

Agenda Including Addeds

Strategic Priorities and Policy Committee

3rd Meeting of the Strategic Priorities and Policy Committee

December 6, 2022

4:00 PM

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The City of London is situated on the traditional lands of the Anishinaabek (AUh-nish-in-ah-bek), Haudenosaunee (Ho-den-no-show-nee), Lūnaapéewak (Len-ah-pay-wuk) and Attawandaron (Add-a-won-da-run).

We honour and respect the history, languages and culture of the diverse Indigenous people who call this territory home. The City of London is currently home to many First Nations, Metis and Inuit people today.

As representatives of the people of the City of London, we are grateful to have the opportunity to work and live in this territory.

Members

Mayor J. Morgan (Chair), Councillors H. McAlister, S. Lewis, P. Cuddy, S. Stevenson, J. Pribil, S. Trosow, C. Rahman, S. Lehman, A. Hopkins, P. Van Meerbergen, S. Franke, E. Pelosa, D. Ferreira, S. Hillier

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Report to Strategic Priorities and Policy Committee

To: Chair and Members
Strategic Priorities and Policy Committee

From: Cheryl Smith, Deputy City Manager, Neighbourhood and
Community-Wide Services

Subject: London Community Grants Program Innovation and Capital
Funding Allocations (2022) - Update

Date: December 6, 2022

Recommendation

That, on the recommendation of the Deputy City Manager, Neighbourhood and Community-Wide Services, the report dated December 6, 2022, titled “London Community Grants Program Innovation and Capital Funding Allocations (2022) - Update”, **BE RECEIVED** for information.

Executive Summary

This report presents an update to the 2022 allocations for the Innovation and Capital granting stream reported to the [Strategic Priorities and Policy Committee on July 27, 2022](#). The purpose of this report is to outline the reallocation of funds that were declined by a successful applicant due to unforeseen circumstances.

Linkage to the Corporate Strategic Plan

The London Community Grants Program is aligned with two strategic areas of focus, as presented in the City of London Strategic Plan 2019-2023.

- Strengthening Our Community under the outcome Londoners are engaged and have a sense of belonging in their neighbourhoods and community.
- Creating a Safe London for Women and Girls under the outcome London has enhanced the potential for women and girls to live safe lives.

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

- [London Community Grants Program Innovation and Capital Funding Allocations](#) (July 27, 2022)
- [London Community Grants Program Innovation and Capital Funding Allocations](#) (June 23, 2021)
- [London Community Grants Program Policy Update](#) (January 26, 2021)
- [London Community Grants Program Allocations](#) (November 25, 2019)
- [London Community Grants Policy Update](#) (April 8, 2019)
- [London Community Grants Program: 2017 Annual Report & 2018 Innovation and Capital Stream Outcomes and Sustainability Plans](#) (March 26, 2018)
- [London Community Grants Program Innovation & Capital Funding Allocations](#) (September 17, 2018)
- [London Community Grants Program Innovation & Capital Funding Allocations](#) (September 18, 2017)

2.0 Discussion and Considerations

2.1 Background and Purpose

The [London Community Grants Program \(LCGP\)](#) provides funding to London based not-for-profit organizations and groups for programs and initiatives that align with the City of London’s Strategic Plan or through Council-directed emerging priorities. There are two streams, Multi-Year grants and annual Innovation and Capital grants. The Multi-Year Stream provides \$2.3M annually to not-for-profit organizations over four years; while the Innovation and Capital Stream provides \$495,954 annually.

On August 2, 2022, Council passed a motion that, on the recommendation of the Deputy City Manager, Neighbourhood and Community-Wide Services, the report dated July 27, 2022, titled “London Community Grants Program Innovation and Capital Funding Allocations (2022)”, BE RECEIVED for information. One of the successful applicants outlined in the report was the Siku Hall Arts Centre. This organization was awarded \$90,000 for a capital growth project.

In October 2022, The Siku Hall Arts Centre informed City Staff that due to unforeseen circumstances they would not be proceeding with the project for which they were awarded funds. The purpose of this report is to outline the Community Review Panel’s reallocation of the declined funds. For more information about the role of the Community Review Panel, please refer to the [London Community Grants Policy](#).

The Community Review Panel decided to increase allocations to two applicants that were successful during the first review process and provide funding to one applicant that was not successful during the first review process. The breakdown of the \$90,000 reallocation is as follows:

Organization	Initial Allocation	Revised Allocation
Alzheimer Society of London and Middlesex	\$0	\$47,411
John Howard Society	\$14,411	\$24,000
ReForest London	\$99,000	\$132,000

As a result of the reallocation, the Community Review Panel is supporting nine of the 21 applications received. Four of which are Innovation and five are Capital.

Of the nine projects supported for the 2022 Innovation and Capital stream funding:

- 39% of the total budget was allocated toward projects that the Community Review Panel agreed advance anti-Black racism, anti-Indigenous racism, anti-oppression, diversity, inclusion, and equity; and,
- Four of the nine funded recipients had not been previously funded through the LCGP.

See Appendix A [attached](#) for allocation details.

3.0 Next Steps

Civic Administration will work with the three applicants to create and sign grant agreements for funding to be released as soon as agreements are signed by both parties. Through the formal grant agreement, financial and outcome reporting expectations are clearly outlined.

4.0 Financial Impact/Considerations

Annual funding to support the London Community Grants Program exists in the Neighbourhood and Community-Wide Services base budget. Through the 2020-2023 Multi-Year budget process, \$495,954 was allocated to the Innovation and Capital Stream.

Conclusion

The London Community Grants Program is an investment in community, providing not-for-profit organizations and groups with opportunities to strengthen neighbourhoods and build the health and well-being of local communities in alignment with the City of London's Strategic Plan and Council-directed emerging priorities.

Prepared by: Janice Walter, Manager, Community Grants

Submitted by: Kristen Pawelec, Director, Community Development and Grants

Recommended by: Cheryl Smith, Deputy City Manager, Neighbourhood and Community-Wide Services

- c. Anna Lisa Barbon, Deputy City Manager, Finance Supports
Kyle Murray, Director, Financial Planning and Business Supports

APPENDIX A: LONDON COMMUNITY GRANTS PROGRAM 2022 INNOVATION & CAPITAL FUNDING ALLOCATIONS – REVISED DECEMBER 2022

Legend

Building a Sustainable City (BSC)	Creating a Safe London for Women and Girls (CSL)
Strengthening Our Community (SOC)	Anti-Racism, Anti-Oppression, Equity, and Inclusion Projects (ARAO)
Growing Our Economy (GOE)	

CAPITAL						
Organization / Project Description	BSC	SOC	GOE	CSL	ARAO	Total
John Howard Society of London and District (Enhancing Productivity and Confidentiality Project) <ul style="list-style-type: none"> Funding will support the installation of soundproof ceiling tiles, drywall and updated lighting in offices and meeting areas to provide greater access to confidential environments for clients and increasing volunteer and community engagement opportunities. 	✓					\$24,000
ReForest London (Opening New Doors: Expanding Capacity at Westminster Ponds Centre) <ul style="list-style-type: none"> Funding will support renovations to the Bruce and Peth Pavilions, increasing program and accessible space for additional community workshops, presentations, and volunteer training. The project will also set the foundation for a new dedicated space for urban forestry programming and ReForest London operations at the Westminster Ponds Centre. 	✓					\$132,000
The Reimagine Institute for Community Sustainability (Program Space Renovation) <ul style="list-style-type: none"> Funding will support renovations to the community hub and education space at Reimagine Co. which houses the Thing Library, environmental education, and Food Equity London programs adjacent to the Reimagine Co. package-free grocery store. 	✓					\$24,500
Urban Roots London (Processing and Storage Infrastructure) <ul style="list-style-type: none"> Funding will support the purchase and retrofitting of a shipping container for a new processing facility with distinct cold storage sections and upgrades to the urban farm utility infrastructure (hydro and water). 		✓				\$34,600

CAPITAL						
Organization / Project Description	BSC	SOC	GOE	CSL	ARAO	Total
YMCA of Southwestern Ontario (Centre Branch Gymnasium Refurbishment) <ul style="list-style-type: none"> Funding will support renovations to the gym floor providing a safe and accessible program space for numerous sport and recreational programs and expanded availability to other organizations. 		✓				\$40,000
INNOVATION						
Across Languages Translation and Interpretation Service (InterSight: Reinventing our Multilingual Community) <ul style="list-style-type: none"> Funding will support the development of an application that connects local InterSight interpreters virtually to clients engaging with emergency doctors, police officers, shelter and outreach workers, and mental health professionals. 		✓			✓	\$75,400
Alzheimer Society of London and Middlesex (Volunteer Collective) <ul style="list-style-type: none"> Funding will support community organizations to deliver the dementia training program to community volunteers supporting caregivers and individuals living with dementia to increase access to recreation and social programs. 		✓				\$47,411
CENTRE COMMUNAUTAIRE REGIONAL DE LONDON (City of London Francophone Ethnocultural Activities) <ul style="list-style-type: none"> Funding will support Francophone Ethnocultural programs and access to community activities and services to assist local newcomers integrate into the London community. 		✓			✓	\$68,043
The London Coordinating Committee to End Woman Abuse , hosted by Anova (The Safe Haven Project) <ul style="list-style-type: none"> Funding will support a trauma and violence-informed training and support program for existing and non-traditional landlords, building awareness of the unique barriers faced by women escaping violence. The funding will also aim to increase safe and quality housing for women through relationship building with traditional and non-traditional landlords. 				✓	✓	\$50,000

Report to Strategic Priorities and Policy Committee

To: Chair and Members
Strategic Priorities and Policy Committee

From: Anna Lisa Barbon, Deputy City Manager, Finance Supports
Kelly J. Scherr, Deputy City Manager, Environment & Infrastructure

Subject: Investing in Canada Infrastructure Program Public Transit Stream (ICIP-PTS) – London Transit Commission Highbury Avenue Facility Demolition and Rebuild – Project 1

Date: December 6, 2022

Recommendation

That, on the recommendation of the Deputy City Manager, Finance Supports and the Deputy City Manager, Environment & Infrastructure with the concurrence of the General Manager, London Transit Commission:

- a) Civic Administration **BE DIRECTED** to submit London Transit Commission (LTC) Highbury Avenue Facility Demolition and Rebuild – Project 1 to the Investing in Canada Infrastructure Program Public Transit Stream (ICIP-PTS);
- b) The budget for the project **BE APPROVED** in accordance with the Source of Financing Report attached hereto as Appendix “A”; and,
- c) Civic Administration **BE AUTHORIZED** to carry out all budget adjustments required to establish the budget for the LTC Highbury Avenue Facility Demolition and Rebuild.

Executive Summary

The Investing in Canada Infrastructure Program Public Transit Stream (ICIP-PTS) uses a cost-sharing formula of 40% Federal-33% Provincial-27% Municipal dollars to fund capital projects that:

- Improve the capacity of public transit infrastructure;
- Improve the quality and/or safety of existing or future transit systems;
- Improve access to a public transit system; and,
- Improve capacity and/or quality of pathways and/or active transportation.

After submitting ten projects in March 2019 and a suite of active transportation projects in January 2022, London has \$119.3 million in remaining allocated Federal and Provincial funding, allowing for the delivery of at least \$163.4 million in capital works based on the contribution formula. In July 2020, staff recommended reserving London’s remaining allocation to fund future eligible projects expected to arise from London Transit Commission (LTC) capital plans and the Mobility Master Plan (MMP). At that time, the MMP was expected to be sufficiently complete in late 2023 as to inform an ICIP-PTS submission prior to the March 2024 application deadline.

The Federal Budget 2022 made changes to the schedules for both the submission and completion of projects under the ICIP-PTS program. The previous submission deadline of March 28, 2024 was accelerated to March 31, 2023, while the deadline for project completion was extended from October 2027 to October 2033. As a result, Civic Administration recommended reallocating London’s remaining ICIP-PTS funding to the construction of the new LTC Highbury Avenue Facility as this project could meet both the revised submission and construction schedules. On August 2, 2022, City Council approved the following:

That, on the recommendation of the Deputy City Manager, Finance Supports and the Deputy City Manager, Environment and Infrastructure Civic Administration BE DIRECTED to work with London Transit Commission staff to develop a joint application to the Investing in Canada Infrastructure Program Public Transit Stream (ICIP-PTS) for a new LTC facility on Highbury Avenue to accommodate transit service growth and the conversion of the LTC fleet to zero-emission buses.

This work is substantially complete and this report is seeking Council approval to submit the LTC Highbury Avenue Facility Demolition and Rebuild – Project 1 to the ICIP-PTS program, using the remaining \$119.3 million allocated to London. The recently completed LTC Facility Needs Assessment determined that the Highbury Avenue facility had reached its useful life. The recommended path forward calls for the replacement of the Highbury facility on the existing site, noting the demolition and reconstruction would need to be completed in phases in order to be able to continue to maintain and service buses during the construction period.

The cost estimate to complete the Highbury facility replacement is \$332.5 million, including design and consulting fees as well as cost escalation projections given the estimated start of construction being 2025. The facility replacement has been broken into two distinct projects in order to maximize use of available funding and mitigate the extent of impact on the taxpayer. While both projects need to be completed in order to realize the increased bus storage and charging capacity for battery electric buses, normal operations can continue once Project 1 is completed. This approach also provides the opportunity to assess funding sources for Project 2 while Project 1 is underway.

Given the need to continue to operate from the Highbury facility during construction, the two projects are split into multiple phases. Project 1 has an estimated cost of \$199.5 million and is recommended for submission to ICIP-PTS through this report. Project 2 is estimated to cost \$133.0 million, noting that this will need to be considered through a future Multi-Year Budget submission.

Regardless of the type of vehicle LTC operates in the future, the construction of a new LTC facility at its current location on Highbury Avenue is required. The existing facility is past its design and economic life and is no longer efficient to operate, maintain or upgrade. The existing facility also cannot accommodate the planned growth in service needed to support a rapidly growing city. As LTC embarks on the conversion of its diesel fleet to battery electric buses (BEBs), the construction of a new Highbury Avenue facility becomes increasingly urgent. Upgrades can be made to the Wonderland Road Bus Depot to support a BEB pilot project of ten buses, as well as some conversion of the existing diesel fleet in the initial years of transition. Depending on the final transition schedule for BEBs, however, a new Highbury facility could be required as soon as 2028.

Submitting LTC's facility as an ICIP-PTS application while the funds remain available is a prudent use of the funding opportunity that compliments the Mobility Master Plan and Climate Emergency Action Plan. New transit infrastructure projects identified through the Mobility Master Plan will be funded through future City and LTC capital budgets, development charges and future Federal and Provincial funding programs as they are announced.

Linkage to the Corporate Strategic Plan

The following report supports the 2019–2023 Strategic Plan through the strategic focus areas of Building a Sustainable City, Growing Our Economy and Leading in Customer Service by contributing to improved mobility options with a focus on climate change mitigation and adaptation. This funding program and report recommendation promotes projects that create an efficient, inclusive, and connected transportation network, while

taking advantage of external funding sources to reduce the financial impacts on the City of London.

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

- Civic Works Committee – June 19, 2012 – London 2030 Transportation Master Plan
- Planning and Environment Committee – June 13, 2016 – The London Plan
- Civic Works Committee – September 7, 2016 – London ON Bikes Cycling Master Plan
- Civic Works Committee – November 17, 2020 – Active Transportation Infrastructure Plan
- Strategic Priorities and Policy Committee – March 20, 2019 – ICIP Public Transit Stream Transportation Projects List for Consideration
- Strategic Priorities and Policy Committee – October 28, 2019 – ICIP Public Transit Stream Approved Projects
- Civic Works Committee – March 10, 2020 – Cycling Master Plan Technical Amendments
- Civic Works Committee – March 30, 2021 – ICIP Public Transit Stream Approval of Transfer Payment Agreement
- Strategic Priorities and Policy Committee – July 27, 2022 – Investing in Canada Infrastructure Program Public Transit Stream (ICIP-PTS) – London Transit Commission Highbury Avenue Facility

2.0 Discussion and Considerations

2.1 Purpose

This report recommends the submission of the LTC Highbury Avenue Facility Demolition and Rebuild – Project 1 to the Public Transit Stream of the Investing in Canada Infrastructure Program (ICIP-PTS).

2.2 Overview of the ICIP-PTS in London

ICIP-PTS funds projects that improve the capacity, quality, safety and access to public transit infrastructure. London received a provision of \$375.6 million from the program which provides funding based on a cost-sharing formula of 40% Federal-33% Provincial-27% Municipal dollars to capital projects that:

- Improve the capacity of public transit infrastructure;
- Improve the quality and/or safety of existing or future transit systems;
- Improve access to a public transit system; and,
- Improve capacity and/or quality of pathways and/or active transportation.

In March 2019, Council approved ten public transit and active transportation infrastructure projects for submission for funding consideration under the ICIP-PTS program:

- Downtown Loop;
- East London Link;
- Wellington Gateway;
- Expansion Buses;
- Bus Stop Amenities;
- Intelligent Traffic Signals;
- Adelaide Street Underpass Active Transportation Connections;

- Dundas Place Thames Valley Parkway Active Transportation Connection;
- Dundas Street Old East Village Streetscape Improvements; and,
- Oxford Street / Wharncliffe Road Intersection Improvements.

In June 2019, the Province pledged \$103.2 million for these projects and, in August 2019, the Government of Canada announced \$123.8 million in funding. The City of London contribution was \$79.9 million. After this process, London had an available total allocation of \$148.6 million in funding. \$119.3 million of the remaining funding has been associated with the planned North and West corridors of the rapid transit system, however those projects were not submitted to ICIP-PTS. The remaining \$29.3 million was not associated with a specific project.

In July 2020, Council approved reserving the remaining allocation until the MMP could be completed in late 2023. The North and West rapid transit corridor growth capital projects remained in the City's 10-year capital plan in accordance with the Council-approved Transportation Master Plan and Development Charges Background Study, with the expectation those projects would be revised to reflect the MMP at its conclusion.

In January of 2022, Council approved a staff recommendation to submit a suite of active transportation projects that would use the \$29.3 million in unallocated funding to deliver \$40 million in active transportation investments. This was a result of a program change that allowed active transportation projects to be submitted as standalone investments as opposed to a previous requirement that mandated they be integrated into transit improvements.

After the January 2022 decision, Civic Administration intended to use the results of LTC's planning work related to its fleet and facility needs and the Mobility Master Plan to identify capital projects for submission to ICIP-PTS in late 2023 in order to use the remaining \$119.3 million in London's funding allocation. The Federal Budget released on April 7, 2022, however, made changes to the schedules for both the submission and completion of projects under the ICIP-PTS program. The previous submission deadline of March 28, 2024 was accelerated to March 31, 2023, while the deadline for project completion was extended from October 2027 to October 2033.

On July 11, 2022, the Ontario Ministry of Transportation notified municipalities with unspent ICIP-PTS funds that they must provide an indication of their intent to use their remaining funds and a list of projects by July 29, 2022 and that final applications must be made via the Province by November 30, 2022. As a result, it was no longer possible to consider projects arising from the MMP for submission to ICIP-PTS. Civic Administration therefore recommended the remaining allocation for London be used to advance the LTC Highbury Avenue Facility Demolition and Rebuild, which was approved by Council on August 2, 2022. In light of that decision, Provincial officials have granted London a brief extension to submit the project until this report can be considered by Council on December 13, 2022.

2.3 The Project - LTC Highbury Avenue Facility

In February 2019 the London Transit Commission approved in principle the Strategic Assessment of LTC Facility Needs and Path Forward completed by the IBI Group. The study determined that the Highbury Avenue facility had reached its useful life, noting the main buildings were more than 70 years of age and building materials were in poor condition. Further, the existing facility is not energy efficient, nor is the piecemeal placement of multiple buildings on site operationally efficient. The recommended path forward calls for the replacement of the Highbury facility on the existing site, noting the demolition and reconstruction would need to be completed in phases to be able to continue to maintain and service buses during the construction period. The new, purpose-built facility would have the capacity to service and store 252 buses, providing for the ability to accommodate fleet expansion requirements through 2047. As no

specific source of funding was identified for this initiative, it was placed in the Commission's 10-year Capital budget as a placeholder noting that funding sources need to be determined.

On May 25, 2022, London Transit Commission approved in principle the Zero-Emission Bus Fleet Implementation and Rollout Plan completed by the Canadian Urban Transit Research and Innovation Consortium (CUTRIC). Further, the Commission directed LTC Administration to use the Rollout Plan as the framework for the transition to a zero-emission conventional transit bus fleet.

The Implementation Rollout Plan will require retrofits at both the Wonderland and Highbury facilities in order to allow for the required charging and maintenance infrastructure to be installed. Given the status of the Highbury facility, the plan recommends that operating new zero emission buses from Highbury be deferred until such time as the facility is rebuilt in order to avoid throw-away costs associated with undertaking a retrofit prior to demolishing the facility. Based on this approach, if LTC were to adopt the CUTRIC recommendation of purchasing 17 BEBs each year as its replacement buses, the space for BEBs at the Wonderland Road Bus Depot would be outgrown by 2028. No additional expansion of BEB capacity is possible at the Wonderland Road Bus Depot.

Subsequent to approval in principle of the Zero-Emission Bus Fleet Implementation and Rollout Plan, the Commission directed Administration to have the LTC Facility Needs Assessment updated to account for the transition to a zero-emission bus fleet and to have a Class D costing estimate prepared for the facility replacement. The cost estimate to complete the Highbury facility replacement is \$332.5 million, including design and consulting fees as well as cost escalation projections given the estimated start of construction being 2025. The Highbury facility replacement has been broken into two distinct projects, each with multiple phases. While both projects need to be completed in order to realize the increased bus storage and charging capacity for battery electric buses, normal operations can continue once Project 1 is completed.

Given the need to continue to operate from the Highbury facility during construction, the project also includes operational expenses associated with the need to store some of the bus fleet off site during the construction period.

Project 1 of the initiative is being recommended for submission for the ICIP-PTS funding. This project includes the following six phases:

- Phase I - Demolish building and tent at the south end of the property
- Phase II - Build a maintenance area, administration offices and employee parking
- Phase III - Demolish east part of existing bus garage
- Phase IV - Build new service lanes and part of new bus garage
- Phase V - Demolish existing service lanes and administrative offices
- Phase VI – Clean up existing maintenance bay to store buses

Completion of Project 1 would result in an improved maintenance operation for all buses at the Highbury facility, and when complete, would have comparable bus storage space to today. This approach will enable continued normal operation from the Highbury facility during the period between the two projects. The time between the first and second project also provides the opportunity to assess funding sources for Project 2 while Project 1 is underway.

3.0 Financial Impact/Considerations

3.1 LTC Facility Funding Needs

The current estimate from LTC’s consultant, IBI Group, estimates the total cost of the LTC Highbury Avenue Facility Demolition and Rebuild to be \$332.5 million. This estimate is broken down into two projects: Project 1 - \$199.5 million, and Project - 2 \$133.0 million.

To support the delivery of a new LTC Highbury Avenue facility, the City currently has a capital project, MU1450 - Highbury Facility Demolition & Rebuild, in its ten-year forecasted capital plan. This project has \$79.75 million of funding budgeted in the 2022 to 2031 capital plan period, with the bulk of the funding in years 2029 and 2031. MU1450 is predominantly funded by tax-supported debt (\$64.6 million), which is a source of financing that is flexible with respect to its timing within the 10-year capital plan period.

3.2 Project 1: Funding Strategy for LTC Highbury Facility

If approved, this report will trigger several budget adjustments to increase and adjust the timing of the budget in MU1450 to fund the \$199.5 million estimate for Project 1. These adjustments are summarized in the table below.

Tax Supported Funding	Amount
Existing Debt Financing in MU1450 Advanced to 2022	\$64.6M
Additional New Debt Financing	\$15.6M
Other Government Funding	Amount
Existing and Available PTS Funding Transferred from RT1430 North and West Corridor Projects ¹	\$119.3M
TOTAL LTC Highbury Facility Financing	\$199.5M

*Subject to rounding

(1) The PTS program requires a 27% municipal contribution, funded by development charges and capital levy. This municipal contribution will be “left behind” in the RT1430 accounts to support future solutions for the north and west.

3.2.1 Impacts on the Ten-Year Capital Plan

Positive impacts on the City’s ten-year capital plan and financing sources as a result of these changes include:

1. ICIP-PTS Other Government Funding – The PTS funding (\$119.3 million) currently budgeted in RT1430-2 and RT1430-6 will be transferred to MU1450. This will provide for utilization of this funding within the deadlines and parameters of the ICIP-PTS program. Existing approved funding is available in MU1450 to fund the municipal cost-sharing requirement for this project as shown in the chart above.
2. All of the required funding adjustments come from either currently available capital plan funding or currently available debt financing.
3. The balances in the City’s reserve and reserve funds are maintained and not encumbered by this significant project as a result of the proposed financing strategy. Thus, they are available to support development of the City’s 2024 to 2027 Multi-Year Budget, including Council’s new Strategic Plan.

The following impacts on the City’s ten-year Capital Plan and Financing Sources should also be noted:

1. This strategy reallocates the available ICIP-PTS funding from the North and West rapid transit corridor capital projects, subject to Council approval of this report.

Moving this funding will reduce the available budgets for each of these capital projects, but both the tax-supported and development charge funding will be maintained. The Mobility Master Plan (MMP) will continue to plan the future transit services required for the rapidly growing north and west areas of the city. This work, along with future Development Charge Background Studies and the budget development processes, will create new financial plans to use the tax and development charge funds associated with the implementation of the MMP and ensure the City is ready to take advantage of any future funding programs as they are announced.

2. New Tax Supported Debt Financing - Additional tax supported debt financing is recommended in 2022. This additional tax supported debt financing added to the City's 2022 capital budget will eventually materialize into issued debt and subsequent debt servicing payments in the operating budget. The debt servicing costs will need to be incorporated in the debt servicing budget (perhaps as soon as the latter years of the 2024-2027 Multi-Year Budget), which may result in impacts to the property tax levy at that time. This will also impact the metrics reviewed by Moody's, the City's credit rating agency, when formulating their commentary on the health of the City's finances. As this additional financing falls within existing internal debt controls, it is unlikely this would negatively impact the City's Aaa credit rating.

In general, a successful application to the ICIP-PTS program for the LTC Highbury Avenue facility would have positive impacts on the City's capital plan. Receiving seventy-three cents on the dollar is significant. Solidifying a contribution from the ICIP-PTS program, along with the proposed budget adjustments, would ensure LTC has the required facilities and capacity available in a timely manner to support its fleet electrification goals and contribute to the overall financial sustainability of the City.

3.3 Funding Strategy for LTC Highbury Facility Project 2

Currently there is significant budget available in MU1450 to make a matching municipal contribution that exhausts the remaining ICIP-PTS funds allocated to the City.

A funding request for Project 2 of the LTC Highbury Facility Demolition and Rebuild will be incorporated into the 2024 to 2027 Multi-Year Budget. This project represents a significant investment in the City's infrastructure and, as such, ought to be evaluated and prioritized among all of the City's competing priorities during future budget deliberations. It should be noted that partial funding for Project 2 remains available in the capital forecast for project MU1450 in the form of capital levy that is not required to be advanced to fund the municipal portion of Project 1.

Additionally, should future funding programs arise to offset the cost of Project 2 via contributions from other levels of government, applications to available future funding programs will be prioritized for this initiative. On February 11, 2020, Municipal Council directed Civic Administration to work together with the London Transit Commission, the provincial government and the federal government to identify investment streams to be used for the purchase of electric buses and related charging infrastructure. An application to the Zero Emission Transit Fund offered by Infrastructure Canada could be considered for Project 2 as well as some of the electric bus fleet.

Conclusion

A new LTC Highbury Avenue Facility is needed to replace an existing facility that is well past its design and economic life and is no longer efficient to operate, maintain or upgrade. The existing facility also cannot accommodate the planned growth in service needed to support a rapidly growing city. Further, a new facility is also critical to advancing the electrification of the transit fleet and needs to be operational by as early as 2028 depending on the pace of replacement of the existing fleet. Submitting LTC's facility as an ICIP-PTS application while the funds remain available is a prudent use of the funding opportunity that also compliments the Mobility Master Plan and Climate Emergency Action Plan and aligns with the revised submission and construction schedules released through the Federal Budget in April of 2022.

Recommended by: **Kelly J. Scherr**
 Deputy City Manager, Environment & Infrastructure

Anna Lisa Barbon
Deputy City Manager, Finance Supports

Concurred by: **Kelly Paleczny**
 General Manager, London Transit Commission

Cc: Lynne Livingstone, City Manager
 Adam Thompson, Manager, Government and External Relations
 Kyle Murray, Director, Financial Planning & Business Support

Appendix "A"

#22157

December 6, 2022

(Establish Budget)

Chair and Members

Strategic Priorities and Policy Committee

RE: Investing in Canada Infrastructure Program Public Transit Stream (ICIP-PTS) - London Transit Commission

Highbury Avenue Facility Demolition and Rebuild - Project 1

MU1450 - LTC Highbury Facility Demolition and Rebuild

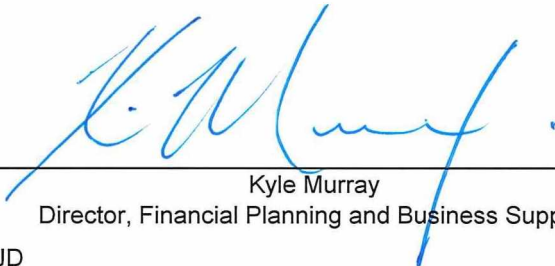
Finance Supports Report on the Sources of Financing:

Finance Supports confirms that the financing for this project can be accommodated via transfers within the Capital Plan and the addition of unbudgeted and available debt financing and that, subject to the approval of the recommendations of the Deputy City Manager, Finance Supports and the Deputy City Manager, Environment and Infrastructure, the detailed source of financing is:

Estimated Expenditures	Approved Budget	Additional Requirement (Note 1)	Revised Budget
Engineering / Design	0	12,000,000	12,000,000
Construction	0	182,500,000	182,500,000
Other	0	5,000,000	5,000,000
Total Expenditures	\$0	\$199,500,000	\$199,500,000
Sources of Financing			
Debenture - Budgeted debt financing in MU1450 advanced from 2029 and 2031	0	64,621,996	64,621,996
Debenture - New tax supported debt financing	0	15,533,837	15,533,837
Other Government Funding - Budgeted ICIP-PTS funding transferred from RT1430-2 (A,D,E,F) and RT1430-6 (A,D,E,F)	0	119,344,167	119,344,167
Total Financing	\$0	\$199,500,000	\$199,500,000

Note 1: The funding requirement for Project 1 of the LTC Highbury Facility Demolition and Rebuild can be accommodated by advancing currently budgeted debt financing in MU1450, transferring budgeted PTS funding from the Rapid Transit North and West projects, and adding available debenture financing under the City's internal debt cap.

Note 2: Funding for Project 2 of the LTC Highbury Avenue Facility will be requested via a business case in the 2024 to 2027 Multi-Year Budget.



 Kyle Murray
 Director, Financial Planning and Business Support
 JD



November 25th 2022

ATTN: SPPC Committee Chairs and Members

RE: 2022 - 2026 BIA Board Member Appointments

Chair and Members of the Strategic Priorities and Policy Committee;

The Argyle Business Improvement Association presents the following individuals for consideration for a four year term on the Board of Directors.

Rob Graham, Chair, Jiffy Lube

Carol Taylor-Wilks, Vice Chair, Carol Wilks Consultants

Frank Boutzis, Treasurer, Easy Financial

Chris Metron, Warehouse Guys

Rob Aiken, Music Central

Deborah Haroun, Children's Place

Donna Moerenhout, Razor's Barber Shop

Lina Marie Phillips, Craklins Fish and Chips

Thank you,

Bethany Mejia
Executive Director
Argyle BIA



November 23, 2022

City of London
300 Dufferin Avenue
London, ON
N6V 1Z2

Chair and Members, Strategic Priorities and Policy Committee

The London Downtown Business Association (LDBA) held it's Annual General Meeting on November 4, 2022. The members of the LDBA elected the following members to sit on the Board of Management:

Asaad Naeeli, Dos Tacos
Bonnie Wludyka, Citi Plaza
Carolyn Conron, Conron Law Professional Corp
Keith Brett, ANNDining
Kristin Neilson, Glen CORR Management Inc
Marcello Vecchio, Farhi Holdings Corporation
Michelle Giroux, Fanshawe College Downtown Campus
Mike Pottruff, London Police Service
Michaelanne Hathaway, Stache Fabric & Notions
Nick Vander Gulik, Shoppers Drug Mart – Vander Guli Pharmacy Inc
Scott Collyer, Emphyrean Communications Resources LLC
Steve Pellarin, London Small Business Centre
David Ferreira, City of London Councilor

The London Downtown Business Association is requesting that the aforementioned BIA members be appointed to the LDBA Board of Management for the 2023-2026 term.

Sincerely,

A handwritten signature in blue ink, appearing to read "Barbara Maly".

Barbara Maly
Executive Director
Downtown London



Hyde Park Business Improvement Association

1124 Gainsborough Rd., London, ON N6H 5N1

<https://www.hydeparkbusiness.com>

"Businesses Working Together to Foster a Vibrant Community"

Hyde Park Business Improvement Association Board of Management 2023 – 2026

Nancy Moffatt Quinn

Moffatt & Powell Rona

1282 Hyde Park Road, London ON N6H 5K5

519.472.2000

Vickie Balazs

Jaydancin

1700 Hyde Park Road, London ON N6H 5L7

519.657.1333

Terryanne Daniel

Synergy Centre

1635 Hyde Park Road #101, London ON N6H 5L7

519.266.3600

Lorean Pritchard

ReDECOR Consignment

1055 Sarnia Road, London ON N6H 5J9

519.884.4144

Tom Delaney

Oxford Dodge

1249 Hyde Park Rd. London ON, N6H 5K6

519.473.1010

Kelsey Watkinson

Curley Brewing Company

1634 Hyde Park Rd, London ON N6H 5L7

226.667-.6268

Diversity, Inclusion and Anti-Oppression Community Advisory Committee Report

The 8th Meeting of the Diversity, Inclusion and Anti-Oppression Community Advisory
Committee
November 10, 2022

Attendance PRESENT: R. O'Hagan (Chair), K.A. Burke, N. Fragis, P. Gill, B.
Hill, H. Karky; H. Lysynski (Acting Committee Clerk)

ABSENT: M. Castillo, S. Evoy, N. Fahd, R. Gill, L. Ochoa and J.
Pineda

ALSO PRESENT: Z. Khawaja, K. Koltun, L. Lee, R. Morris and
B. Westlake-Power

The meeting stood adjourned at 4:30 PM due to lack of quorum.

Property Tax, Water, Wastewater & Treatment Budgets

2023 ANNUAL BUDGET UPDATE
Draft - December 6, 2022



Land Acknowledgment

The City of London is situated on the traditional lands of the Anishinaabek (AUh-nish-in-ah-bek), Haudenosaunee (Ho-den-no-show-nee), Lūnaapéewak (Len-ah-pay-wuk) and Attawandaron (Add-a-won-da-run). We honour and respect the history, languages and culture of the diverse Indigenous people who call this territory home. The City of London is currently home to many First Nations, Metis and Inuit people today. As representatives of the people of the City of London, we are grateful to have the opportunity to work and live in this territory.

