

LETTER OF UNDERSTANDING

Dated _____, 2010.

Between:

The Corporation of the City of Peterborough
(the “City”)

-and-

**The Corporation of the Township of
Otonabee-South Monaghan**
(the “Township”)

-and-

The Corporation of the County of Peterborough
(the “County”)

PREAMBLE

Recognising the benefits to be gained through mutually acceptable amendments to the principles of the 1997 Restructuring Proposal, the City, Township and County enter into and will use their best efforts to fulfill the principles of this Letter of Understanding (the “Letter”).

1.0 HISTORICAL CONTEXT

- 1.1 Pursuant to an Order made under the *Municipal Act* RSO 1990, c. M.45, dated March 27, 1997, the Minister of Municipal Affairs and Housing approved a Restructuring Proposal for the annexation of certain lands by the City of Peterborough from the former Township of Otonabee and the former Township of Smith.
- 1.2 The Restructuring Proposal more particularly detailed in the document “Proposal for a Boundary Adjustment – City of Peterborough”, dated January 1997, supported by the City, the former Township of Smith, the former Township of Otonabee, and the County of Peterborough, obligated the City to initiate an Official Plan amendment to permit the extension of municipal water and

sanitary sewer services to the Woodland Acres Settlement Area in Smith Township and the Coldsprings Settlement Area in Otonabee Township.

- 1.3 This obligation recognised that the existing settlement areas adjacent to the annexed lands have inadequate water and/or sanitary services, or may be adversely impacted by urban development over time. This servicing context was acknowledged in the “Proposal for Boundary Adjustment – City of Peterborough”, January 1997, and an earlier study “A Boundary Adjustment Proposal by the City of Peterborough – A Framework for Discussion” dated April 13, 1993.
- 1.4 In 1997 the parties agreed that the development potential of the Coldsprings Settlement Area, for the purposes of access to City services, would be 300 units (or the hydraulic equivalent) and further that there would be no financial obligation upon the City or the Peterborough Utilities Commission to extend the services.

2.0 PRESENT CONTEXT

- 2.1 Twelve (12) years have elapsed since the 1997 Annexation Order was made. In the intervening years the Township and the City have found that the long-term interests of both municipalities can be more effectively addressed by a mutually acceptable amendment to the principles of the original restructuring proposal.
- 2.2 The Township has requested the City to consent to a reallocation of the municipal services extension from the Coldsprings Settlement Area to part of Lots 30 and 31, Concession 11, Otonabee Ward, Township of Otonabee South Monaghan (South Donwood Area). The Donwood Area holds greater development potential given fewer environmental constraints and a larger supply of vacant land.
- 2.3 The City has substantially completed a Functional Planning Study for the Coldsprings Planning Area in the City and has completed a comprehensive assessment of the requisite transportation network improvements for the Coldsprings Planning Area in association with the Ministry of Transportation (“Coldsprings Transportation Study Final Report – May 2008”). Both studies identify that major infrastructure improvements will be required over time within the existing limits of the Township’s Coldsprings Settlement Area in order to support the full development of the Coldsprings Planning Area in the City.

3.0 THE PRINCIPLES OF THE LETTER OF UNDERSTANDING

- 3.1 The City will initiate without delay, following execution of this Letter, an amendment to the City's Official Plan to permit the extension of water and sanitary sewer services to part of Lots 30 and 31, Concession 11, Otonabee Ward, Township of Otonabee South Monaghan, (South Donwood Area), as shown on Schedule A, in lieu of the Coldsprings Settlement Area.
- 3.2 The City, the Township, and the County will jointly prepare, following the execution of this Letter, for the Minister's approval, a Restructuring Proposal pursuant to the provisions of the *Municipal Act, 2001*, to annex the Coldsprings Settlement Area as shown on Schedule B to the City, effective January 1, 2013.
- 3.3 The Township will initiate without delay, following the execution of this Letter, an amendment to the Urban Fringe policies of the Township's Official Plan to recognize two (2) joint City/Township planning initiatives in the broader Coldsprings area:
- a) long-term protection of an east-west transportation corridor as depicted in the "Coldsprings Transportation Study Final Report, May 2008" prepared by EarthTech Canada, and
 - b) The reservation of a future industrial development opportunity capable of being serviced from the City for the long-term economic interests of the Greater Peterborough Area.
- 3.4 The parties agree that, over a four-year period commencing on January 1st, 2013, the municipal taxes payable by each property in the Coldsprings Planning Area will be phased in and allocated as follows:

Year	City of Peterborough portion of CVA	Township of Otonabee-South Monaghan Portion of CVA	County of Peterborough Portion of CVA
2013	25%	43%	32%
2014	50%	29%	21%
2015	75%	14%	11%
2016 and thereafter	100%	0%	0%

3.5 Following annexation, the City of Peterborough will remit the appropriate portion of municipal taxes payable to the Township and County, pursuant to Article 3.4, no later than September 30th of the current year whether or not there are arrears on individual accounts. The remittance will include roll numbers, assessment amounts, tax rates and amount remitted for each property in the Coldsprings Settlement Area.

