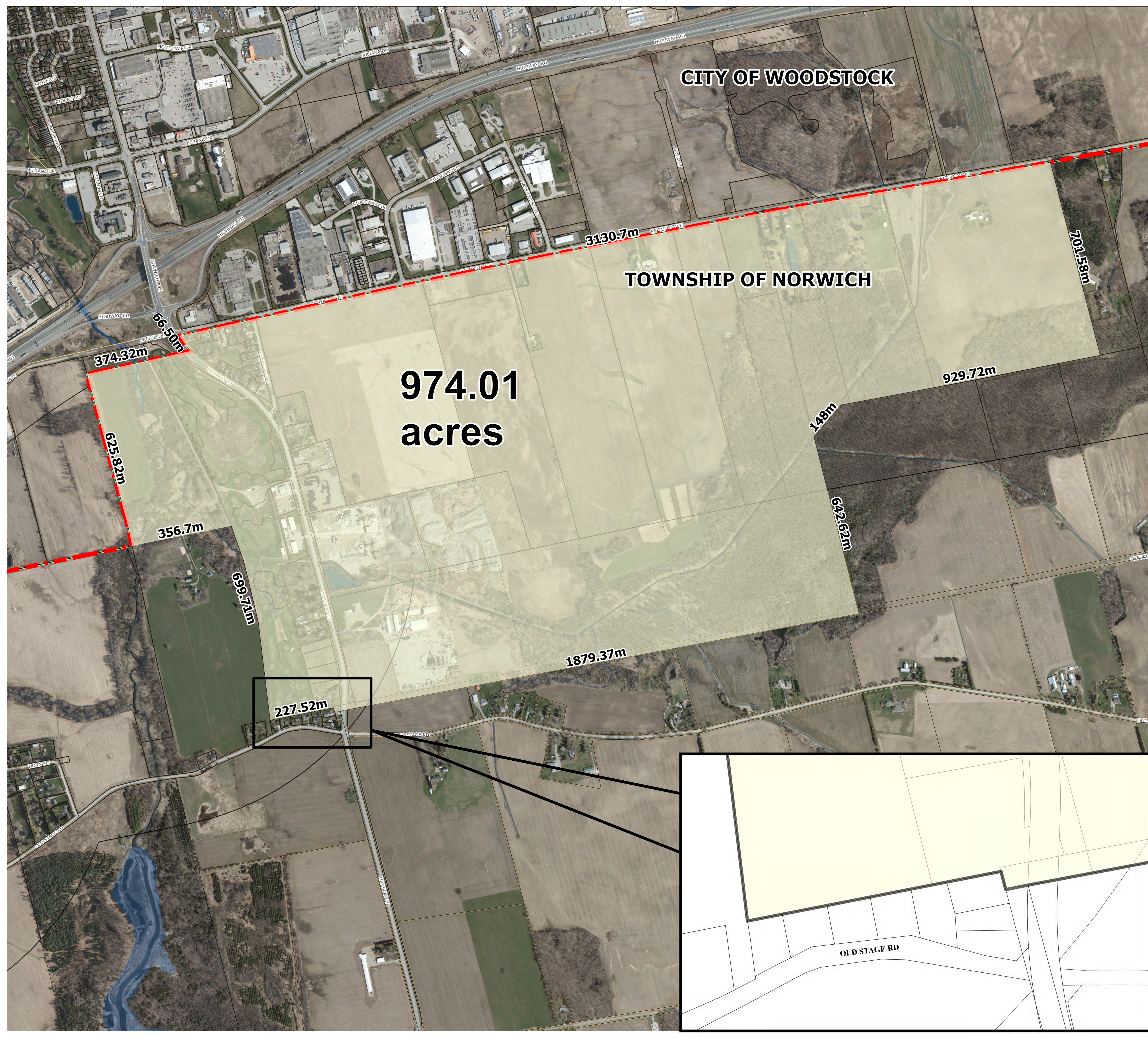
RECOMMENDATION

That Woodstock City Council direct staff to initiate the public consultation process for this boundary adjustment proposal with the Township of Norwich.