Steps Towards Anti-Racism and Anti-Oppression at the City of London

Municipal Council has affirmed its commitment to eliminating systemic racism and oppression in our community. As individuals who serve the public, facing this troubling reality is both daunting and uncomfortable – and, for many, deeply personal. While this work demands urgency, the actions needed to deconstruct systems of racism and oppression will require sustained commitment and courageous action to drive transformative change.

It is a sombre obligation. It is also an important opportunity. Londoners in the community and within the organization provided valuable insights on how the City of London can use its strength and position as an influential leader to drive anti-racism and anti-oppression work.

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Executive Summary

Property Tax Supported Budget

The 2023 Annual Budget Update includes \$1.1 billion in operating expenditures funded through \$722.5 million in property taxes and \$382.6 million in non-tax revenues for 2023. The City is planning capital investments of \$446.9 million in 2023, part of a 10-year capital plan (2020 to 2029) of \$3.0 billion. The 2023 Annual Budget Update document contains a total of 18 property tax related budget amendments. If the recommended budget amendments are approved, the average annual property tax revenue increase over the 2020 to 2023 Multi-Year Budget period decreases from 3.6% to 3.4% with the 2023 property tax revenue increase being reduced to 3.2% from the previously approved 3.9%. If all budget amendments are approved, the 2023 property tax revenue increase will be further reduced to 2.9%.

Water Rate Supported Budget

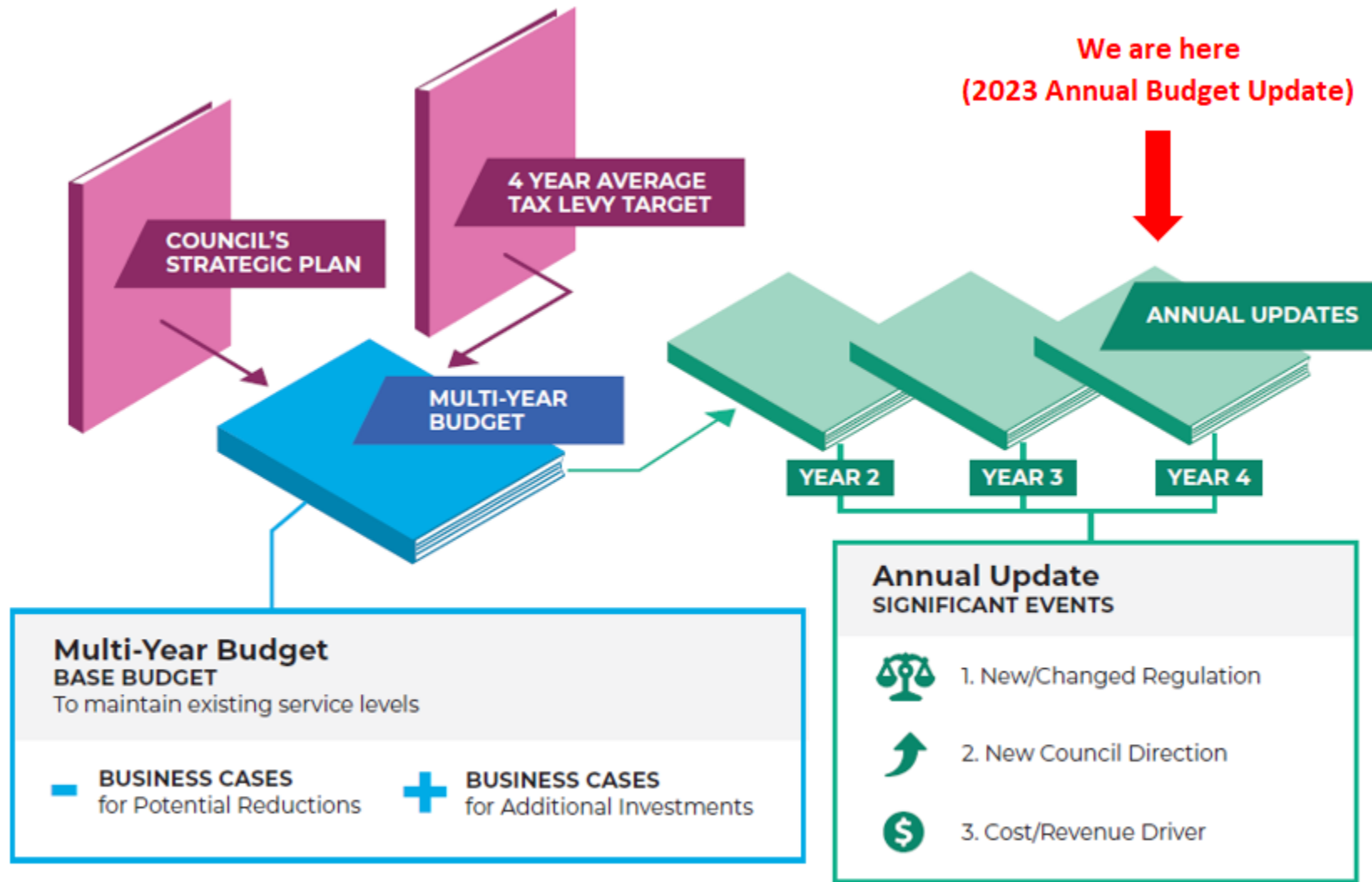
The 2023 Annual Budget Update includes \$93.7 million in operating expenditures and \$93.7 million in operating revenues with an average annual water rate increase over the 2020 to 2023 Multi-Year Budget of 2.5%. The City is planning capital investments of \$38.9 million in 2023, part of a 10-year capital plan (2020 to 2029) of \$493.0 million. There are two budget amendments proposed in the 2023 Annual Budget Update, noting that approval of these amendments will not impact the water rate increase.

Wastewater and Treatment Rate Supported Budget

The 2023 Annual Budget Update includes \$117.5 million in operating costs and \$117.5 million in operating revenues with an average annual wastewater and treatment rate increase over the 2020 to 2023 Multi-Year Budget of 3.2%. The City is planning capital investments of \$92.6 million in 2023, part of a 10-year capital plan (2020 to 2029) of \$976.8 million. There is one budget amendment proposed in the 2023 Annual Budget Update, noting that approval of that amendment will not impact the wastewater & treatment rate increase.

Multi-Year Budget Process Refresher

The graphic below is an illustration of the Multi-Year Budget Process. This Multi-Year Budget represents the second four-year budget approved by Municipal Council. Rather than approving a budget annually, Municipal Council approves the four-year budget, with the last year being subject to reconfirmation by the new term of Municipal Council. The 2020 to 2023 Multi-Year Budget aims to provide the financial resources to implement the 2019 to 2023 Strategic Plan.



Annual Update Process Refresher

Consistent with previous Annual Updates, changes to year 2023 of the current Multi-Year Budget are being brought forward to provide flexibility to address special events or circumstances that require funding and resource adjustments. Each budget amendment is classified into the following three categories:

1. **New/Changed Regulation**

A new or changed legislation or regulation with a financial impact to the municipality

2. **New Council Direction**

A new Council direction that has transpired after the approval of the Multi-Year Budget

3. **Cost/Revenue Driver**

A corporate or service area budget adjustment as a result of a change in economic conditions

Each budget amendment that has an impact on the remaining year of the Multi-Year Budget (2023) is supported by a Multi-Year Budget Amendment Case that provides Municipal Council with the rationale for the amendment and the financial and staffing impacts.

Budget amendments are only brought forward and approved once per year. Adjustments are limited to once per year, during the annual update period, to ensure that all requests are considered together.

Environmental, Social and Governance Considerations

For the 2022 Annual Budget Update, Civic Administration implemented an Environmental, Social and Governance (ESG) evaluation of all budget amendments, incorporating important climate change and equity impact assessments, as well as any governance considerations, in an “Environmental, Social and Governance Considerations” section of each budget amendment. With the 2023 Annual Budget Update, the format has been modified to provide for enhanced flexibility. While each amendment may not focus on all ESG aspects, all three components are considered and evaluated. Both positive and negative considerations are noted as they may apply to each amendment.

As highlighted in the 2022 Annual Budget Update, the City of London’s ESG credit impacts are now disclosed through its annual credit rating review by its credit review agency, Moody’s. Moody’s ESG Credit Impact Score (CIS) is not an evaluation of the City’s performance or activities as it relates to ESG but rather a reflection of how ESG factors within the City of London impact credit risk and therefore the credit rating of the City. The CIS is based on a scale from one to five:

CIS – 1; representing positive impact

CIS – 2; representing neutral to low impact

CIS – 3; representing moderately negative impact

CIS – 4; representing highly negative impact

CIS – 5; representing very highly negative impact

The City’s overall ESG CIS is CIS – 2; neutral to low impact. The environmental profile received a score of two; the social profile received a score of two; and the governance profile received a score of one, which “captures London’s very strong institutional and governance framework” according to Moody’s.

Through the City’s strategic plan, ESG factors are embedded through the various applicable strategic areas of focus. The City’s progress on ESG elements is reflected through its performance in achieving its strategic goals and related metrics.

Further integration of climate and equity impact considerations into other aspects of the City’s budgeting process (e.g., Business Plans, base budgets, etc.) will occur in preparation for the City’s 2024 to 2027 Multi-Year Budget.

COVID-19 Pandemic Impacts

COVID-19 effects continue to result in financial impacts to the City, however these impacts have gradually declined in 2022 as public health restrictions have generally been lifted and the City and community move past the pandemic to recovery.

Despite the reduced financial impacts, the City must continue to be mindful of impacts into 2023 and future years. It is critical that the City remain cognizant of permanent changes to behaviours and community trends. Lagging financial impacts of COVID-19 are now being manifested as a high inflationary environment, which is highlighted in more detail in the next section of this document.

While the Multi-Year Budget was approved prior to emergency orders being invoked, it has demonstrated many of its advantages through these turbulent times. As previously outlined, benefits of a multi-year budget include, among others, flexibility in the allocation of resources, efficient use of time and resources, and support of the City's Aaa credit rating.

With the 2021 and 2022 Annual Budget Updates, and continuing with this 2023 Annual Budget Update, budget amendments have been included that allow for a direct response to impacts from the pandemic. Resourcing needs have been modified to respond to service disruptions and expenditure increases have been deferred to align with updated timing, which in many cases provide for adjustments to reduce the tax levy.

The efficient use of time and resources by utilizing the multi-year budgeting approach has also provided Civic Administration the capacity to focus on quantification and monitoring of financial impacts resulting from COVID-19, both on the operating and capital budgets. This further supports the ability to complete applications and reporting requirements to obtain financial support from Federal and Provincial levels of government to help offset financial pressures. The flexibility provided by the City's multi-year budgeting approach continues to be acknowledged by the City of London's credit review agency, Moody's, not only through affirmation of the City's Aaa rating with a stable outlook, but also with specific references in their credit opinion:

“In our view, the multi-year budget approach proved beneficial during the pandemic given the city's plans were already well developed which made the process to find mitigating measures relatively easier than for other municipalities that still needed to ‘build’ their budget.” – Moody's Credit Opinion for City of London, October 5, 2022

Inflation

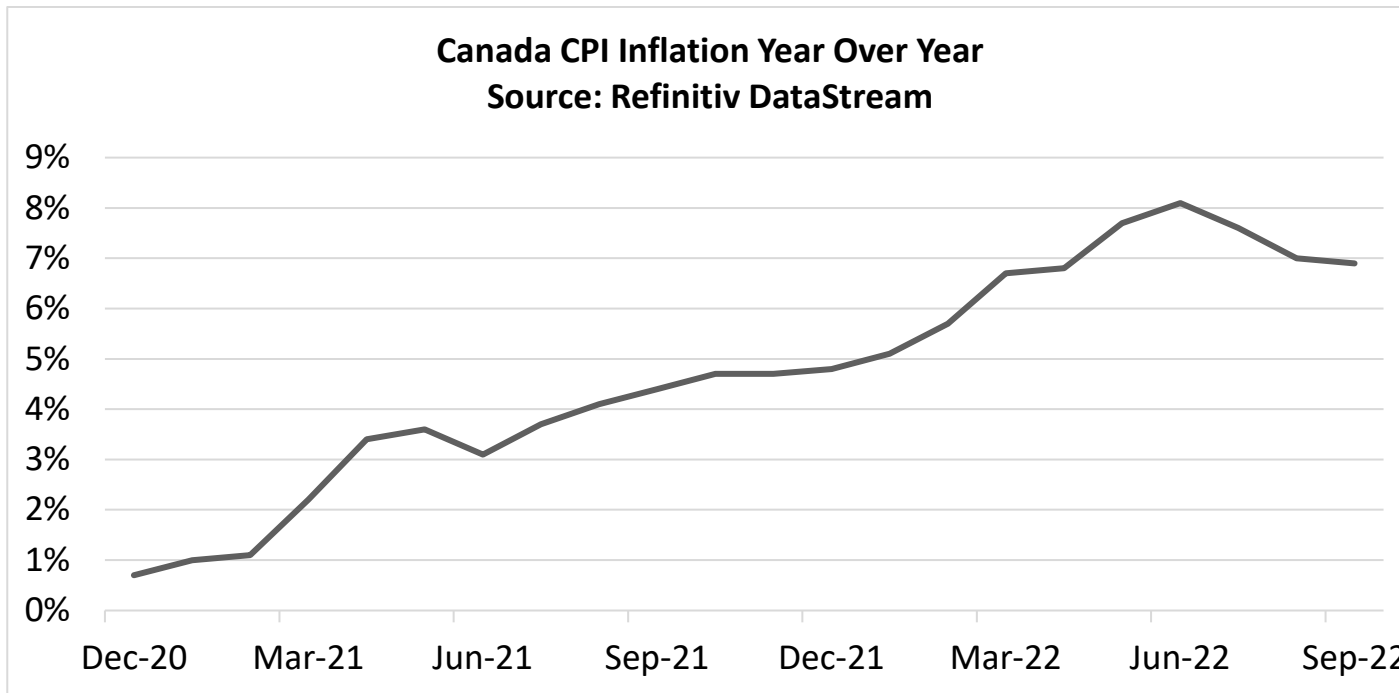
As Canada's economy has emerged from the pandemic, inflationary pressures have developed in 2021 and 2022. Canada is experiencing inflationary levels not seen for over 20 years.

The Consumer Price Index (CPI) represents changes in prices as experienced by Canadian consumers and is one of the most watched and reported measures in Canada as it relates to inflation. The CPI target range for the Bank of Canada continues to be one to three percent. While inflationary increases were included in the City’s approved 2020 to 2023 Multi-Year Budget, the current levels of inflation exceed what was contemplated in the development of the budget. Levels of inflation have been accelerating, with CPI rising to 8.1% on a year-over-year basis in June 2022, noting that they have moderated slightly since then. The Bank of Canada Monetary Policy Report from October 2022 forecasts CPI Inflation at 4.1% for 2023.

Inflation Projection	2021	2022	2023	2024
CPI Inflation (%)	3.4	6.9	4.1	2.2

Source: Bank of Canada Monetary Policy Report – October 2022

The following graphic shows year-over-year CPI increases over the last two years:



It is important to note that CPI measures the inflationary movements of a basket of goods reflective of consumer spending; it does not necessarily represent the inflationary impacts being faced by municipal governments. A municipality’s ‘basket of goods’ is different than CPI. This is referred to as a theoretical Municipal Price Index (MPI).

CPI vs MPI



Goods and Services within the CPI:

Food, Shelter, Transportation, Machinery and Equipment, Clothing and Footwear, Health and Personal Care, Household Operations and Furnishings, Recreation Education and Reading, Alcoholic Beverages and Tobacco, Chemicals and Chemical Products.



Goods and Services within the MPI:

Labour, Contracted Services, Social Assistance Costs and Transfers, Building Maintenance and Rent, Equipment Purchases and Leases and Maintenance, Financial Costs (write-offs, debt, interest and carrying costs), Specialized Supplies (salt, asphalt, chemicals), Construction Services.

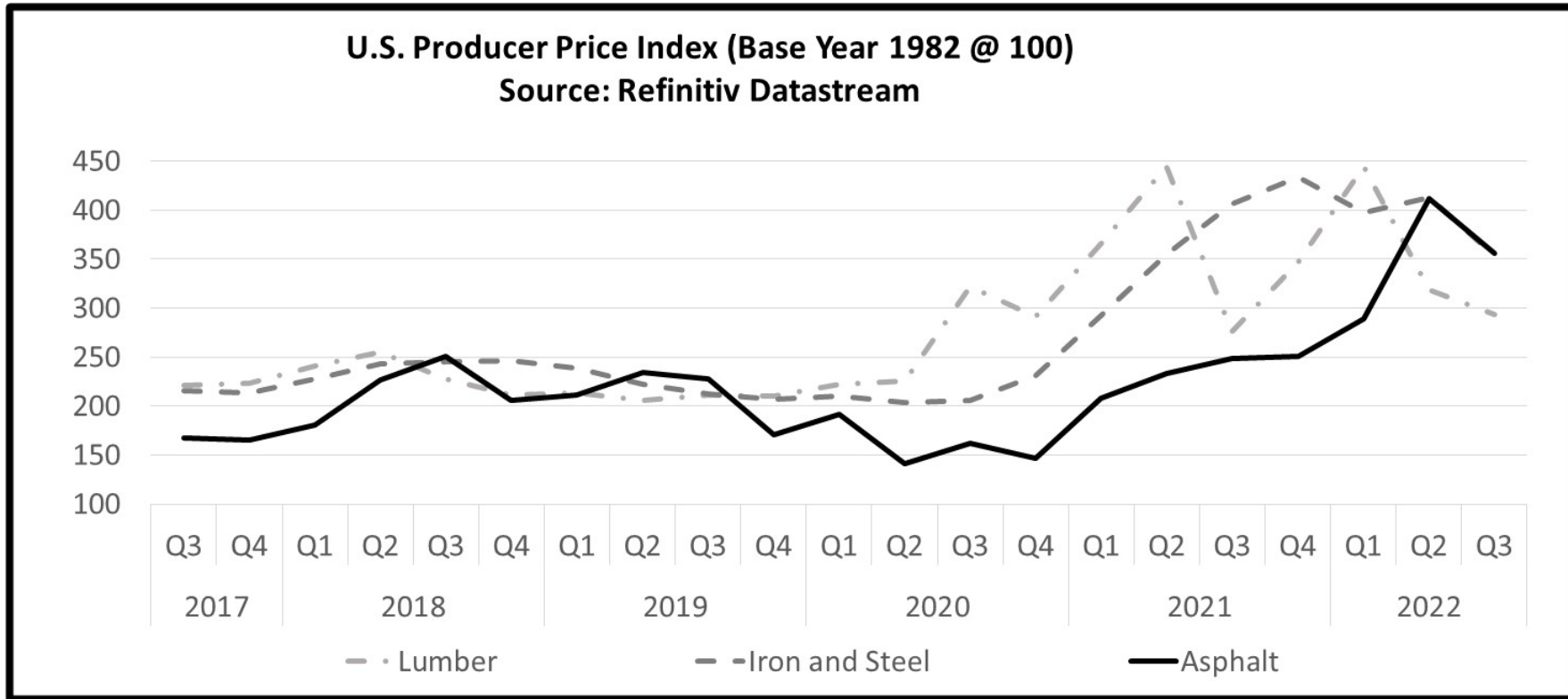
Impacts on the Operating Budget

There are no budget amendments presented relating solely to inflationary pressures for the operating budget. While some pockets of inflationary pressure have been noted, they are currently being managed through offsetting savings in the overall City budget. There is the potential for further pressures to be experienced by the City into the future as certain goods and services purchased through established contracts will come up for renewal. Throughout the pandemic, the City of London has strategically set aside funds in contingency reserves from savings resulting from operational adjustments in response to the pandemic. These savings remain available to mitigate unanticipated inflationary pressures through 2023.

Impacts on the Capital Budget

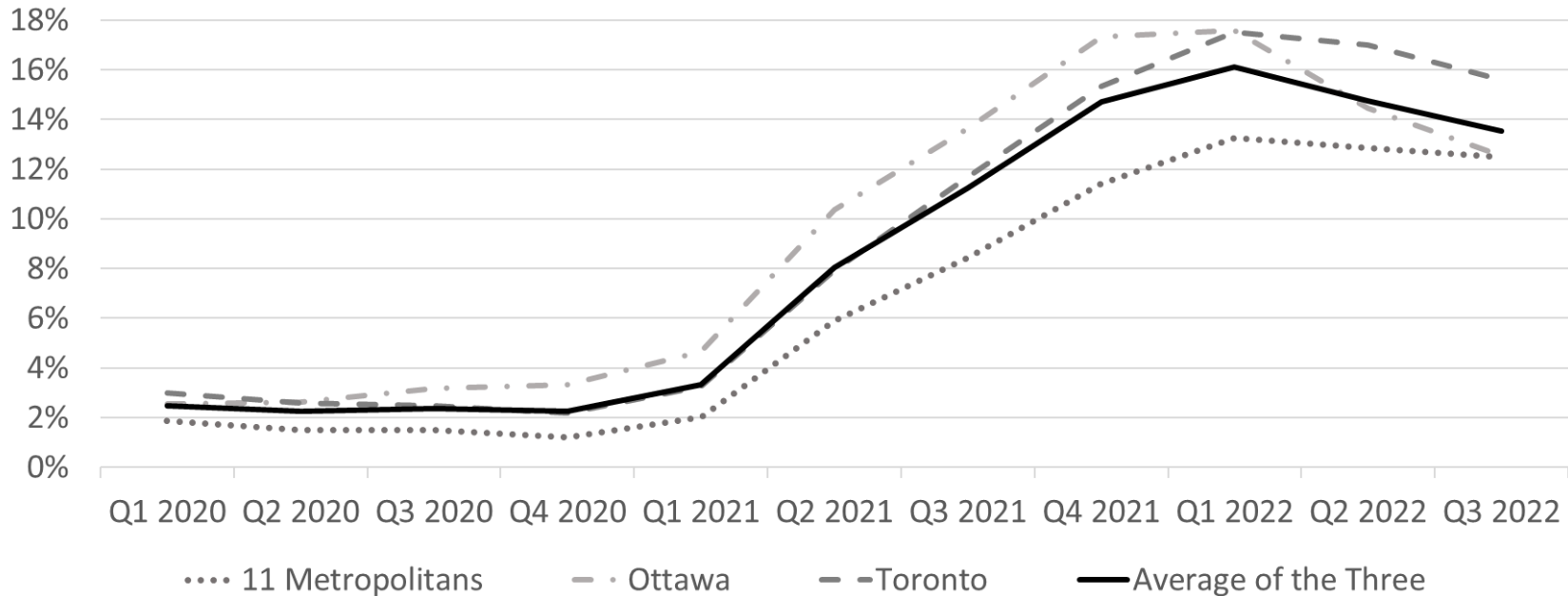
Supply chain disruptions and increased demand for certain raw materials have resulted in many capital projects in the City's approved capital plan experiencing inflationary pressures. The cost of labour and materials have increased significantly. The U.S. Producer Price Index (below) is the official monthly measure of producer prices in the economy of the United States, and a good comparator of trends being experienced in Canada. It measures average changes in prices received by domestic producers for their outputs like lumber, iron and steel, and asphalt; respectively the prices for these products have increased 32%, 68%, and 86% over the Q1 2020 (beginning of the current multi-year budget) to Q3 2022 period. Similarly, Statistics Canada tracks various input prices through the Industrial Product Price Index. Since the beginning of 2020 through to September 30, 2022, the price of lumber and other wood products has increased 45% and primary ferrous metal products (e.g. steel) have increased 51%. The Statistics Canada Industrial Product Price Index does not specifically include asphalt, but other sources indicate the price of asphalt in Ontario has increased more than 90% over the same

period. Clearly, therefore, significant price increases for various materials utilized in construction projects have been experienced, not only in Canada but across North America and the world.



These higher input costs are among the factors driving increases in the cost of construction. The Building Construction Price Indexes tracked by StatsCan are a quarterly measure of change in prices that contractors charge to construct a range of new commercial, institutional, industrial (ICI) and residential buildings. Of particular importance to the City of London is the Non-Residential Building Construction Price Index, which is presented below for the Q1 2020 to Q3 2022 period.

Non-Residential Building Construction Price Index - Y/Y % Estimate
Source: Stats Can - Table 18-10-0135-01 formally CANSIM 327-0058



This graph represents a striking change in the construction environment since the approval of the 2020 to 2023 Multi-Year Budget. Capital projects in the City’s 10-year Capital Plan do account for inflation; however, the 2.4% factor used during the multi-year budget development has been significantly outpaced since the start of 2021. As a result, many projects and programs in the 10-year capital plan for lifecycle renewal, growth, and service improvement do not fully reflect the funding requirements in order to complete the projects and programs as originally planned.

While inflation may be showing early signs of easing (albeit still at very elevated levels), it should be noted that construction price deflation (i.e. falling construction prices) is very rare and typically only seen during significant economic downturns. Pausing or deferring capital projects in this environment may not reduce our future costs with respect to the City’s capital works and may in fact have detrimental effects on London’s economic recovery. Additionally, deferring a significant number of capital projects would likely cause operational issues as projects stack up in future years, calling into question the ability to deliver all of that work in a compressed period of time.

Budget amendments have been included in the 2023 Annual Budget Update to secure additional funding for a number of capital projects that are being impacted by inflation and are planned to proceed in 2023. In the coming months leading up to the next multi-year budget, easing of supply chain pressures, commodity price moderation (steel, lumber, etc.), central bank actions, etc. may help

moderate future inflationary impacts. The 2024 to 2027 Multi-Year Budget will provide the best opportunity for significant changes to the City's capital budget and 10-year capital plan – this will provide time to monitor how any moderation in the current inflationary trend plays out over the coming months.

Summary

Throughout the pandemic, the City of London has strategically set aside funds in contingency reserves from savings resulting from operational adjustments in response to the pandemic. In 2021, further funds were set aside in contingencies for future inflationary pressures. Lagging financial impacts of COVID-19 are now being manifested as a high inflationary environment. As the City's inflationary pressures may become even clearer into 2023 and possibly into the next 2024 to 2027 Multi-Year Budget, these contingency funds will remain as a cornerstone in Civic Administration's mitigation strategy. As part of the development of the 2024 to 2027 Multi-Year Budget, Civic Administration will assess the persistence of inflationary impacts on the City's operating and capital budgets and bring forward any necessary adjustments to operating and capital plans for Council's consideration at that time.

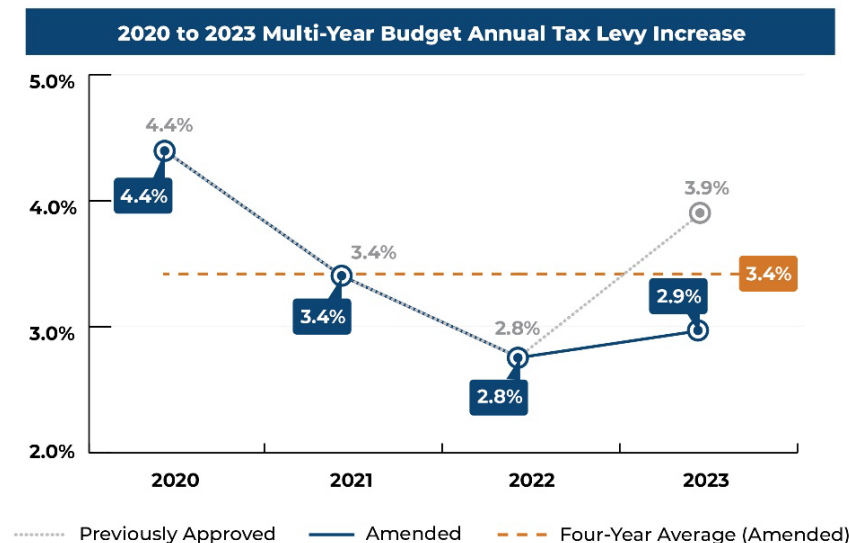


Budget in Brief – Property Tax Supported Budget

On March 2, 2020, Municipal Council approved the City’s second Multi-Year Budget covering the period from 2020 to 2023. The Multi-Year Budget was approved with an average annual tax levy increase from rates of 3.9%. After the first annual update to the Multi-Year Budget (2021), the four-year average annual increase from rates was 3.8%. As part of the 2022 Annual Budget Update the average annual increase from rates was reduced to 3.6%. The City of London is now in the third annual update to the Multi-Year Budget (2023).

The 2023 Annual Budget Update document contains a total of 18 property tax budget amendments. Nine of the budget amendments are being recommended by Civic Administration and nine are submitted for Municipal Council’s consideration. All three of the capital budget amendments can be accommodated within the capital plan or via one-time funding sources resulting in no increase to the tax levy in 2023. Of the 15 operating budget amendments, seven would result in tax levy reductions, three would have no tax levy impact, and five would result in a tax levy increase.

Should Municipal Council approve the recommended budget amendments, the 2023 increase from rates would decrease to 3.2% from the previously approved 3.9% increase, while the four-year average annual increase would become 3.4%. If all amendments are approved, including those for consideration, the 2023 increase from rates would decrease to 2.9%. The graph below illustrates the amended increase from rates for the remainder of the Multi-Year Budget period should all the budget amendments be approved.



Note: Previously approved rates are recalculated taking into account assessment growth impact in each annual update year of the Multi-Year Budget period.

Budget In Brief – Property Tax Supported Budget

Operating Tax Levy Revenue Overview (\$ Thousands)

2023 Annual Update

Operating Budget	2020 Tax Levy Revenue	2021 Tax Levy Revenue	2022 Tax Levy Revenue	2023 Tax Levy Revenue	2020 to 2023 Average % Increase/Decrease
Previously Approved % Increase From Rates ^{1,2}	4.4%	3.4%	2.8%	3.9%	3.6%
Previously Approved Budget	642,901	673,581	701,849	729,063	
Amendments ³				-6,602	
Amended Budget	642,901	673,581	701,849	722,461	
Amended % Increase From Rates	4.4%	3.4%	2.8%	2.9%	3.4%

Subject to rounding.

Notes

1. Previously approved rates are recalculated taking into account assessment growth impact in each annual update of the Multi-Year Budget period.
2. Initial Multi-Year-Budget approved increases from rates were: 2020 – 4.4%; 2021 – 4.5%; 2022 – 3.4%; 2023 – 3.3%; 2020 to 2023 Average – 3.9%
3. Amendments reflect impacts of all budget amendments as applicable.

Gross Operating Expenditure and Non-Tax Levy Revenue Budget Overview (\$ Thousands)

2023 Annual Update

Operating Budget	2020 Expenditure	2020 Non-Tax Levy Revenue	2021 Expenditure	2021 Non-Tax Levy Revenue	2022 Expenditure	2022 Non-Tax Levy Revenue	2023 Expenditure	2023 Non-Tax Levy Revenue
Previously Approved Budget	1,007,784	364,883	1,041,639	368,058	1,108,664	406,814	1,102,670	373,607
Amendments ¹							2,374	8,975
Amended Budget	1,007,784	364,883	1,041,639	368,058	1,108,664	406,814	1,105,044	382,582

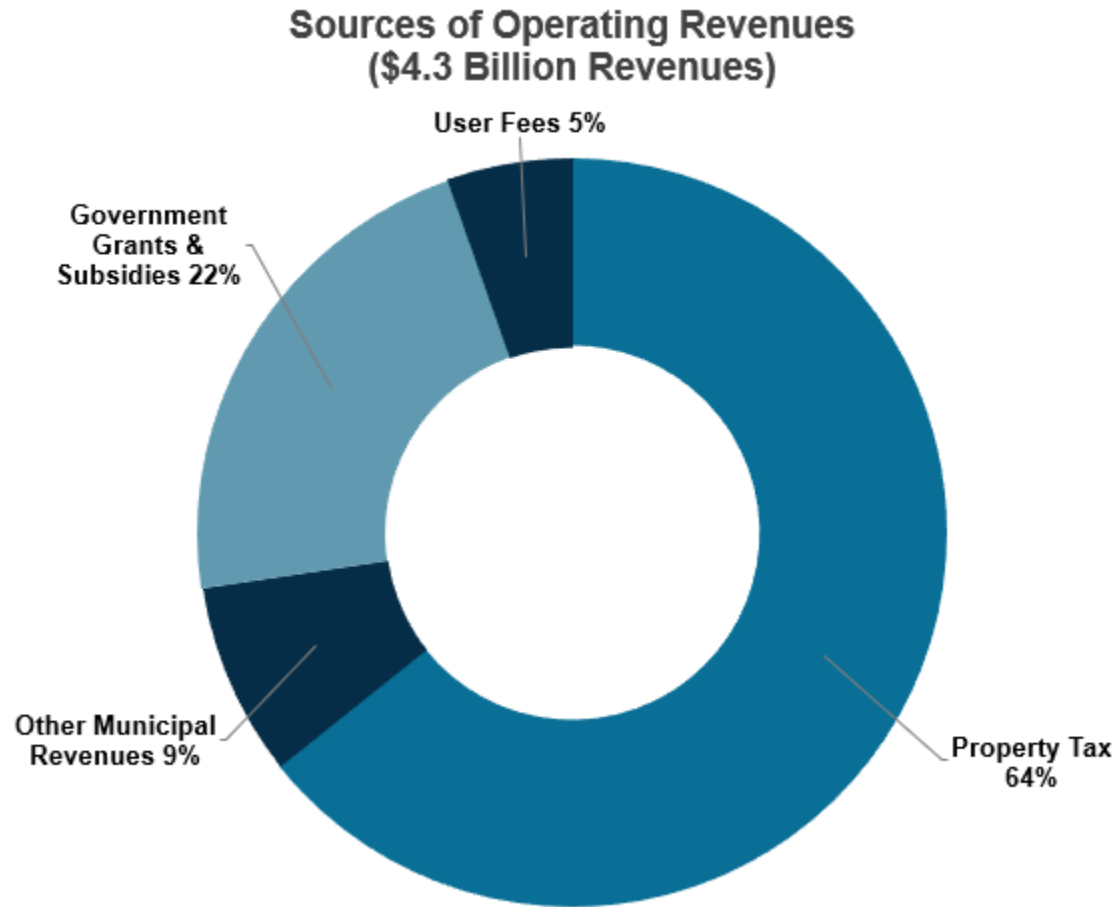
Subject to rounding.

Notes

1. Amendments reflect impacts of all budget amendments as applicable.
2. Amounts reported include housekeeping budget adjustments.

Budget In Brief – Property Tax Supported Budget

Total operating revenues in the 2020 to 2023 Multi-Year Budget are \$4.3 billion. As shown in the chart below, the largest source of revenue is property taxes which accounts for 64% of total revenues.