3.6 The City agrees to amend the compensation payable to the Township, pursuant to the 1997 Annexation Order as follows:

For residential lots located within the Coldsprings portion of the 1997 annexation area, as shown on Schedule C, and only for the period commencing on the date this document is executed and ending December 31st, 2027, the City agrees to make an annual payment to the Township equivalent to the greater of:

- a) \$300.00 per residential unit created in that year, as evidenced by the issuance of a building permit, or
- b) 10% of the area specific-development charge for the Coldsprings Growth Area in effect when the residential unit is created.

4.0 GENERAL PROVISIONS

4.1 The City and Township acknowledge that in the event:

- a) The amendment to the City's Official Plan to reallocate servicing from the Coldsprings Settlement Area to the South Donwood Area is not approved, or
- b) The amendment to the Township's Official Plan to include appropriate transportation corridor and industrial land protection is not approved, or
- c) The Restructuring Proposal pursuant to Article 3.2 is not endorsed by the City, the Township, or the County, or ultimately not approved by the Minister,

then the terms of this Letter shall no longer apply.

- 4.2 The City and Township agree that the provision of City services to the South Donwood Area will not be a financial responsibility of the City and will not be used as a basis to justify the future annexation of the serviced lands by the City of Peterborough.
- 4.3 Unless a mutually acceptable arrangement is secured otherwise, it is the understanding of the City and the Township that the servicing infrastructure that may be installed within the Township pursuant to this Letter will be owned by the Township.
- 4.4 The Township agrees that all servicing infrastructure that may be installed within the City pursuant to this Letter will be owned and maintained by the City or Peterborough Utility Services Inc. The City agrees to facilitate the installation of services without delay.
- 4.5 The City and Township agree to make a joint public statement following the endorsement of this Letter by both Councils.

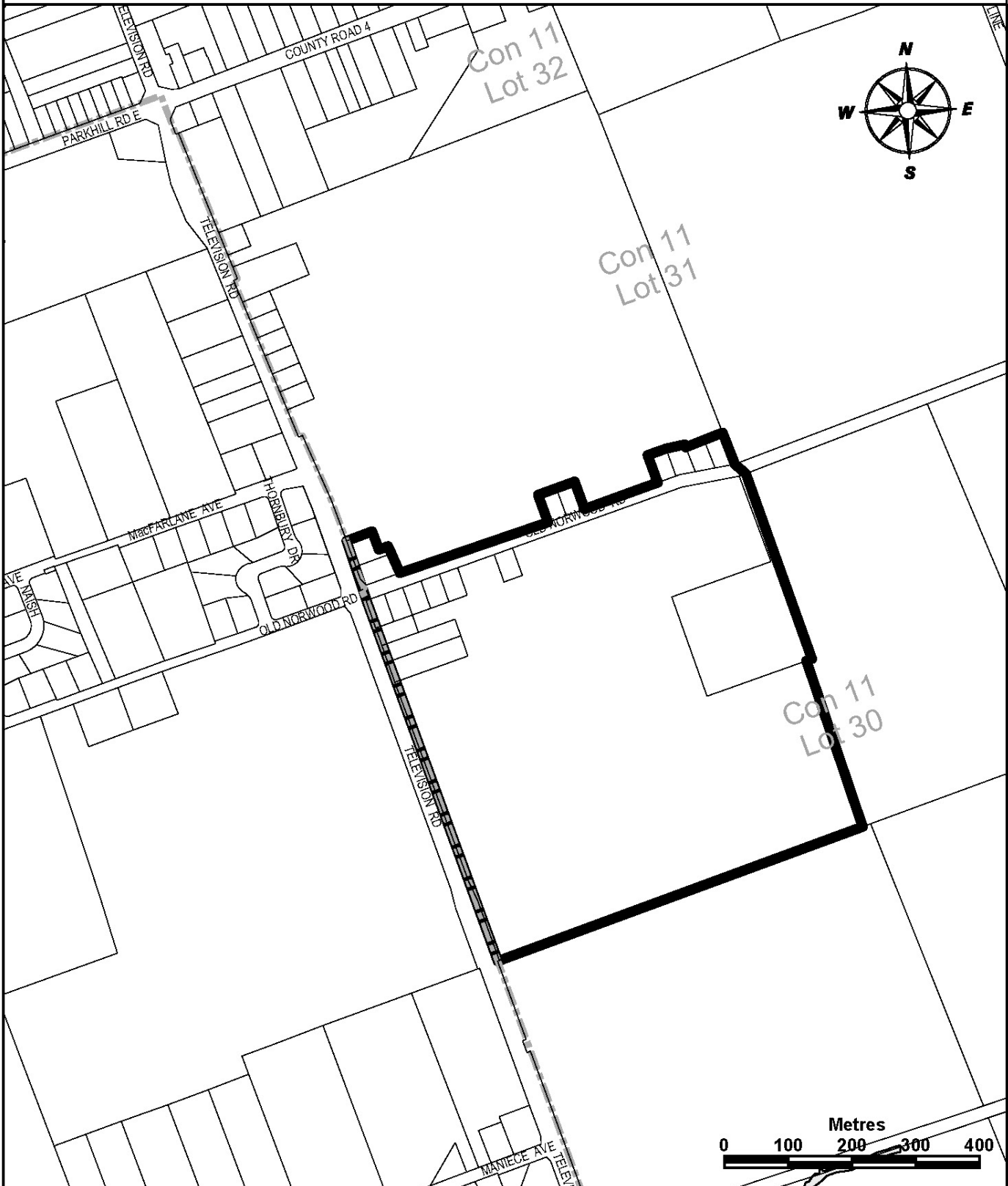
SCHEDULES:

