

## BOUNDARY ADJUSTMENT AGREEMENT

THIS AGREEMENT made this \_\_\_ day of October, 2025.

### **BETWEEN:**

#### **THE CORPORATION OF THE CITY OF WOODSTOCK**

Party of the First Part  
(hereinafter referred to as the "City")

### **AND:**

#### **THE CORPORATION OF THE TOWNSHIP OF NORWICH**

Party of the Second Part  
(hereinafter referred to as the "Township")

### **AND:**

#### **COUNTY OF OXFORD**

Party of the Third Part  
(hereinafter referred to as the "County")

The City and the Township have negotiated an agreement among them for the transfer of land, located in the Township, to the City, with the concurrence of the County, by way of a restructuring proposal pursuant to sections 172 and 173 of the Municipal Act, 2001, S.O. 2001, Chapter 25.

NOW THEREFORE, THIS AGREEMENT WITNESSETH that, in consideration of the mutual covenants and agreements and subject to the terms and conditions set forth in this agreement, the parties hereto agree as follows:

### **1.0 Effective Date and Implementation**

- 1.1 This Agreement, deemed to constitute a restructuring proposal, will be submitted to the Minister of Municipal Affairs ("the Minister") for implementation effective January 1, 2026, or such other date that the Minister's Restructuring Order provides for the subject lands to become annexed to the geographic area of the City ("the effective date"). The Minister is authorized by the municipalities to implement the 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 includes the annexation of certain lands, identified by their respective Property Identification Number and legal description, now situated in the Township of Norwich as follows (The “Annexed Lands”):

PIN 000760204 - PT LT 18 CON 3 EAST OXFORD AS IN A68882 EXCEPT 474917, B10498, PT 1, 41R366 & PT 1, 41R4876; S/T 207232, EO11226; NORWICH

PIN 000760042 - PT LT 18 CON 3 EAST OXFORD AS IN B10498; NORWICH

PIN 000760043 - PT LT 18 CON 3 EAST OXFORD AS IN 317033; NORWICH

PIN 000760129 - PT LT 18 CON 3 EAST OXFORD AS IN 474917; S/T 207232, 209749; NORWICH

PIN 000760045 - PT LT 18 CON 3 EAST OXFORD PT 1, 41R366; NORWICH

PIN 000760203 - PT LT 18 CON 3 EAST OXFORD PT 1, 41R4876; NORWICH

### **3.0 Agreement**

- 3.1 The parties hereto agree it is in their mutual interests to negotiate an annexation of the Annexed Lands from the Township to the City in order to facilitate the realignment of Pattullo Avenue and to develop additional employment land.

### **4.0 Name and Status**

- 4.1 The municipalities acknowledge that they are municipal corporations and that their legal names are as set forth in this Agreement. The expanded City will remain the City of Woodstock.

### **5.0 Representation**

- 5.1 There are no changes proposed for representation for the City, the Township or the County.

### **6.0 Local Boards**

- 6.1 Except for the expansion or diminution of their geographical jurisdiction occasioned by the annexation of the Annexed Lands from the Township into the City, none of the Local Boards of the municipalities require adjustment or amendment as a result of this Agreement. There are no local board issues.

### **7.0 Compensation**

- 7.1 Base Compensation - 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 Lands for 2025 (“Base Amount”) by October 31, 2025.

- (b) The City shall pay to the Township compensation annually, beginning in the year 2026, equal to the Base Amount; and,
- (c) Beginning in 2027 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 hereby defined to be the year from November 1 of the year before the prior year to October 31 of the prior year.

Payment shall be made as follows:

- Payments shall be made quarterly throughout each year on or before the last day of February, May, August and October.
- (d) The parties acknowledge that the Base Amount may be further adjusted for any tax increases or decreases that are effective prior to the date of annexation but not known at that date.

Total own purposes taxes shall include taxes levied for Township purposes as may be adjusted pursuant to the Municipal Act, 2001 and/or Assessment Act for the 2025 taxation year.

## 7.2 Joint Prosperity Payment:

The City shall pay to the Township annually a share of the City's own purpose taxes for increases in assessment resulting from improvements, not reassessment, upon the Annexed Lands for properties in the commercial and industrial tax classes as follows:

### (a) Commercial Tax Class:

20% of the City's share of the Woodstock tax rate levied using the commercial tax class supplementary and/or omitted assessments received from MPAC. In subsequent years, the annualized City-only portion of the commercial tax class supplementary tax will be separately reported and indexed as per Section 7.1(c) related to the Base Compensation.

