



RM of Sherwood Additional Boundary Alterations - Memorandum of Understanding

Date	January 18, 2023
To	Executive Committee
From	Financial Strategy & Sustainability
Service Area	Financial Strategy & Sustainability
Item No.	EX23-4

RECOMMENDATION

The Executive Committee recommends that City Council:

1. Approve the City of Regina (City) entering into a Memorandum of Understanding (MOU) with the RM of Sherwood No. 159 (RM) outlining the terms and conditions for three municipal boundary alterations that support economic growth and operational efficiencies in the Greater Regina Area;
2. Delegate authority to the City Manager or her designate, to negotiate any other commercially relevant terms and conditions, as well as any amendments to the MOU that do not substantially change what is described in this report and any ancillary agreements or documents required to give effect to the MOU;
3. Authorize the City Clerk to execute the MOU upon review and approval by the City Solicitor;
4. Initiate an application for the alteration of the City's municipal boundaries to incorporate approximately 323 acres of land, as identified in Schedule B, currently under the jurisdiction and within the boundaries of the RM (Lands), including:
 - a. Direct Administration to give public notice of Council's intention to apply for an alteration to the City's boundaries to incorporate the Lands; and

- b. Request that the RM provide a certified resolution of its council in support of the proposed boundary alteration and enter into any additional agreements as may be required in accordance with the MOU.
5. Approve these recommendations at its meeting on January 25, 2023.

ISSUE

The City and the RM identified three municipal boundary alterations that support economic development and operational efficiencies in the Greater Regina Area. Representatives from City Administration and RM Administration have negotiated terms, including financial compensation, deemed acceptable for the alterations to proceed through the relevant legislative processes. City and RM Administrations propose to formalize the terms in a MOU between the City of Regina and the RM of Sherwood, recognizing that the MOU reflects intent and acceptable terms, without restraining either council's future decisions.

IMPACTS

Financial Impact

Financial compensation for the proposed boundary alterations is based solely on tax loss compensation using a rate of 15 times the taxes collected in 2021. The rate is consistent with the methodology used in the recent northeast lands annexation endorsed by City Council in report CR22-115. The net amount payable by the City to the RM upon completion of the alterations is estimated at \$135,000. Payment to the RM for tax loss compensation related to the landfill expansion shall be made from the Solid Waste Reserve. Payments made to the RM or received from the RM related to boundary alterations for privately owned lands shall be deposited into or withdrawn from the General Fund Reserve. The financial compensation involved in each alteration is relatively small except for parcel 202833402 (as shown in Schedule C) on which there is an operating business. The land areas and associated tax loss calculations are detailed in Schedule A – Annexation Details.

Economic Impact

The collaboration between the City and the RM on these annexations supports the growth of existing businesses and sends a positive economic message to the business community. The RM annexation enables two businesses, MF Enterprises and Brandt Industries to expand current operations within the RM. Similarly, the City annexation of 30 acres of land owned or optioned by Federated Co-operatives Ltd. provides an efficient path for municipal approvals and site development of the planned Integrated Agriculture Complex.

Policy/Strategic Impact

The MOU reflects collaborative regional planning between the RM and the City that encourages the growth and development of businesses in the Greater Regina Area.

The development of the lands included in the MOU aligns with the City's Strategic Priorities of Economic Prosperity and Operational Excellence, and Regina's 2030 Economic Growth Plan.

The City annexations are consistent with the Growth Intentions Map 1a (Appendix B) of the Design Regina: *The Official Community Plan Bylaw 2013-48*. The RM annexation is not consistent with Appendix B, but that land area is small and will have a negligible impact on City development plans.

There are no accessibility, environmental, legal/risk or other impacts.

OTHER OPTIONS

Council may decide not to approve the proposed MOU, in which case each boundary alteration will be negotiated independently with the RM. Additional time, effort, and resources would be required to complete individual boundary negotiations with no additional benefit expected.

COMMUNICATIONS

No external communications have occurred relating to these alterations. Should Council agree to the MOU, the City will commence the legislated annexation process including public notices and formal application to the Minister of Government Relations for approval.

DISCUSSION

The MOU builds on negotiations between the City and RM for the recent northeast boundary alteration. The process for the proposed boundary alterations is consistent with the Government of Saskatchewan's Guide for Municipal Boundary Alterations which encourages communication and collaboration between municipalities.

The proposed boundary alterations are:

- a. The annexation of approximately 25 acres of land from the City by the RM to support the potential growth of businesses currently operating in the RM;
- b. The annexation of approximately 30 acres of land from the RM by the City to support the potential development of businesses currently operating in the City; and
- c. The annexation of approximately 293 acres of City-owned land by the City to support the development of City services such as a fleet training centre and municipal landfill expansion.

The City's proposed annexation includes a portion of Range Road 2192 beginning at Highway 46 extending 1 mile to the north. RM traffic on the road is minimal. The City is not compensating the RM for road infrastructure, but is accepting maintenance obligations related to current use and future improvements related to development of the City landfill, Waste Management Centre, and fleet training centre. The cost of the City improving the road in the future to accommodate City development is less than paying roadway development charges to the RM.

The proposed boundary alterations are shown on maps included as Schedule B – RM Annexation, and Schedule C – City Annexation.

The three alterations contained in the MOU are governed by two different provincial statutes, with lands being brought into the City governed by *The Cities Act* while lands annexed by the RM must be initiated through *The Municipalities Act*. Accordingly, the City and RM's respective applications will proceed separately under the applicable statutory process.

DECISION HISTORY

The recommendation in this report requires City Council approval.

Respectfully submitted,



Chad Jedlic
Director
Economic & Business Development

Respectfully submitted,



Barry Lacey
Executive Director,
Financial Strategy & Sustainability

ATTACHMENTS

- Schedule A - Annexation Details
- Schedule B - RM Annexation
- Schedule C - City Annexation