Schedule A: The South Donwood Area

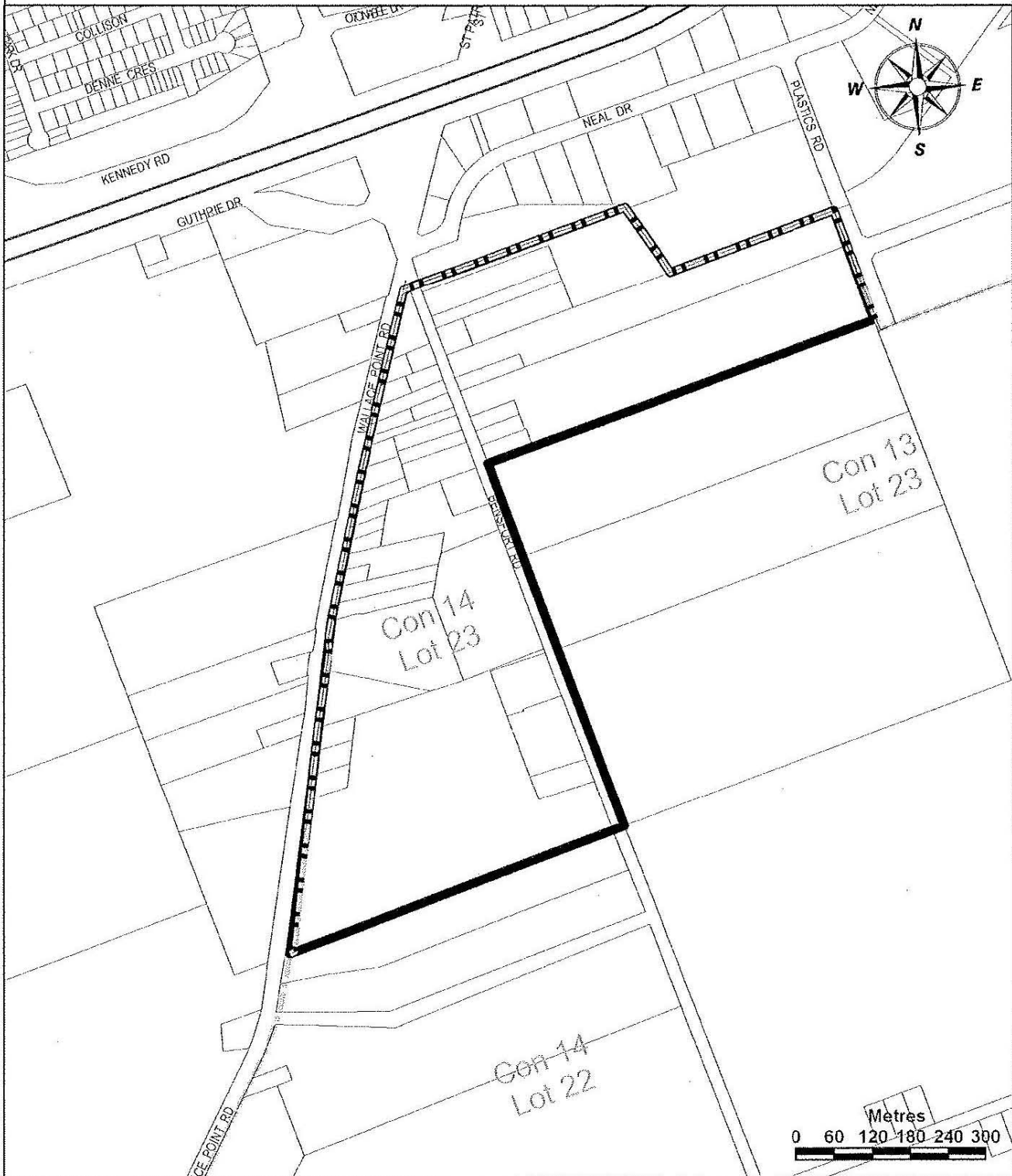
Schedule B: The Coldsprings Settlement Area

Schedule C: The Coldsprings Portion of the 1997 Annexation Area

Schedule A The South Donwood Area



Schedule B The Coldsprings Settlement Area



Schedule C

The Coldsprings Portion of the 1997 Annexation Area