In the event there are any reductions to the supplementary and/or omitted assessments used in the above calculations, the annual indexed portion will be reduced accordingly. The most recent taxation year document related to an assessment reduction will be used to determine the tax decrease to be indexed

### (b) Industrial Tax Class:

24% of the City's share of the Woodstock tax rate levied using the industrial tax class supplementary and/or omitted assessments received from MPAC. In subsequent years, the annualized City-only portion of the industrial tax class supplementary tax will be separately reported and indexed as per Section 7.1(c) related to the Base Compensation.

In the event there are any reductions to the supplementary and/or omitted assessments used in the above calculations, the annual indexed portion will be reduced accordingly. The most recent taxation year document related to an assessment reduction will be used to determine the tax decrease to be indexed.

- (c) The City will pay to the Township annually, beginning in the year 2026, joint prosperity payments described in 7.2 (a) and (b) as follows:
  - (i) An interim payment based on 50% of the amount calculated as the Township of Norwich's share of the annualized supplementary tax in the previous year, due and payable proportionally in conjunction with the City's interim installment due dates;
  - (ii) A final payment based on the indexed supplementary tax amount calculated less the interim payment, due and payable proportionally in conjunction with the City's final installment due dates; and
  - (iii) A final payment/adjustment based on any adjustments to the calculations as a result of supplementary/omitted assessments and/or write offs not previously considered. This amount shall be payable to/or due from the Township to the City on or before January 15, of the following year.

### 7.3 Interest

- (a) The parties hereby acknowledge and agree that interest will be applied to any late payment by the City of any payment set out in this Agreement.
- (b) Arrears of Payments shall bear interest at the bank rate as it is defined in Section 7 of the Courts of Justice Act, R.S.O. 1990, c. C.43, as amended, compounded monthly and calculated from the date upon which the payment was due until paid.

### 7.4 Retroactive Tax Adjustments

The parties acknowledge that the basis of some payments made pursuant to this Agreement may be altered by retroactive tax adjustments made following the date on which the payments were calculated. In such cases, the parties shall make the necessary adjustments and recalculations to ensure that the state of the account between the parties accurately reflects the effect of such retroactive tax adjustments.

## 8.0 **Tax Collection and Assessment**

- 8.1 All real property taxes levied under any general or special Act and uncollected in the Annexed Lands that are due and unpaid as of the effective date shall be deemed on and after the effective date to be taxes, charges and rates due and payable to the City and may be collected by the City.
- 8.2 The Treasurer/Collector of the Township shall prepare and furnish to the Treasurer of the City a special collector's roll for the Annexed Lands showing all arrears of real property taxes or special rates assessed against the lands in the Annexed Lands up to and including the effective date and the persons assessed for them.

- 8.3 On the first day of the month following the month in which the City has received the special collector's roll from the Treasurer/Collector of the Township under section 8.2, the City shall pay to the Township an amount equal to all arrears of real property taxes or special rates assessed against the land in the Annexed Lands, including outstanding penalty and interest charges. Any tax arrears acquired by the City from the Township on the special collector's roll in section 8.2 which are deemed to be uncollectable and written off by the Treasurer of the City, will be deducted from the City's compensation to the Township under section 7 in the following year.
- 8.4 The City shall have authority to continue with any tax sale procedures that have been initiated by the Township and have not concluded by the effective date.
- 8.5 For the purpose of the assessment roll to be prepared for the City for taxation in the year of annexation, the Annexed Lands shall be deemed to be part of the City and the Annexed Lands shall be assessed on the same basis that the assessment roll for the City of Woodstock is prepared.
- 8.6 Prior to December 31, 2025, the Clerk of the Township shall prepare and furnish to the Clerk of the City, in respect of the Annexed Land, a schedule detailing any local improvement charges and/or drainage charges to facilitate billing of them by the City with payment of these amounts to be forwarded back to the Township to satisfy the original debt incurred.