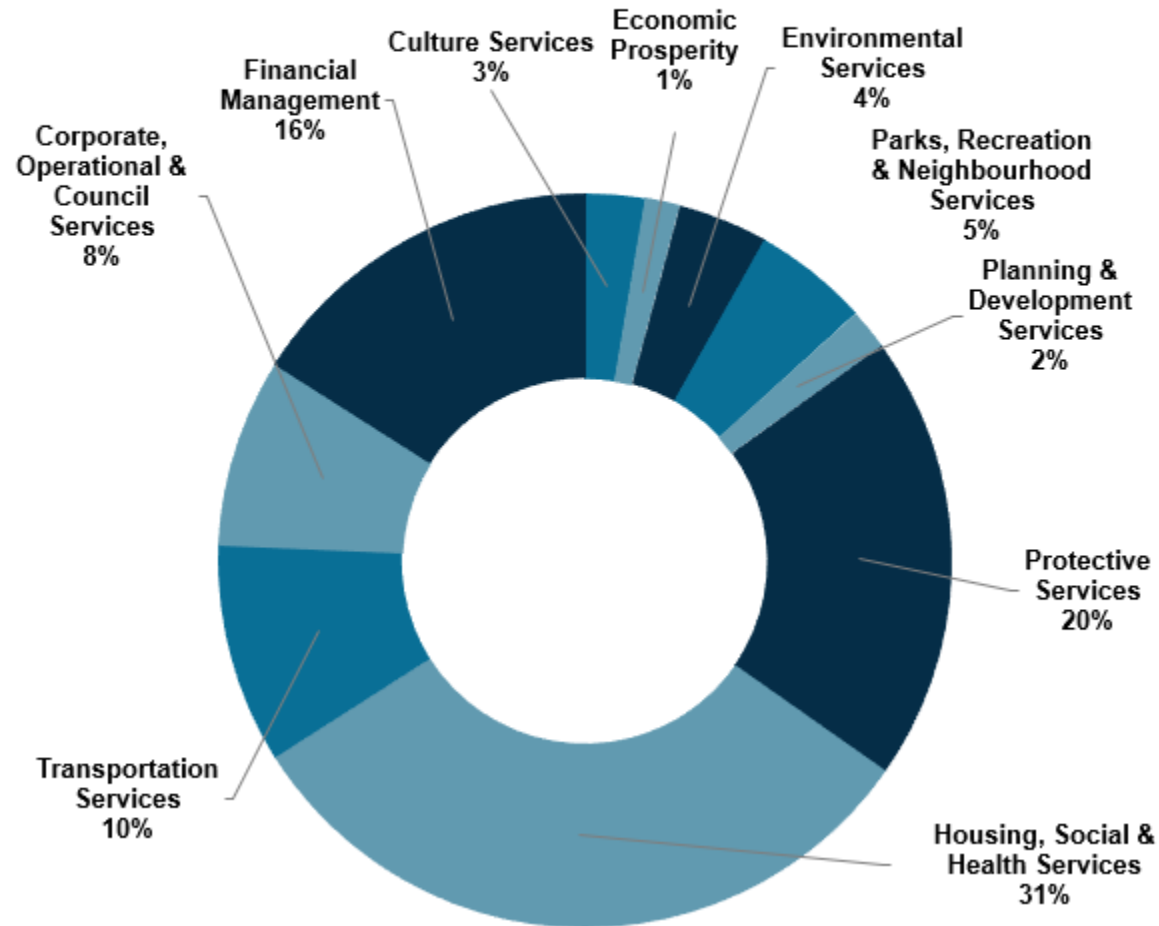


Note: Amounts reported include the impact of all 2023 budget amendments.

Budget In Brief – Property Tax Supported Budget

The allocation of 2020 to 2023 Multi-Year Budget operating expenditures by service program is shown in the chart below.

How Operating Dollars are Spent By Service Program (\$4.3 Billion Expenditure)



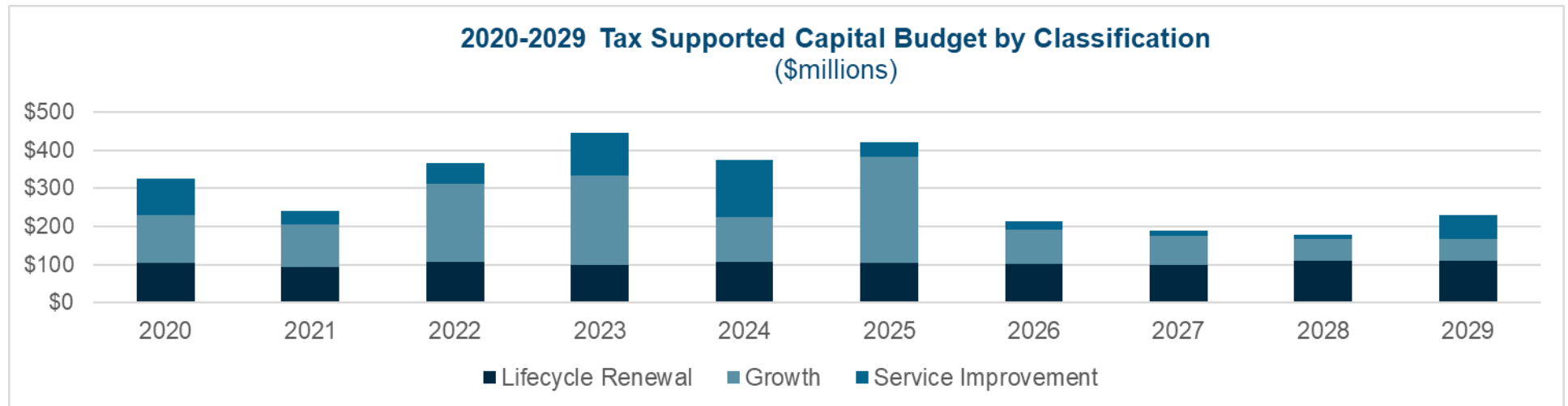
Note: Amounts reported include the impact of all 2023 budget amendments.

Budget In Brief – Property Tax Supported Budget

2020 to 2029 Capital Budget Overview (\$ Millions)




















Capital Budget Classification	2020 to 2023 Amended Multi-Year Budget	2020 to 2029 Amended Capital Plan
Lifecycle Renewal projects maintain infrastructure that is in place today (e.g. road resurfacing and replacing equipment). This is a high priority component of the capital budget. The goal is to keep systems and facilities in good repair; regular planned maintenance is more affordable than reactive emergency repairs	\$404	\$1,033
Growth projects extend services into newly developed areas of the City (e.g. a road widening to handle additional traffic from new subdivisions). Growth projects are not always immediately imperative, but in the long run the City has a responsibility to provide adequate services to newly developed areas.	\$678	\$1,357
Service Improvement projects provide a new or improved level of service or address an emerging need (e.g. purchasing property for industrial land). These projects are optional, but the case may be compelling.	\$298	\$594
Total	\$1,379	\$2,984

Subject to rounding.



2020 to 2023 Average Daily Cost of Municipal Services

Average Daily Cost of Municipal Services: \$8.52¹

18% London Police Services 	\$1.52	5% Social & Community Support Services 	\$0.39	1% Municipal Housing 	\$0.11	.5% Emergency Management & Security Services 	\$0.04	.3% Conservation Authorities 	\$0.03
13% Capital Financing 	\$1.11	4% Garbage, Recycling & Composting 	\$0.30	1% Economic Development 	\$0.10	.5% Financial Management - Other 	\$0.04	.3% Animal Services 	\$0.02
10% Fire Services 	\$0.84	3% Land Ambulance 	\$0.29	1% Middlesex-London Health Unit 	\$0.09	.5% Public Support Services 	\$0.04	.3% Museum London 	\$0.02
9% Corporate Services 	\$0.79	3% Library Services 	\$0.27	.9% Long Term Care 	\$0.08	.5% Housing Development Corporation 	\$0.04	.3% All Other Areas 	\$0.02
7% Roadways 	\$0.61	3% Neighbourhood & Recreation Services 	\$0.21	.6% Council Services 	\$0.05	.4% Arts, Culture & Heritage Advisory & Funding 	\$0.03		
6% London Transit Commission 	\$0.53	2% Parks & Urban Forestry 	\$0.19	.5% Planning Services 	\$0.05	.3% Corporate Planning & Administration 	\$0.03		
5% Debt Servicing 	\$0.44	2% London & Middlesex Community Housing 	\$0.17	.5% Development Services 	\$0.04	.3% Tourism & Sports Attraction 	\$0.03		

Subject to rounding.
¹Calculated based on the average assessed value of \$241,000 for a residential property.
 (excludes education tax portion and impacts of tax policy.)

Note: Amounts reported include the impact of all 2023 budget amendments.

Budget In Brief – Water Budget

On March 2, 2020, Municipal Council approved the City’s second Multi-Year Budget covering the period from 2020 to 2023. The Multi-Year Budget was approved with an average annual Water rate increase of 2.5%.

The City of London, consistent with its Multi-Year Budget Policy, is undertaking its third annual update for the 2020 to 2023 Multi-Year Budget period. The 2023 Annual Budget Update continues to progress achievement of the City’s Strategic Plan while recognizing pressures experienced due to the global coronavirus pandemic (COVID-19). For the 2023 Annual Budget Update, the rate increase for Water will be 2.5%, as contemplated in the 2020 to 2023 Multi-Year Budget. The impact to the average ratepayer is outlined in the table below:

2020 to 2023 Impact on Average Residential Customer from Approved Rate Changes¹

Total Annual Amount	2019	2020	2021	2022	2023
Water	\$486	\$499	\$511	\$524	\$537
Annual Change	N/A	\$13	\$12	\$13	\$13

Subject to rounding.

Notes

1. The budgeted residential cost is based on an average residential consumption of 200 m³ (BMA Municipal Study).

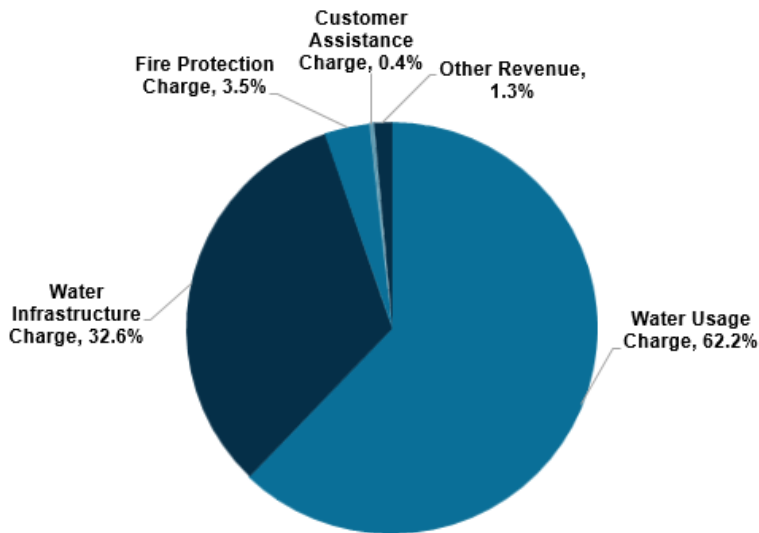
For 2023 there are two capital budget amendments for Water. The 2020 to 2023 Multi-Year Budget for Water is as follows:

Water – 2020 to 2023 Multi-Year Operating Budget (\$ Thousands)

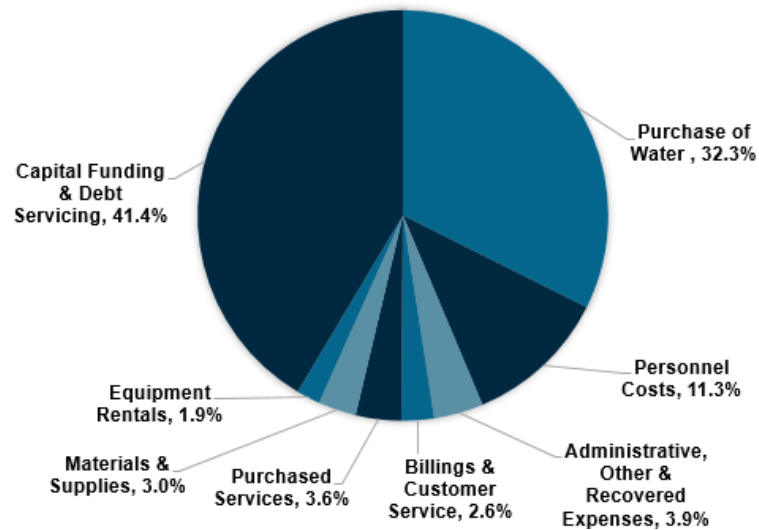
Water	2020 Approved Budget	2021 Approved Budget	2022 Approved Budget	2023 Amended Budget	2020 to 2023 Average Annual % Increase/ Decrease
Water Rate Increase (Previously Approved)	2.5%	2.5%	2.5%	2.5%	2.5%
Total Water Budget	84,739	87,488	90,530	93,695	
Increase over Prior Year Budget	4,843	2,750	3,041	3,166	
Increase over Prior Year Budget (%)	6.1%	3.2%	3.5%	3.5%	4.1%

Subject to rounding.

**REVENUE BUDGET - WATER
FOUR YEAR AVERAGE (2020-2023)**



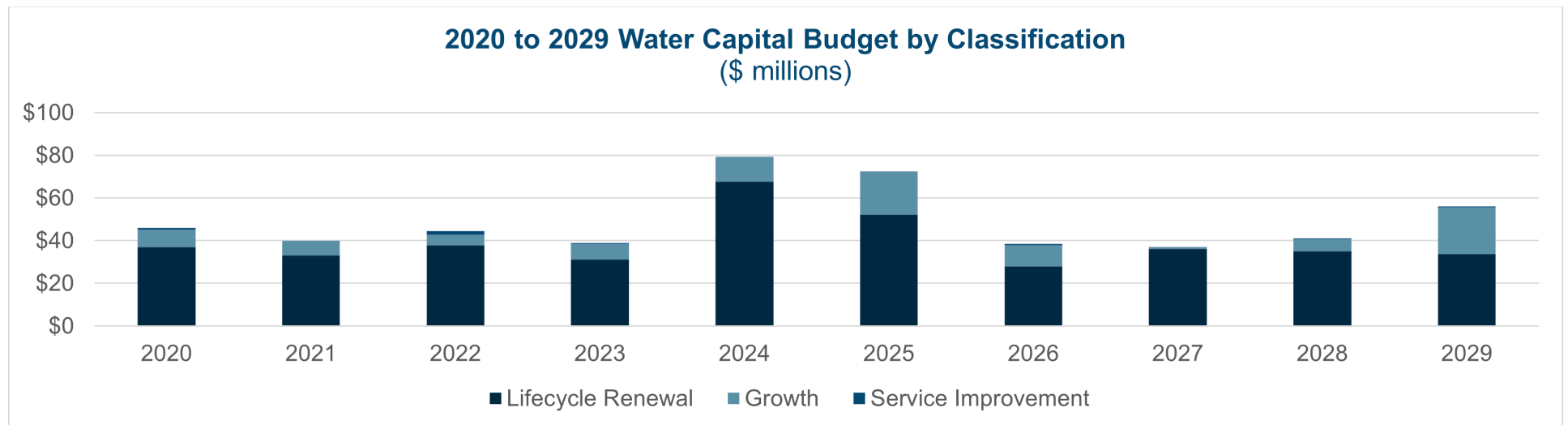
**EXPENDITURE BUDGET - WATER
FOUR YEAR AVERAGE (2020-2023)**



2020 to 2029 Water Capital Budget Overview (\$ Millions)

Capital Budget Classification	2020 to 2023 Amended Multi-Year Budget	2020 to 2029 Amended Capital Plan
Lifecycle Renewal projects maintain infrastructure that is in place today (e.g. reservoirs, watermains, valves, etc.). This is a high priority component of the capital budget. The goal is to keep systems and facilities in good repair; regular planned maintenance is more affordable than reactive emergency repairs.	\$139	\$391
Growth projects extend services into newly developed areas of the City (e.g. a watermain to service new subdivisions). Growth projects are not always immediately imperative, but in the long run the City has a responsibility to provide adequate services to newly developed areas.	\$27	\$96
Service Improvement projects provide a new or improved level of service or address an emerging need (e.g. upgrading equipment in a water pumping station). These projects are optional, but the case may be compelling.	\$3	\$6
Total	\$169	\$493

Subject to rounding.



Budget In Brief – Wastewater and Treatment Budget

On March 2, 2020, Municipal Council approved the City’s second Multi-Year Budget covering the period from 2020 to 2023. The Multi-Year Budget was approved with an average annual Wastewater and Treatment rate increase of 3.2%.

The City of London, consistent with its Multi-Year Budget Policy, is undertaking its third annual update for the 2020 to 2023 Multi-Year Budget period. The 2023 Annual Budget Update continues to progress achievement of the City’s Strategic Plan while recognizing pressures experienced due to the global coronavirus pandemic (COVID-19). In particular, due to the onset of COVID-19 and associated financial challenges experienced by many households and businesses, the additional rate increase for 2020 approved through the 2020 to 2023 Multi-Year Budget was deferred to 2021. The deferral was associated with the transfer of a portion of Conservation Authorities’ costs from the property tax supported budget to the Wastewater and Treatment budget. The approved 2021 Wastewater and Treatment rates included a phase-in approach, with the rate increase associated with the transfer of the Conservation Authorities’ costs implemented through an additional 2.7% rate increase which took effect July 1, 2021. For the 2023 Annual Budget Update, the rate increase for Wastewater and Treatment will be 2.5%, as contemplated in the 2020 to 2023 Multi-Year Budget. The impact to the average ratepayer is outlined in the table below:

2020 to 2023 Impact on Average Residential Customer from Approved Rate Changes^{1,2}

Total Annual Amount	2019	2020	2021	2022	2023
Sanitary	\$404	\$414	\$430	\$446	\$458
Storm	\$196	\$200	\$208	\$216	\$221
Total	\$600	\$614	\$638	\$662	\$679
Annual Change	N/A	\$14	\$24	\$24	\$17

Subject to rounding.

Notes

1. The budgeted residential cost is based on an average residential consumption of 200 m³ (BMA Municipal Study).
2. Impact on Average Residential Customer reflects impacts associated with the rate increase deferral due to COVID-19 resulting in a phased-in increase in 2021 with the full year impact of the rate increase reflected in 2022.

For 2023 there is one capital budget amendment for Wastewater and Treatment. The 2020 to 2023 Multi-Year Budget for Wastewater and Treatment is as follows:

Wastewater and Treatment – 2020 to 2023 Multi-Year Operating Budget (\$ Thousands)

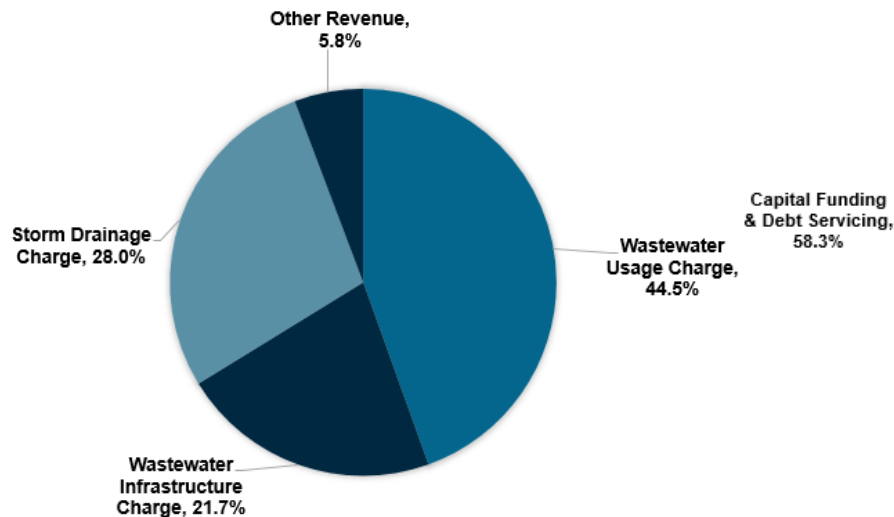
Wastewater and Treatment	2020 Approved Budget	2021 Approved Budget	2022 Approved Budget	2023 Amended Budget	2020 to 2023 Average Annual % Increase/ Decrease
Wastewater and Treatment Rate Increase (Previously Approved ¹)	2.5%	5.2%	2.5%	2.5%	3.2%
Total Wastewater and Treatment Budget	106,500	109,937	113,668	117,544	
Increase over Prior Year Budget	8,318	3,437	3,731	3,876	
Increase over Prior Year Budget (%)	8.5%	3.2%	3.4%	3.4%	4.6%

Subject to rounding.

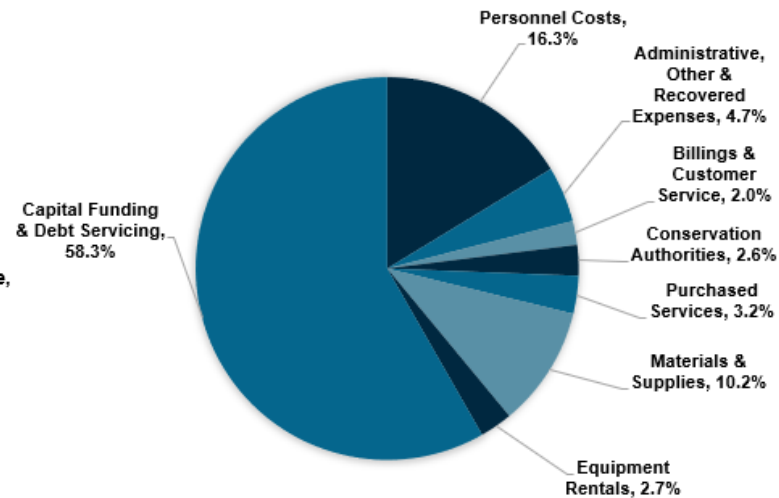
Note

1. Timing of rate implementation was deferred from 2020 to 2021 as a result of the COVID-19 pandemic as previously noted.

**REVENUE BUDGET - WASTEWATER
FOUR YEAR AVERAGE (2020-2023)**



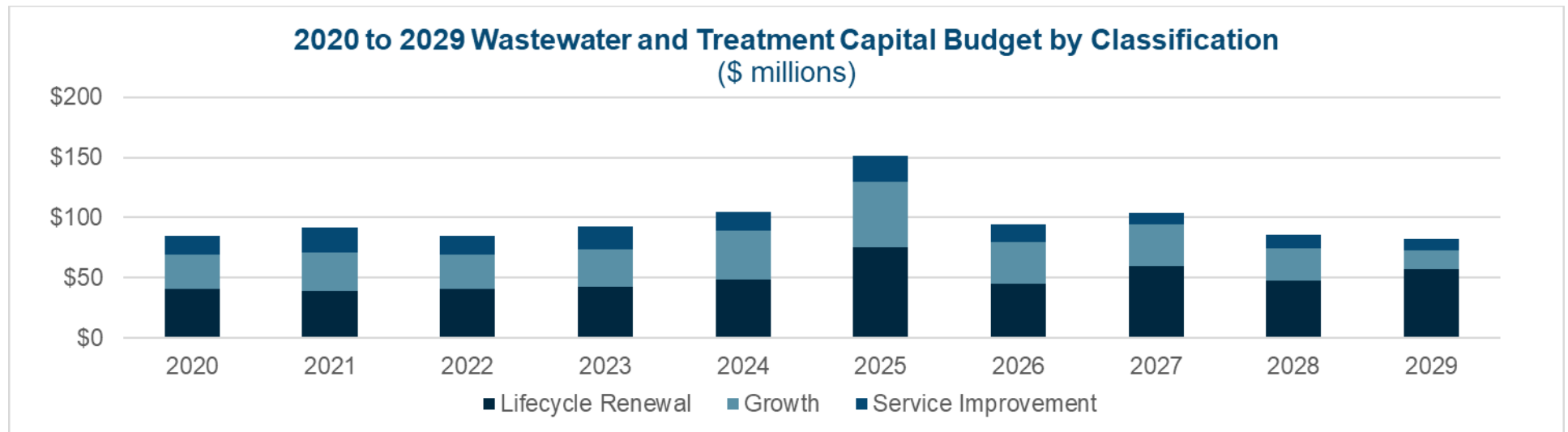
**EXPENDITURE BUDGET - WASTEWATER
FOUR YEAR AVERAGE (2020-2023)**



2020 to 2029 Wastewater and Treatment Capital Budget Overview (\$ Millions)

Capital Budget Classification	2020 to 2023 Amended Multi-Year Budget	2020 to 2029 Amended Capital Plan
Lifecycle Renewal projects maintain infrastructure that is in place today (e.g. local and trunk sewers, wastewater treatment plants and equipment). This is a high priority component of the capital budget. The goal is to keep systems and facilities in good repair; regular planned maintenance is more affordable than reactive emergency repairs.	\$164	\$497
Growth projects extend services into newly developed areas of the City (e.g. a trunk sewer to service new subdivisions). Growth projects are not always immediately imperative, but in the long run the City has a responsibility to provide adequate services to newly developed areas.	\$120	\$327
Service Improvement projects provide a new or improved level of service or address an emerging need (e.g. upgrading equipment in a wastewater treatment plant). These projects are optional, but the case may be compelling.	\$71	\$153
Total	\$355	\$977

Subject to rounding.



Public Sector Accounting Board Reconciliation

Reconciliation of Draft Budgets (Property Tax, Water, Wastewater and Treatment) to Public Sector Accounting Board Financial Statement Budget

Ontario municipalities must adhere to Public Sector Accounting Board (PSAB) accounting standards and reporting requirements. As allowed under Ontario Regulation 284/09, when preparing the budget, The City of London, like most municipalities, excludes typical PSAB items such as costs related to amortization expense, post-employment benefit expense and solid waste landfill closure and post-closure expense. However, the regulation does require that the municipality report to Council on the impact of these excluded costs prior to budget approval.

The tables on the following pages show the 2020 to 2022 approved budgets and the 2023 amended budget plus adjustments to comply with PSAB format, including the following items:

1. Expenses for the amortization of tangible capital assets.
2. Reserve fund contributions and pay as you go contributions for capital asset additions.
3. The current year's post-employment benefit expense for early retirement and accrued sick leave for employees that are eligible for these benefits. The City's consolidated liability as at December 31, 2021 was \$196.0 million. Reserve fund balances of \$170.9 million as of December 31, 2021 are available to offset this obligation. The City makes reserve fund contributions to offset the liabilities created from post-employment expenses depending upon generated surpluses and personnel cost savings.
4. The City has a landfill closure and post-closure liability of \$51.7 million. The Sanitary Landfill Reserve Fund, with a balance of \$28.3 million as of December 31, 2021, is for sanitary landfill activity and funds could be utilized to partially offset this liability.

If the above items were included in the 2020 to 2023 budgets, the projected annual PSAB surplus would increase.

Reconciliation of Property Tax Draft Budget to PSAB Financial Statement Budget (\$ Thousands)

Tax Supported Budget	2020 Approved Budget	2021 Approved Budget	2022 Approved Budget	2023 Amended Budget
Property Tax	642,901	673,581	701,849	729,063
Property Tax - Draft Budget Amendments	0	0	0	-6,602
Government Grants and Subsidies	225,409	225,963	227,315	229,069
User Fees	54,445	56,227	58,303	59,358
Municipal Revenues - Other	75,181	77,611	79,225	85,056
Municipal Revenues - Transfers from Capital	0	0	168	216
Municipal Revenues - Transfers from Reserves and Reserve Funds	9,848	8,257	11,804	8,884
Total Revenues	1,007,784	1,041,639	1,108,664	1,105,044
Personnel Costs	376,301	394,144	413,138	425,766
Administrative Expenses	7,360	7,395	7,432	7,460
Financial Expenses - Other	11,230	11,268	11,298	11,329
Financial Expenses - Interest and Discount on Long-term Debt	4,941	4,440	4,267	4,168
Financial Expenses - Debt Principal Repayments	31,200	30,420	27,914	27,755
Financial Expenses - Transfers to Reserves and Reserve Funds	66,484	68,190	71,410	71,778
Financial Expenses - Transfers to Capital	49,675	51,269	55,161	54,736
Purchased Services	214,230	225,568	262,544	240,010
Materials and Supplies	39,922	39,155	39,842	39,883
Vehicle and Equipment	25,078	25,827	26,416	25,605
Transfers	201,101	204,123	209,779	216,044
Other Expenses	941	1,094	1,086	2,334
Recovered Expenses	-20,679	-21,254	-21,623	-21,824
Total Expenses	1,007,784	1,041,639	1,108,664	1,105,044
Net Surplus (Deficit) Per Draft Budget	0	0	0	0

Subject to rounding.

PSAB Reporting Requirements Reconciliation – Property Tax Supported Budget (\$ Thousands)

Reconciliation Type	Description	2020 Approved Budget	2021 Approved Budget	2022 Approved Budget	2023 Amended Budget
	Projected Net PSAB Surplus	134,916	105,390	120,618	134,387
Addback Revenue	Transfers from Capital	0	0	168	216
Addback Revenue	Transfers from Reserves and Reserve Funds	9,848	8,257	11,804	8,884
Deduct Expense	Transfers to Reserves and Reserve Funds	-66,484	-68,190	-71,410	-71,778
Deduct Expense	Transfers to Capital	-49,675	-51,269	-55,161	-54,736
Deduct Expense	Debt principal repayments	-31,200	-30,420	-27,914	-27,755
PSAB Adjustment	Capital program funding earned in year ¹	-92,221	-50,814	-79,374	-103,097
PSAB Adjustment	Capital projects not resulting in tangible capital assets ²	45,182	33,244	50,764	61,676
PSAB Adjustment	Amortization ³	90,521	95,025	99,811	104,874
PSAB Adjustment	Developer contributions of assumed tangible capital assets ⁴	-19,662	-20,562	-21,980	-23,698
PSAB Adjustment	Loss on disposal of tangible capital assets ⁵	1,707	1,595	1,566	1,572
PSAB Adjustment	Obligatory reserve fund deferred revenue earned in year - DC, Canada Community-Building Fund ⁶	-23,266	-22,006	-23,611	-26,044
PSAB Adjustment	Government Business Enterprises adjustments ⁷	-6,350	-6,089	-7,089	-6,930
PSAB Adjustment	Other	514	514	-5,069	-4,124
PSAB Adjustment	Landfill liability ⁸	2,455	2,059	2,296	2,304
PSAB Adjustment	Employee future benefit liability ⁹	3,715	3,266	4,581	4,249
	Net Surplus (Deficit) Per Draft Budget	0	0	0	0

Subject to rounding.

Reconciliation of Water Draft Budget to PSAB Financial Statement Budget (\$ Thousands)

Water Budget	2020 Approved Budget	2021 Approved Budget	2022 Approved Budget	2023 Amended Budget
Property Tax	0	0	0	0
Draft Budget Amendments	0	0	0	0
Government Grants and Subsidies	0	0	0	0
User Fees	84,604	87,353	90,395	93,560
Municipal Revenues - Other	135	135	135	135
Municipal Revenues - Transfers from Capital	0	0	0	0
Municipal Revenues - Transfers from Reserves and Reserve Funds	0	0	0	0
Total Revenues	84,739	87,488	90,530	93,695
Personnel Costs	9,687	11,461	12,178	12,424
Administrative Expenses	3,231	3,281	3,330	3,380
Financial Expenses - Other	74	74	74	74
Financial Expenses - Interest and Discount on Long-term Debt	24	13	7	3
Financial Expenses - Debt Principal Repayments	327	337	105	108
Financial Expenses - Transfers to Reserves and Reserve Funds	13,741	14,362	15,434	16,366
Financial Expenses - Transfers to Capital	20,793	21,414	22,054	22,713
Purchased Services	3,030	3,088	3,152	3,215
Materials and Supplies	29,790	30,900	32,039	33,209
Vehicle and Equipment	1,608	1,652	1,686	1,730
Transfers	0	0	0	0
Other Expenses	2,759	2,765	2,771	2,774
Recovered Expenses	-325	-1,859	-2,300	-2,301
Total Expenses	84,739	87,488	90,530	93,695
Net Surplus (Deficit) Per Draft Budget	0	0	0	0

Subject to rounding.

PSAB Reporting Requirements Reconciliation – Water Rate Supported Budget (\$ Thousands)

Reconciliation Type	Description	2020 Approved Budget	2021 Approved Budget	2022 Approved Budget	2023 Amended Budget
	Projected Net PSAB Surplus	20,570	21,902	19,901	25,441
Addback Revenue	Transfers from Capital	0	0	0	0
Addback Revenue	Transfers from Reserves and Reserve Funds	0	0	0	0
Deduct Expense	Transfers to Reserves and Reserve Funds	-13,741	-14,362	-15,434	-16,366
Deduct Expense	Transfers to Capital	-20,793	-21,414	-22,054	-22,713
Deduct Expense	Debt principal repayments	-327	-337	-105	-108
PSAB Adjustment	Capital program funding earned in year ¹	-1,388	-1,421	1,862	-1,425
PSAB Adjustment	Capital projects not resulting in tangible capital assets ²	6,333	5,505	6,171	5,383
PSAB Adjustment	Amortization ³	17,881	18,771	19,716	20,717
PSAB Adjustment	Developer contributions of assumed tangible capital assets ⁴	-7,011	-7,017	-7,660	-8,517
PSAB Adjustment	Loss on disposal of tangible capital assets ⁵	686	485	582	544
PSAB Adjustment	Obligatory reserve fund deferred revenue earned in year - DC, Canada Community-Building Fund ⁶	-1,728	-1,515	-1,614	-1,774
PSAB Adjustment	Government Business Enterprises adjustments ⁷	0	0	0	0
PSAB Adjustment	Other	-580	-683	-1,486	-1,294
PSAB Adjustment	Landfill liability ⁸	0	0	0	0
PSAB Adjustment	Employee future benefit liability ⁹	98	86	121	112
	Net Surplus (Deficit) Per Draft Budget	0	0	0	0

Subject to rounding.

Reconciliation of Draft Wastewater and Treatment Budget to PSAB Financial Statement Budget (\$ Thousands)

Wastewater and Treatment Budget	2020 Approved Budget	2021 Approved Budget	2022 Approved Budget	2023 Amended Budget
Property Tax	0	0	0	0
Draft Budget Amendments	0	0	0	0
Government Grants and Subsidies	30	30	30	30
User Fees	105,660	109,097	112,828	116,704
Municipal Revenues - Other	810	810	810	810
Municipal Revenues - Transfers from Capital	0	0	0	0
Municipal Revenues - Transfers from Reserves and Reserve Funds	0	0	0	0
Total Revenues	106,500	109,937	113,668	117,544
Personnel Costs	17,356	17,915	18,574	19,201
Administrative Expenses	5,464	5,546	5,629	5,714
Financial Expenses - Other	0	0	0	0
Financial Expenses - Interest and Discount on Long-term Debt	1,094	847	631	486
Financial Expenses - Debt Principal Repayments	8,654	8,346	5,207	4,239
Financial Expenses - Transfers to Reserves and Reserve Funds	29,361	31,824	37,862	41,148
Financial Expenses - Transfers to Capital	21,764	22,395	23,046	23,717
Purchased Services	3,493	3,549	3,609	3,670
Materials and Supplies	11,635	11,682	11,132	11,240
Vehicle and Equipment	2,994	3,048	3,096	3,150
Transfers	2,788	2,854	2,921	2,991
Other Expenses	7,328	7,373	7,443	7,501
Recovered Expenses	-5,431	-5,442	-5,482	-5,513
Total Expenses	106,500	109,937	113,668	117,544
Net Surplus (Deficit) Per Draft Budget	0	0	0	0

Subject to rounding.

