



TOWNSHIP OF NORTH HURON

REPORT

Item No.

REPORT TO: Reeve Vincent and Members of Council
PREPARED BY: Sharon Chambers, CAO
DATE: 18/04/2017
SUBJECT: Morris Turnberry Request for Services - Britespan
ATTACHMENTS: Letter From Morris Turnberry
Map of Harrett Property
Cross Border Agreement – Revised April 4, 2017

RECOMMENDATION:

THAT the Council of the Township of North Huron hereby accepts the report of the CAO regarding a proposed amendment to the Cross Border Servicing Agreement for information purposes;

AND FURTHER THAT Council denies the request by Morris Turnberry to add vacant Morris Turnberry properties to the Cross Border Servicing Agreement without a specific servicing request that would allow North Huron Council to determine whether the proposed development can be accommodated by North Huron systems;

AND FURTHER THAT Council denies the request by Morris Turnberry to amend the wording in Schedule F of the Draft Cross Border Services Agreement, however North Huron shall consider formal requests to amend the annual Partnership Contributions, if the request is received by North Huron prior to the passing of the North Huron budget in the given year.

EXECUTIVE SUMMARY

On April 3rd, Council approved in principle, a revised Draft Cross Border Agreement with Morris Turnberry to include a development by Britespan.

Upon review of the Agreement, the CAO, in consultation with the Director of Public Works, recommended additional amendments. The proposed changes address the partnership provisions in the revised Cross Border Services Policy and also include provisions which will facilitate compliance with the Township's system licences and applicable legislation.

The draft Agreement was considered by Morris Turnberry Council, and approved in principle, however they have requested the following amendments;

That the following properties be added to the Schedules A and B:

1. Plan 410 Pt Park Lot 32 RP 225900 Parts 2 & 4 – owned by the Municipality of Morris Turnberry, at the corner of North and Arthur Streets
2. 236 Alice Street – Plan 410 Park Lots 31 and 34 Pt Park Lot 33

The request states that the two properties are in Phase 1 of the Industrial Land Strategy, and that there is interest in the properties. It is further stated that adding the properties now would eliminate the need for a future amendment to the agreement.

That the wording on Schedule F be amended to the following effect;

Morris Turnberry will give consideration to an annual grant to the following North Huron Services;

1. Westcast Community Centre \$70,000
2. Blyth Community Centre \$16,000
3. Cemeteries \$25,000

The letter states that Morris Turnberry Council has every intention to support the local services.

DISCUSSION

The CAO and Director of Public Works have reviewed the request and offer the following comments;

1. Request to add two properties within the Industrial Land Strategy area;

The amendments that were proposed to the Agreement by the CAO were introduced to improve the process for evaluating developments from a servicing perspective. This will ensure that capacity allocations are appropriate, that North Huron has been compensated for the capacity that has been allocated, and that the development will have no negative impacts on North Huron systems.

The current Agreement has included undeveloped properties, and in some cases has assigned system capacity in advance of understanding the specific requirements of the future development. North Huron has not been compensated for some of the capacity allocations within the Agreement.

It is not advisable for North Huron to commit to servicing properties or allocate capacity without specific details about the proposed development. North Huron should be compensated for all capacity allocations within the agreement through Infrastructure Recovery Fees. For this reason, it is recommended that the request be denied and requests to add properties be considered through a formal process. As outlined in the amended Agreement, service requests would flow as follows;

- North Huron engaged in development at pre-consultation stage
- North Huron circulated on Site Plan requirements
- Developer/Receiving Municipality submits formal request for services, including engineer's calculation for capacity requirements and specific servicing needs
- North Huron enters into agreement with Developer for service extensions, if required
- North Huron enters into agreement with Developer for Surcharge Agreement, if required
- Developer/Morris Turnberry compensates North Huron for capacity allocation via Infrastructure Recovery Fees
- North Huron amends Cross Border Services Agreement to include the serviced property when all questions and concerns have been satisfied.

2. Amend the wording in Schedule F – Partnership Agreement

Schedule F in the Draft Agreement states;

*Annually, during the term of this Agreement, Morris Turnberry **shall** contribute to North Huron services in accordance with Clause 3 c) of the Township's Cross Border Servicing Policy which states that Cross Border Agreements shall contain;*

"Provisions which recognize ongoing partnership between the receiving municipality and the Township of North Huron including;

- i. A requirement for the receiving municipality to contribute annually to other Township of North Huron services or programs which may include but not be limited to recreation, cemeteries, libraries, day care centres, airport, economic development, etc., as mutually agreed by the Parties*

The schedule sets out Morris Turnberry's annual contribution to the Westcast Community Centre, Blyth Community Centre and North Huron cemeteries.

The request to change the wording from "shall" to "shall give consideration to" creates ambiguity within the Agreement and allows Morris Turnberry to provide funding at their discretion, without any notice or input from North Huron. This is inconsistent with the Cross Border Services Policy which states that contributions to other North Huron services or revenue sharing is a "requirement" within Cross Border Services Agreements. In turn, the Agreement states that North Huron "shall" provide water and sanitary sewer services to the water and sewer properties, outlined in Schedules A and B.

Clause 4 in the Draft Cross Border Agreement states;

*"Attached hereto as Schedule "F" is Morris Turnberry Annual Financial Contribution Summary to North Huron services in accordance with Clause 3 c) i) of the Township of North Huron Cross Border Services Policy. **Such schedule shall be reviewed at least once during the term of the agreement, and may be renegotiated to the agreement of both parties.** North Huron reserves the right to request an amendment to this schedule in conjunction with new service requests from Morris Turnberry"*

The bolded segment provides an opportunity for Schedule F to be reviewed and renegotiated to the agreement of both parties. Morris Turnberry may request a review and amendment to their contribution agreement, and provide rationale for the amendment for North Huron's consideration. Such requests should be considered in advance of the annual budget process, and take effect in the subsequent budget year.

FINANCIAL IMPACT

The above process will ensure that North Huron is compensated for all capacity allocations provided within Cross Border Servicing Agreements.


The Partnership Agreement will provide more certainty around contributions by Receiving Municipalities and ensures a more equitable arrangement for both parties.

FUTURE CONSIDERATIONS

North Huron staff are currently reviewing the capacity allocations within the Agreement to determine how much capacity has been allocated, versus how much has been purchased through Infrastructure Recovery Fees. When the review is complete, a further report will be brought forward to Council.

RELATIONSHIP TO STRATEGIC PLAN

GOAL # 4 Our administration is fiscally responsible and strives for operational excellence.

A handwritten signature in black ink, appearing to read "Sharon Chambers", is centered on a light gray rectangular background.

Sharon Chambers, CAO