



The Corporation of the Town of Tecumseh

Corporate Services & Clerk

To: Mayor and Members of Council

From: Laura Moy, Director Corporate Services & Clerk

Date to Council: February 23, 2021

Report Number: CS-2021-04

Subject: Monroe Island Servicing Agreement

Recommendations

It is recommended:

That CS-2021-04 entitled “Monroe Island Servicing Agreement”, **be received**;

And that By-law No. 2021-12 **be approved** to authorize the Mayor and Clerk to execute a Servicing Agreement between the Municipality of Lakeshore and The Corporation of the Town of Tecumseh and April Pawluk and Ryan Pawluk;

And further that Administration **be directed** to provide a further report with respect to municipal restructuring to bring Monroe Island within the boundaries of the Town of Tecumseh, in accordance with Sections 171 to 173 of the *Municipal Act, 2001*.

Background

At the December 10, 2019, Regular Meeting of Council report CS-2019-45 entitled “Servicing of Monroe Island – 454 Brighton Road, Lakeshore” was presented to Council. At the meeting Council passed a resolution (RCM-393/19), which provided authorization to Administration:

1. to negotiate the terms of an agreement, between the Municipality of Lakeshore (Lakeshore) and the property owner of 454 Brighton Road (Monroe Island) for road access and municipal services by way of the owner’s lands located at 440 Brighton Road, in the Town of Tecumseh (Tecumseh), as outlined in CS- 2019-45; and
2. to present the negotiated servicing agreement to Council for consideration and adoption by by-law.

Council further resolved at the December 10, 2019 meeting that, subject to a request from Lakeshore, Tecumseh will cooperate to undertake a boundary adjustment to bring Monroe Island into the Town of Tecumseh.

Administration has been working in collaboration with Administration from Lakeshore on a servicing agreement as authorized by Council. On February 9, 2020, the final draft servicing agreement was received from Lakeshore. This agreement contains provisions that acknowledge the next step is to proceed with restructuring to bring Monroe Island into the Town of Tecumseh.

Comments

The draft servicing agreement is attached to this report for Council's consideration. As directed by RCM-393/19, the draft servicing agreement provides for the following:

1. The services provided by Tecumseh include the following:
 - a. Sanitary sewage;
 - b. Potable water;
 - c. Access/driveway to Brighton Road;
 - d. Fire;
 - e. Police;
 - f. Garbage pickup and yard waste; and
 - g. Other - deemed municipal services.
2. The property owner being responsible for filing for permits, where necessary (i.e.: items 1a, 1b and 1c) and payment of all applicable fees to Tecumseh.
3. All Planning and Building approvals and the processing of related permits, including inspections, being the sole responsibility of Lakeshore for a residential development on Monroe Island (Residence).
4. While the servicing agreement is in effect, the property owner shall be prohibited to sell Monroe Island or 440 Brighton independent of one another.
5. The property owner will make best efforts to legally consolidate Monroe Island and 440 Brighton.
6. Lakeshore and Tecumseh agree to work cooperatively on a restructuring proposal and submission of an application for a Provincial Order. Lakeshore agrees to prepare the restructuring proposal. The Property Owner agrees to pay for survey, notice and consultation costs associated with the servicing agreement and the application for the Provincial Order.

7. Tecumseh agrees to assume jurisdiction of Monroe Island on the Provincial Order Effective Date.
8. The servicing agreement shall be registered by Lakeshore on title to Monroe Island and on title to 440 Brighton.

Due to the provisions of the *Municipal Act, 2001* and *Development Charges Act*, the following terms are contained in the draft agreement with respect to the collection and payment of Development Charges and property taxes:

1. Lakeshore will collect the Development Charges, where applicable, for the Residence from the property owner. Following Lakeshore's fiscal year end, Lakeshore will pay to Tecumseh, the Lakeshore portion of the Development Charges collected by Lakeshore for the Residence. Lakeshore will remit the education portion of the Development Charge to the applicable school boards.
2. Lakeshore will continue to collect the property taxes assessed for Monroe Island. Tecumseh shall be entitled to Lakeshore's portion of the collected property taxes on a pro-rata basis calculated from the date of occupancy of the Residence.