PSAB Reporting Requirements Reconciliation – Wastewater and Treatment Rate Supported Budget
(\$ Thousands)

Reconciliation Type	Description	2020 Approved Budget	2021 Approved Budget	2022 Approved Budget	2023 Amended Budget
	Projected Net PSAB Surplus	34,954	30,407	37,260	37,570
Addback Revenue	Transfers from Capital	0	0	0	0
Addback Revenue	Transfers from Reserves and Reserve Funds	0	0	0	0
Deduct Expense	Transfers to Reserves and Reserve Funds	-29,361	-31,824	-37,862	-41,148
Deduct Expense	Transfers to Capital	-21,764	-22,395	-23,046	-23,717
Deduct Expense	Debt principal repayments	-8,654	-8,346	-5,207	-4,239
PSAB Adjustment	Capital program funding earned in year ¹	-5,082	-1,046	-4,092	-4,710
PSAB Adjustment	Capital projects not resulting in tangible capital assets ²	11,887	12,737	11,757	12,837
PSAB Adjustment	Amortization ³	48,719	51,143	53,718	56,443
PSAB Adjustment	Developer contributions of assumed tangible capital assets ⁴	-20,695	-21,037	-21,204	-21,446
PSAB Adjustment	Loss on disposal of tangible capital assets ⁵	588	574	593	584
PSAB Adjustment	Obligatory reserve fund deferred revenue earned in year - DC, Canada Community-Building Fund ⁶	-9,900	-9,486	-10,191	-11,343
PSAB Adjustment	Government Business Enterprises adjustments ⁷	0	0	0	0
PSAB Adjustment	Other	-867	-881	-1,942	-1,031
PSAB Adjustment	Landfill liability ⁸	0	0	0	0
PSAB Adjustment	Employee future benefit liability ⁹	175	154	216	200
	Net Surplus (Deficit) Per Draft Budget	0	0	0	0

Subject to rounding.

PSAB Reconciliation Notes

1. Represents capital revenue such as provincial and federal grants and other contributions. Does not include debenture financing, transfers from operating or reserve funds. Estimate is based on the approved capital budget for the respective years 2020 to 2023.
2. For PSAB purposes, any expenses not considered to be part of the cost of a tangible capital asset are expensed as operating expenses. Therefore, although funded through capital, these expenses will be included in the operating expenses in the year incurred and will be reflected in the Statement of Operations on the financial statements. Estimated based on 13.86% of the capital expenditure budget, based on 2019 actuals.
3. Represents the annual write down of the tangible capital assets over the useful life of the asset. Estimated annual average increase of 4.79% based on 5 year rolling average.
4. Contributed tangible capital assets are tangible capital assets that become the ownership of the City when a subdivision is assumed by the City. These assets are recognized at estimated fair market value during the year of assumption. These assets are predominantly comprised of roads infrastructure. Estimate based on 5 year rolling average.
5. When an asset is replaced prior to the end of its useful life, an adjustment must be made to expense the remaining book value. Amount fluctuates from year to year. Estimate based on 5 year rolling average.
6. Transactions recorded directly to reserve funds must be accounted for through the operating or capital fund. This includes recognition of development charge levies and Canada Community-Building Fund grants earned in the year.
7. London Hydro Inc., Fair-City Joint Venture and City-YMCA Joint Venture are considered Government Business Enterprises (GBE). At year end, the City must record the City's share of earnings based on our percentage ownership in each GBE. Estimate based on 5 year rolling average.
8. Represents the annual increase in the estimated future cost of post-closure related to landfills. Estimate based on 5 year rolling average.
9. Represents the annual change in the estimated future costs of employee benefits. Estimate based on 5 year rolling average.

Budget Recommendations

Property Tax Budget Amendments (amounts rounded to the nearest thousand)

- a) That the following 2020 to 2023 Multi-Year Budget operating amendment cases recommended by Civic Administration **BE APPROVED**;
- i. Budget Amendment Case #P-1 – Various Services – Budget Right-Sizing
Total: Operating Expenditure -\$2,900,000; Tax Levy -\$6,581,000; Capital Expenditure -\$475,000
 - ii. Budget Amendment Case #P-2 – Ontario Works and Children’s Services – Reduction in Required 2023 Investments
Total: Operating Expenditure -\$620,000; Tax Levy -\$1,030,000
 - iii. Budget Amendment Case #P-3 – Housing Stability Services – Roadmap to 3,000 Affordable Units – Portable Benefits & Staff Resources
Total: Operating Expenditure \$1,794,000; Tax Levy \$1,794,000
 - iv. Budget Amendment Case #P-4 – Community Improvement/BIA – Project Clean Slate
Total: Operating Expenditure \$200,000; Tax Levy \$200,000
 - v. Budget Amendment Case #P-5 – Information Technology – Cybersecurity Infrastructure Expansion and Updates
Total: Operating Expenditure \$1,009,000; Tax Levy \$1,009,000; Capital Expenditure \$142,000
 - vi. Budget Amendment Case #P-6 – Anti-Racism and Anti-Oppression – 1001 Inventions Exhibit
Total: Operating Expenditure \$125,000; Tax Levy \$0
 - vii. Budget Amendment Case #P-7 – Land Ambulance – Additional Resources to Address Service Pressures
Total: Operating Expenditure \$1,759,000; Tax Levy \$0
- b) That the following 2020 to 2023 Multi-Year Budget capital amendment cases recommended by Civic Administration **BE APPROVED**;
- i. Budget Amendment Case #P-8 – Transportation – Capital Project Adjustments
Total: Capital Expenditure -\$10,225,000; Tax Levy \$0
 - ii. Budget Amendment Case #P-9 – LMCH – Capital Project Adjustments
Total: Capital Expenditure \$21,000,000; Tax Levy \$0
- c) That the following 2020 to 2023 Multi-Year Budget operating amendment cases for consideration **BE APPROVED**;
- i. Budget Amendment Case #P-10 – Roadways – Reduction to Previously Approved “For Consideration” Business Cases for Streetlights and Winter Maintenance, and Walkway Maintenance Reductions
Total: Operating Expenditure -\$936,000; Tax Levy -\$936,000; Capital Expenditure -\$200,000
 - ii. Budget Amendment Case #P-11 – Parks & Horticulture – Reduction in Horticulture Aesthetics
Total: Operating Expenditure -\$200,000; Tax Levy -\$200,000

- iii. Budget Amendment Case #P-12 – Community Recreation & Leisure Programs – Reduction to Neighbourhood Playground Program
Total: Operating Expenditure -\$250,000; Tax Levy -\$250,000
- iv. Budget Amendment Case #P-13 – Information Technology – Eliminate Printing of Council Agenda Materials
Total: Operating Expenditure -\$8,000; Tax Levy -\$8,000
- v. Budget Amendment Case #P-14 – Neighbourhood Strategic Initiatives & Funding – Humane Society of London & Middlesex Animal Campus
Total: Operating Expenditure \$3,000,000; Tax Levy \$0
- vi. Budget Amendment Case #P-15 – Neighbourhood Strategic Initiatives & Funding – Increase to Neighbourhood Decision Making Program
Total: Operating Expenditure \$250,000; Tax Levy \$250,000
- vii. Budget Amendment Case #P-16 – Community Improvement/BIA – Funding for the Hamilton Road BIA
Total: Operating Expenditure \$100,000; Tax Levy \$100,000
- viii. Budget Amendment Case #P-17 – Capital Financing – Reduction to Previously Approved “For Consideration” Business Case – Infrastructure Gap RF Contribution
Total: Operating Expenditure -\$950,000; Tax Levy -\$950,000

d) That the following 2020 to 2023 Multi-Year Budget capital amendment case for consideration **BE APPROVED**;

- i. Budget Amendment Case #P-18 – Community Improvement/BIA – Streetscape Master Plan for Dundas Street – Argyle BIA
Total: Capital Expenditure \$150,000; Tax Levy \$0

Other Budget Recommendations

- e) That the Reserves and Reserve Funds Overview **BE RECEIVED** for information; it being noted projections are subject to annual review and adjustment (Appendix C).
- f) That the Debt Overview (Appendix D) **BE RECEIVED** for information.
- g) That the reconciliation of the draft Property Tax Budget to the Public Sector Accounting Board financial statement budget **BE RECEIVED** for information.
- h) That, in accordance with section 291(4)(c) of the Municipal Act 2001, as amended, the following actions be taken with respect to the operating budget (Appendix A):
 - i. The amended 2023 operating budget **BE READOPTED** in the gross expenditure amount of \$TBD and the tax levy amount of \$TBD after recognizing \$TBD of increased taxation from assessment growth;

- i) That, in accordance with section 291(4)(c) of the Municipal Act 2001, as amended, the following actions be taken with respect to the capital budget (Appendix B):
 - i. The amended 2023 capital budget **BE READOPTED** in the amount of \$TBD;
 - ii. The amended 2024 to 2029 capital forecast **BE APPROVED** in principle in the amount of \$TBD.
- j) That Civic Administration **BE DIRECTED** to bring forward any necessary by-laws regarding the tax levy, the operating and capital budgets for introduction at Municipal Council.

Water Budget Recommendations (amounts rounded to the nearest thousand)

- k) That the following 2020 to 2023 Multi-Year Budget amendment cases recommended by Civic Administration **BE APPROVED**;
 - i. Budget Amendment Case #W-1 – Schedule Change for Springbank #2 Water Reservoir Replacement and Expansion
Total: Operating Expenditure \$0; Operating Revenue \$0; Capital Expenditure -\$37,581,000
 - ii. Budget Amendment Case #W-2 – Schedule Changes for Water Growth Projects Total: Operating Expenditure \$0; Operating Revenue \$0; Capital Expenditure -\$8,075,000
- l) That the Water Reserves/Reserve Funds Overview for the 2020 to 2023 Multi-Year Budget **BE RECEIVED** for information.
- m) That the reconciliation of the draft Water Budget to the Public Sector Accounting Board financial statement budget **BE RECEIVED** for information.
- n) That, in accordance with section 291(4)(c) of the Municipal Act 2001, as amended, the following actions be taken with respect to the 2023 operating budget and 2023 capital budget and associated forecasts for Water Services:
 - i. The amended 2023 operating budget for Water Services **BE READOPTED** in the gross expenditure amount of \$TBD and gross revenue amount of \$TBD;
 - ii. The amended 2023 capital budget for Water Services **BE READOPTED** in the amount of \$TBD;
 - iii. The amended 2024 to 2029 capital forecast for Water Services **BE APPROVED** in principle in the amount of \$TBD;

It being noted that all rates and charges related to the provision of Water Services were increased by 2.5% effective January 1, 2020 as approved by Council on November 26, 2019, increased by 2.5% effective January 1, 2021, January 1, 2022 and will be increased by 2.5% effective January 1, 2023 as approved by Council on October 27, 2020.

Wastewater and Treatment Budget Recommendations (amounts rounded to the nearest thousand)

- o) That the following 2020 to 2023 Multi-Year Budget amendment case recommended by Civic Administration **BE APPROVED**;
 - i. Budget Amendment Case #WWT-1 – Mud Creek East Branch Phase 2 Budget Increase Total: Operating Expenditure \$0; Operating Revenue \$0; Capital Expenditure \$1,657,000;
- p) That the Wastewater and Treatment Reserves/Reserve Funds Overview for the 2020 to 2023 Multi-Year Budget **BE RECEIVED** for information.
- q) That the reconciliation of the draft Wastewater and Treatment Budget to the Public Sector Accounting Board financial statement budget **BE RECEIVED** for information.
- r) That, in accordance with section 291(4)(c) of the Municipal Act 2001, as amended, the following actions be taken with respect to the 2023 operating budget and 2023 capital budget and associated forecasts for Wastewater and Treatment Services:
 - i. The amended 2023 operating budget for Wastewater and Treatment Services **BE READOPTED** in the gross expenditure amount of \$TBD and gross revenue amount of \$TBD;
 - ii. The amended 2023 capital budget for Wastewater and Treatment Services **BE READOPTED** in the amount of \$TBD;
 - iii. The amended 2024 to 2029 capital forecast for Wastewater and Treatment Services **BE APPROVED** in principle in the amount of \$TBD;

It being noted that all rates and charges relating to the provision of Wastewater and Treatment Services were increased by 2.5% effective January 1, 2020; as approved by Council on November 26, 2019, increased by 2.5% effective January 1, 2021, 2.7% effective July 1, 2021, 2.5% effective January 1, 2022 and will be increased by 2.5% effective January 1, 2023 as approved by Council on October 27, 2020.

Property Tax Supported Budget

2020 to 2023 Multi-Year Budget Recap

On March 2, 2020, Municipal Council approved the 2020 to 2023 Multi-Year Budget, marking the second time the City has approved a four-year budget. The 2020 to 2023 budget resulted in a 3.9% average annual property tax rate increase. This was comprised of a base operating budget (to maintain existing service levels) average annual increase of 3.0%, which also included Municipal Council approved provincial impacts, eight Municipal Council approved business cases for tax levy reductions resulting in an average annual reduction of 0.2%, and 24 Municipal Council approved business cases for additional investment which resulted in an additional average annual increase of 1.1%.

On January 12th, 2021, Municipal Council approved the 2021 Annual Budget Update. This was the first annual update to the 2020 to 2023 Multi-Year Budget. As part of the 2021 Annual Budget Update, Municipal Council approved a total of eleven budget amendments that were the result of new or changed provincial regulation, new Council direction, or an unanticipated cost or revenue driver. After the first annual update to the 2020 to 2023 Multi-Year Budget, the four-year average annual increase from rates was 3.8%.

On December 21st, 2021, Municipal Council approved twelve budget amendments through the 2022 Annual Budget Update, and the four-year average annual increase from rates was reduced to 3.6%.

2020 to 2023 Multi-Year Budget Tax Levy Summary	2020 to 2023 Average % Increase
2020 Budget to Maintain Existing Service Levels ^{1, 2}	2.9%
Total 2020 Business Cases (Additional Investments and Tax Levy Reductions)	0.9%
2020 % Increase from Rates	3.8%
2021 Budget Amendments Approved by Council	0.0%
2021 Amended % Increase from Rates	3.8%
2022 Budget Amendments Approved by Council	-0.2%
2022 Amended % Increase from Rates	3.6%
2023 Draft Budget Amendments	-0.2%
2023 Amended % Increase from Rates	3.4%

Subject to rounding.

Notes

1. Previously approved rates are recalculated taking into account assessment growth impact in each year of annual update of the Multi-Year Budget period.
2. Budget to maintain existing service levels includes provincial impact decisions made as part of the 2020 to 2023 Multi-Year Budget.

Appendix E contains a detailed and itemized breakdown of the business cases approved as part of the 2020 to 2023 Multi-Year Budget and their impacts.

In addition to the operating budget, Municipal Council also approved a 2020 to 2023 Multi-Year Capital Budget totalling \$1.2 billion as well as approving in principle a six-year forecast resulting in a ten-year capital plan (2020 to 2029) of approximately \$2.8 billion.

2020 to 2023 Multi-Year Capital Budget	2024 to 2029 Capital Forecast	2020 to 2029 Capital Plan
\$1,224,833,000	\$1,528,599,000	\$2,753,432,000

Subject to rounding.

2023 Annual Budget Update

COVID-19 Pandemic

COVID-19 continues to result in financial impacts to the City's Property Tax Supported Budget. The City continues to incur lost revenues and additional costs related to COVID-19. Based on forecasts included in the City's 2022 Mid-Year Operating Budget Monitoring Report, total projected COVID-19 related financial impacts to the 2022 Property Tax Supported Budget are estimated to be in excess of \$30 million. However, Federal and Provincial funding support combined with net operational savings are projected to be sufficient to cover the residual deficit impacts of COVID-19 in 2022.

Despite the magnitude of financial impact to the 2022 Property Tax Supported Budget, impacts have been gradually declining in 2022 in comparison to prior years, as public health restrictions have generally been lifted and the City and community move past the pandemic to recovery.

The City must continue to be mindful of impacts into 2023 and future years. It is critical that the City remain cognizant of permanent changes to behaviours and community trends. In light of the previously mentioned financial impacts and continued uncertainty as it relates to the potential impacts of COVID-19 on the City's Multi-Year Budget, guidance was issued to service areas to support the 2023 Annual Budget Update process. The following principles were established:

Operating Budget:

Consistent with the guidance provided as part of the 2021 and 2022 Budget Updates, all civic service areas and agencies, boards and commissions (ABC's) were required to remain within their 2023 operating budget allocation. Unless there was specific direction from Municipal Council to bring forward a budget amendment, only amendments resulting in net budget reductions were to be included in the 2023 Annual Budget Update for Municipal Council's consideration. If a civic service area or ABC believed they required an increase to their 2023 operating budget, advanced approval from the City Treasurer would have been required prior to proceeding with the development of the budget amendment, which would need to be supported by strong rationale and be unavoidable.

Capital Budget:

Increases to the 10-year capital plan with a tax levy impact were not permitted except with advanced approval from the City Treasurer and would require strong rationale and be unavoidable to be supported. Only the following capital budget amendments were permitted for Municipal Council's consideration:

- Budget amendments resulting in reductions to the 10-year capital plan;
- Budget amendments resulting in no net change to the 10-year capital plan (i.e. adjustments to project timing only), subject to the ability of the associated funding sources to accommodate the change;
- Budget amendments resulting in an increase to the 10-year capital plan with no tax levy impact and advanced approval from the City Treasurer supported by strong rationale and be unavoidable; and

- Budget amendments resulting in an increase to the 10-year capital plan, as directed by Council resolution.

Linkage to Service Review Program:

As outlined in the October 11, 2022 “Service Review Initiatives Update” report to the Strategic Priorities and Policy Committee, Civic Administration remains committed to enhancing the efficiency and effectiveness of City of London services while minimizing the cost to taxpayers. In preparing the 2020 to 2023 Multi-Year Budget, more than \$17 million of incremental reductions were incorporated in the approved budget by 2023 based on an analysis of past spending, projected needs and service levels.

Furthermore, as part of the 2021 and 2022 Annual Budget Update processes, multiple budget amendments were also presented and approved by Council based on right-sizing of budget resources to anticipate needs for those respective years. The 2021 budget amendments included reductions totaling approximately \$5.8 million. For the 2022 Budget Update, Budget Amendments #P-1 and #P-5 included the budget right-sizing opportunities identified (approximately 20 in total from across the Corporation), which totaled approximately \$5.5 million for 2022 and approximately \$2.3 million of permanent savings thereafter.

In preparation for the 2023 Annual Budget Update, Civic Administration conducted budget reviews to ensure resources are aligned with current service level requirements. These reviews are supported through techniques such as zero-based budget reviews and trend analysis, among others. As a result of this work, potential reductions to the 2023 tax levy were identified in the amount of \$6.6 million, which are reflected in Budget Amendment #P-1: Budget Right Sizing. Additional reductions are proposed in Budget Amendment #P-2 related to previously approved provincial impacts which can be deferred for 2023.

Budget Amendment Overview

Should Municipal Council choose to approve all budget amendments, the 2023 annual tax levy increase would decrease from 3.9% to 2.9%. The budget amendments can be broken down into the following four decision points:

- Decision Point #1: Seven operating budget amendments are being recommended by Civic Administration. Of the recommended operating budget amendments, two result in tax levy reductions, two have no tax levy impact, and three would result in a tax levy increase.
- Decision Point #2: Two capital budget amendments are being recommended by Civic Administration that would have no impact to the tax levy in the 2020 to 2023 Multi-Year Budget period.
- Decision Point #3: Eight operating budget amendments are being brought forward for Municipal Council consideration: five that would result in tax levy reductions if approved, one that has no tax levy impact, and two that would result in a tax levy increase.
- Decision Point #4: One capital budget amendment is being brought forward for Municipal Council consideration with an identified source of financing resulting in no impact to the tax levy.

Decision Point #1:

Review "recommended" operating budget amendment cases #P-1 to #P-7

Decision Point #2:

Review "recommended" capital budget amendment cases #P-8 to #P-9

Decision Point #3:

Review "for consideration" operating budget amendment cases #P-10 to #P-17

Decision Point #4:

Review "for consideration" capital budget amendment case #P-18

Budget Amendment Overview

Budget Amendment Summary (\$ Thousands)	2023 Tax Levy Impact
Case #P-1 (Operating): Various Services – Budget Right Sizing	-6,581
Case #P-2 (Operating): Ontario Works and Children’s Services – Reduction in Required 2023 Investments	-1,030
Case #P-3 (Operating): Roadmap to 3,000 Affordable Units – Portable Benefits & Staff Resources	1,794
Case #P-4 (Operating): Project Clean Slate	200
Case #P-5 (Operating): Cybersecurity Infrastructure Expansion and Updates	1,009
Case #P-6 (Operating): 1001 Inventions Exhibit	0
Case #P-7 (Operating): Land Ambulance – Additional Resources to Address Service Pressures	0
Case #P-8 (Capital): Realignment and Adjustment of Transportation Capital Growth Project Budgets	0
Case #P-9 (Capital): Project Timeline and Funding Realignment – Regeneration of Public Housing	0
Case #P-10 (Operating): Reduction to Previously Approved “For Consideration” Business Cases for Streetlights and Winter Maintenance, and Walkway Maintenance Reductions	-936
Case #P-11 (Operating): Reduction in Horticulture Aesthetics	-200
Case #P-12 (Operating): Reduction to Neighbourhood Playground Program Locations	-250
Case #P-13 (Operating): Eliminate Printing of Council Agenda Materials	-8
Case #P-14 (Operating): Humane Society of London & Middlesex Animal Campus	0
Case #P-15 (Operating): Increase to Neighbourhood Decision Making Program	250
Case #P-16 (Operating): Funding for the Hamilton Road BIA	100
Case #P-17 (Operating): Reduction to Previously Approved “For Consideration” Business Case – Infrastructure Gap RF Contribution	-950
Case #P-18 (Capital): Streetscape Master Plan for Dundas Street – Argyle BIA	0
Annual Tax Levy Impact	-6,602

Subject to rounding.

Budget Amendment Overview

A summary of all submitted budget amendments are listed below. For further details, please refer to the budget amendment business cases (2023 Annual Budget Update Amendment Cases).

Operating Budget Amendment Case #P-1: Cost/Revenue Driver

Various Services – Reductions due to zero-based reviews and other budget right-sizing (Recommended)

Operating Budget Amendment (\$ Thousands)	2023
Expenditure	-2,900
Revenue	-3,682
Annual Tax Levy Impact	-6,581

Subject to rounding.

Capital Budget Amendment (\$ Thousands)	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Forecast	2020 to 2029 Ten Year Plan
Expenditure Budget Amendments	0	0	0	-475	-475	-2,850	-3,325
Source of Financing: Capital Levy	0	0	0	475	475	2,850	3,325
Tax Levy Impact	0	0	0	0	0	0	0

Subject to rounding.

Description:

Civic Administration conducts regular reviews of its budgets to ensure resources are aligned with current service level requirements. These reviews are supported through techniques such as zero-based budget reviews and trend analysis, among others. As a result of this work, Civic Administration has identified permanent budget reductions and budget right-sizing (reduced expenditures and increased revenues) that can be implemented without impacting service levels.

Operating Budget Amendment Case #P-2: Cost/Revenue Driver

Ontario Works and Children's Services - Reduction in Required 2023 Investments (Recommended)

Operating Budget Amendment (\$ Thousands)	2023
Expenditure	-620
Revenue	-410
Annual Tax Levy Impact	-1,030

Subject to rounding.

Description:

In the 2020 to 2023 Multi-Year Budget, Council approved additional funding for the Ontario Works Program in light of Provincial funding changes. As a result of the COVID-19 pandemic and associated recovery benefits, the Ontario Works program has experienced a decreased caseload along with a decrease in employment related expenses. While caseload has seen growth in 2022, it has not reached the level experienced pre-COVID. Based on the timing of continued caseload increase, part of the investment approved in the 2020 to 2023 Multi-Year Budget can be reduced without service impact.

In 2020, the Ministry of Education announced changes to Child Care administrative cost sharing. This resulted in a budget request of an additional \$410 thousand per year from 2021 to 2023 in the Multi-Year Budget. For 2022, the Ministry communicated the change in municipal cost share would not be required; if cost share requirements are reinstated in 2023, transitional funding received in 2021 and 2022 can be utilized to offset 2023 costs. In addition, the development of anticipated child care centres has been delayed due to COVID-19, resulting in savings in 2023 to the municipal portion of Child Care Expansion Plan Funding.

Operating Budget Amendment Case #P-3: New Council Direction

Roadmap to 3,000 Affordable Units – Portable Benefits & Staff Resources (Recommended)

Operating Budget Amendment (\$ Thousands)	2023
Expenditure	1,794
Revenue	0
Annual Tax Levy Impact	1,794

Subject to rounding.

Description:

On December 7, 2021, Council approved the Roadmap to 3,000 Affordable Units Action Plan, and directed a business case be brought forward to the 2023 Annual Budget Update to establish a permanent funding source for the portable housing benefit program and

staffing resources required to support the Plan. The portable housing benefit program will provide rent allowances and supplements to tenants to allow access to available market units and is critical to the overall Roadmap.

Operating Budget Amendment Case #P-4: New Council Direction Project Clean Slate (Recommended)

Operating Budget Amendment (\$ Thousands)	2023
Expenditure	200
Revenue	0
Annual Tax Levy Impact	200

Subject to rounding.

Description:

Operated by Youth Opportunities Unlimited (YOU) beginning in 2021, Project Clean Slate helps to address the issue of loose trash and garbage on private property in the Core Area, while also providing employment and development opportunities for youth engaged in YOU programming. Using reallocations within existing budgets, Council funded the Project in 2021 and 2022. This amendment is to establish permanent funding for the program starting in 2023.

Operating Budget Amendment Case #P-5: New Council Direction Cybersecurity Infrastructure Expansion and Updates (Recommended)

Operating Budget Amendment (\$ Thousands)	2023
Expenditure	1,009
Revenue	0
Annual Tax Levy Impact	1,009

Subject to rounding.

Capital Budget Amendment (\$ Thousands)	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Forecast	2020 to 2029 Ten Year Plan
Expenditure Budget Amendments	0	0	0	142	142	0	142
Source of Financing: Technology Services Renewal Reserve Fund	0	0	0	-142	-142	0	-142
Tax Levy Impact	0	0	0	0	0	0	0

Subject to rounding.

Description:

The ITS Division faces new and rapidly evolving cybersecurity threats that put the Corporation at significant operational and financial risk in the event of a successful attack. Approval of this recommended amendment will reduce risks to the City of London and enhance information security's defensive measures.

Operating Budget Amendment Case #P-6: New Council Direction

1001 Inventions Exhibit (Recommended)

Operating Budget Amendment (\$ Thousands)	2023
Expenditure	125
Revenue	-125
Annual Tax Levy Impact	0

Subject to rounding.

Description:

On February 15, 2022, Council resolved that the recommendations of A London for Everyone: An Action Plan to Disrupt Islamophobia be endorsed. One such recommendation is to explore the feasibility of bringing the 1001 Inventions exhibition to London in October 2023. 1001 Inventions is a not-for-profit award-winning international science and cultural heritage organization that raises awareness of the creative golden age of Arabic Science. Revenue to support this expenditure is recommended to be drawn from the Community Investment Reserve Fund.

Operating Budget Amendment Case #P-7: Cost Driver

Land Ambulance – Additional Resources to Address Service Pressures (Recommended)

Operating Budget Amendment (\$ Thousands)	2023
Expenditure	1,759
Revenue	-1,759
Annual Tax Levy Impact	0

Subject to rounding.

Description:

On September 7, 2022, notification was received from County of Middlesex of the anticipated 2023 budget for Middlesex-London Paramedic Service; the City of London's share represents an increase from the previously approved 2023 budget. The 2023 increase is proposed to be funded through Assessment Growth revenue in accordance with the Council approved Assessment Growth Policy.

Capital Budget Amendment Case #P-8: Cost Driver

Realignment and Adjustment of Transportation Capital Growth Projects (Recommended)

Capital Budget Amendment (\$ Thousands)	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Forecast	2020 to 2029 Ten Year Plan
Expenditure Budget Amendments	0	0	0	-10,225	-10,225	25,329	15,104
Source of Financing: Capital Levy, Tax Supported Debenture, Development Charges via City Services Roads Reserve Fund	0	0	0	10,225	10,225	-25,329	-15,104
Tax Levy Impact	0	0	0	0	0	0	0

Subject to rounding.

Description:

These are large, complex projects that have and/or are progressing through planning and environmental assessment stages which have provided better information to inform the required budgets and their timing.

Capital Budget Amendment Case #P-9: Cost Driver

Project Timeline and Funding Realignment – Regeneration of Public Housing (Recommended)

Capital Budget Amendment (\$ Thousands)	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Forecast	2020 to 2029 Ten Year Plan
Expenditure Budget Amendments	0	0	0	21,000	21,000	-21,000	0
Source of Financing: Tax Supported Debenture	0	0	0	-21,000	-21,000	21,000	0
Tax Levy Impact	0	0	0	0	0	0	0

Subject to rounding.

Description:

Amending the timing of funds received through 2020 to 2023 Additional Investment Business Case #21 – Regeneration of Public Housing - will allow LMCH to complete Phase 1 of this project while simultaneously allowing development of a fulsome Regeneration Strategy for the entire LMCH portfolio.

Operating Budget Amendment Case #P-10: Cost Driver

Reduction to Previously Approved “For Consideration” Business Cases for Streetlights and Winter Maintenance, and Walkway Maintenance Reductions (For Consideration)

Operating Budget Amendment (\$ Thousands)	2023
Expenditure	-936
Revenue	0
Annual Tax Levy Impact	-936

Subject to rounding.

Capital Budget Amendment (\$ Thousands)	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Forecast	2020 to 2029 Ten Year Plan
Expenditure Budget Amendments	0	0	0	-200	-200	-1,200	-1,400
Source of Financing: Capital Levy and Other Contributions	0	0	0	200	200	1,200	1,400
Tax Levy Impact	0	0	0	0	0	0	0

Subject to rounding.

Description:

This budget amendment has three parts and has been proposed to help alleviate tax levy pressures through adjusting the funding approach for the previously approved additional investment in Local Improvements for Streetlights, reducing annual walkway maintenance during summers, and reducing the previously approved additional investment in winter maintenance for sidewalks.

Operating Budget Amendment Case #P-11: Cost Driver Reduction in Horticulture Aesthetics (For Consideration)

Operating Budget Amendment (\$ Thousands)	2023
Expenditure	-200
Revenue	0
Annual Tax Levy Impact	-200

Subject to rounding.

Description:

A reduction to horticulture displays has been identified as a potential budget savings opportunity. This could include the reduction/elimination of the Hanging Basket Program, winter horticultural displays in the core and other horticultural beds that will be grassed in.

Operating Budget Amendment Case #P-12: Cost Driver Reduction to Neighbourhood Playground Program Locations (For Consideration)

Operating Budget Amendment (\$ Thousands)	2023
Expenditure	-250
Revenue	0
Annual Tax Levy Impact	-250

Subject to rounding.

Description:

The Neighbourhood Playground Program is a free summer program for children aged 6 to 12 with limited registration. The program has been identified as a potential budget saving opportunity, and this amendment would see the program reduced from 22 full day sites to 10 full day sites.

Operating Budget Amendment Case #P-13: Cost Driver Eliminate Printing of Council Agenda Materials (For Consideration)

Operating Budget Amendment (\$ Thousands)	2023
Expenditure	-8
Revenue	0
Annual Tax Levy Impact	-8

Subject to rounding.

Description:

By ceasing the printing of Council Agenda materials and relying on distribution of electronic copies of such materials, the City can avoid costs of paper and print impression reductions. Further savings in associated print technology and print room labour would be realized following the conclusion of the current Print Room contract in November 2024.

Operating Budget Amendment Case #P-14: Cost Driver Humane Society of London & Middlesex Animal Campus (For Consideration)

Operating Budget Amendment (\$ Thousands)	2023
Expenditure	3,000
Revenue	-3,000
Annual Tax Levy Impact	0

Subject to rounding.

Description:

This amendment is a \$3 million request from Humane Society of London & Middlesex that has been referred from the London Community Grants Program Community Review Panel as it was in excess of the available program budget. The one-time grant would support the construction of a new Animal Campus in London and is anticipated to be sourced by a drawdown from the Community Investment Reserve Fund if approved. Should the balance of this reserve fund be insufficient to fund the entire initiative, the remaining funding will be drawn from the Operating Budget Contingency Reserve.

Operating Budget Amendment Case #P-15: New Council Direction Increase to Neighbourhood Decision Making Program (For Consideration)

Operating Budget Amendment (\$ Thousands)	2023
Expenditure	250
Revenue	0
Annual Tax Levy Impact	250

Subject to rounding.

Description:

During the August 2nd, 2022 Council Meeting, Council directed staff to include a business case in the 2023 Annual Budget Update for expanding the Neighbourhood Decision Making Program (NDM) by doubling the tax levy funding. The NDM Program engages thousands of residents annually through idea submission and voting. Additional investment in NDM would increase funding available to neighbourhoods, the number of projects considered feasible, and potentially the number of projects implemented.

Operating Budget Amendment Case #P-16: New Council Direction Funding for the Hamilton Road BIA (For Consideration)

Operating Budget Amendment (\$ Thousands)	2023
Expenditure	100
Revenue	0
Annual Tax Levy Impact	100

Subject to rounding.

Description:

The budget request from Hamilton Road BIA, dated October 22, 2021, was deferred by Municipal Council to be brought forward as a full business case as part of the 2023 Annual Budget Update. If approved, an annual grant from the City to support the Hamilton Road BIA will be funded through the property tax levy.

Operating Budget Amendment Case #P-17: Cost Driver

Reduction to Previously Approved “For Consideration” Business Case – Infrastructure Gap (For Consideration)

Operating Budget Amendment (\$ Thousands)	2023
Expenditure	-950
Revenue	0
Annual Tax Levy Impact	-950

Subject to rounding.

Description:

This amendment would reduce the Council approved 2020 to 2023 Additional Investment Business Case #4B – City of London Infrastructure Gap. This additional investment provides for increased tax supported contributions to the Infrastructure Gap Reserve Fund to mitigate growth in the City’s approximate \$666.9 million 10-year infrastructure gap. Approval of this amendment would result in a decreased contribution of \$950 thousand per year to the Infrastructure Gap Reserve Fund starting in 2023 as a budget reduction opportunity.

Capital Budget Amendment Case #P-18: New Council Direction

Streetscape Master Plan for Dundas Street – Argyle BIA (For Consideration)

Capital Budget Amendment (\$ Thousands)	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Forecast	2020 to 2029 Ten Year Plan
Expenditure Budget Amendments	0	0	0	150	150	0	150
Source of Financing: Community Investment Reserve Fund	0	0	0	-150	-150	0	-150
Tax Levy Impact	0	0	0	0	0	0	0

Subject to rounding.

Description:

As per Council direction, this amendment pertains to developing a Streetscape Master Plan for the Argyle portion of the Dundas Street Corridor, supporting the London Plan vision for Urban Corridors as high-quality spaces with neighborhood amenities including parks, civic spaces and attractive outdoor seating areas, accessible to the public.

2024 to 2027 Multi-Year Budget

The 2023 Annual Budget Update represents the final year of the City of London’s 2020-2023 Multi-Year Budget. As the City looks beyond the 2023 budget, it will turn its attention into developing its third multi-year-budget, which will cover the years 2024 to 2027. With the completion of the 2022 fall election, the newly elected Municipal Council will begin to work on its Strategic Plan. As before, the City’s Multi-Year-Budget is the mechanism that aids in putting Council’s Strategic Plan to action. It is anticipated that development of the next Multi-Year Budget will begin in early 2023 with both target setting and confirmation of the City’s Multi-Year-Budget Policy.

