

MEMORANDUM OF UNDERSTANDING

between

**The Corporation of the City of Brantford
(the “City”)**

and

**The Corporation of the County of Brant
(the “County”)**

WITHOUT PREJUDICE

Preamble:

The City and the County both desire to assure their mutual prosperity by growing together as sustainable and independent municipalities, and planning strategically to accommodate the future growth that is projected in both municipalities;

The City and the County both desire to achieve orderly and environmentally sustainable development, consistent with Provincial legislation, such as the *Planning Act* and the *Places to Grow Act, 2005*, and Provincial policies, such as the Growth Plan for the Greater Golden Horseshoe, 2006;

The City and the County acknowledge that, in order to achieve the desired outcomes noted above, certain lands currently within the jurisdiction of the County need to be transferred to the jurisdiction of the City; and

The City and the County both desire to negotiate a comprehensive agreement (the “Future Agreement”), which will deal with all of the points summarized in this Memorandum of Understanding (“MOU”) in relation to this transfer of jurisdiction. This MOU will serve as a framework with respect to such Future Agreement.

Terms and Conditions:

Consistent with the Preamble above, the City and the County hereby agree in principle to the following items, subject to public consultation, the City’s and the County’s further ratification and the Future Agreement:

1. Relations with First Nations

The City and the County agree that nothing in this MOU or the Future Agreement shall be construed to take away from the aboriginal, treaty, constitutional, or other rights of the Six Nations of the Grand River and the Mississaugas of the New Credit First Nation or their members.

2. Lands for Initial Transfer

The City and the County hereby agree that they will proceed with all matters necessary to bring the lands shown on the Map attached hereto as Appendix 1 into the City commencing on July 1, 2016.

3. Lands for Subsequent Transfer – Employment Lands

The City and the County hereby agree that they will proceed with all matters necessary to bring the lands shown on the Map attached hereto as Appendix 1 and labeled as the Trigger Lands and shaded in blue (the “Employment Trigger Lands”) into the City at a future time based on the Triggering Mechanism outlined in Section 5 below.

4. Lands for Subsequent Transfer – Residential Lands

The City and the County hereby agree that they will proceed with all matters necessary to bring the lands shown on the Map attached hereto as Appendix 1 and labeled as the Trigger Lands and shaded in yellow (the “Residential Trigger Lands”) into the City at a future time based on the Triggering Mechanism outlined in Section 5 below.

5. Triggering Mechanism

The City and the County hereby agree that the Employment Trigger Lands will be transferred to the City after there is less than a three (3) year supply of employment lands remaining in the Initial Transfer Lands. No more than a three (3) year supply of employment lands remaining in the Initial Transfer Lands is deemed to exist when eighty percent (80%) of the employment land area from the Initial Transfer Lands have been built upon for employment uses.

The City and the County hereby agree that the Residential Trigger Lands will be transferred to the City after there is less than a three (3) year supply of residential lands remaining in the Initial Transfer Lands. No more than a three (3) year supply of residential lands remaining in the Initial Transfer Lands is deemed to exist when building permits have been issued for eighty percent (80%) of the dwelling units in the Initial Transfer Lands.

The Triggering Mechanism will be monitored annually by way of a Land Development Monitoring Report, which will track the amount of employment lands that remain in the Initial Transfer Lands and the number of building permits issued for residential units in the Initial Transfer Lands. This Land Development Monitoring Report will be provided to the County annually and will also track the intensification rates within the City’s existing boundary to ensure appropriate distribution of development across the City.

6. Boundary Roads

The City will assume ownership and responsibility of all boundary roads with the exclusion of Phelps Road, which shall remain in the County's jurisdiction.

7. Property Tax Fairness

Taxpayers in any portion of the County which is transferred to the City will have the municipal portion of their property taxes levied at the County's municipal tax rate in the year after the transfer (the "Base Tax Rate"). In subsequent years, the Base Tax Rate will be adjusted annually at the same percentage as the City's annual budget adjustment.

This tax fairness will continue until the earlier of (a) fifteen (15) years from the date of the transfer of lands from the County to the City, (b) the property changes ownership (with the exception of spousal transfers whether to live spouses or from a deceased spouse's estate), or (c) approval of a development under the *Planning Act*, at which point the property or that portion of the property which is subject to the *Planning Act* approval will be taxed at the current applicable City tax rate for the property's tax class.