**9.0 Tax Mitigation and Tax Phase-In (applicable to Residential and Farm tax classes)**

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

- 9.1 Tax Mitigation: Commencing January 1, 2026 and expiring on December 31, 2030, Residential and Farmland property classes within the Annexed Lands which would receive an increase in taxes occurring solely as a result of this annexation will receive a credit on the property tax roll (the "Tax Mitigation Phase"). The credit will be calculated by applying the difference between City and Township tax rates to the assessed value of each property at the effective date of the agreement. This credit will remain unchanged during the Tax Mitigation Phase (5 years).
- 9.2 Tax Phase-In: Following the Tax Mitigation Phase, Residential and Farm property tax 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 9.1) for each of the first five years since the annexation took effect, will commence a five-year phase-in of taxes. The Tax Phase-in period shall commence on January 1, 2031 and expire on December 31, 2035 (the "Tax Phase-in Period"). The Tax Phase-in will be calculated by dividing the credit determined in clause 9.1 by 5 and reducing the credit each year by this amount.
- 9.3 As of the effective date, all other tax classes will pay the full amount of the real property taxes assessed for municipal purposes by the City.
- 9.4 In the event that:

- (a) A residential property receives a planning approval for re-development or intensification of property use, the tax credit and/or tax phase-in is eliminated.
- (b) A farm property is redeveloped, the tax credit and/or tax phase-in is eliminated.
- (c) There is a change in the ownership of any land during the tax mitigation period, the tax credit and tax phase-in continues to be available.
- (d) There is a change in ownership during the tax phase-in period, the tax phase-in is eliminated with an exemption for sales to members of the family. "Members of the family" shall have the same meaning as defined in R.R.O., Regulation 697, as amended.

## **10.0 Water and Sewers**

10.1 Provided services are available, the parties agree that property owners affected by the annexation will be required to connect to the water system as a result of the following circumstances, whichever circumstance occurs first:

- (a) The well serving the property is exhibiting contamination or operational problems.
- (b) The property redevelops in any manner; or
- (c) A period of five years has elapsed since water service was available to the property.

10.2 Provided services are available, the parties agree that property owners affected by the annexation will be required to cease using their septic systems and connect to the sanitary sewer system as a result of the following circumstances, whichever circumstance occurs first:

- (a) The body responsible for inspection/licensing of septic systems determines that the existing septic system is exhibiting operational problems;
- (b) The structure(s) served by the existing septic system undergo(es) upgrading or other changes which, in the opinion of the body responsible for inspection/licensing of septic systems, will materially affect the ability of the existing septic system to operate in a satisfactory manner; or
- (c) A period of five years has elapsed since sanitary sewers were available to the property.

## **11.0 Municipal By-laws and Official Plans**

11.1 From and after the effective date, the by-laws of the City shall apply to the Annexed Lands as outlined in this Agreement and the by-laws of the Township shall cease to apply to such areas except,

- (a) By-laws of the Township,
  - (i) that were passed under sections 34 or 41 of the Planning Act or a predecessor of those sections, or
  - (ii) that were passed under the Highway Traffic Act or the Municipal Act, 2001, or predecessors of those Acts, that regulate the use of highways by vehicles and/or pedestrians or that regulate the encroachment or projection of buildings, or any portion thereof, upon or over highways,
- (b) By-laws of the Township passed under sections 45, 58, or 61 of the Drainage Act or a predecessor of that Act;
- (c) By-laws of the Township passed under section 10 of the Weed Control Act or predecessors of that section;
- (d) By-laws conferring rights, privileges, franchises, immunities or exemptions that could not have been lawfully repealed by the Council of the Township.

shall remain in force until repealed or amended by the Council of the City or expire under that Act.

11.2 If the Township has commenced procedures to enact a by-law under any Act and that by-law applies to the Annexed Lands and is not in force as of the date of annexation, the Council of the City may continue the procedures to enact the bylaw to the extent that it applies to the Annexed Lands. Nothing in this section shall have the effect of restricting or limiting the jurisdiction of the City in relation to any planning matter that may hereinafter be considered.

11.3 The Official Plan of the Township, as it applies to any part of the Annexed Lands and approved under the Planning Act, becomes the Official Plan of the City and shall remain in force and effect until repealed or amended to provide otherwise by the Council of the City. Following the applicable effective date, the Annexed Lands shall remain subject to the Township's Official Plan and Zoning By-law then in effect until changed by the Council of the City and approved or in force.

## **12.0 Assets, Liabilities, Rights and Obligations**

12.1 All real property, including any highway, street, fixture, easement or restrictive covenant running with the land of the Township located within the Annexed Lands shall vest in the City on the effective date. All other assets and liabilities of the Township and the County shall remain the assets and liabilities of the Township and the County as the case may be.

12.2 Despite section 12.1 above, any litigation existing as of the date of annexation with respect to the Annexed Lands shall remain the obligation of the Township or the County as the case may be.