Operating Summary

2020 to 2023 Multi-Year Operating Budget (\$ Thousands)

Operating Budget	2020 Tax Levy Revenue	2021 Tax Levy Revenue	2022 Tax Levy Revenue	2023 Tax Levy Revenue
Previously Approved % Increase From Rates ¹	4.4%	3.4%	2.8%	3.9%
Previously Approved Budget	642,901	673,581	701,849	729,063
Amendment ²				-6,602
Amended Budget	642,901	673,581	701,849	722,461
Incremental Increase/ Decrease				-6,602
Amended % Increase From Rates	4.4%	3.4%	2.8%	2.9%

Subject to rounding.

Notes

1. Previously approved rates are recalculated taking into account assessment growth impact in each year of annual update of the Multi-Year Budget period.
2. Amendment reflects impacts of all budget amendments as applicable.

2020 to 2023 Annual Cost of Municipal Services – Average Residential Property

Operating Budget	2020	2021	2022	2023	2020 to 2023 Average
Previously Approved Annual Cost of Municipal Services	2,966	3,067	3,153	3,275	3,115
Impact from Amendments ²				-30	-7
Amended Annual Cost of Municipal Services	2,966	3,067	3,153	3,245	3,108

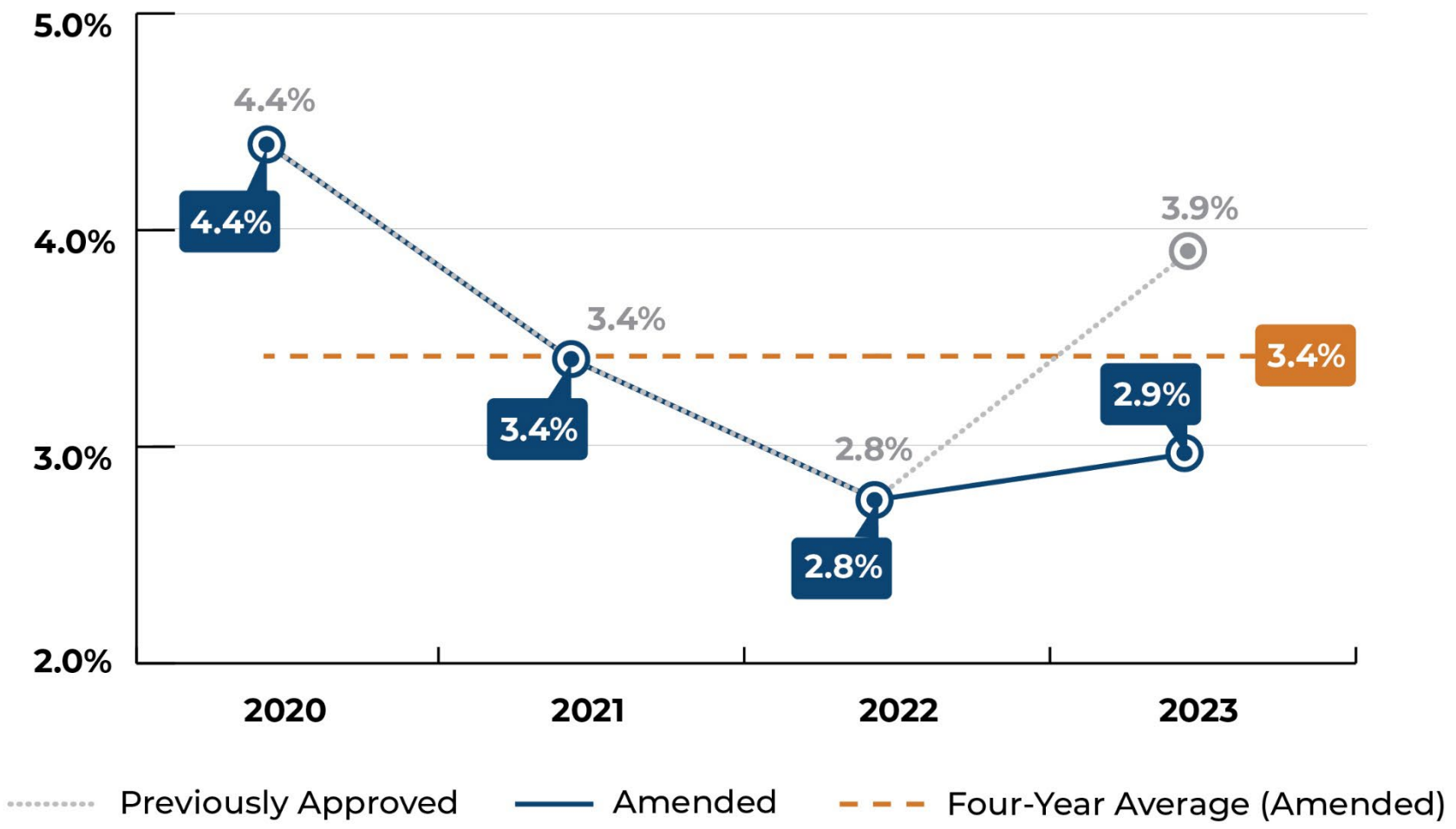
Subject to rounding.

Notes

1. Calculated based on the average assessed value of \$241 thousand for a residential property (excludes education tax portion and impacts of tax policy).
2. Amendment reflects impacts of all budget amendments as applicable.



2020 to 2023 Multi-Year Budget Annual Tax Levy Increase



Note: Previously approved rates are recalculated taking into account assessment growth impact in each year of annual update of the Multi-Year Budget period.

Capital Summary

Capital Budget and Ten-Year Capital Plan (Including Capital Amendments)

Capital Budget Summary (\$ Thousands)

Property Tax Supported Capital Budget	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Forecast	2020 to 2029 Ten Year Plan
Total Approved Budget	326,074	239,916	366,357	436,513	1,368,860	1,604,869	2,973,728
Total Amended Budget	326,074	239,916	366,357	446,905	1,379,252	1,605,147	2,984,399
Total Amended Budget Increase/Decrease	0	0	0	10,392	10,392	279	10,671
Source of Financing	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capital Levy (CL)	0	0	0	595	595	3,527	4,122
Debenture (D)	0	0	0	-20,172	-20,172	18,292	-1,880
Reserve Fund (RF)	0	0	0	-292	-292	0	-292
Other (O)	0	0	0	0	0	0	0
Non-tax Supported (NTS)	0	0	0	9,477	9,477	-22,098	-12,621
Total Source of Financing Increase/Decrease	0	0	0	-10,392	-10,392	-279	-10,671
Tax Levy Impact	0	0	0	0	0	0	0

Subject to rounding.

Capital Budget by Classification (\$ Thousands)

Budget Classification	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Forecast	2020 to 2029 Ten Year Plan
Lifecycle Renewal Total Approved Budget	105,569	93,994	106,404	97,943	403,910	632,614	1,036,524
Lifecycle Renewal Total Amended Budget	105,569	93,994	106,404	97,610	403,577	629,764	1,033,341
Lifecycle Renewal Increase/Decrease	0	0	0	-333	-333	-2,850	-3,183
Growth Total Budget	124,545	111,599	205,387	246,650	688,181	654,030	1,342,211
Growth Total Amended Budget	124,545	111,599	205,387	236,425	677,956	679,359	1,357,315
Growth Increase/Decrease	0	0	0	-10,225	-10,225	25,329	15,104
Service Improvement Total Budget	95,960	34,323	54,566	91,919	276,768	318,225	594,994
Service Improvement Total Amended Budget	95,960	34,323	54,566	112,869	297,719	296,025	593,744
Service Improvement Increase/Decrease	0	0	0	20,950	20,950	-22,200	-1,250
Total Amended Budget Increase/Decrease	0	0	0	10,392	10,392	279	10,671

Subject to rounding.

Lifecycle Renewal Capital Budget (\$ Thousands)

Budget	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Forecast	2020 to 2029 Ten Year Plan
Total Approved Budget	105,569	93,994	106,404	97,943	403,910	632,614	1,036,524
Total Amended Budget	105,569	93,994	106,404	97,610	403,577	629,764	1,033,341
Total Amended Budget Increase/Decrease	0	0	0	-333	-333	-2,850	-3,183
Source of Financing	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capital Levy (CL)	0	0	0	475	475	2,850	3,325
Debenture (D)	0	0	0	0	0	0	0
Reserve Fund (RF)	0	0	0	-142	-142	0	-142
Other (O)	0	0	0	0	0	0	0
Non-tax Supported (NTS)	0	0	0	0	0	0	0
Total Source of Financing Increase/Decrease	0	0	0	333	333	2,850	3,183
Tax Levy Impact	0	0	0	0	0	0	0

Subject to rounding.

Growth Capital Budget (\$ Thousands)

Budget	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Forecast	2020 to 2029 Ten Year Plan
Total Approved Budget	124,545	111,599	205,387	246,650	688,181	654,030	1,342,211
Total Amended Budget ¹	124,545	111,599	205,387	236,425	677,956	679,359	1,357,315
Total Amended Budget Increase/Decrease	0	0	0	-10,225	-10,225	25,329	15,104
Source of Financing	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capital Levy (CL)	0	0	0	0	0	-43	-43
Debenture (D)	0	0	0	828	828	-2,708	-1,880
Reserve Fund (RF)	0	0	0	0	0	0	0
Other (O)	0	0	0	0	0	0	0
Non-tax Supported (NTS)	0	0	0	9,397	9,397	-22,578	-13,181
Total Source of Financing Increase/Decrease	0	0	0	10,225	10,225	-25,329	-15,104
Tax Levy Impact	0	0	0	0	0	0	0

Subject to rounding.

Notes

1. The next steps for projects impacted by the Climate Lens screening, such as the Wonderland Road Widening, were discussed at the August 31, 2021, Civic Works Committee, via the report titled “Outcome of Climate Lens Screening Applied to Major Transportation Projects”. Based on the approved recommendations from this report, the Multi-Year Growth Budget will be adjusted during the next appropriate cycle. Capital plan adjustments for these specific projects are not available for the 2023 Annual Budget Update.

Service Improvement Capital Budget (\$ Thousands)

Budget	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Forecast	2020 to 2029 Ten Year Plan
Total Approved Budget	95,960	34,323	54,566	91,919	276,768	318,225	594,994
Total Amended Budget	95,960	34,323	54,566	112,869	297,719	296,025	593,744
Total Amended Budget Increase/Decrease	0	0	0	20,950	20,950	-22,200	-1,250
Source of Financing	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capital Levy (CL)	0	0	0	120	120	720	840
Debenture (D)	0	0	0	-21,000	-21,000	21,000	0
Reserve Fund (RF)	0	0	0	-150	-150	0	-150
Other (O)	0	0	0	0	0	0	0
Non-tax Supported (NTS)	0	0	0	80	80	480	560
Total Source of Financing Increase/Decrease	0	0	0	-20,950	-20,950	22,200	1,250
Tax Levy Impact	0	0	0	0	0	0	0

Subject to rounding.

Capital Plan

Addressing Inflation and Supply Chain Concerns

In 2021 and into 2022, as a result of the global pandemic, subsequent supply chain disruptions and increased demand for certain raw materials, many capital projects in the City's approved capital plan are experiencing inflationary pressures. The cost of labour and materials have increased significantly.

Due to the strong financial position of the City and prudent financial principles that guide decision making, Civic Administration has been able to identify solutions to fill many of the known financing gaps. This, however, should be viewed with an abundance of caution. To accommodate additional cost pressures, some projects have had to be deferred, which results in service level impacts. To date, these impacts have been relatively minor, but this is an approach that is not sustainable in the long-term. Going forward, significant pressures will result in challenging choices and trade-offs for the next multi-year budget to adjust the City's base capital budgets. This will be best completed during the multi-year budget development period where these pressures can be evaluated in context and prioritized amongst all budget requests made during this time.

In the meantime, the impacts of inflation have been partially offset by an influx of funding from other levels of government and Civic Administration continues to make use of several tools at its disposal to help combat the price increases that are being experienced:

1. **Life-to-Date Capital Budgets and Re-prioritizing Capital Work** – Civic Administration will continue to review its existing capital plans and re-prioritize capital work, as necessary. This ensures that the most necessary projects are being completed and that existing, previously approved capital funding is used in the most efficient manner.
2. **Manage the Scope of Projects** – Civic Administration will continue to closely monitor the scope of prioritized capital works being tendered to ensure expenditures are only of the most necessary nature.
3. **Reserves and Reserve Funds** – The City of London maintains over eighty reserves and reserve funds with dedicated uses, many of which provide for the construction and maintenance of capital works. Where applicable these funds can be used to address needs in the build up to the 2024 to 2027 Multi-Year Budget. These funds include \$7 million that Council directed to the Operating Budget Contingency Reserve from the 2021 year-end surplus to help address inflationary impacts on the City's budgets.
4. **Available Debt Financing** – The City of London adheres to a strict internal debt cap with respect to its capital program financing. This cap is currently set at an average of \$36 million per year, calculated on the 10-year rolling capital plan. Debt financing remains an option when used appropriately in accordance with the City's financial policies and principles.

Civic Administration will continue actively collaborating to assess the magnitude of potential funding shortages associated with inflationary and supply chain pressures for projects contained in the capital forecast. Although the 10-year capital plan is not being comprehensively adjusted during the 2023 Annual Update, work is being undertaken to prepare the 2023 Asset Management Plan, the 2023 Growth Management Implementation Strategy, the 2024-2027 Multi-Year Budget, and the 2025 Development Charges Background Study that will all help quantify and address these pressures.

Infrastructure Funding Updates

Investing in Canada Infrastructure Program (ICIP) – Public Transit Stream (PTS)

The City of London was approved for ten transit related projects under this program for a total project cost of \$375.2 million, with \$103.1 million from the Government of Ontario, \$123.8 million from the Government of Canada and the balance of funding, approximately \$148.2 million, coming from municipal and other sources. Construction on most ICIP-PTS funded projects started in 2020 and 2021, with construction continuing in 2022 and beyond. The program deadline for construction is 2033. This funding program allowed the three Rapid Transit projects to proceed and enabled other capital projects in the capital plan to advance with a greater scope and impact.

Note that tender awards for the three rapid transit projects approved under ICIP-PTS are scheduled to be presented to Council in January and February 2023, during budget deliberations, and may require additional funding beyond the approved budget pending the tender results.

ICIP-PTS – Intake 3

This new intake was announced in June 2021 and will stay open until March 2024. In January 2022, Municipal Council approved seven active transportation projects to be submitted for funding including on-road cycling facilities, pedestrian crossings, boulevard bike lanes, intersection accessibility, bike parking and an extension to the south branch of the Thames Valley Parkway. The total value of the submitted projects was \$40 million. This represented the remaining unallocated amount of London's provision of ICIP-PTS funding from the Federal and Provincial governments, including the municipal contribution. At the time of writing, the City was still waiting for approval.

ICIP-PTS – London Transit Commission Highbury Avenue Facility

After submission of the initial ten transit related projects in 2019 and the active transportation projects in January 2022, as described above, London had \$119.3 million remaining in allocated Federal and Provincial funding available. Including the municipal contribution, this allows for at least \$163.4 million in capital works. This allocation was associated with the North and West corridors of rapid transit plan, both included in the City's ten-year capital plan but not submitted to ICIP-PTS for approval.

In April 2022, Federal Budget 2022 extended the ICIP-PTS project completion date to October 2033 but accelerated the application deadline to March 2023. Civic Administration and LTC staff immediately began working on alternative projects to take advantage of London's remaining allocation prior to the new deadline. The extended ICIP-PTS construction deadline and LTC's new plan to convert its fleet to zero-emission vehicles allowed for consideration of the replacement of LTC's current Highbury Avenue facility. The facility is at the end of its useful life and replacement would support service growth and the successful conversion of the LTC fleet from diesel. In August 2022, Municipal Council approved development of a joint application for a new LTC facility on Highbury Avenue to be submitted by the application deadline.

Investing in Canada Infrastructure Program (ICIP) - Community, Culture and Recreation Infrastructure Stream

This stream supports community infrastructure priorities. The City of London was approved for two projects under this stream. Labatt Park received \$2.0 million for the installation of accessible washrooms, repair and replacement of bleachers, and replacement of sport lighting, with project completion scheduled for April 2023. Carling Heights Optimist Community Centre (CHOCC) received \$1.9 million for a teaching kitchen space, installation of an elevator, and other building renewal components, with project completion scheduled for March 2024. These projects likely would not have proceeded in the near future without this funding.

Investing in Canada Infrastructure Program (ICIP) - COVID-19 Community Resilience Stream

In August 2020, the Federal Government announced this program to help with social and economic recovery from the health and economic crisis brought on by COVID-19. London was approved for two categories of projects. Active Transportation, including new cycling facilities, boulevard bicycle path improvements and downtown sidewalk improvements, received \$3.75 million, and Recreation Facilities, including HVAC rehabilitation at the Carling and Stronach arenas and the Boyle Community Centre, received \$1.75 million. Projects are scheduled to be mostly complete by Fall 2022 with some work continuing through 2023. This funding allowed projects that were in the capital plan to be completed much sooner than planned and with a broader scope.

Green and Inclusive Community Buildings Program (GICB)

In December 2020, the federal government recognized that municipal and community buildings play a role in Canada's climate response and allocated \$1.5 billion for retrofits, repairs or upgrades of existing buildings and the construction of new public buildings. In May 2022, London was approved for a \$2.2 million project for the Kinsmen Arena Deep Energy Retrofit under the GICB stream. Another application for a similar project at Nichols Arena for \$2.9 million is pending approval. These two retrofit projects would expedite significant energy saving initiatives that were previously scheduled over a longer period of time due to funding constraints.

Canada Community Revitalization Fund (CCRF)

In June 2021, the Federal Government announced the Canada Community Revitalization Fund (CCRF), a \$500 million program to build and improve community infrastructure projects to help communities rebound from the effects of the COVID-19 pandemic. In early 2022, London was approved for two projects: 1) Hyde Park Village Green (\$750,000) – a project to reinvent the empty lot at 1695 Hyde Park Road, transforming it into a green space with accessible walkways, providing a direct route for pedestrians and cyclists between residences and the neighbourhood's retail and business main street; and, 2) RBC Place – King Street Parkette Revitalization (\$713,150) - a project to revitalize the King Street Parkette adjacent to RBC Place creating a vibrant, accessible outdoor space able to accommodate up to 500 guests for organized events, providing an attractive, accessible, and safe space for social gathering by residents and visitors.

Tourism Relief Fund (TRF)

In June 2021, the Federal Government announced the Tourism Relief Fund (TRF), a national investment of \$500 million over two years to support tourism businesses and organizations to adapt their operations to meet public health requirements while investing in

products and services to facilitate their future growth. In April 2022, London was approved for a \$420,000 project “Welcome to the Heart of London”, to establish a more welcoming and visually attractive environment using consistent design elements to guide visitors through tourism facilities and events.



Water Budget

2023 Annual Budget Update

On November 26, 2019 Council approved a 2.5% increase in the rates and charges related to the provision of Water Services effective January 1, 2020. Further, on October 27, 2020, Council approved additional increases of 2.5% effective on January 1, each year for 2021, 2022, and 2023.

For 2023, there are two recommended capital budget amendments for Water Services. Both budget amendments are related to schedule changes with no net increase to the overall capital plan. One is related to growth projects and the other is related to the deferral of Springbank #2 Water Reservoir Replacement and Expansion. These amendments are detailed in the Budget Amendments section of this document (2023 Annual Budget Update Amendment Cases). There are also various pressures on the capital plan that Civic Administration is monitoring, which include the following:

- Cost pressures associated with COVID-19, industry supply chain and labour disruptions, as well as inflation.
- New framework under the Ministry of Environment, Conservation and Parks (MECP) for the excavation, removal and transport of “excess soils” between two or more sites.
- A major reservoir replacement, and the addition of growth-related infrastructure to provide adequate servicing and ensuring the supply of water into the City is protected.

The following paragraphs discuss these pressures in more detail:

The City has been facing cost pressures associated with COVID-19, industry supply chain and labour disruptions, as well as inflation. As a result, the cost of construction has gone up significantly due to raw material price increases and project delays which have had an impact on the 2022 capital budget, and this trend may continue into 2023. As such, Civic Administration will continue to monitor these issues by regularly reviewing approved budgets relative to project cost estimates through various phases of projects. Additionally, risk-based cost estimating, and third-party estimate reviews will be considered for large, complex projects with unique elements for which cost estimating databases are limited and volatility is higher.

The new framework under MECP Regulation (406/19) will apply to most construction projects that generate "excess soil." There is some uncertainty to what extent the costs of Water capital projects will be impacted. As a result, the City should anticipate potential pressures on the Water capital plan. City staff are working with the heavy construction industry to understand the potential impact of these changes on costs moving forward. Adjustments to the capital plan may be required in the 2024 to 2027 Multi-Year Budget. In addition, City staff are working with the engineering consulting community to promote the reuse of soils during capital projects.

Another major upcoming project is the need to replace one of London's major reservoirs. The Springbank Reservoir No. 2 is nearing the end of its useful life and the detailed design for a future replacement and expansion of the reservoir is currently underway and the budget for the reconstruction of this reservoir was included in the Multi-Year Budget in 2023. As part of the 2023 Annual Budget Update, a budget amendment is recommended to defer this project to 2024 due to current construction work at neighbouring reservoirs – Springbank Reservoirs #1 and #3. This work is expected to continue into 2023, which will create a significant construction conflict with Springbank #2. Delaying construction of this project for one year will eliminate the conflict and is not expected to have an operational impact on the drinking water system. The new reservoir will ensure that if the City loses one of its water supplies (Lake Huron or Lake Erie), that water would be available in storage that would meet at least 48 hours of the City's needs. This additional storage will satisfy the City's drinking water storage needs through 2044. Due to the project timing and the timing of the 2020 to 2023 Multi-Year Budget, the budget was established on the basis of the Environmental Assessment estimates before any design had begun. Estimates at this early stage are considered conceptual and are accurate to approximately above or below 25%. Risks to the accuracy include the inherent margin of error in conceptual estimates, design or construction constraints not yet known at that early stage, and any difference between actual and estimated inflation for the specific materials and labour used.

The Arva-Huron Pipeline is the most critical supply of water into the City of London, supplying approximately 85% of water used by all customers. The alignment of this pipeline, which was mostly built in the 1960s, has portions on private property in residential backyards as well as sensitive natural features. Due to the sensitivity and scale of this pipeline, an environmental assessment was completed to identify short-term and long-term action items to manage this pipeline. The short-term recommendation includes an asset management strategy consisting of maintenance, monitoring, and upgrading tasks. There is sufficient funding within the current Multi-Year Budget to complete this work over the budget period. Ongoing funding for monitoring and maintenance will be included in future multi-year budget submissions. The long-term recommendation, which addresses the eventual replacement of this infrastructure, includes the installation of a new single or twinned water transmission main(s) in a different alignment. This work will be incorporated in the 20-year capital plan and included in future multi-year budget submissions.

Lastly, Ontario Regulation 453/07 under the Safe Drinking Water Act, 2002 mandates the preparation of a Financial Plan as part of the Municipal Drinking Water License program. This regulation was designed by the Ministry of the Environment in response to Justice Dennis O'Connor's Walkerton Inquiry recommendations. The intent is to ensure that municipalities plan for long-term financial stability of their drinking water systems. The Financial Plan must be updated prior to the renewal of a municipal drinking water license every 5 years. London's Water Financial Plan was updated most recently in May 2020 and can be found on the City's website by visiting: [The City of London's Water Financial Plan](#) or <https://london.ca/living-london/water-environment/water-system> under Annual and Summary Reports.

COVID-19 Pandemic Impacts

There remains considerable uncertainty with respect to future financial and operational consequences of COVID-19, particularly in the event of the emergence and degree of a future wave(s). Civic Administration will continue to actively assess these impacts and their corresponding financial implications after budget approval and will continue to report to Council with any further adjustments as needed.

Budget Amendment Overview

Budget Amendments

There are two budget amendments being recommended by Civic Administration related to the Water capital budget. There will be no impact on Water rates, should Municipal Council approve both of the recommended budget amendments.

A summary of submitted budget amendments are listed below. For further details, please refer to the 2023 Annual Budget Update Amendment Cases.

Budget Amendment Case #W-1: Cost Driver

Schedule Change for Springbank #2 Water Reservoir Replacement and Expansion

Schedule Change for Springbank #2 Water Reservoir Replacement and Expansion (\$ Thousands)	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Forecast	2020 to 2029 Ten Year Plan
Expenditure Budget Amendments	0	0	0	-37,581	-37,581	37,581	0
Source of Financing: Water Works Renewal Reserve Fund	0	0	0	37,581	37,581	-37,581	0
Rate Impact	0	0	0	0	0	0	0

Subject to rounding.

Description:

A schedule change to defer the Springbank #2 Water Reservoir Replacement and Expansion (Springbank #2) project due to current construction work at neighbouring reservoirs - Springbank Reservoirs #1 and #3; this work is expected to continue into 2023, which will create a construction conflict with Springbank #2. Delaying construction of this project for one year will eliminate the conflict and is not expected to have an operational impact on the drinking water system.

Budget Amendment Case #W-2: Cost Driver Schedule Changes for Water Growth Projects

Schedule Changes for Water Growth Projects (\$Thousands)	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Forecast	2020 to 2029 Ten Year Plan
Expenditure Budget Amendments	0	0	0	-8,075	-8,075	8,075	0
Source of Financing: Water Works Renewal Reserve Fund and City Services Water Reserve Fund	0	0	0	8,075	8,075	-8,075	0
Rate Impact	0	0	0	0	0	0	0

Subject to rounding

Description:

The need, scope, and timing of the projects in this budget amendment are under review as part of a servicing study that is expected to be completed by end of 2022 and incorporated in the next Development Charges Background Study. This amendment will allow the study to confirm if these growth projects and their current scopes are appropriate, in the City's best interests, and that the timing aligns with the projected needs for future residential, institutional, commercial, and industrial growth. Constructing these works without the information from the study would risk limited funds being spent on projects that may not be required. It should be noted that while these are growth projects, they are intended to address impacts of growth to the wider water network, and as such, no developments will be delayed by deferring these projects.

Operating Summary

2020 to 2023 Multi-Year Operating Budget (\$ Thousands)

Water	2020 Approved Budget	2021 Approved Budget	2022 Approved Budget	2023 Amended Budget	2020 to 2023 Average Annual % Increase/Decrease
Water Rate Increase	2.5%	2.5%	2.5%	2.5%	2.5%
Water Budget Revenues	84,739	87,488	90,530	93,695	
Increase over Prior Year Budget	4,843	2,750	3,041	3,166	
Increase over Prior Year Budget (%)	6.1%	3.2%	3.5%	3.5%	4.1%

Subject to rounding.

Operating Expenditure Budget by Service (\$ Thousands)

Water	2020 Approved Budget	2021 Approved Budget	2022 Approved Budget	2023 Amended Budget	Total 2020 to 2023 Budget
Water Engineering	2,620	2,712	2,830	2,844	11,006
Water Operations	14,203	14,473	14,631	14,766	58,073
Purchase of Water	27,188	28,257	29,363	30,504	115,312
Water General Administration	40,728	42,046	43,706	45,582	172,062
Total Water	84,739	87,488	90,530	93,695	356,452

Subject to rounding.

Water Capital Summary and Ten-Year Capital Plan

2020 to 2029 Capital Budget Overview by Classification – As Recommended (\$ Thousands)

Classification	2020 Approved Budget	2021 Approved Budget	2022 Approved Budget	2023 Amended Budget	2020 to 2023 Amended Budget	2023 Amended Budget Increase/Decrease	2024 to 2029 Amended Forecast	2024 to 2029 Amended Forecast Increase/Decrease	2020 to 2029 Amended Ten Year Plan
Lifecycle Renewal	36,952	32,662	37,854	31,116	138,585	-37,581	252,573	37,581	391,158
Growth	7,983	6,808	4,782	7,306	26,879	-8,075	69,053	8,075	95,931
Service Improvement	770	256	1,898	429	3,354	0	2,537	0	5,891
Total Expenditures	45,705	39,727	44,534	38,852	168,818	-45,656	324,163	45,656	492,980

Subject to rounding.

Capital Budget Summary (\$ Thousands)

Budget	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Forecast	2020 to 2029 Ten Year Plan
Total Approved Budget	45,705	39,727	44,534	84,507	214,473	278,507	492,980
Total Amended Budget	45,705	39,727	44,534	38,852	168,818	324,163	492,980
Total Amended Budget Increase/Decrease	0	0	0	-45,656	-45,656	45,656	0
Source of Financing	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capital Rate (CR)	0	0	0	0	0	0	0
Debenture (D)	0	0	0	0	0	0	0
Reserve Fund (RF)	0	0	0	39,148	39,148	-39,148	0
Other (O)	0	0	0	0	0	0	0
Non-rate Supported (NRS)	0	0	0	6,508	6,508	-6,508	0
Total Source of Financing Increase/Decrease	0	0	0	45,656	45,656	-45,656	0
Rate Impact	0	0	0	0	0	0	0

Subject to rounding.

Note: Approved figures include housekeeping adjustments and changes made by the 2021 Development Charges Update.

Capital Budget by Classification (\$ Thousands)

Budget Classification	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Forecast	2020 to 2029 Ten Year Plan
Lifecycle Renewal Total Approved Budget	36,952	32,662	37,854	68,697	176,165	214,992	391,158
Lifecycle Renewal Total Amended Budget	36,952	32,662	37,854	31,116	138,585	252,573	391,158
Lifecycle Renewal Increase/Decrease	0	0	0	-37,581	-37,581	37,581	0
Growth Total Approved Budget	7,983	6,808	4,782	15,381	34,954	60,977	95,931
Growth Total Amended Budget	7,983	6,808	4,782	7,306	26,879	69,053	95,931
Growth Increase/Decrease	0	0	0	-8,075	-8,075	8,075	0
Service Improvement Total Approved Budget	770	256	1,898	429	3,354	2,537	5,891
Service Improvement Total Amended Budget	770	256	1,898	429	3,354	2,537	5,891
Service Improvement Increase/Decrease	0	0	0	0	0	0	0
Total Amended Budget Increase/Decrease	0	0	0	-45,656	-45,656	45,656	0

Subject to rounding.

Lifecycle Renewal Capital Budget (\$ Thousands)

Budget	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Forecast	2020 to 2029 Ten Year Plan
Total Approved Budget	36,952	32,662	37,854	68,697	176,165	214,992	391,158
Total Amended Budget	36,952	32,662	37,854	31,116	138,585	252,573	391,158
Total Amended Budget Increase/Decrease	0	0	0	-37,581	-37,581	37,581	0
Source of Financing	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capital Rate (CR)	0	0	0	0	0	0	0
Debenture (D)	0	0	0	0	0	0	0
Reserve Fund (RF)	0	0	0	37,581	37,581	-37,581	0
Other (O)	0	0	0	0	0	0	0
Non-rate Supported (NRS)	0	0	0	0	0	0	0
Total Source of Financing Increase/Decrease	0	0	0	37,581	37,581	-37,581	0
Rate Impact	0	0	0	0	0	0	0

Subject to rounding.

Growth Capital Budget (\$ Thousands)

Budget	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Forecast	2020 to 2029 Ten Year Plan
Total Approved Budget	7,983	6,808	4,782	15,381	34,954	60,977	95,931
Total Amended Budget ¹	7,983	6,808	4,782	7,306	26,879	69,053	95,931
Total Amended Budget Increase/Decrease	0	0	0	-8,075	-8,075	8,075	0
Source of Financing	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capital Rate (CR)	0	0	0	0	0	0	0
Debenture (D)	0	0	0	0	0	0	0
Reserve Fund (RF)	0	0	0	1,567	1,567	-1,567	0
Other (O)	0	0	0	0	0	0	0
Non-rate Supported (NRS)	0	0	0	6,508	6,508	-6,508	0
Total Source of Financing Increase/Decrease	0	0	0	8,075	8,075	-8,075	0
Rate Impact	0	0	0	0	0	0	0

Subject to rounding.

Service Improvement Capital Budget (\$ Thousands)

Budget	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Forecast	2020 to 2029 Ten Year Plan
Total Approved Budget	770	256	1,898	429	3,354	2,537	5,891
Total Amended Budget	770	256	1,898	429	3,354	2,537	5,891
Total Amended Budget Increase/Decrease	0	0	0	0	0	0	0
Source of Financing	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capital Rate (CR)	0	0	0	0	0	0	0
Debenture (D)	0	0	0	0	0	0	0
Reserve Fund (RF)	0	0	0	0	0	0	0
Other (O)	0	0	0	0	0	0	0
Non-rate Supported (NRS)	0	0	0	0	0	0	0
Total Source of Financing Increase/Decrease	0	0	0	0	0	0	0
Rate Impact	0	0	0	0	0	0	0

Subject to rounding.

2020 to 2029 Source of Financing Overview (\$ Thousands)

Source of Financing	2020 Approved Budget	2021 Approved Budget	2022 Amended Budget	2023 Amended Budget	2020 to 2023 Amended Budget Total	2023 Amended Budget Increase/ Decrease	2024 to 2029 Amended Forecast	2024 to 2029 Amended Forecast Increase/ Decrease	2020 to 2029 Amended Ten Year Plan
Capital Rate	23,631	22,201	23,085	22,623	91,540	0	148,123	0	239,662
Debt	0	0	0	0	0	0	0	0	0
Reserve Fund	13,552	11,736	16,581	7,450	49,319	-39,147	105,467	39,147	154,786
Other	0	0	0	0	0	0	0	0	0
Sub-Total Rate Supported	37,183	33,937	39,666	30,073	140,859	-39,147	253,590	39,147	394,448
Debt	0	0	0	0	0	0	9,508	0	9,508
Reserve Fund	7,134	4,316	4,125	6,672	22,247	-6,509	52,515	6,509	74,762
Canada Community- Building Fund	1,501	1,425	743	2,107	5,776	0	8,550	0	14,326
Federal Grants	0	0	0	0	0	0	0	0	0
Provincial Grants	0	0	0	0	0	0	0	0	0
Other Government	0	0	0	0	0	0	0	0	0
Other ¹	-113	49	0	0	-64	0	0	0	-64
Sub-Total Non-Rate Supported	8,523	5,790	4,869	8,778	27,959	-6,509	70,573	6,509	98,532
Total Source of Financing	45,705	39,727	44,534	38,852	168,818	-45,656	324,163	45,656	492,980

Subject to rounding.

Note 1. The 2020 "Other" non-rate supported source of financing budget is negative due to housekeeping budget adjustments to life-to-date capital projects that occurred in 2020 for lower than anticipated insurance proceeds and utility contributions.

2030 to 2032 Capital Budget Overview by Classification (\$ Thousands)

Classification	2030 Forecast	2031 Forecast	2032 Forecast	2023 to 2032 Amended Ten Year Plan
Lifecycle Renewal	32,501	36,442	33,497	386,129
Growth	17,294	2,749	14,820	111,221
Service Improvement	558	325	651	4,500
Total Expenditures	50,353	39,515	48,968	501,850

Subject to rounding.