Following Lakeshore's fiscal year end, Lakeshore will pay to Tecumseh, the Lakeshore portion of the property taxes collected by Lakeshore for Monroe Island. Lakeshore shall continue to remit the education and upper tier portions of the property taxes to the applicable school boards and County of Essex.

A by-law is also on the February 23, 2020 Council Meeting Agenda to authorize the Mayor and Clerk to execute the servicing agreement.

The property owner has reviewed the final servicing agreement and is in concurrence. The property owner is desirous of obtaining the necessary permits for servicing and an access bridge before the endangered species spawning season begins - March 15.

Following approval of the servicing agreement, both Tecumseh and Lakeshore Administration will commence developing a proposal for municipal restructuring to bring Monroe Island within the boundaries of Tecumseh, in accordance with Sections 171 to 173 of the *Municipal Act, 2001*.

Before voting on a restructuring proposal, it should be noted that Tecumseh and Lakeshore Councils must give notice and hold at least one public meeting. The public meeting could be held jointly.

Municipalities must also meet prescribed support before submitting a restructuring proposal to the Minister of Municipal Affairs and Housing. In areas with two-tier municipal government, triple majority support is required; support by the upper-tier (i.e. County of Essex Council) and a majority of councils representing a majority of electors of the affected municipalities (i.e. Tecumseh and Lakeshore Councils).

A locally developed restructuring proposal is implemented through a Minister's order, at the Minister's discretion.

A draft proposal for municipal restructuring will be presented under a separate report at a later date. The report will also seek authorization and direction on holding of a public meeting before consideration is given to approval of the proposal.

Consultations

Financial Services
Planning & Building Services
Public Works & Environmental Services
Municipality of Lakeshore Administration

Financial Implications

The cost for providing municipal services, as described above, would be recovered from a payment made annually to Tecumseh from the portion of the property taxes collected by Lakeshore for Monroe Island. There is a differential in municipal tax rates between Tecumseh and Lakeshore, such that the Tecumseh municipal residential tax rate assesses \$745.06 in levy per \$100,000 of assessment versus \$627.05 in Lakeshore (2021 rates). For every \$100,000 in property assessment, Tecumseh will collect \$118.01 less than it would otherwise have, had the property been subject to Tecumseh tax rates. Municipal tax rates are subject to change each year during each municipality's budget process.

Lakeshore will pay to Tecumseh the Lakeshore portion of the Development Charges collected by Lakeshore for the Residence. There is a differential in Development Charge (DC) rates between Tecumseh and Lakeshore, such that the Tecumseh DC applicable for a single detached dwelling is \$17,927 whereas the Lakeshore DC applicable is \$26,189. The Lakeshore DC is \$8,262 greater than the DC applicable in Tecumseh. The DC is a one-time charge applicable at the issuance of a building permit.

The property owner is required to pay all applicable permit fees for storm, sanitary and water service connections. The installation of the services (water, sanitary, road access) will also be at the cost of the property owner.

All legal and other costs that may be incurred by Tecumseh would be recovered from the property owner.

Link to Strategic Priorities

Applicable	2019-22 Strategic Priorities
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- Make the Town of Tecumseh an even better place to live, work and invest through a shared vision for our residents and newcomers.
- Ensure that Tecumseh’s current and future growth is built upon the principles of sustainability and strategic decision-making.
- Integrate the principles of health and wellness into all of Tecumseh’s plans and priorities.
- Steward the Town’s “continuous improvement” approach to municipal service delivery to residents and businesses.
- Demonstrate the Town’s leadership role in the community by promoting good governance and community engagement, by bringing together organizations serving the Town and the region to pursue common goals.

Communications

Not applicable

Website Social Media News Release Local Newspaper

This report has been reviewed by Senior Administration as indicated below and recommended for submission by the Chief Administrative Officer.

Prepared by:

Laura Moy, Dipl. M.M., CMMIII HR Professional
Director Corporate Services & Clerk

Reviewed by:

Tom Kitsos, CPA, CMA, BComm
Director Financial Services & Chief Financial Officer

Reviewed by:

Brian Hillman, MA, MCIP, RPP
Director Planning & Building Services

Reviewed by:

Phil Bartnik, P.Eng.
Director Public Works & Environmental Services

Recommended by:

Margaret Misek-Evans, MCIP, RPP
Chief Administrative Officer

Attachment Number	Attachment Name
1	Monroe Island Servicing Agreement