12.3 Without limiting the generality of subsection 12.1, any reserve fund, trust fund, or other account of any nature held by the Township on the effective date, which is held for the sole purpose of maintenance, improvement or operation of any of the assets referenced in subsection 12.1, shall be transferred to the City on the effective date.

### **13.0 Studies, Plans Records**

13.1 The Township will transfer to the City any studies, plans, records, designs or similar material that it has prepared and that are public in nature and relate to the Annexed Lands.

13.2 The Township agrees that, after the effective date, it will continue to cooperate with the City by providing such supporting information and documentation as is in its possession or under its control that is requested by the City to enable the City to respond to court actions or appeals brought to the Ontario Land Tribunal by residents of the Annexed Lands.

13.3 The Township agrees to provide the City the information and documentation on hand with respect to municipal drains located in the Annexed Lands that may be the subject of assessments under the Drainage Act.

### **14.0 Dispute Resolution**

14.1 Before resorting to any of the formal dispute resolution mechanisms in this Agreement (mediation or arbitration), the staff of the municipalities and/or designated members of the municipalities' Councils shall first meet with one another to attempt to resolve any differences through informal means. Despite the foregoing, either party may invoke the formal resolution mechanisms if either it or the other party is unwilling to engage in such informal means of dispute resolution.

14.2 If any dispute, claim or controversy arises with respect to this boundary adjustment agreement, the related restructuring approval, the Minister's approval or approval process, the Minister's Order, or the implementation of this Agreement, including any question regarding the existence, interpretation, validity, breach or termination of this agreement, the matter in dispute may be referred for resolution through mediation. The mediator shall be agreed upon by all parties. If a mediator cannot be agreed upon by all parties, or the dispute is not resolved through mediation, the matter may be referred to arbitration, to be conducted in accordance with the provisions of the Arbitration Act, 1991, except as provided herein.

14.3 Where a dispute is referred to arbitration under subsection 14.2, the decision of the arbitrator(s) shall be final.

14.4 If two municipalities are parties to a mediation or an arbitration under subsection 14.2, the costs associated with the mediation or arbitration proceedings shall be shared equally between the parties.

14.5 If three municipalities are parties to a mediation or arbitration under subsection 14.2, the costs associated with the mediation or arbitration proceedings shall

be shared 50% by the City, 25% by the Township and 25% by the County.

14.6 The parties agree that this Agreement may be enforced by a court of competent jurisdiction.

**15.0 Other Provisions**

15.1 This Agreement is conditional upon the issuance of an Order by the Minister of Municipal Affairs implementing the restructuring proposal submitted by the parties.

15.2 The invalidity, illegality or unenforceability of any particular provision, article or sub-article in this Agreement shall not affect any other provision 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.

15.3 The failure of either party to require performance by the other of any provision of this Agreement shall in no way affect its right thereafter to enforce such provision. Nor shall the waiver or a breach of any provision by either party 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.

15.4 This Agreement shall become null and void in the event that the City, the Township and the County become one municipality.

15.5 This Agreement shall be binding upon and shall enure to the benefit of the parties hereto and their successors and assigns.

15.6 Schedule "A" is a map of the Annexed Lands and is an integral part of this Agreement.

15.7 The County consents to the annexation of the Annexed Lands as set out in this Agreement.

*[Remainder of Page Intentionally Left Blank. Signature Page to Follow.]*

IN WITNESS WHEREOF this Agreement has been executed by the parties hereto under their respective corporate seals.

**THE CORPORATION OF THE CITY OF WOODSTOCK**

Per: \_\_\_\_\_  
Jerry Acchione, Mayor

(SEAL)

Per: \_\_\_\_\_  
Amelia Humphries, Clerk

We have authority to bind the Corporation.

**THE CORPORATION OF THE TOWNSHIP OF NORWICH**

Per: \_\_\_\_\_  
Jim Palmer, Mayor

(SEAL)

Per: \_\_\_\_\_  
Kimberley Armstrong, Director of Corporate Services/Clerk

We have authority to bind the Corporation.

**THE COUNTY OF OXFORD**

Per: \_\_\_\_\_  
Ben Addley, Chief Administrative Officer

(SEAL)

Per: \_\_\_\_\_  
Paul Michiels, Director Community Planning

We have authority to bind the Corporation.

Schedule "A"  
Map of the Annexed Lands

Boundary Adjustment Area