Source of Financing	2030 Forecast	2031 Forecast	2032 Forecast	2023 to 2032 Amended Ten Year Plan
Capital Rate	26,866	27,403	28,061	253,075
Debt	0	0	0	0
Reserve Fund	5,560	9,327	11,916	139,721
Other	0	0	0	0
Sub-Total Rate Supported	32,425	36,730	39,977	392,796
Debt	11,645	0	0	21,152
Reserve Fund	4,858	1,360	7,566	72,971
Canada Community-Building Fund	1,425	1,425	1,425	14,932
Federal Grants	0	0	0	0
Provincial Grants	0	0	0	0
Other Government	0	0	0	0
Other	0	0	0	0
Sub-Total Non-Rate Supported	17,927	2,785	8,991	109,054
Total Source of Financing	50,353	39,515	48,968	501,850

Subject to rounding.

2030 to 2032 Major Capital Projects by Classification (\$ Thousands)

Classification	Project	2030 Forecast	2031 Forecast	2032 Forecast
Lifecycle Renewal	Infrastructure Renewal Program - Watermains	22,184	22,869	23,261
Lifecycle Renewal	Residential Meter Replacement	2,789	2,856	2,924
Lifecycle Renewal	Lead and Copper Water Services Replacement	1,901	1,947	1,994
Lifecycle Renewal	Watermain Rehabilitation and Relining	1,268	1,298	1,329
Lifecycle Renewal	Watermain Replacement - Commissioners Road	328	3,344	0
Growth	Watermain Industrial Servicing	15,645	0	0
Growth	Wonderland Watermain (A8)	0	556	5,124
Growth	Wonderland Road (Gainsborough to Lawson)	0	465	4,282
Growth	Wonderland Road (Lawson to Sarnia)	0	375	3,458
Service Improvement	Extension of Water Servicing	254	260	266

Subject to rounding.

Water Reserve and Reserve Fund Overview

Reserve and Reserve Fund Classification Descriptions

Classification	Type	Description
Obligatory	City Services	City Services reserve funds are legislated by the Development Charges (DC) Act, 1997, as amended; a separate reserve fund exists for each service upon which a DC is levied; contributions fund future growth-related projects.
Obligatory	Canada Community-Building Fund	Canada Community-Build Fund Reserve Fund is maintained under the Agreement for Transfer of Federal Gas Tax Revenues under the New Deal for Cities and Communities between Canada-Ontario-AMO-City of Toronto made as of June 17, 2005.
Discretionary	Capital Asset Renewal and Replacement	Established to provide funding for the repair and maintenance of existing City assets to ensure City-owned assets do not deteriorate over time.
Discretionary	Capital Asset Growth	Established to provide funding to new capital initiatives while allowing the City to stabilize the cost of purchasing major capital assets by spreading the cost over multiple years.
Discretionary	Special Projects and New Initiatives	Planned savings within the budget to fund projects or expenses either identified at the time the reserve or reserve fund is set-up or after, which allows the City to save for planned or unanticipated projects or expenses that may arise and do not have another funding source.
Discretionary	Contingencies/Stabilization and Risk Management	Designed to fund future obligations which are based on calculated estimates and to mitigate unforeseen events or one-time unanticipated revenue losses and expenses.

Reserve and Reserve Fund Details (\$ Thousands)

Type	Reserve or Reserve Fund	2020 Uncommitted	2021 Uncommitted	2022 Projected	2023 Projected	2024 to 2029 Forecast
Capital Asset Renewal and Replacement	Water Works Renewal	43,219	50,342	54,220	63,909	62,983
City Services	City Services - Water Distribution ¹	16,390	18,005	20,530	19,841	2,008
Capital Asset Growth	Industrial DC Incentive Program Water	5,679	5,414	5,669	5,459	4,110
Special Projects and New Initiatives	Lead Service Replacement Program ²	113	118	118	119	124
Special Projects and New Initiatives	Water Customer Assistance ²	446	451	599	611	688
Special Projects and New Initiatives	Water Efficiency, Effectiveness and Economy Reserve ²	1,942	2,214	2,771	2,890	3,607
Contingencies / Stabilization and Risk Management	Water Budget Contingency Reserve ²	9,695	9,695	8,469	8,469	8,469
Total	Water Reserves and Reserve Funds	77,484	86,240	92,376	101,298	81,989

Subject to rounding.

Notes

1. Obligatory reserve funds were established to comply with legislation. Contributions and drawdowns are dictated by legislation.
2. Reserve / reserve fund does not factor in draws until approved by Municipal Council, or authorized designate.

Wastewater and Treatment Budget

2023 Annual Budget Update

On November 26, 2019 Council approved a 2.5% increase in the rates and charges related to the provision of Wastewater and Treatment Services effective January 1, 2020. Further, on October 27, 2020, Council approved additional increases of 2.5% effective on January 1, 2021, 2.7% effective July 1, 2021, 2.5% effective January 1, 2022, and 2.5% effective January 1, 2023.

For 2023, there is one budget amendment being recommended for Wastewater and Treatment Services, impacting the capital plan. This budget amendment is related to the Mud Creek East Branch Phase 2 project and will increase the capital budget, with no impact to Wastewater and Treatment rates; it is detailed in the Budget Amendments section of this document (2023 Annual Budget Update Amendment Cases). There are also various pressures that Civic Administration is monitoring, which include the following:

- Cost pressures associated with COVID-19, industry supply chain and labour disruptions, as well as inflation.
- New framework under the Ministry of Environment, Conservation and Parks (MECP) for the excavation, removal and transport of “excess soils” between two or more sites.
- Funding needs to address the infrastructure gap.
- Work required as part of the Canada-Ontario Lake Erie Action Plan.
- Reducing sewer system overflows, eliminating combined sewers, and providing service for growth either in new areas or intensification of existing neighbourhoods.

The following paragraphs discuss these pressures in more detail:

The City has been facing cost pressures associated with COVID-19, industry supply chain and labour disruptions, as well as inflation. As a result, the cost of construction has gone up significantly due to raw material price increases and project delays which have had an impact on the 2022 capital budget, and this trend may continue into 2023. As such, Civic Administration will continue to monitor these issues by regularly reviewing approved budgets relative to project cost estimates. Additionally, risk-based cost estimating and third-party estimate reviews will be considered for large, complex projects with unique elements for which cost estimating databases are limited and volatility is higher.

The new framework under MECP Regulation (406/19) will apply to most construction projects that generate “excess soil.” There is some uncertainty to what extent the costs of Wastewater and Treatment capital projects will be impacted. As a result, the City should anticipate potential pressures on the Wastewater capital plan. Adjustments to the capital plan may be required in the 2024 to 2027 Multi-Year Budget. City staff are working with the heavy construction industry to understand the potential impact of these changes on costs moving forward. In addition, City staff are working with the engineering consulting community to promote the reuse of soils during capital projects.

The 2021 Corporate Asset Management Plan Update was the culmination of efforts from staff across the City who are involved with managing municipal infrastructure assets, including finance and technical service areas and operations staff. The 2021 plan update projected a 10-year infrastructure gap for the sanitary system of \$11.9 million (net of forecasted reserve fund drawdown availability over the next decade). Staff will continue to monitor the Wastewater and Treatment infrastructure gap including undertaking study work to provide higher quality information to better quantify the Wastewater and Treatment infrastructure gap moving forward. The Corporate Asset Management Plan recommended relying on the existing 20-year capital plans and their updates as a means to manage the infrastructure gap in Wastewater and Treatment services.

The Great Lakes Water Quality Agreement requires the United States and Canada to reduce phosphorus levels that contribute to algae blooms in Lake Erie by 40% based on levels measured in 2008, with the Thames River Watershed identified as a priority. The final Canada-Ontario Lake Erie Action Plan was issued by the Federal government in February 2018. The plan includes a series of specific actions to be undertaken by the City of London that were endorsed by Council in late 2017. The City's ability to support these actions has been tied to receiving partial federal and provincial funding. To date, there has been no new funding provided to support the City of London actions. If and when additional funding becomes available, City staff will actively pursue this funding.

Lastly, the MECP has introduced design standards as part of the Consolidated Linear Infrastructure Environmental Compliance Approval (CLI ECA) process. The City's linear sanitary and stormwater collection systems will each be subject to one umbrella approval, and additions to the system will not require separate approvals provided they meet the Ministry's design standards. However, there is strong potential that increased monitoring and reporting will be required, which may increase operational costs in 2023 and have an impact on capital program costs in 2024 and beyond. There is also potential that the design standards and CLI ECA will require a new higher standard of quality control in stormwater infrastructure. Staff are currently working with the MECP to reach a mutually agreeable level of service, but there is potential that this will have to be addressed in the next Multi-Year Budget process.

Infrastructure Funding Update

Disaster Mitigation and Adaptation Fund (DMAF)

In 2018, the Government of Canada launched the Disaster Mitigation and Adaptation Fund (DMAF), committing \$2 billion over 10 years to invest in structural and natural infrastructure projects to increase the resilience of communities that are impacted by natural disasters triggered by climate change. In the Federal Budget 2021, an additional \$1.375 billion in federal funding over 12 years was announced to renew the DMAF.

In October 2020, the City of London was approved for DMAF funding to support the construction of flood protection measures at the Greenway and Adelaide Wastewater Treatment Plants. Flood protection systems at these plants are priority projects because of their location within the Thames River floodplain and will improve the resilience of these facilities, enhance staff safety during extreme wet weather events, and reduce the likelihood of overflows and bypasses. The overall project cost is estimated at \$49.5 million, with the maximum federal share of all project related expenses totalling \$19.8 million (40%).

In November 2021, during another intake opportunity, the City made another application to the DMAF program for a project on the Broughdale Dyke. This dyke protects 191 properties within the floodplain including residential, institutional and recreational areas. An environmental assessment in 2016 recommended extending and raising the dyke from a 100-year flood elevation to a 250-year flood level elevation. Approval of this project would allow the City to move forward with the reconstruction of the dyke and provide a higher level of protection for the citizens in this area. The project is estimated to be \$9 million with a federal contribution of \$3.6 million. At the time of writing, a decision on this application was still outstanding but anticipated soon.

COVID-19 Pandemic Impacts

During the approval of the 2020 to 2023 Wastewater and Treatment budget, Council approved Business Case #34 titled, “Transfer portion of Conservation Authority costs to Wastewater and Treatment Budget”. An analysis of each of the Conservation Authorities’ budgets was undertaken to determine the portion of the budget that related to stormwater-related activities. Based on this analysis it was estimated that approximately 60% (or a 2020 to 2023 average of \$2.89 million) of the Conservation Authorities’ levies would be better aligned with the users subject to Wastewater and Treatment rates. The intention was to implement this shift through a further 3.5% increase in Wastewater and Treatment rates as of April 1, 2020. However, due to the onset of the COVID-19 pandemic and associated financial challenges experienced by many households and businesses, this additional rate increase was deferred. The 2021 Wastewater and Treatment rates included a phase-in approach, with the rate increase associated with the transfer of the Conservation Authorities’ costs implemented through an additional 2.7% rate increase which took effect July 1, 2021. Accordingly, Civic Administration utilized a portion of the Safe Restart Agreement funding provided by the Federal and Provincial governments to offset the lost revenue for January to June 2021 associated with the delay in implementing this rate increase.

There remains considerable uncertainty with respect to future financial and operational consequences of COVID-19, particularly in the event of the emergence and degree of a future wave(s). Civic Administration will continue to actively assess these impacts and their corresponding financial implications after budget approval and will continue to report to Council with any further adjustments, as needed.

Budget Amendment Overview

Budget Amendments

There is one budget amendment being recommended by Civic Administration related to Wastewater and Treatment, which impacts the capital budget. There will be no impact on Wastewater and Treatment rates, should Municipal Council choose to approve the recommended budget amendment.

A summary of the submitted budget amendment is detailed below. For further details, please refer to the 2023 Annual Budget Update Amendment Cases.

Budget Amendment Case #WWT-1: Cost Driver

Part A: Mud Creek East Branch Phase 2 Budget Increase

Mud Creek East Branch Phase 2 Budget Increase (\$ Thousands)	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Forecast	2020 to 2029 Ten Year Plan
Expenditure Budget Amendments	0	0	0	11,500	11,500	0	11,500
Source of Financing: Sewage Works Renewal Reserve Fund and City Services Stormwater Reserve Fund	0	0	0	-11,500	-11,500	0	-11,500
Rate Impact	0	0	0	0	0	0	0

Description:

Civic Administration is recommending a budget amendment to increase the 2023 capital budget for Mud Creek Branch Phase 2 project due to the results of a detailed design conducted in fall 2021. The detailed design estimate for constructing this project is \$11.5 million, as such, an associated budget increase for this amount is required in 2023. This increase can be attributed to various factors, some of which include an Environmental Assessment (EA) completed in 2017 which estimated the total cost of Phases 1 and 2 of this project to be approximately \$10 million. However, Phase 1 of this project resulted in total construction costs of \$10 million when completed in 2021, therefore, creating the need for this amendment.

Phase 2 of this project will allow over 50 hectares of prime infill and intensification lands to develop and reduce existing flooding within the Oxford Street and Proudfoot Lane areas. It is imperative to note that this critical project should move forward in 2023 and should not be delayed based on commitments made to developers in this area.

Part B: Schedule Change - Stormwater Management Contingency Facility

Schedule Change - Stormwater Management Contingency Facility (\$ Thousands)	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Forecast	2020 to 2029 Ten Year Plan
Expenditure Budget Amendments	0	0	0	-5,020	-5,020	5,020	0
Source of Financing: City Services Stormwater Reserve Fund and Debenture	0	0	0	5,020	5,020	-5,020	0
Rate Impact	0	0	0	0	0	0	0

Description:

To accommodate the Mud Creek Phase 2 budget increase in 2023, Civic Administration is recommending deferring \$5 million for project Stormwater Management Contingency Facility from 2023 to 2024 to partially offset the budget increase. The Stormwater Management Contingency Facility project was scheduled for 2023 in the 2021 Development Charges Background Study Update, however, there is currently no development linked to this funding. It is therefore recommended to defer this project until it is assigned to a development area.

Part C: Schedule Change – Dingman #2 Remediation Stormwater Management Flood Control Facility

Schedule Change – Dingman #2 Remediation Stormwater Management Flood Control Facility (\$ Thousands)	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Forecast	2020 to 2029 Ten Year Plan
Expenditure Budget Amendments	0	0	0	-4,823	-4,823	4,823	0
Source of Financing: Sewage Works Renewal Reserve Fund and Debenture	0	0	0	4,823	4,823	-4,823	0
Rate Impact	0	0	0	0	0	0	0

Description:

Civic Administration is recommending deferring \$4.8 million budgeted for project Dingman #2 Remediation Stormwater Management Flood Control Facility from 2023 to 2025, as work related to this project is not yet ready to be constructed. Deferring this work will partially offset the budget increase for Mud Creek Phase 2.

Operating Summary

2020 to 2023 Multi-Year Operating Budget (\$ Thousands)

Wastewater and Treatment	2020 Approved Budget	2021 Approved Budget	2022 Approved Budget	2023 Amended Budget	2020 to 2023 Average Annual % Increase/ Decrease
Wastewater and Treatment Rate Increase (Previously Approved ¹)	2.5%	5.2%	2.5%	2.5%	3.2%
Wastewater and Treatment Revenue Budget	106,500	109,937	113,668	117,544	
Increase over Prior Year Budget	8,318	3,437	3,731	3,876	
Increase over Prior Year Budget (%)	8.5%	3.2%	3.4%	3.4%	4.6%

Subject to rounding.

Note 1: Timing of rate implementation was deferred from 2020 to 2021 as a result of the COVID-19 pandemic.

Operating Expenditure Budget by Service (\$ Thousands)

Wastewater and Treatment	2020 Approved Budget	2021 Approved Budget	2022 Approved Budget	2023 Amended Budget	Total 2020 to 2023 Budget
Sewer Engineering	2,314	2,388	2,526	2,531	9,759
Stormwater Management	1,514	1,566	1,723	1,724	6,527
Sewer Operations	9,728	9,900	10,069	10,216	39,914
Wastewater and Treatment Operations	21,383	21,520	21,103	21,237	85,242
Wastewater and Treatment General Administration	68,773	71,710	75,325	78,845	294,653
Wastewater Share of Conservation Authority Costs	2,788	2,854	2,921	2,991	11,554
Total Wastewater and Treatment	106,500	109,937	113,668	117,544	447,650

Subject to rounding.

Wastewater and Treatment Capital Summary and Ten-Year Capital Plan

2020 to 2029 Capital Budget Overview by Classification – As Recommended (\$ Thousands)

Classification	2020 Approved Budget	2021 Approved Budget	2022 Approved Budget	2023 Amended Budget	2020 to 2023 Amended Budget	2023 Amended Budget Increase/ Decrease	2024 to 2029 Amended Forecast	2024 to 2029 Amended Forecast Increase/ Decrease	2020 to 2029 Amended Ten Year Plan
Lifecycle Renewal	40,983	39,429	40,714	42,620	163,746	0	333,010	0	496,757
Growth	28,429	31,954	28,410	31,298	120,091	1,657	206,672	9,843	326,764
Service Improvement	16,375	20,538	15,723	18,722	71,357	0	81,896	0	153,253
Total Expenditures	85,787	91,921	84,847	92,640	355,195	1,657	621,579	9,843	976,774

Subject to rounding.

Capital Budget Summary (\$ Thousands)

Budget	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Forecast	2020 to 2029 Ten Year Plan
Total Approved Budget	85,787	91,921	84,847	90,983	353,537	611,736	965,273
Total Amended Budget	85,787	91,921	84,847	92,640	355,195	621,579	976,774
Total Amended Budget Increase/Decrease	0	0	0	1,657	1,657	9,843	11,500
Source of Financing	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capital Rate (CR)	0	0	0	0	0	0	0
Debenture (D)	0	0	0	0	0	0	0
Reserve Fund (RF)	0	0	0	-3,157	-3,157	-4,100	-7,257
Other (O)	0	0	0	0	0	0	0
Non-rate Supported (NRS)	0	0	0	1,500	1,500	-5,743	-4,243
Total Source of Financing Increase/Decrease	0	0	0	-1,657	-1,657	-9,843	-11,500
Rate Impact	0	0	0	0	0	0	0

Subject to rounding.

Note: Approved figures include housekeeping adjustments and changes made by the 2021 Development Charges Update.

Capital Budget by Classification (\$ Thousands)

Budget Classification	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Forecast	2020 to 2029 Ten Year Plan
Lifecycle Renewal Total Approved Budget	40,983	39,429	40,714	42,620	163,746	333,010	496,757
Lifecycle Renewal Total Amended Budget	40,983	39,429	40,714	42,620	163,746	333,010	496,757
Lifecycle Renewal Increase/Decrease	0	0	0	0	0	0	0
Growth Total Approved Budget	28,429	31,954	28,410	29,641	118,434	196,829	315,264
Growth Total Amended Budget	28,429	31,954	28,410	31,298	120,091	206,672	326,764
Growth Increase/Decrease	0	0	0	1,657	1,657	9,843	11,500
Service Improvement Total Approved Budget	16,375	20,538	15,723	18,722	71,357	81,896	153,253
Service Improvement Total Amended Budget	16,375	20,538	15,723	18,722	71,357	81,896	153,253
Service Improvement Increase/Decrease	0	0	0	0	0	0	0
Total Amended Budget Increase/Decrease	0	0	0	1,657	1,657	9,843	11,500

Subject to rounding.

Lifecycle Renewal Capital Budget (\$ Thousands)

Budget	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Forecast	2020 to 2029 Ten Year Plan
Total Approved Budget	40,983	39,429	40,714	42,620	163,746	333,010	496,757
Total Amended Budget	40,983	39,429	40,714	42,620	163,746	333,010	496,757
Total Amended Budget Increase/Decrease	0	0	0	0	0	0	0
Source of Financing	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capital Rate (CR)	0	0	0	0	0	0	0
Debenture (D)	0	0	0	0	0	0	0
Reserve Fund (RF)	0	0	0	0	0	0	0
Other (O)	0	0	0	0	0	0	0
Non-rate Supported (NRS)	0	0	0	0	0	0	0
Total Source of Financing Increase/Decrease	0	0	0	0	0	0	0
Rate Impact	0	0	0	0	0	0	0

Subject to rounding.

Growth Capital Budget (\$ Thousands)

Budget	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Forecast	2020 to 2029 Ten Year Plan
Total Approved Budget	28,429	31,954	28,410	29,641	118,434	196,829	315,264
Total Amended Budget	28,429	31,954	28,410	31,298	120,091	206,672	326,764
Total Amended Budget Increase/Decrease	0	0	0	1,657	1,657	9,843	11,500
Source of Financing	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capital Rate (CR)	0	0	0	0	0	0	0
Debenture (D)	0	0	0	0	0	0	0
Reserve Fund (RF)	0	0	0	-3,157	-3,157	-4,100	-7,257
Other (O)	0	0	0	0	0	0	0
Non-rate Supported (NRS)	0	0	0	1,500	1,500	-5,743	-4,243
Total Source of Financing Increase/Decrease	0	0	0	-1,657	-1,657	-9,843	-11,500
Rate Impact	0	0	0	0	0	0	0

Subject to rounding.

Service Improvement Capital Budget (\$ Thousands)

Budget	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Forecast	2020 to 2029 Ten Year Plan
Total Approved Budget	16,375	20,538	15,723	18,722	71,357	81,896	153,253
Total Amended Budget	16,375	20,538	15,723	18,722	71,357	81,896	153,253
Total Amended Budget Increase/Decrease	0	0	0	0	0	0	0
Source of Financing	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capital Rate (CR)	0	0	0	0	0	0	0
Debenture (D)	0	0	0	0	0	0	0
Reserve Fund (RF)	0	0	0	0	0	0	0
Other (O)	0	0	0	0	0	0	0
Non-rate Supported (NRS)	0	0	0	0	0	0	0
Total Source of Financing Increase/Decrease	0	0	0	0	0	0	0
Rate Impact	0	0	0	0	0	0	0

Subject to rounding.

2020 to 2029 Source of Financing Overview (\$ Thousands)

Source of Financing	2020 Approved Budget	2021 Approved Budget	2022 Approved Budget	2023 Amended Budget	2020 to 2023 Amended Budget Total	2023 Amended Budget Increase/Decrease	2024 to 2029 Amended Forecast	2024 to 2029 Amended Forecast Increase/Decrease	2020 to 2029 Amended Ten Year Plan
Capital Rate	21,613	22,503	22,723	23,017	89,856	0	150,703	0	240,559
Debt	0	0	0	0	0	0	51,281	0	51,281
Reserve Fund	31,936	43,171	32,125	45,255	152,486	3,157	227,933	4,100	380,420
Other	0	0	0	0	0	0	0	0	0
Sub-Total Rate Supported	53,549	65,674	54,847	68,272	242,342	3,157	429,918	4,100	672,260
Debt	7,601	-868	16,967	631	24,330	-1,743	73,456	5,743	97,787
Reserve Fund	19,555	22,024	6,692	19,028	67,298	244	89,944	0	157,242
Canada Community-Building Fund	4,651	4,500	4,500	4,500	18,151	0	27,000	0	45,151
Federal Grants	0	124	1,174	0	1,298	0	0	0	1,298
Provincial Grants	60	60	672	60	852	0	360	0	1,212
Other Government	0	0	0	0	0	0	0	0	0
Other	371	407	-4	150	924	0	900	0	1,824
Sub-Total Non-Rate Supported	32,238	26,247	30,000	24,368	112,853	-1,500	191,661	5,743	304,514
Total Source of Financing	85,787	91,921	84,847	92,640	355,195	1,657	621,579	9,843	976,774

Subject to rounding.

Note: Approved figures include housekeeping adjustments and changes made by the 2021 Development Charges Update.

2030 to 2032 Capital Budget Overview by Classification (\$ Thousands)

Classification	2030 Forecast	2031 Forecast	2032 Forecast	2023 to 2032 Amended Ten Year Plan
Lifecycle Renewal	62,775	48,793	44,896	532,094
Growth	28,828	10,022	20,994	297,814
Service Improvement	12,241	10,327	13,340	136,526
Total Expenditures	103,843	69,142	79,230	966,434

Subject to rounding.

Source of Financing	2030 Forecast	2031 Forecast	2032 Forecast	2023 to 2032 Amended Ten Year Plan
Capital Rate	27,334	27,885	25,628	254,566
Debt	7,606	7,788	7,975	74,651
Reserve Fund	37,156	20,570	21,800	352,713
Other	0	0	0	0
Sub-Total Rate Supported	72,095	56,243	55,403	681,931
Debt	16,843	0	0	83,129
Reserve Fund	10,195	8,189	19,117	154,274
Canada Community-Building Fund	4,500	4,500	4,500	45,000
Federal Grants	0	0	0	0
Provincial Grants	60	60	60	600
Other Government	0	0	0	0
Other	150	150	150	1,500
Sub-Total Non-Rate Supported	31,748	12,899	23,827	284,503
Total Source of Financing	103,843	69,142	79,230	966,434

Subject to rounding.

2030 to 2032 Major Capital Projects by Classification (\$ Thousands)

Classification	Project	2030 Forecast	2031 Forecast	2032 Forecast
Lifecycle Renewal	Infrastructure Renewal Program - Sanitary Sewers	21,925	16,538	13,213
Lifecycle Renewal	Infrastructure Renewal Program - Stormwater Sewers	21,435	13,438	13,213
Lifecycle Renewal	Sewer Relining	6,338	6,490	6,646
Lifecycle Renewal	Stormwater Treatment Remediation	3,549	3,245	1,861
Lifecycle Renewal	Sewer Construction and Repairs	2,789	2,207	2,924
Growth	Oxford WWTP Expansion	0	0	13,292
Growth	Industrial Wastewater Servicing	8,290	0	0
Growth	Storm Sewer Built Area Works	2,130	2,181	2,233
Growth	Industrial Storm Trunk Sewer Servicing	5,400	0	0
Growth	Industrial SWM Ponds	5,252	0	0
Service Improvement	UTRCA - Remediating Flood	5,071	5,192	5,317
Service Improvement	Targeted Road and Sidewalk Icing Reduction	1,901	0	1,994
Service Improvement	Targeted Weeping Tile	1,268	1,298	1,329
Service Improvement	Wetland Restoration and SWM Treatment Enhancement	1,268	1,298	1,329
Service Improvement	Sewage Bypass and Overflow	847	867	888

Subject to rounding.

Wastewater and Treatment Reserve and Reserve Fund Overview

Reserve and Reserve Fund Classification Descriptions

Classification	Type	Description
Obligatory	City Services	City Services reserve funds are legislated by the Development Charges (DC) Act, 1997, as amended; a separate reserve fund exists for each service upon which a DC is levied; contributions fund future growth-related projects.
Obligatory	Canada Community-Building Fund	Canada Community-Building Fund Reserve Fund is maintained under the Agreement for Transfer of Federal Gas Tax Revenues under the New Deal for Cities and Communities between Canada-Ontario-AMO-City of Toronto made as of June 17, 2005.
Discretionary	Capital Asset Renewal and Replacement	Established to provide funding for the repair and maintenance of existing City assets to ensure City-owned assets do not deteriorate over time.
Discretionary	Capital Asset Growth	Established to provide funding to new capital initiatives while allowing the City to stabilize the cost of purchasing major capital assets by spreading the cost over multiple years.
Discretionary	Special Projects and New Initiatives	Planned savings within the budget to fund projects or expenses either identified at the time the reserve or reserve fund is set-up or after, which allows the City to save for planned or unanticipated projects or expenses that may arise and do not have another funding source.
Discretionary	Contingencies/Stabilization and Risk Management	Designed to fund future obligations which are based on calculated estimates and to mitigate unforeseen events or one-time unanticipated revenue losses and expenses.

Reserve and Reserve Fund Details (\$ Thousands)

Type	Reserve or Reserve Fund	2020 Uncommitted	2021 Uncommitted	2022 Projected	2023 Projected	2024 to 2029 Forecast
Capital Asset Renewal and Replacement	Sewage Works Renewal	55,105	43,479	52,133	47,563	72,065
Capital Asset Growth	Industrial DC Incentive Wastewater ¹	1,811	1,859	58	88	284
Capital Asset Growth	Industrial Oversizing Sewer	184	1,662	1,731	1,766	1,988
City Services	City Services - Wastewater ²	5,352	3,087	4,378	4,415	3,738
City Services	City Services - Stormwater ²	5,272	3,781	3,316	4,819	5,699
Special Projects and New Initiatives	Wastewater Efficiency, Effectiveness and Economy Reserve ¹	3,708	4,122	4,676	5,090	7,571
Special Projects and New Initiatives	Sump Pump, Sewage Ejector and Storm Private Drain Connection ¹	469	473	488	497	560
Contingencies / Stabilization and Risk Management	Wastewater Budget Contingency Reserve ¹	11,643	11,643	9,839	9,839	9,839
Total	Wastewater and Treatment Reserves and Reserve Funds	83,544	70,106	76,619	74,077	101,744

Subject to rounding.

Notes

1. Reserve / reserve fund does not factor in draws until approved by Municipal Council, or authorized designate.
2. Obligatory reserve funds were established to comply with legislation. Contributions and drawdowns are dictated by legislation.

2023 Annual Budget Update Amendment Cases



2023 Annual Budget Update

Budget Amendment # P-1

Strategic Area of Focus: Leading in Public Service
 Strategy: Conduct targeted service reviews.
 Budget Amendment Type: Cost or Revenue Driver
 Description: Reductions due to zero-based reviews and other budget right-sizing.
 Service(s): Various
 Lead: Anna Lisa Barbon, Deputy City Manager, Finance Supports

Budget Amendment Tax Levy Impact Table (\$ Thousands)

Tax Levy Impact Detail	2020	2021	2022	2023	2020 to 2023 Total
Annual Tax Levy Impact	N/A	N/A	N/A	-\$6,581	-\$6,581
Annual Incremental Tax Levy Impact	N/A	N/A	N/A	-\$6,581	-\$6,581
Estimated Annual Tax Levy Impact %	N/A	N/A	N/A	-0.94%	-0.23% Average
Estimated Annual Tax Payer Impact \$ ¹	N/A	N/A	N/A	-\$30.71	-\$7.67 Average

Subject to rounding.

1) Calculated based on the average assessed value of \$241 thousand for a residential property (excludes education tax portion and impacts of tax policy).

Reductions Due to Zero-Based Reviews and Other Budget Right-Sizing

What is the reason for the budget amendment?

As outlined in the City of London’s 2019 to 2023 Strategic Plan, the Corporation is committed to “increasing the effectiveness and efficiency of service delivery” and “maintaining London’s finances in a transparent and well-planned manner to balance equity and affordability over the long-term.” Consistent with these objectives, Civic Administration conducts regular reviews of its budgets to ensure resources are aligned with current service level requirements. These reviews are supported through techniques such as zero-based budget reviews and trend analysis, among others. As a result of this work, Civic Administration has identified permanent budget reductions in the amount of \$5.0 million and one-time savings of \$1.6 million that can be implemented without impacting service levels.

Operating Budget Table (\$ Thousands)

Zero-Based Reviews and Other Budget Right-Sizing	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Net Budget (Tax Levy)	\$0	\$0	\$0	\$0	\$0	\$0
Amendment	N/A	N/A	N/A	-\$6,106	-\$6,106	-\$27,127
Amended Net Budget (Tax Levy)	\$0	\$0	\$0	-\$6,106	-\$6,106	-\$27,127

Subject to rounding.

Capital Budget Expenditure Amendment Table (\$ Thousands)

Reductions Due to Zero-Based Reviews and Other Budget Right-Sizing	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Streetlight Maintenance – TS5123	\$2,844	\$2,977	\$2,811	\$2,884	\$11,516	\$19,458
Amendment	N/A	N/A	N/A	-\$250	-\$250	-\$1,500
Amended Budget	\$2,844	\$2,977	\$2,811	\$2,634	\$11,266	\$17,958

Capital Budget Source of Financing Amendment Table (\$ Thousands)

Source of Financing Type	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Capital Levy	N/A	N/A	N/A	\$250	\$250	\$1,500
Debenture	N/A	N/A	N/A	\$0	\$0	\$0
Reserve Fund	N/A	N/A	N/A	\$0	\$0	\$0
Other	N/A	N/A	N/A	\$0	\$0	\$0
Non-Tax Supported	N/A	N/A	N/A	\$0	\$0	\$0
Amended Budget	\$2,844	\$2,977	\$2,811	\$2,634	\$11,266	\$17,958

Subject to rounding.

Notes:

- 1) The 2030 capital gross expenditure is \$3,325,840.
- 2) The 2031 capital gross expenditure is \$3,418,860.
- 3) The 2032 capital gross expenditure is \$3,500,913.

Capital Budget Expenditure Amendment Table (\$ Thousands)

Reductions Due to Zero-Based Reviews and Other Budget Right-Sizing	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Downtown Street Tree Planting – UF1129	\$225	\$225	\$225	\$225	\$900	\$1,350
Amendment	N/A	N/A	N/A	-\$225	-\$225	-\$1,350
Amended Budget	\$225	\$225	\$225	\$0	\$675	\$0

Capital Budget Source of Financing Amendment Table (\$ Thousands)

Source of Financing Type	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Capital Levy	N/A	N/A	N/A	\$225	\$225	\$1,350
Debenture	N/A	N/A	N/A	\$0	\$0	\$0
Reserve Fund	N/A	N/A	N/A	\$0	\$0	\$0
Other	N/A	N/A	N/A	\$0	\$0	\$0
Non-Tax Supported	N/A	N/A	N/A	\$0	\$0	\$0
Amended Budget	\$225	\$225	\$225	\$0	\$675	\$0

Subject to rounding.

Environmental, Socio-economic Equity and Governance (ESG) Considerations

Environmental, Socio-economic Equity and Governance Profile for this request:



Environmental	The implementation of the Green Bin program has been delayed due to unavailable supply of collection vehicles. The delay means that most of the food waste and other organics continue to be sent to the City’s landfill. This causes methane production at the landfill that is not captured by the landfill gas recovery and flare system. Regarding producer pay recycling, this amendment strictly shifts the cost to producers. However, in the long run, it is expected that this will change producer behaviours and should drive better environmental outcomes with less impact on climate change. The remainder of the items in this amendment are strictly to align budgets with actual spending and do not anticipate contributing to environmental impacts.
Socio-economic Equity	This amendment will reduce the required tax levy, making services more affordable. It is not anticipated that approving this amendment will negatively impact equity-deserving and other vulnerable groups.
Governance	There are no anticipated risks as remaining budgets will be sufficient to accommodate required spending in the relevant areas. The changes resulting from this amendment will be reflected in the corporate budget monitoring process.

Additional Details

As a result of performing zero-based budget reviews and trend analysis across various services, total reductions in the amount of \$6.6 million have been identified for 2023 with on-going savings of \$5 million in 2024 and beyond. Reductions were identified in a variety of areas, including:

- Review of Green Bin implementation timelines due to previously reported delays in operationalizing the program (\$1.5 million in 2023 only);
- Right-sizing of revenues from producer pay recycling responsibility to begin in 2023 (\$1.5 million);
- Right-sizing of investment revenues (\$1.4 million);
- Right-sizing of Taxation office revenues (\$916 thousand);
- Right-sizing of subsidized transit due to lower than anticipated ridership (\$500 thousand);

- Right-sizing of streetlight life cycle renewal program spending (\$250 thousand);
- Elimination of Downtown Street Tree Planting budget, noting that there is little remaining space to plant new downtown street trees and standalone plantings struggle without changes to the streetscape. Budget for replacement of dead or damaged trees remains. Additional new tree introduction will continue through capital projects (\$225 thousand);
- Right-sizing in various administrative accounts (\$205 thousand, \$85 in 2023 only);

As previously noted, these reductions do not impact service levels.