Approved by: Jerry Acchione, Mayor, City of Woodstock

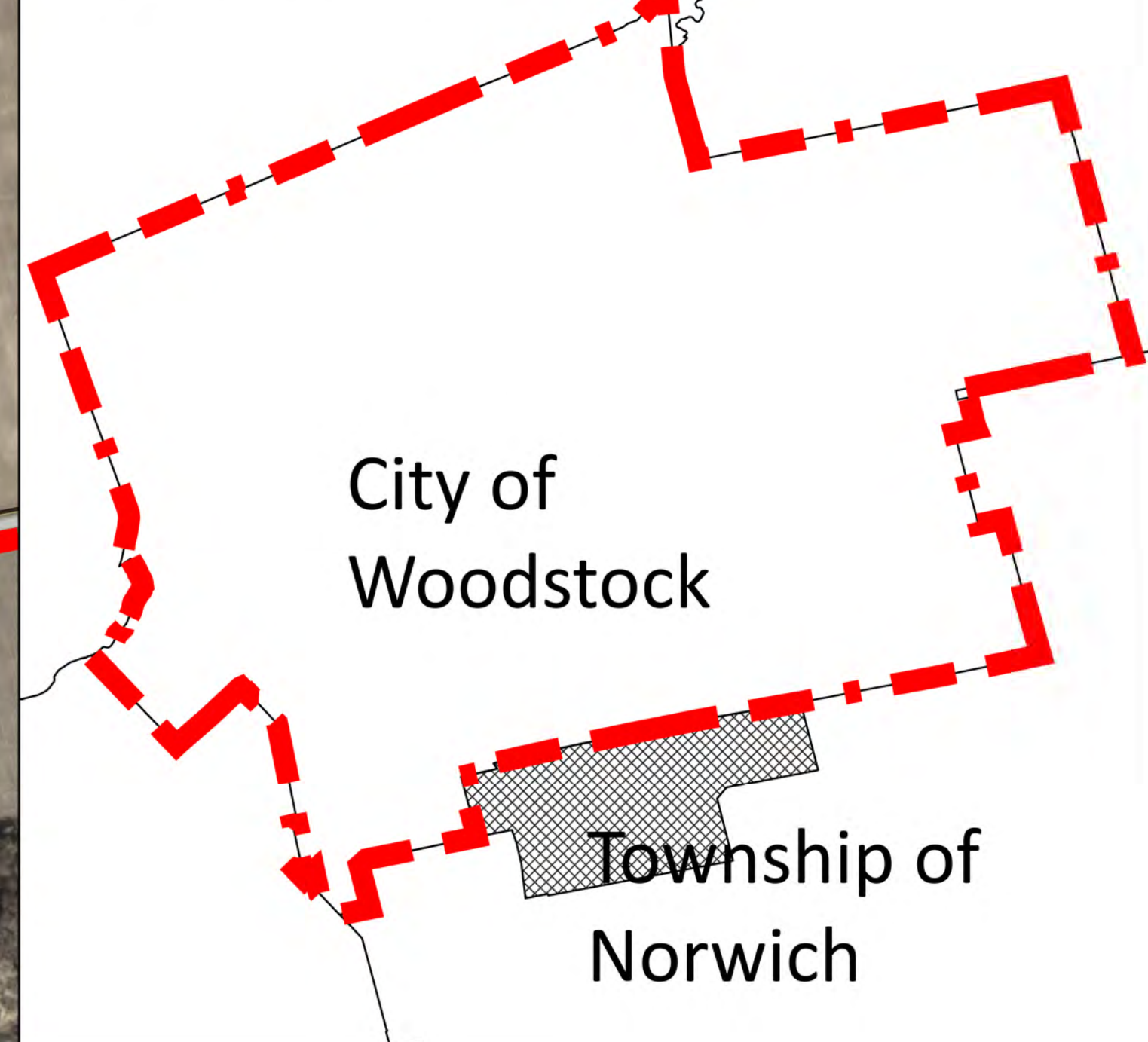
Approved by: Connie Lauder, Councillor, City of Woodstock

Approved by: Kate Leatherbarrow, Councillor, City of Woodstock



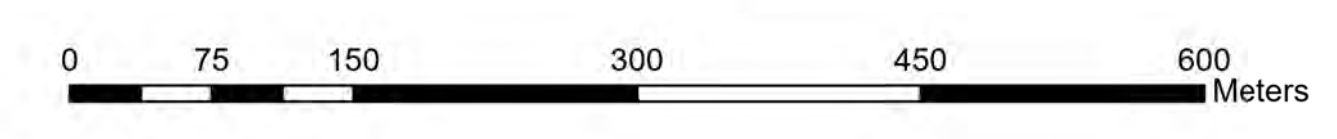
**974.01
acres**

KEY MAP



Legend

- Potential Annexation Area
- Parcels
- City Limits



Engineer's Office