8. Compensation

(a) County Taxation – Phase Out – Initial Transfer Lands

The County will receive compensation in the amount of the County municipal taxes levied on the Initial Transfer Lands in the year prior to the transfer of said Lands. This amount will decline on a straight-line basis per annum for a period of eleven (11) years, after which the compensation will come to an end.

(b) County Taxation – Phase Out – Employment Trigger Lands

The County will receive compensation in the amount of the County municipal taxes levied on the Employment Trigger Lands in the year prior to the transfer of said Trigger Lands. This amount will decline on a straight-line basis per annum for a period of eleven (11) years, after which the compensation will come to an end.

(c) County Taxation – Phase Out – Residential Trigger Lands

The County will receive compensation in the amount of the County municipal taxes levied on the Residential Trigger Lands in the year prior to the transfer of said Trigger Lands. This amount will decline on a straight-line basis per annum for a period of eleven (11) years, after which the compensation will come to an end.

(d) Residential Per-Unit Compensation

All new residential dwelling units shall require compensation to the County, payable upon the issuance of building permits therefor, in respect of all new units constructed

within the Initial Transfer Lands, and the Residential Trigger Lands. This amount shall initially be Eight Hundred and Fifty dollar (\$850) per unit increasing annually based on the Consumer Price Index.

(e) Employment Land Per-Hectare Compensation

All Employment Land development shall require compensation to the County, which will be payable upon the issuance of building permits therefor with respect to all new buildings constructed within the Initial Transfer Lands and the Employment Trigger Lands. This amount shall initially be Three Thousand Five Hundred dollars (\$3,500) per hectare, increasing annually based on the Consumer Price Index.

9. Joint Prosperity

(a) Servicing for the Cainsville Area and the Airport Area

The City agrees to carry out, by the third (3rd) quarter of 2016, a City-wide Master Servicing Model at its own cost. As part of this Master Servicing Model, the City will determine the most efficient means to provide water and wastewater services to both the Cainsville area and the Airport area through expansion of the existing City water and wastewater infrastructure. The City agrees, at the County's option, to implement the Master Servicing Model's recommendations and permit the County to access the City's water and wastewater infrastructure at the County's cost. The City and the County agree to enter into water and / or wastewater servicing agreements at the City's regular water and wastewater rates.

(b) Joint Ventures at the Cainsville Area and the Airport Area

The City and the County agree, upon completion of the Master Servicing Model outlined in Section 9(a) above, to complete a Joint Venture Feasibility Study to explore joint venture opportunities within the Cainsville area and the Airport area. While the scope of these joint venture opportunities has not been determined, they will be based on the core principles of creating employment opportunities and generating revenues for both municipalities. Upon completion of this Joint Venture Feasibility Study, the City commits to entering into these joint ventures provided that the joint ventures present, at minimum, a break-even revenue return for the City. The Joint Venture Feasibility Study will be completed within 18 months of the initial transfer.

10. Other Matters

(a) Zoning Order

Pursuant to the provisions of the *Planning Act*, the Parties agree to apply to the Minister of Municipal Affairs and Housing to have a Zoning Order imposed in respect of the preservation of the Initial Transfer Lands, the Employment Trigger Lands and the Residential Trigger Lands.

(b) County Costs

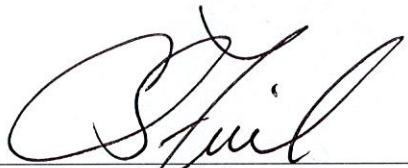
The City agrees to fund the County's reasonable legal costs incurred for the purposes of the transfer of jurisdiction outlined in this MOU.

(c) Legal Rights

This Memorandum of Understanding does not create any enforceable legal rights. Such rights will be created by the Future Agreement.

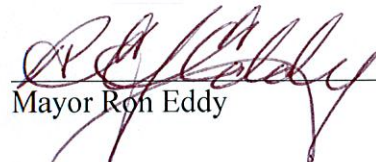
Dated at BRANTFORD Ontario, this 6 day of January, 2016

The Corporation of the City of Brantford

Per: 

Mayor Chris Friel

The Corporation of the County of Brant

Per: 

Mayor Ron Eddy

Appendix "1"