2023 Annual Budget Update

Budget Amendment # P-2

Strategic Area of Focus:	Growing our Economy; Strengthening our Community
Strategy:	Increase Ontario Works client participation within employment activities Improve access to licensed child care and early years opportunities
Budget Amendment Type:	Cost Driver
Description:	Part A: Reduction in Life Stabilization Investment in 2023 due to COVID-19 Impacts Part B: Reduction in Child Care Investment in 2023 due to Transitional Funding Availability Part C: Partial Deferral of Expansion Child Care Investment in 2023 due to COVID-19 Impacts
Service(s):	Ontario Works and Children’s Services
Lead:	Kevin Dickins, Deputy City Manager, Social and Health Development

Budget Amendment Tax Levy Impact Table (\$ Thousands)

Tax Levy Impact Detail	2020	2021	2022	2023	2020 to 2023 Total
Annual Tax Levy Impact	N/A	N/A	N/A	-\$1,030	-\$1,030
Annual Incremental Tax Levy Impact	N/A	N/A	N/A	-\$1,030	-\$1,030
Estimated Annual Tax Levy Impact %	N/A	N/A	N/A	-0.15%	-0.04% Average
Estimated Annual Tax Payer Impact \$ ¹	N/A	N/A	N/A	-\$4.81	-\$1.20 Average

Subject to rounding.

1) Calculated based on the average assessed value of \$241 thousand for a residential property (excludes education tax portion and impacts of tax policy).

Part A: Reduction in Life Stabilization Investment in 2023 due to COVID-19 Impacts

What is the reason for the budget amendment?

In the 2020 to 2023 Multi-Year Budget, Council approved additional funding for the Ontario Works Program of approximately \$1.81 million to address Ministry of Children, Community & Social Services funding changes that capped all municipalities at 2018 funding levels. Caseload size at that time was approximately 11,000 families and it was expected these funding changes would create future financial and resourcing pressures for the City to cover the Provincial 50% cost-share of inflationary and other service cost increases, notably financial pressures associated with the 17% rate increase for bus passes in 2020 essential for participation in employment activities, and staff resourcing to maintain existing demand in services.

With the onset of the COVID-19 pandemic and associated Government of Canada recovery benefits, the Ontario Works program experienced a decrease in caseload and employment related expenses in 2020 and 2021. While caseload has seen growth in 2022, it has not reached the level experienced pre-COVID and currently sits at approximately 9,100 families. It is anticipated caseload will continue to see growth in 2023, potentially returning to pre-pandemic levels. Based on timing of the anticipated caseload increase, part of the investment approved in the 2020 to 2023 Multi-Year Budget can be reduced without service impact.

Operating Budget Table (\$ Thousands)

Ontario Works	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Net Budget (Tax Levy)	\$13,689	\$13,945	\$13,436	\$14,741	\$55,811	\$88,296
Amendment	N/A	N/A	N/A	-\$388	-\$388	\$0
Amended Net Budget (Tax Levy)	\$13,689	\$13,945	\$13,436	\$14,353	\$55,423	\$88,296

Subject to rounding.

Environmental, Socio-economic Equity and Governance (ESG) Considerations

Environmental, Socio-economic Equity and Governance Profile for this request:



Environmental	This budget amendment is not expected to have environmental impacts.
Socio-economic Equity	Ontario Works supports low-income individuals and families. With caseload size expected to remain below the Ministry-budgeted complement through much of 2023, individuals should continue to have access to the supports needed within existing budgets. An internal review of caseload forecasts and financial monitoring reports supports the proposed budget amendment. No external stakeholders have been consulted as no service impact is expected.
Governance	Should caseload growth in 2023 unexpectedly exceed the Ministry-budgeted complement, risks include reduced financial supports per individual for employment related expenses, as well as increased average caseload size per caseworker. Impacts include fewer benefits to support individuals in their pursuit of employment and stability, as well as a greater challenge for staff to provide effective service through higher caseloads. Because the proposed budget amendment is a partial reduction of the 2023 additional financial investment, it is expected the risk of negative impacts related to increased caseload can be managed with the remaining investment. Monthly monitoring of caseload and funding available will assist in managing and mitigating risk. The progress, results and impacts will be monitored monthly and communicated through the mid-year and year-end budget monitoring reports to Council.

Part B: Reduction in Child Care Investment in 2023 due to Transitional Funding Availability

What is the reason for the budget amendment?

In 2020, the Ministry of Education announced changes to the Child Care administrative cost share portion of the annual transfer payment agreement. These changes resulted in a budget request of an additional \$410 thousand per year from 2021 to 2023 in the Multi-Year Budget. For 2022, the Ministry communicated the change in municipal administrative cost share would not be required; if administrative cost share requirements are reinstated in 2023, one-time transitional funding received in 2021 and 2022 can be utilized to offset 2023 administrative costs.

Operating Budget Table (\$ Thousands)

Children's Services	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Net Budget (Tax Levy)	\$7,782	\$7,400	\$7,170	\$8,860	\$31,212	\$53,166
Amendment	N/A	N/A	N/A	-\$410	-\$410	\$0
Amended Net Budget (Tax Levy)	\$7,782	\$7,400	\$7,170	\$8,450	\$30,802	\$53,166

Subject to rounding.

Environmental, Socio-economic Equity and Governance (ESG) Considerations

Environmental, Socio-economic Equity and Governance Profile for this request:



Environmental	This budget amendment is not expected to have environmental impacts.
Socio-economic Equity	This budget amendment is not expected to have any socio-economic or equity impacts as there is no anticipated impacts to service levels.
Governance	Although there is no direct impact in 2023, Civic Administration will continue to monitor Ministry communications for any changes that may impact future funding levels and budgets.

Additional Details

Administrative funding changes

The Ministry of Education introduced a reduction to the administrative funding cap from 10% to 5% starting in 2021. This change resulted in additional municipal contributions of \$410 thousand per year to continue to support Child Care and Early Years programming, which was approved through the City of London's 2020 to 2023 Multi-Year Budget process.

Subsequently, the provincial government provided a one-time transitional grant as part of its Child Care and Early Years allocation to the City of London for 2021 and 2022 to support municipalities with the transition of the funding change.

In 2022, the Ministry of Education announced that changes to administrative funding would be reversed for 2022, and Service System Managers would be allowed to retain the one-time transitional grants received. The Ministry of Education has not indicated whether the administrative funding changes will be reintroduced in 2023; however, if the funding change is reintroduced in 2023, the one-time transitional funding received in 2021 and 2022 can offset these costs.

Part C: Partial Deferral of Expansion Child Care Investment in 2023 due to COVID-19 Impacts

What is the reason for the budget amendment?

During the 2020 to 2023 Multi-Year Budget development process, service system planning forecasts anticipated the development of new child care centres that would necessitate additional funding to support new fee subsidy and other operational costs. Growth in the number of child care spaces is supported through Provincial Child Care Expansion Plan Funding (Expansion Plan funding).

Due to the COVID-19 pandemic, several capital construction projects that will expand the number of licensed child care spaces in London and Middlesex in 2023 were delayed. With revised construction timelines for these projects, there is anticipated savings of approximately \$232 thousand in municipal investment in 2023.

Operating Budget Table (\$ Thousands)

Children's Services	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Net Budget (Tax Levy)	\$7,782	\$7,400	\$7,170	\$8,860	\$31,212	\$53,166
Amendment	N/A	N/A	N/A	-\$232	-\$232	\$0
Amended Net Budget (Tax Levy)	\$7,782	\$7,400	\$7,170	\$8,628	\$30,980	\$53,166

Subject to rounding.

Environmental, Socio-economic Equity and Governance (ESG) Considerations

Environmental, Socio-economic Equity and Governance Profile for this request:



Environmental	This budget amendment is not expected to have environmental impacts.
Socio-economic Equity	<p>Licensed child care creates environments where children can learn, grow, and thrive. In addition to its social impact, licensed child care helps more parents and caregivers pursue employment and education. While many families require child care, single parent households, which are most often led by women, may face additional pressures and needs¹.</p> <p>Demand for licensed child care is expected to increase with introduction of the Canada-Wide Early Learning and Child Care (CWELCC) agreement, resulting in potential impacts to accessibility of licensed child care spaces. As Service System Manager, the City of London prioritizes opportunities to responsibly expand the licensed child care system and provide ongoing supports for new licensed child care spaces. City staff anticipates it can continue to deliver on service system management objectives and Strategic Plan targets in 2023 if Council approves these proposed amendments.</p>
Governance	<p>Risks associated with the expansion funding amendment include the following:</p> <ul style="list-style-type: none"> - As noted in the Council motion introduced at the May 31 Community and Protective Services Committee meeting called “Supporting More Licensed Child Care Spaces”, significantly reduced licensed child care costs through CWELCC are expected to lead to a sharp increase in demand; this may exacerbate challenges faced by families who have barriers to accessing licensed child care - Council’s Strategic Plan includes targets for expansion of licensed child care spaces; while this amendment is not anticipated to impact the City’s ability to meet these targets, cost savings could be redirected to other expansion opportunities that may materialize in 2023 - Provincial funding levels and expectations may shift in 2023 as the Ministry of Education releases a new child care funding formula and an anticipated expansion strategy associated with the CWELCC

¹ Conference Board of Canada, *Ready for Life: A Socio-Economic Analysis of Early Childhood Education and Care* (October 2017).

	<p>Risks for this amendment are mitigated through budget modelling based on funding formula calculations for the time periods these new sites will be open. If significant emergent expansion pressures or opportunities occur in 2023, staff will revisit budget projections and may draw on alternative funding if appropriate.</p> <p>The principal risk of not proceeding with this amendment is that municipal expansion funding will be under utilized if available funding is greater than fundable opportunities in 2023.</p>
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Additional Details

Revised expansion modelling

The London and Middlesex licensed child care system continues to grow to meet the needs of families. Expansion Plan funding supports the associated increased operational costs for services including fee subsidy, special needs resourcing, and capacity building to avoid putting additional strain on the existing system. Expansion Plan funding is cost-shared between the Province (80%) and City of London (20%) as Service System Manager.

The Ministry of Education has provided funding directly to school boards for four future school-based capital projects in London and Middlesex that include a child care component:

- Summerside Public School, Thames Valley District School Board
- River Heights Public School, Thames Valley District School Board
- St. Anne Catholic Elementary School, London District Catholic School Board
- École élémentaire Marie-Curie, Conseil scolaire Viamonde

Based on updated information from school board representatives on anticipated opening dates for these projects, revised financial models project \$232 thousand in potential savings for 2023 through reduced operational funding requirements. The funding is expected to be needed (and will remain in the budget) in 2024 and beyond as the new centres become operational.

2023 Annual Budget Update

Budget Amendment # P-3

Strategic Area of Focus: Strengthening our Community

Strategy: Increase supportive and specialized housing options for households experiencing chronic homelessness.

Budget Amendment Type: New Council Direction

Description: Roadmap to 3,000 Affordable Units – Portable Benefits & Staff Resources

Service(s): Housing Stability Services

Lead: Kevin Dickins, Deputy City Manager, Social and Health Development

Budget Amendment Tax Levy Impact Table (\$ Thousands)

Tax Levy Impact Detail	2020	2021	2022	2023	2020 to 2023 Total
Annual Tax Levy Impact	N/A	N/A	N/A	\$1,794	\$1,794
Annual Incremental Tax Levy Impact	N/A	N/A	N/A	\$1,794	\$1,794
Estimated Annual Tax Levy Impact %	N/A	N/A	N/A	0.26%	0.06% Average
Estimated Annual Tax Payer Impact \$ ¹	N/A	N/A	N/A	\$8.37	\$2.10 Average

Subject to rounding.

1) Calculated based on the average assessed value of \$241 thousand for a residential property (excludes education tax portion and impacts of tax policy).

Roadmap to 3,000 Affordable Units – Portable Benefits & Staff Resources

What is the reason for the budget amendment?

On December 7, 2021, Council approved the Roadmap to 3,000 Affordable Units Action Plan, and directed a business case be brought forward to the 2023 Annual Budget Update and subsequently the 2024 to 2027 Multi-Year Budget to establish a permanent funding source for the portable housing benefit program.

The Roadmap proposes a variety of tools, plans, investments, and approaches, which includes portable benefits as a key element. The program will provide rent allowances and supplements to tenants to allow access to available market units, and is critical to the overall Roadmap. It is forecasted that an incremental 100 units per year will be added for the next five years, with the goal of adding 500 portable benefits by 2026 (subject to budget approval).

Also, as articulated in the Roadmap to 3,000 Affordable Units Action Plan, three additional full-time resources (1 Legal & 2 Finance) are required to support implementation and ongoing operation of the Roadmap plan, including negotiating suitable contribution agreements with proponents, processing payments, monitoring financial progress against the Roadmap, completing necessary financial reporting, etc.

Operating Budget Table (\$ Thousands)

Roadmap to 3,000 Affordable Units	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Net Budget (Tax Levy) ¹	\$0	\$0	\$0	\$0	\$0	\$0
Amendment	N/A	N/A	N/A	\$1,794	\$1,794	\$21,564
Amended Net Budget (Tax Levy)	\$0	\$0	\$0	\$1,794	\$1,794	\$21,564

Subject to rounding.

Note 1 – The Operating Budget Table for Roadmap to 3,000 Affordable Units is representative of net budget (tax levy) only, thus excludes impacts of amounts from the Operating Budget Contingency Reserve used to temporarily fund the 2022 operating costs of this plan.

Staffing Impact Table

Staffing Summary - Changes	2020	2021	2022	2023
# of Full-Time Employees Impacted	N/A	N/A	N/A	3.0
# of Full-Time Equivalents Impacted	N/A	N/A	N/A	3.0
Cost of Full-Time Equivalents (\$ Thousands)	N/A	N/A	N/A	\$354

Subject to rounding.

Environmental, Socio-economic Equity and Governance (ESG) Considerations

Environmental, Socio-economic Equity and Governance Profile for this request:



Environmental	There is no anticipated environmental impact as a result of this request.
Socio-economic Equity	<p>London has been facing growing housing needs as the number of individuals and families experiencing homelessness has increased. It is imperative that the housing stability sector use all available tools efficiently to support individuals and families experiencing, and at risk of, homelessness to secure and maintain housing to contribute to an individual’s path to recovery and stabilization.</p> <p>Portable benefits are another tool and key part of the Roadmap, which will provide better access and choice of units for the supported population.</p>
Governance	The risk of not proceeding with this request would be that at least 200 individuals are unable to leave shelter (estimated 100 individuals receiving ongoing support in 2022, ramping up to an additional of 100 more individuals starting 2023) or continue to experience unsheltered and hidden homelessness. Having continued investment into portable benefits to support the Roadmap is a key outcome of the success of that plan and provides necessary flexibility for the Housing Stability Services team and funded agencies to support individuals where they are and with the housing they need.

Additional Details

As part of implementing the Housing Stability Action Plan, portable benefits are a tool being used to support the economic needs of individuals and families experiencing homelessness. The demand on these resources has risen as the impacts of the COVID-19 pandemic on housing rental prices continues to increase. In order to support individuals living in shelter, living unsheltered or those who are hidden homeless and those on the community housing waitlist, increased resources are needed to support the Council-approved Roadmap to 3,000 Affordable Units Action Plan. These benefits serve an important role in the spectrum of housing supports as it provides opportunity for direct rental relief and opens avenues for individuals to obtain and afford more market based rental units over a period of time to ensure housing stability, so that a person can also pursue gains in their social and economic stability.

Portable benefits are flexible, temporary investments in long-term housing stability for individuals and families at risk of or experiencing homelessness. This portable housing benefit supports a housing first/stability approach by assisting with rapid access to permanent housing in the neighbourhood of the individual's or family's choice while longer-term solutions to support the cost of rent are identified and secured.

Links to previous related reports:

[Municipal Council Approval of the Housing Stability Plan 2019 to 2024](#)

[Proposed Implementation of the "Roadmap to 3,000 Affordable Units" \(Roadmap\) Action Plan](#)

2023 Annual Budget Update

Budget Amendment # P-4

Strategic Area of Focus: Strengthening Our Community; Building a Sustainable City; Leading In Public Service

Strategy: Create programs and exhibitions to foster health and well-being.
Revitalize London’s downtown and urban areas.

Budget Amendment Type: New Council Direction

Description: Permanent Funding for Project Clean Slate

Service(s): Community Improvement/BIA

Lead: Scott Mathers, Deputy City Manager, Planning and Economic Development

Budget Amendment Tax Levy Impact Table (\$ Thousands)

Tax Levy Impact Detail	2020	2021	2022	2023	2020 to 2023 Total
Annual Tax Levy Impact	N/A	N/A	N/A	\$200	\$200
Annual Incremental Tax Levy Impact	N/A	N/A	N/A	\$200	\$200
Estimated Annual Tax Levy Impact %	N/A	N/A	N/A	0.03%	0.01% Average
Estimated Annual Tax Payer Impact \$ ¹	N/A	N/A	N/A	\$0.93	\$0.24 Average

Subject to rounding.

1) Calculated based on the average assessed value of \$241 thousand for a residential property (excludes education tax portion and impacts of tax policy).

Permanent Funding for Project Clean Slate

What is the reason for the budget amendment?

This program began as a pilot in 2021. The City partnered with Youth Opportunities Unlimited (YOU) to administer the program. Project Clean Slate helps to address the issue of loose trash and garbage on private property in the Core Area, while at the same time providing employment and development opportunities for youth engaged in YOU programming. Using reallocations within existing budgets, Council funded the Project in 2021 and 2022. In the March 8, 2022 Strategic Priorities and Policy Committee (SPPC) report, Civic Administration noted that, should the outcomes from the extended pilot project continue to be positive, staff will investigate permanent funding options. One potential external funding source being investigated is Federal funding through the Youth Employment and Skills Strategy (YESS). The application and approval process is underway, however, the outcome will not be known until late 2023. The remainder of the pilot has gone well. Project Clean Slate is one of YOU's most positive employment programs in terms of success with the most highly barriered youth.

Operating Budget Table (\$ Thousands)

Funding for Project Clean Slate	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Net Budget (Tax Levy)	\$0	\$54	\$147	\$0	\$0	\$0
Amendment	N/A	N/A	N/A	\$200	\$200	\$1,200
Amended Net Budget (Tax Levy)	\$0	\$54	\$147	\$200	\$200	\$1,200

Subject to rounding.

Environmental, Socio-economic Equity and Governance (ESG) Considerations

Environmental, Socio-economic Equity and Governance Profile for this request:



Environmental	Maintaining cleanliness is a basic element underpinning London’s Core Area as a viable compact urban environment that offers an alternative to other forms of development that may be more carbon-intensive in their environmental impacts.
Socio-economic Equity	Service provider Youth Opportunities Unlimited serves vulnerable populations. Project youth who join the program often struggle to find employment in the community. This project supports these individuals to build skills, confidence, and independence. Youth engaged in the project gain a sense of pride in helping keep the Core Area clean. They gain a variety of work experiences which often leads to full-time employment in the community.
Governance	Project Clean Slate is modelled after successful initiatives in other communities, where environmental and social community objectives are met simultaneously. Project Clean Slate works closely with the Downtown London, and Old East Village BIAs to respond to issues reported by businesses, often on private property. City services are limited to public property. The risk of not funding this program is the City is unable to provide the service to private property and the BIAs would otherwise struggle to fill this gap in service.

Additional Details

Links to Previous Reports:

[Strategic Priorities and Policy Committee, March 8, 2022, Core Area Action Plan 2021 Review](#)

[Strategic Priorities and Policy Committee, May 18, 2021, Comprehensive Report on Core Area Initiatives](#)

2023 Annual Budget Update

Budget Amendment # P-5

Strategic Area of Focus: Leading In Public Service

Strategy: Continue to maintain, build, and enhance a high-performing and secure computing environment.

Budget Amendment Type: New Council Direction

Description: Cybersecurity Infrastructure Expansion and Updates

Service(s): Information Technology Services (ITS)

Lead: Jacqueline Davison, Deputy City Manager, Enterprise Supports
Mat Daley, Director, Information Technology Services

Budget Amendment Tax Levy Impact Table (\$ Thousands)

Tax Levy Impact Detail	2020	2021	2022	2023	2020 to 2023 Total
Annual Tax Levy Impact	N/A	N/A	N/A	\$1,009	\$1,009
Annual Incremental Tax Levy Impact	N/A	N/A	N/A	\$1,009	\$1,009
Estimated Annual Tax Levy Impact %	N/A	N/A	N/A	0.14%	0.04% Average
Estimated Annual Tax Payer Impact \$ ¹	N/A	N/A	N/A	\$4.71	\$1.18 Average

Subject to rounding.

1) Calculated based on the average assessed value of \$241 thousand for a residential property (excludes education tax portion and impacts of tax policy).

Cybersecurity Infrastructure Expansion and Updates

What is the reason for the budget amendment?

The ITS Division faces new and rapidly evolving cybersecurity threats such as ransomware attacks that put the Corporation at significant operational and financial risk in the event of a successful attack. These risks are further magnified by the lack of available insurance products to help mitigate the impacts of the risks.

Further details concerning the associated risks of cybersecurity threats, the cybersecurity insurance environment, and ITS's current and proposed defensive measures were provided to Council, in closed session, at its meeting held on March 22, 2022, at which time Council resolved:

“That, on the recommendation of the Deputy City Manager, Enterprise Supports, the following actions be taken with respect to Information Security at the City of London:

- a) the report dated February 28, 2022 BE RECEIVED for information; and,
- b) the Civic Administration BE DIRECTED to prepare an Information Security enhancement budget amendment for submission to the forthcoming 2023 Annual Budget Update process.”

Operating Budget Table (\$ Thousands)

Information Technology Services	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Net Budget (Tax Levy) ¹	\$19,208	\$20,440	\$21,164	\$21,357	\$82,169	\$128,142
Amendment	N/A	N/A	N/A	\$1,009	\$1,009	\$6,054
Amended Net Budget (Tax Levy)	\$19,208	\$20,440	\$21,164	\$22,366	\$83,178	\$134,196

Subject to rounding.

Capital Budget Expenditure Amendment Table (\$ Thousands)

Information Technology Services	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Budget ¹	\$5,772	\$2,164	\$4,436	\$3,921	\$16,293	\$20,321
Amendment ¹	N/A	N/A	N/A	\$142	\$142	\$0
Amended Budget	\$5,772	\$2,164	\$4,436	\$4,063	\$16,435	\$20,321

Subject to rounding.

Notes:

- 1) To best reflect the cost of ITS capital operations, the figures presented in the “Previously Approved Budget” row represent the area’s total 2020 to 2029 capital plan, which is inclusive of all ITS functions; it being further noted that the one-time capital amendment of \$142 thousand pertains to professional services associated with initial implementation costs.

Capital Budget Source of Financing Amendment Table (\$ Thousands)

Source of Financing Type	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Capital Levy	N/A	N/A	N/A	\$0	\$0	\$0
Debenture	N/A	N/A	N/A	\$0	\$0	\$0
Reserve Fund ¹	N/A	N/A	N/A	-\$142	-\$142	\$0
Other	N/A	N/A	N/A	\$0	\$0	\$0
Non-Tax Supported	N/A	N/A	N/A	\$0	\$0	\$0
Amended Budget	\$5,772	\$2,164	\$4,436	\$4,063	\$16,435	\$20,321

Subject to rounding.

Notes:

- 1) The reserve fund source of financing is the Technology Services Renewal Reserve Fund.
- 2) The 2030 capital gross expenditure is \$2,166,105.
- 3) The 2031 capital gross expenditure is \$7,254,741.
- 4) The 2032 capital gross expenditures is \$2,190,945.

Staffing Impact Table

Staffing Summary - Changes	2020	2021	2022	2023
# of Full-Time Employees Impacted	N/A	N/A	N/A	2
# of Full-Time Equivalents Impacted	N/A	N/A	N/A	2.0
Cost of Full-Time Equivalents (\$ Thousands)	N/A	N/A	N/A	\$219

Subject to rounding.

Environmental, Socio-economic Equity and Governance (ESG) Considerations

Environmental, Socio-economic Equity and Governance Profile for this request:

Governance	Socio-economic Equity	Environmental
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Environmental	This amendment has no environmental impacts.
Socio-economic Equity	This amendment relates to ensuring the continuity of a wide range of City of London public services that leverage Information Technology systems and assets, thus, it stands to benefit all Londoners, including equity-deserving and other vulnerable groups. Additionally, this amendment will reduce the potential financial and operational risks to the City of London of a major cybersecurity incident. Cybersecurity attacks against financial systems, essential operations, and critical infrastructure are becoming commonplace events in today's world.
Governance	Cybersecurity threat actors continue to refine and improve their techniques to infiltrate and compromise government agencies, corporations, and providers of critical infrastructure and public services. As such this budget amendment will assist the City's ability to detect and disable external network threats and protect key proprietary and personal information from being stolen or held for ransom. Not approving the amendment will increase the risk of the corporation to new cybersecurity threats and loss of business continuity and data.

Additional Details

Civic Administration recommends reviewing additional details regarding this budget amendment in an in-camera Council session given the confidential and sensitive nature of the associated investments.

2023 Annual Budget Update

Budget Amendment # P-6

Strategic Area of Focus: Strengthening Our Community

Strategy: Enhance public trust and confidence by ensuring appropriate response to victims, the vulnerable, and racialized persons and groups.

Budget Amendment Type: New Council Direction

Description: 1001 Inventions Exhibit - A London for Everyone: An Action Plan to Disrupt Islamophobia

Service(s): Anti-Racism and Anti-Oppression

Lead: Lynne Livingstone, City Manager
Rumina Morris, Director, Anti-Racism and Anti-Oppression

Budget Amendment Tax Levy Impact Table (\$ Thousands)

Tax Levy Impact Detail	2020	2021	2022	2023	2020 to 2023 Total
Annual Tax Levy Impact	N/A	N/A	N/A	\$0	\$0
Annual Incremental Tax Levy Impact	N/A	N/A	N/A	\$0	\$0
Estimated Annual Tax Levy Impact %	N/A	N/A	N/A	0.00%	0.00% Average
Estimated Annual Tax Payer Impact \$ ¹	N/A	N/A	N/A	\$0	\$0.00 Average

Subject to rounding.

1) Calculated based on the average assessed value of \$241 thousand for a residential property (excludes education tax portion and impacts of tax policy).

1001 Inventions Exhibit - A London for Everyone: An Action Plan to Disrupt Islamophobia

What is the reason for the budget amendment?

On February 15, 2022, Council resolved that the recommendations of A London for Everyone: An Action Plan to Disrupt Islamophobia be endorsed. One such recommendation is for the City of London to work with local community based and public sector organizations to explore the feasibility of bringing the 1001 Inventions exhibition to London in October 2023. 1001 Inventions is a not-for-profit award-winning international science and cultural heritage organization based in the United Kingdom (UK) that raises awareness of the creative golden age of Arabic Science. This will be the first time the exhibition will be brought to Canada, offering the City of London a unique opportunity to demonstrate its commitment to highlighting and honouring the contributions of Muslims.

The Action Plan to Disrupt Islamophobia was developed in response to the June 6, 2021 terror attack, which took the lives of four members of a visibly Muslim family in London. While several of the recommendations may have longer-term budget implications, the recommendation to consider bringing the 1001 Inventions exhibit to London is being explored for October 2023. Other recommendations with financial impacts will be considered as part of the 2024-2027 Multi-Year Budget process.

Operating Budget Table (\$ Thousands)

Anti Racism Anti Oppression	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Net Budget (Tax Levy)	\$0	\$789	\$817	\$818	\$2,423	\$4,908
Expenditure Amendment	N/A	N/A	N/A	\$125	\$125	\$0
Revenue Amendment ¹	N/A	N/A	N/A	-\$125	-\$125	\$0
Amended Net Budget (Tax Levy)	\$0	\$789	\$817	\$818	\$2,423	\$4,908

Subject to rounding.

Notes:

- 1) The one-time funding for this initiative will be sourced by a drawdown from the Community Investment Reserve Fund which has a forecasted uncommitted balance of approximately \$1.3 million.

Environmental, Socio-economic Equity and Governance (ESG) Considerations

Environmental, Socio-economic Equity and Governance Profile for this request:



Environmental	<p>This proposed amendment will not have any significant positive or negative direct impact to London’s Climate Emergency Action Plan. The exhibit will be transported from the United Kingdom via air transportation. Minimal staff accompany the exhibit and local residents will be hired to support the exhibit set up and operations. This will reduce the amount of travel and transportation from overseas and will minimize the carbon footprint as a result.</p>
Socio-economic Equity	<p>Through extensive community engagement in response to the terror attack, the Muslim community overwhelmingly shared that an important way to disrupt Islamophobia is to share knowledge and information about Muslim people. The exhibit is one way that we can showcase and highlight the contributions of Muslims in our world history. It is anticipated that the exhibit will be viewed by students through school trips. There will also be employment opportunities for young adults to participate in the exhibition.</p>
Governance	<p>The risks of approving this amendment are that other equity-deserving groups may suggest that their communities should also be receiving similar support. Work is currently underway to develop similar action plans for other equity-deserving groups, and recommendations which emerge may require future budget amendments.</p> <p>The risk of not approving this amendment is that the community may interpret this as a lack of commitment to ending Islamophobia as was promised through the endorsement of the Action Plan. The Action Plan is also in alignment with the Strategic Plan Area of Focus of Strengthening Our Community. It is also in alignment with our Emerging Priority of Anti-Racism and Anti-Oppression. The nation has been watching to see how London is responding to the serious act of Islamophobia and not delivering on this commitment could have reputational repercussions.</p>

2023 Annual Budget Update

Budget Amendment # P-7

Strategic Area of Focus:	Strengthening our Community
Strategy:	Deliver health protection and promotion programs guided by population health surveillance
Budget Amendment Type:	Cost Driver
Description:	Additional Land Ambulance Resources to Address Service Pressures
Service(s):	Land Ambulance
Lead:	Middlesex-London Paramedic Service Anna Lisa Barbon, Deputy City Manager, Finance Supports

Budget Amendment Tax Levy Impact Table (\$ Thousands)

Tax Levy Impact Detail	2020	2021	2022	2023	2020 to 2023 Total
Annual Tax Levy Impact	N/A	N/A	N/A	\$0	\$0
Annual Incremental Tax Levy Impact	N/A	N/A	N/A	\$0	\$0
Estimated Annual Tax Levy Impact %	N/A	N/A	N/A	0.00%	0.00% Average
Estimated Annual Tax Payer Impact \$ ¹	N/A	N/A	N/A	\$0	\$0.00 Average

Subject to rounding.

1) Calculated based on the average assessed value of \$241 thousand for a residential property (excludes education tax portion and impacts of tax policy).

Additional Land Ambulance Resources to Address Service Pressures

What is the reason for the budget amendment?

The COVID-19 pandemic has exacerbated existing challenges within the healthcare system, including those with the land ambulance system. Ambulance services in London & Middlesex, delivered by the Middlesex-London Paramedic Service (MLPS) under the responsibility of the County of Middlesex as the designated service system manager, continue to experience growing demand, with call volumes up approximately 6% between January 1, 2022 and September 30, 2022 compared to the same period in 2021. This continues the trend in growing service demand that was observed in the years preceding the COVID-19 pandemic. Compounding the growing demand, offload delays at area hospitals continue to be problematic and, in fact, have accelerated in 2022. For January 1, 2022 to September 30, 2022, MLPS reported offload delays at London Health Sciences Centre increasing at a rate of 122% compared to 2021. MLPS is also in the process of finalizing its 2022-2026 Strategic Plan which will identify strategies to address these and other challenges facing the ambulance service. In addition to the pressures associated with growing demand, offload delays and resources required to implement their Strategic Plan, MLPS has identified inflationary pressures as further contributing to the financial challenges being faced. Based on these factors, the City of London has been advised that the City's share of the Land Ambulance budget for 2023 exceeds the previously approved budget and related contingencies. As a significant portion of the total budget increase is linked to a growing city and growing demand for the service (as articulated in the "Additional Details" section below), Civic Administration recommends utilizing assessment growth funding, in alignment with the Assessment Growth Policy, to fund the additional resources required in 2023.

Operating Budget Table (\$ Thousands)

Land Ambulance	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Net Budget (Tax Levy)	\$18,943	\$21,822	\$24,332	\$27,776	\$92,873	\$166,656
Amendment	N/A	N/A	N/A	\$1,759*	\$1,759	\$10,554
Amended Net Budget (Tax Levy)	\$18,943	\$21,822	\$24,332	\$29,535	\$94,632	\$177,210

Subject to rounding.

* As outlined in this amendment, a significant portion of the proposed budget increase is attributable to growth. It is recommended that this portion of the budget increase be funded through assessment growth funding in accordance with the City's Assessment Growth Policy; in other words, utilizing assessment growth funding for growth-related costs to mitigate the tax levy increase of this amendment.

Environmental, Socio-economic Equity and Governance (ESG) Considerations

Environmental, Socio-economic Equity and Governance Profile for this request:

Governance

Socio-economic Equity

Environmental

<p>Environmental</p>	<p>This budget amendment has limited impacts on emissions and no noteworthy climate resilience impacts. While additional ambulances will generate additional carbon emissions, this may be somewhat mitigated by potentially enabling MLPS to reduce reliance on shifting vehicles from county stations into the city and/or reducing the number of occasions when resources need to be called upon from neighbouring ambulance services. Reducing these instances will also help to reduce the emissions associated with those vehicle movements.</p>
<p>Socio-economic Equity</p>	<p>It is anticipated that this amendment will have positive impacts on vulnerable groups, particularly those who are experiencing physical and/or mental health challenges. The additional resources to be funded through this amendment will help to maintain and improve service levels being delivered by MLPS, including the ability to respond in a timely fashion to those experiencing health emergencies. While it is anticipated that the additional resources will have a highly positive impact, it is important to note that some of the challenges facing the land ambulance system are outside the control of MLPS, such as offload delays at hospitals, and therefore the achievement of positive impacts are contingent upon improvement (or no further deterioration) in these other factors.</p>
<p>Governance</p>	<p>There are a number of potential risks associated with not approving the additional resources associated with this budget amendment. First, from an organizational impact perspective, the additional resources will help to mitigate the burden on existing staff that are being stretched thin by the demands currently being experienced by the ambulance service. Additionally, a portion of the additional resources will be utilized for additional training to ensure staff remain up to date on the latest requirements. Furthermore, a portion of this budget increase is attributable to increased insurance costs, noting that maintaining adequate insurance is an important risk mitigation strategy for MLPS. Finally, and perhaps most importantly, not approving this budget amendment jeopardizes the ability of MLPS to comply with legislative requirements under the Ambulance Act and associated regulations.</p>

Additional Details

Based on information provided by, and discussions with, the County of Middlesex, as the designated service system manager for the Middlesex-London Paramedic Service, the increase in the Middlesex-London Paramedic Service budget can be summarized as follows:

(all figures in \$000's)	2022	2023	\$ Increase	% Increase
Gross Expenditure Budget	\$52,088	\$61,385	\$9,298	17.9%
Funded by:*				
Province of Ontario	\$23,393	\$26,116	\$2,723	11.6%
County of Middlesex	\$4,691	\$5,734	\$1,043	22.3%
City of London	\$24,004**	\$29,535	\$5,531	23.0%
Total Funding:	\$52,088	\$61,385	\$9,298	17.9%

* Historically, approximately 50% of the Land Ambulance budget has been funded by a discretionary grant provided by the Province, noting that this typically involves a one-year lag as the grant is based on the prior year's approved budget. The remaining funding is provided by the City and County based on the Council-approved cost apportionment agreement for Land Ambulance (85% based on proportionate weighted assessment in the City and County, 15% based on proportionate call volumes).

** Actual City of London share for 2022 was slightly less than included in the City's approved 2020 to 2023 Multi-Year Budget.

Based on information provided the County, the \$9.3 million increase in the total Middlesex-London Paramedic Service budget can be categorized as follows:

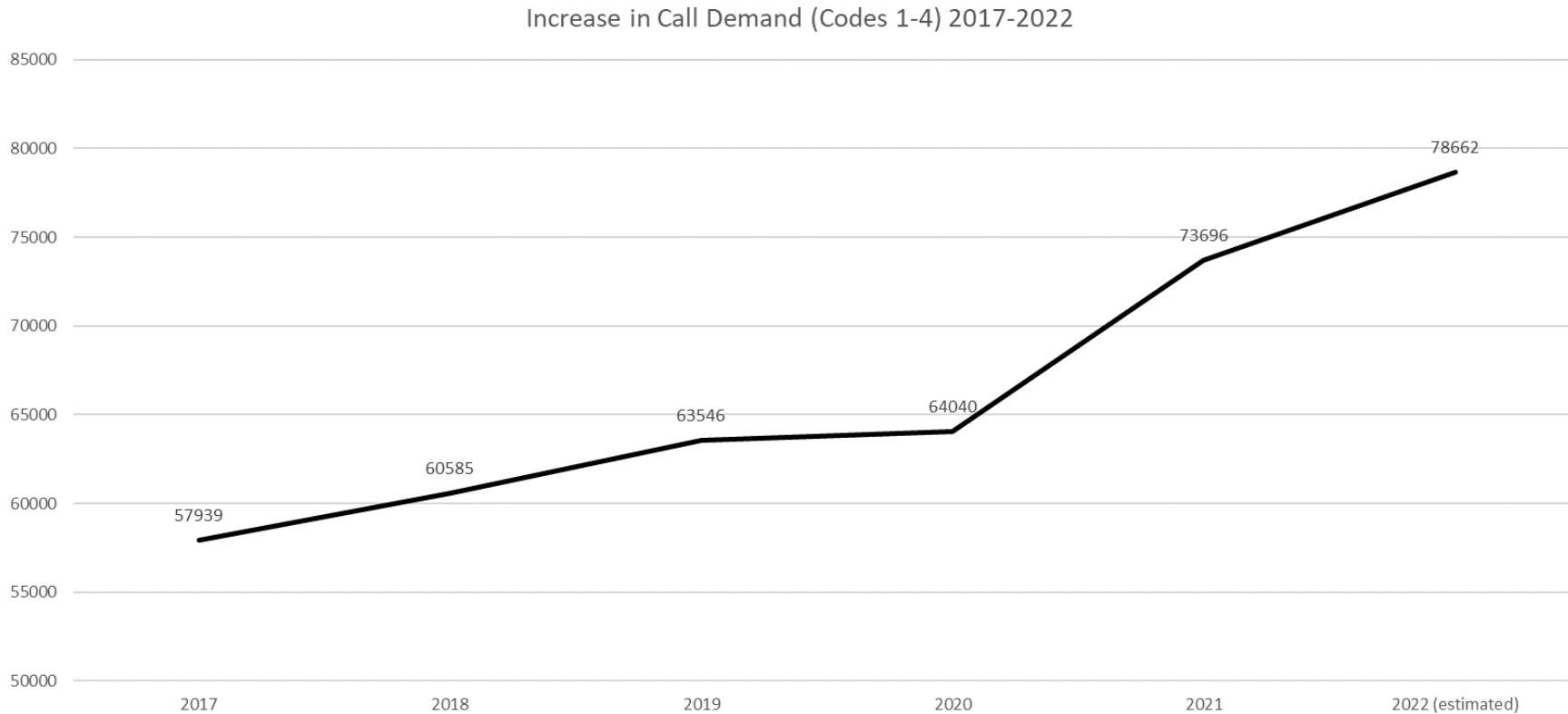
- Growth-related costs (\$4.1 million; approximately 44% of the total increase)
- Inflationary pressures (\$2.9 million; approximately 31% of the total increase)
- Increasing service demands (\$1.9 million; approximately 21% of the total increase)
- Legislative and risk management needs (\$0.4 million; approximately 4% of the total increase)

Growth-Related Costs:

The increased costs in the growth-related category include:

- New ambulances, equipment and staffing for the addition of one (1) new 24-hour vehicle and one (1) new 12-hour vehicle;
- Increased costs such as insurance for the new vehicles;
- Training directly related to new staffing for the additional vehicles;
- Additional costs for consumable supplies (medical supplies and equipment) for the new vehicles;
- Additional logistics and support staff to handle the additional ambulances in service and paramedic operations;
- Costs associated with new station builds that will accommodate more ambulances, paramedics and logistics as demand for service continues to grow.

The additional resources to manage service growth are intended to aid in addressing growing call volumes. As the following graph (provided by MLPS) illustrates, 2022 call volumes are projected to increase approximately 7% over 2021 volumes, on top of the 15% increase that was experienced in 2021:



There are a number of factors contributing to the increasing call volumes. Population growth is one factor, with the combined population of the City of London and County of Middlesex estimated to be approximately 500,000 people in 2021, up from 455,526 per the 2016 census, representing an approximate 10% increase over that period. However, population growth alone does not account for the call volumes increasing at a much faster rate as the graph above illustrates. Other contributing factors include changing demographics, increasing awareness and complexity of mental health issues, etc.

As noted, approximately 44% of the total budget increase is attributable to growth per the information received from the County. Applying this same proportion would indicate that up to \$2.4 million of the increase in the City's share relates to growth costs that would be appropriately funded through assessment growth in accordance with the Council-approved Assessment Growth Policy. However, as

the shortfall relative to approved budgets is only approximately \$1.7 million, Civic Administration recommends funding that gap with assessment growth funding.

As part of the development of the MLPS 2022-2026 Master Plan, it has been identified that further increases to manage growth needs will be required in future years. The modelling completed to support the Master Plan indicates that average weekly vehicle hour requirements are likely to increase between 19% to 41% by 2026 depending on the level of growth experienced in the next few years. Per the Master Plan, if no other system changes are made, MLPS would require a 10% increase in resourcing over the next five years to manage a 19% increase in demand.

Inflationary Pressures:

The increased costs related to inflationary pressures include:

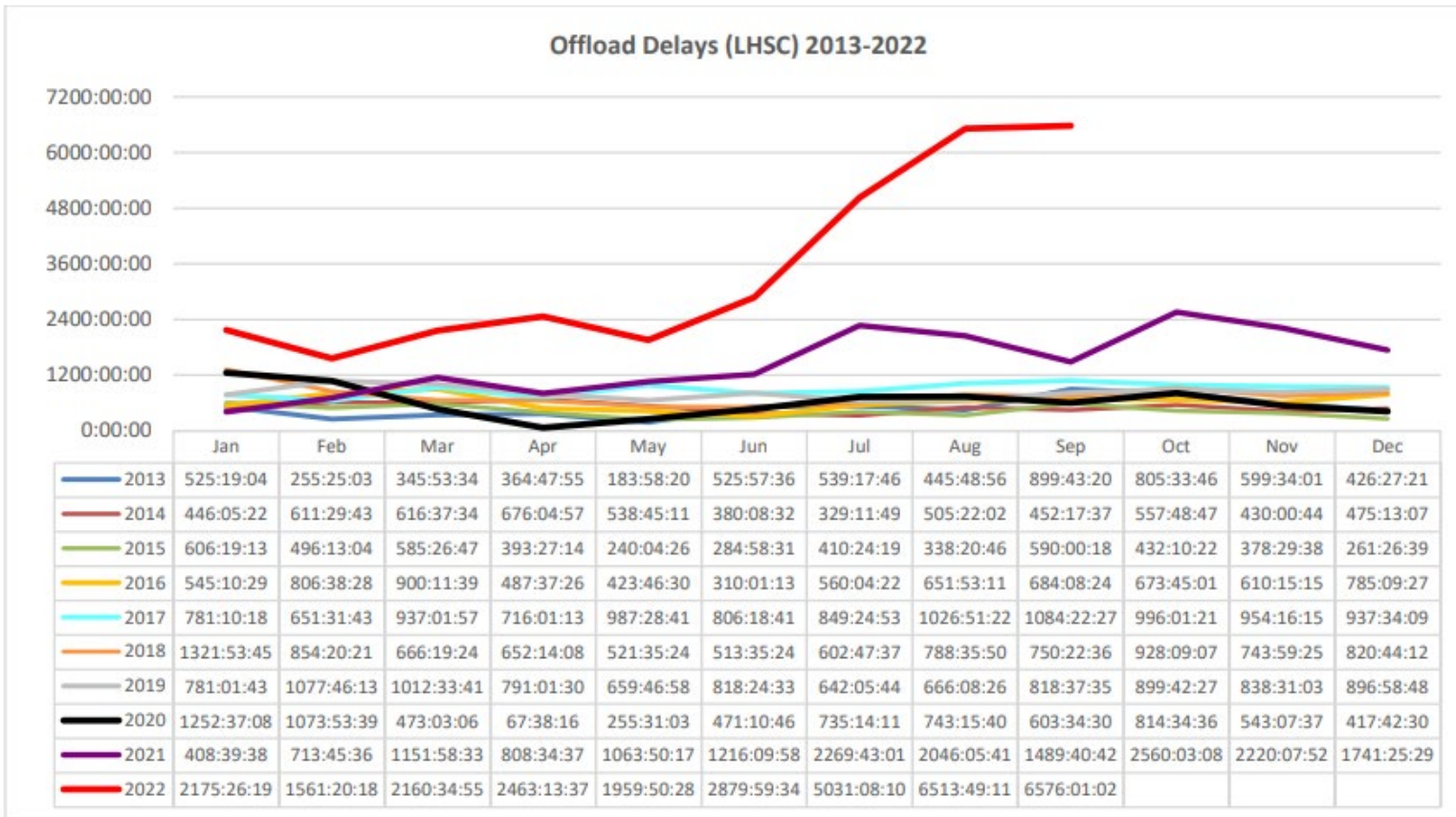
- Additional staffing and benefits costs in accordance with new collective agreement obligations (noting that the collective agreement has been settled since the original estimates were provided for the 2020-2023 Multi-Year Budget);
- Accelerating vehicle and liability insurance costs (insurance costs have increased by approximately 35%);
- Increased costs associated with vehicle operations (e.g. fuel, vehicle parts, maintaining older vehicles, etc.);
- Costs related to consumable supplies are increasing (e.g. medical supplies, oxygen, uniforms and equipment);
- Increasing lease costs based on existing lease obligations;
- Increase in the cost of replacing an ambulance and the associated equipment.

Increasing Service Demands:

This category reflects increased costs due to additional factors placing strain on the ambulance system, driven by:

- Offload delays;
- Sanctioned and unsanctioned special events, and joint response to events (additional resources to support events such as Homecoming and Rock the Park, noting that additional resources include staffing costs (paramedics, logistics and support staff) and external allied agencies);
- Investments in mental health supports and occupational health and safety training;
- Purchase of new ambulances to respond to the challenges of higher call volumes and higher ambulance usage rates;
- Increased costs associated with vehicle operations and consumable supplies (e.g. additional maintenance costs due to increased fleet size and calls).

The following graph, provided by MLPS, illustrates the total time lost due to offload delays at London Health Sciences Centre over the past 10 years. The red line represents 2022, while the purple line reflects 2021. As shown, the time lost to offload delays accelerated in the second half of 2021 and has continued to grow in 2022:



The causes and implications of the offload delays were summarized in MLPS’s August 30, 2022 Paramedic System Status Update report to County Council:

“There are many factors which contribute the increasing of offload delays such as the sheer volume of patients that are brought into emergency departments by ambulance or private means. The acuity of patients, in that higher acuity patients require greater time in the emergency department reducing access to beds for other patients and are often subsequently admitted to hospital which further reduces the access to care spaces and the flow of patients in the department. COVID safety protocols and outbreaks still result in restricted access to care spaces and further inhibit access to beds and reduce flow in the emergency department and staffing levels within all departments (both the floors and in the emergency departments) reduce the capacity of the emergency department. The resulting bottleneck is felt in the emergency department where admitted patients wait for many hours (sometimes days) to be moved to a floor which removes access to that bed for emergency patients. Reduced staffing on the floors removes access to beds for admitted

patients waiting in the emergency departments and lack of staffing in the emergency departments leads to patient care spaces being closed and inaccessible for emergency patients.

The net effect of all this is felt by MLPS. This bottleneck creates a backlog in which paramedics wait for hours in the back hallways with their patients. This is known as an “offload delay” but the problem is deeper than a simple delay in processing the patient. The impact is that there is no physical space or capacity for the emergency department to receive the patient and as such, the paramedics continue care which reduces the number of paramedic units (ambulances) available to respond to calls.”

According to same report, total offload delays in 2021 exceeded any other year by more than 3,700%. Further, “in 2022 to date (January 1 through July 31), MLPS has lost a total of 18,615 hours to offload delays at LHSC. This equates to 3.7 24-hour ambulances per day. The total number of offload delays being experienced each day is increasing as is the duration of each offload delay. The total number of offload delays has increased by 37.8% and the average length of each delay has increased by 46.39%.”

The offload delays are further compounded by the growth being experienced in the geographic service area. As noted in the aforementioned report, “When demand is high, and resources are impaired by offload delays the 911 system can enter into a “Code Zero”. Code Zero reflects that at that moment in time there are no available MLPS paramedic resources available to respond to 911 calls. Fluid deployment across the province of Ontario would result in the dispatching of the closest ambulance from another county or catchment area but this increases the response time for citizens and places strain on our municipal neighbours. Code Zero status is declared by the Central Ambulance Communication Centre (CACC) and is released by the CACC. Data and control for these instances rests with CACC but since June 1, 2022, MLPS has experienced more than 57 instances of Code Zero.”

Legislative and Risk Management Needs:

This category includes increased costs to address emerging legislative and risk mitigation needs include:

- Additional specialized training in response to the changing dynamics and complexity of calls in the community;
- Increase in training costs to reflect the additional full-time and part-time staffing levels.

Other Information to Refer to:

Implementation of Key Recommendations from MLPS Strategic Plan, Report to County Council, Agenda Item 8.a: [8 a - CC - October 25 - 2022-10-25 ORH Key Recommendations \(escribemeetings.com\)](#)

Paramedic System Status Update Report to County Council, August 30, 2022, Agenda Item 8.c: <https://pub-middlesexcounty.escribemeetings.com/FileStream.ashx?DocumentId=6048>

Cost Apportionment Agreement for Land Ambulance, Community and Protective Services Committee, January 23, 2018, Agenda Item 6: <https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=38703>

2023 Annual Budget Update

Budget Amendment # P-8

Strategic Area of Focus:	Building a Sustainable City
Strategy:	Implement the strategic program of road improvements identified in the Smart Moves Transportation Master Plan.
Budget Amendment Type:	Cost Driver
Description:	<p>Realignment and Adjustment of Capital Growth Project Budgets</p> <p>Part A: TS1134 - Intersection - Richmond Street and Fanshawe Park Road</p> <p>Part B: TS1523-2 - Bradley Avenue Extension, Jalna to Wharncliffe Growth Management Implementation Strategy (GMIS) Project</p> <p>Part C: TS1366 - White Oak Road - Exeter Road - 400 Meters South</p> <p>Part D: TS1336 - Intersection - Southdale - Colonel Talbot (Roundabout) TS1329 - Colonel Talbot Road - 300 Meters South of Southdale to James Street</p> <p>Part E: TS1746 - Dingman Drive - Highway 401 Bridge to Wellington Road</p> <p>Part F: TS1358 - Pack Road - Colonel Talbot to Bostwick Road TS1455 - Bostwick Road - Pack Road to Wharncliffe Road</p> <p>Part G: TS1359 - Windermere Road - Western Road to Richmond Street</p> <p>Part H: TS1332 - Intersection - Oxford - Gideon (Roundabout)</p> <p>Part I: TS1496 - Sunningdale Road Widening - 150 Meters West of Richmond to 150 Meters East of Richmond TS1496-3 - Sunningdale Road - Wonderland Road 150 Meters West of Richmond Street (GMIS) TS1670 - Intersection - Sarnia/Philip Aziz - Western Road</p>

Service(s): Roadway Planning and Design

Lead: Kelly Scherr, Deputy City Manager, Environment and Infrastructure

Budget Amendment Tax Levy Impact Table (\$ Thousands)

Tax Levy Impact Detail	2020	2021	2022	2023	2020 to 2023 Total
Annual Tax Levy Impact	N/A	N/A	N/A	\$0	\$0
Annual Incremental Tax Levy Impact	N/A	N/A	N/A	\$0	\$0
Estimated Annual Tax Levy Impact %	N/A	N/A	N/A	0.00%	0.00% Average
Estimated Annual Tax Payer Impact \$ ¹	N/A	N/A	N/A	\$0	\$0.00 Average

Subject to rounding.

1) Calculated based on the average assessed value of \$241 thousand for a residential property (excludes education tax portion and impacts of tax policy).

Part A: TS1134 - Intersection - Richmond Street And Fanshawe Park Road

What is the reason for the budget amendment?

The current economic environment is significantly impacting capital construction pricing based upon increased inflation, supply chain challenges for certain construction materials and labour shortages. The project budgets that were established several years ago no longer reflect the current economic situation and require amendment. Factors such as increased fuel prices, labour shortages, increased labour wages for retention, supply and demand issues for specific construction materials and limited competition among suppliers for some materials are increasing risk levels for construction pricing of infrastructure projects. This increased risk is being reflected in construction pricing particularly for large, complex infrastructure projects that require full construction seasons to undertake and involve multiple disciplines, subcontractors and suppliers.

In addition to the current economic situation, as this project progressed from the 2018 planning and environmental assessment phases to detailed engineering and tender preparation, better information was available to inform the construction estimate and the total required budget for this project. This includes additional costs for property, building demolition and removals, relocation of utility infrastructure, complete street components and underground conditions that were unknown at the time of the Environmental Assessment. Many of these items required investigation during the detailed engineering phase and the completion of activities such as soil sampling and testing, subsurface utility investigation and test pits and field surveys to be completed before an accurate estimate of the required construction quantities and costs could be finalized.

At this stage in the project, it is estimated that approximately 40% of the requested budget amendment amount of \$13,300,000 is associated with current economic factors, 30% is associated with additional property related costs and 30% is attributable to addressing requirements and findings that arose during the detailed engineering phase including utility relocations.

This intersection is adjacent to a Transit Village place type and this area is experiencing significant development and growth. There are expectations from residents and stakeholders that this project will move forward, and that this intersection will be reconstructed to provide streets that meet the City's complete streets design standards and address the significant area growth.

Capital Budget Expenditure Amendment Table (\$ Thousands)

Intersection - Richmond Street and Fanshawe Park Road	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Budget - TS1134	\$5,850	\$5,400	\$1,345	\$0	\$12,595	\$0
Amendment	N/A	N/A	N/A	\$13,300	\$13,300	\$0
Amended Budget	\$5,850	\$5,400	\$1,345	\$13,300	\$25,895	\$0

Capital Budget Source of Financing Amendment Table (\$ Thousands)

Source of Financing Type	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Capital Levy	N/A	N/A	N/A	-\$428	-\$428	\$0
Debenture	N/A	N/A	N/A	-\$1,234	-\$1,234	\$0
Reserve Fund	N/A	N/A	N/A	\$0	\$0	\$0
Other	N/A	N/A	N/A	\$0	\$0	\$0
Non-Tax Supported ¹	N/A	N/A	N/A	-\$11,637	-\$11,637	\$0
Amended Budget	\$5,850	\$5,400	\$1,345	\$13,300	\$25,895	\$0

Subject to rounding.

Notes:

- 1) The non-tax supported source of financing is drawdown and debenture serviced through the City Services Roads Reserve Fund.
- 2) The 2030 capital gross expenditure is \$0.
- 3) The 2031 capital gross expenditure is \$0.
- 4) The 2032 capital gross expenditure is \$0.

Additional Details

Link to previous related report:

- [Civic Works Committee, April 16, 2019, Fanshawe Park Road & Richmond Street Intersection Detailed Design and Tendering Appointment of Consulting Engineer](#)

Part B: TS1523-2 Bradley Avenue Extension, Jalna to Wharncliffe (GMIS Project)

What is the reason for the budget amendment?

The current economic environment is significantly impacting capital construction pricing based upon increased inflation, supply chain challenges for certain construction materials and labour shortages. The project budgets that were established several years ago no longer reflect the current economic situation and require amendment. Factors such as increased fuel prices, labour shortages, increased labour wages for retention, supply and demand issues for specific construction materials and limited competition among suppliers for some materials are increasing risk levels for construction pricing of infrastructure projects. This increased risk is being reflected in construction pricing particularly for large, complex infrastructure projects that require full construction seasons to undertake and involve multiple disciplines, subcontractors and suppliers.

In addition to the current economic situation, as this project progressed from the 2005 planning and environmental assessment phases to detailed engineering and tender preparation, better information was available to inform the construction estimate and the total required budget for this project. This includes additional costs for property, environmental mitigation and approvals, drainage, relocation of utility infrastructure, complete street components and underground conditions that were unknown at the time of the Environmental Assessment. Many of these items required investigation during the detailed engineering phase and the completion of activities such as soil sampling and testing, environmental field reviews and reporting, subsurface utility investigation and test pits and field surveys to be completed before an accurate estimate of the required construction quantities and costs could be finalized.

At this stage in the project, it is estimated that approximately 40% of the requested budget amendment amount of \$8,100,000 is associated with current economic factors and 60% is attributable to addressing requirements and findings that arose during the detailed engineering phase including major drainage works that were not anticipated during the planning phase.

This project will include a new extension of Bradley Avenue which will complete the area transportation network and provide continuous cycling facilities, sidewalks, and traffic lanes. The project will support significant development and growth in the area and allow for efficient mobility through the southwest area of the city.

Capital Budget Expenditure Amendment Table (\$ Thousands)

Bradley Avenue Extension, Jalna To Wharnccliffe	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Budget – TS1523-2	\$2,567	\$644	\$0	\$8,713	\$11,924	\$0
Amendment	N/A	N/A	N/A	\$8,100	\$8,100	\$0
Amended Budget	\$2,567	\$644	\$0	\$16,813	\$20,024	\$0

Capital Budget Source of Financing Amendment Table (\$ Thousands)

Source of Financing Type	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Capital Levy	N/A	N/A	N/A	\$0	\$0	\$0
Debenture	N/A	N/A	N/A	\$0	\$0	\$0
Reserve Fund	N/A	N/A	N/A	\$0	\$0	\$0
Other	N/A	N/A	N/A	\$0	\$0	\$0
Non-Tax Supported ¹	N/A	N/A	N/A	-\$8,100	-\$8,100	\$0
Amended Budget	\$2,567	\$644	\$0	\$16,813	\$20,024	\$0

Subject to rounding.

Notes:

- 1) The non-tax supported source of financing is debenture serviced through the City Services Roads Reserve Fund.
- 2) The 2030 capital gross expenditure is \$0.
- 3) The 2031 capital gross expenditure is \$0.
- 4) The 2032 capital gross expenditure is \$0.

Additional Details

Previous related report:

- [Civic Works Committee, September 13, 2022, Bradley Avenue Extension, White Oak Road to Jalna Boulevard \(West Leg\) Municipal Class Environmental Assessment Addendum](#)

Part C: TS1366 - White Oak Road - Exeter Road to 400 Meters South

What is the reason for the budget amendment?

The current economic environment is significantly impacting capital construction pricing based upon increased inflation, supply chain challenges for certain construction materials and labour shortages. The project budgets that were established several years ago no longer reflect the current economic situation and require amendment. Factors such as increased fuel prices, labour shortages, increased labour wages for retention, supply and demand issues for specific construction materials and limited competition among suppliers for some materials are increasing risk levels for construction pricing of infrastructure projects.

In addition to the current economic situation, as this project progressed from the early planning phases to detailed engineering and tender preparation, better information was available to inform the construction estimate and the total required budget for this project. This includes additional costs for environmental requirements and mitigation, drainage, relocation of utility infrastructure, complete street components and underground conditions that were unknown earlier. Many of these items required investigation during the detailed engineering phase and the completion of activities such as soil sampling and testing, environmental field reviews, a detailed culvert assessment and field surveys to be completed before an accurate estimate of the required construction quantities and costs could be finalized.

At this stage in the project, it is estimated that approximately 40% of the required amendment amount of \$2,110,000 is associated with current economic factors and 60% is due to detailed engineering design findings.

This project will include active transportation elements including new sidewalks and the extension of cycling facilities consistent with the City's complete streets standards to support ongoing growth and development in this area of the city.

Capital Budget Expenditure Amendment Table (\$ Thousands)

White Oak Road - Exeter Road To 400 Meters South	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Budget - TS1366	N/A	\$382	\$1,838	\$0	\$2,220	\$0
Amendment	N/A	N/A	N/A	\$2,110	\$2,110	\$0
Amended Budget	N/A	\$382	\$1,838	\$2,110	\$4,330	\$0

Capital Budget Source of Financing Amendment Table (\$ Thousands)

Source of Financing Type	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Capital Levy	N/A	N/A	N/A	\$0	\$0	\$0
Debenture	N/A	N/A	N/A	-\$209	-\$209	\$0
Reserve Fund	N/A	N/A	N/A	\$0	\$0	\$0
Other	N/A	N/A	N/A	\$0	\$0	\$0
Non-Tax Supported ¹	N/A	N/A	N/A	-\$1,901	-\$1,901	\$0
Amended Budget	\$0	\$382	\$1,838	\$2,110	\$4,330	\$0

Subject to rounding.

Notes:

- 1) The non-tax supported source of financing is debenture serviced through the City Services Roads Reserve Fund.
- 2) The 2030 capital gross expenditure is \$0.
- 3) The 2031 capital gross expenditure is \$0.
- 4) The 2032 capital gross expenditure is \$0.

Additional Details

Link to previous related report:

- [Civic Works Committee, June 1, 2021, White Oak Road Two-Lane Upgrades from Exeter Road to 400 m South – Appointment of Consulting Engineer](#)

**Part D: TS1336 - Intersection - Southdale - Colonel Talbot (Roundabout)
 TS1329 - Colonel Talbot Road - 300 Meters South of Southdale to James Street**

What is the reason for the budget amendment?

The construction of this project is currently programmed for 2024. In order to improve coordination with other adjacent projects, it is recommended that construction of this project be advanced to 2023. Also, as part of this amendment, deferral of TS1329 - Colonel Talbot Road - 300 meters south of Southdale to James Street is recommended to 2024 which will provide the required budget offset and provide additional time for public consultation to inform the final engineering design for this upgrade project.

In addition to the proposed adjustment to the project timing, additional funding is required to support construction of the project in 2023. The current economic environment is significantly impacting capital construction pricing based upon increased inflation, supply chain challenges for certain construction materials and labour shortages. The project budgets that were established several years ago no longer reflect the current economic situation and require amendment. Factors such as increased fuel prices, labour shortages, increased labour wages for retention, supply and demand issues for specific construction traffic and streetlight related materials and limited competition among suppliers for some materials are increasing risk levels for construction pricing of infrastructure projects.

As the engineering design for this project has progressed from the planning and environmental assessment phase, which was completed in 2019, better information is available to inform the required budget for this project. This includes additional costs for the relocation of utility infrastructure and to ensure appropriate permanent and temporary transitions to existing infrastructure to ensure coordination between adjacent projects and to address stormwater management requirements.

At this stage in the project, it is estimated that approximately 40% of the requested budget amendment amount \$6,750,000 is associated with current economic factors and 60% for addressing requirement and findings that arose during the detailed engineering phase including utility relocations and some temporary property requirements for construction purposes.

This project will support the significant growth occurring in the southwest area of the city. There are expectations from stakeholders that this project will move forward, and that this intersection will be constructed as a roundabout which is consistent with City standards and providing efficient mobility for all users in this growing area.

Capital Budget Expenditure Amendment Table (\$ Thousands)

Intersection - Southdale - Colonel Talbot (Roundabout)	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Budget - TS1336	\$0	\$0	\$497	\$0	\$497	\$3,687
Amendment	N/A	N/A	N/A	\$10,437	\$10,437	-\$3,687
Amended Budget	\$0	\$0	\$497	\$10,437	\$10,934	\$0

Capital Budget Expenditure Amendment Table (\$ Thousands)

Colonel Talbot Road - 300 Meters South of Southdale To James Street	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Budget - TS1329	\$700	\$0	\$849	\$11,129	\$12,678	\$0
Amendment	N/A	N/A	N/A	-\$10,428	-\$10,428	\$10,428
Amended Budget	\$700	\$0	\$849	\$701	\$2,250	\$10,428

Capital Budget Source of Financing Amendment Table – Cumulative Net Impact (\$ Thousands)

Source of Financing Type	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Capital Levy	N/A	N/A	N/A	\$0	\$0	\$0
Debenture	N/A	N/A	N/A	\$187	\$187	-\$1,030
Reserve Fund	N/A	N/A	N/A	\$0	\$0	\$0
Other	N/A	N/A	N/A	\$0	\$0	\$0
Non-Tax Supported ¹	N/A	N/A	N/A	-\$196	-\$196	-\$5,711
Amended Budget	\$0	\$0	\$0	\$11,138	\$13,184	\$10,428

Subject to rounding.

Notes:

- 1) The non-tax supported source of financing is drawdown and debenture serviced through the City Services Roads Reserve Fund.
- 2) The 2030 capital gross expenditure is \$0.
- 3) The 2031 capital gross expenditure is \$0.
- 4) The 2032 capital gross expenditure is \$0.

Additional Details

Links to previous related reports:

- [Civic Works Committee, March 29, 2022, Appointment of Consulting Engineer - Detailed Design Southdale Road West and Colonel Talbot Road Roundabout](#)
- [Civic Works Committee, May 10, 2022, Colonel Talbot Road Two-lane Upgrades from Southdale Road to James Street– Appointment of Consulting Engineer](#)

Part E: TS1746 - Dingman Drive - Highway 401 Bridge to Wellington Road

What is the reason for the budget amendment?

The current economic environment is significantly impacting capital construction pricing based upon increased inflation, supply chain challenges for certain construction materials and labour shortages. The project budgets that were established several years ago no longer reflect the current economic situation and require amendment. Factors such as increased fuel prices, labour shortages, increased labour wages for retention, supply and demand issues for specific construction materials and limited competition among suppliers for some materials are increasing risk levels for construction pricing of infrastructure projects. This increased risk is being reflected in construction pricing particularly for large, complex infrastructure projects that require full construction seasons to undertake and involve multiple disciplines, subcontractors, and suppliers.

In addition to the current economic situation, as this project progressed from the planning and environmental assessment phases to detailed engineering and tender preparation, better information was available to inform the construction estimate and the total required budget for this project. This includes additional costs for property, environmental mitigation, drainage, relocation of utility infrastructure, complete street components and underground conditions that were unknown at the time of the Environmental Assessment. Many of these items required investigation during the detailed engineering phase and the completion of activities such as soil sampling and testing, environmental field reviews and reporting, subsurface utility investigation and test pits and field surveys to be completed before an accurate estimate of the required construction quantities and costs could be finalized.

At this stage in the project, it is estimated that approximately 40% of the requested budget amendment amount of \$2,300,000 is associated with the current economic factors, 10% is associated with additional property related costs and 50% is attributed to addressing requirements and findings that arose during the detailed engineering phase including utility relocations.

This project directly supports an adjacent large-scale development and will ensure that the necessary permanent transportation infrastructure is implemented to support this growth in an efficient and timely manner. There are expectations from stakeholders that this project will move forward, and that this corridor will be reconstructed to provide a corridor that provides efficient mobility to address growth and meets the City's complete streets design standards.

Capital Budget Expenditure Amendment Table (\$ Thousands)

Dingman Drive - Highway 401 Bridge to Wellington Road	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Budget - TS1746	\$2,325	\$8,641	\$0	\$0	\$10,966	\$0
Amendment	N/A	N/A	N/A	\$2,300	\$2,300	\$0
Amended Budget	\$2,325	\$8,641	\$0	\$2,300	\$13,266	\$0

Capital Budget Source of Financing Amendment Table (\$ Thousands)

Source of Financing Type	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Capital Levy	N/A	N/A	N/A	\$0	\$0	\$0
Debenture	N/A	N/A	N/A	-\$186	-\$186	\$0
Reserve Fund	N/A	N/A	N/A	\$0	\$0	\$0
Other	N/A	N/A	N/A	\$0	\$0	\$0
Non-Tax Supported ¹	N/A	N/A	N/A	-\$2,114	-\$2,114	\$0
Amended Budget	\$2,325	\$8,641	\$0	\$2,300	\$13,266	\$0

Subject to rounding.

Notes:

- 1) The non-tax supported source of financing is debenture serviced through the City Services Roads Reserve Fund.
- 2) The 2030 capital gross expenditure is \$0.
- 3) The 2031 capital gross expenditure is \$0.
- 4) The 2032 capital gross expenditure is \$0.

Additional Details

Link to previous related report:

- [Civic Works Committee, March 02, 2021, Dingman Drive Improvements - Appointment of Consulting Engineer - Detailed Design & Tendering](#)

Part F: TS1358 - Pack Road - Colonel Talbot to Bostwick Road
 TS1455 – Bostwick Road – Pack Road to Wharncliffe Road

What is the reason for the budget amendment?

This amendment is required to revise the project timing for the upgrade to Pack Road to address the deteriorating condition of the roadway and in consideration of the significant growth and traffic in the area. The construction of this project is currently programmed for 2032. In order to address the deteriorating pavement and roadway conditions it is recommended that the project timing be advanced to provide engineering design budget in 2023. Budget from project TS1455 Bostwick Road Improvements from Pack to Wharncliffe (currently scheduled for construction in 2026) has been identified as an offset as consulting funds are available as early as 2023. Revised timing for TS1455 will be reviewed as part of the ongoing Mobility Master Plan and upcoming Development Charges Background Study. It should be noted that budgets were shifted to align with construction in 2032.

Capital Budget Expenditure Amendment Table (\$ Thousands)

Pack Road - Colonel Talbot to Bostwick Road	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Budget – TS1358	\$0	\$0	\$0	\$0	\$0	\$180
Amendment	N/A	N/A	N/A	\$1,000	\$1,000	\$0
Amended Budget	\$0	\$0	\$0	\$1,000	\$1,000	\$180

Capital Budget Expenditure Amendment Table (\$ Thousands)

Bostwick Road - Pack Road to Wharncliffe Road	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Budget – TS1455	\$0	\$0	\$0	\$669	\$669	\$20,356
Amendment	N/A	N/A	N/A	-\$669	-\$669	-\$19,687
Amended Budget	\$0	\$0	\$0	\$0	\$0	\$669

Capital Budget Source of Financing Amendment Table – Cumulative Net Impact (\$ Thousands)

Source of Financing Type	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Capital Levy	N/A	N/A	N/A	\$0	\$0	-\$43
Debenture	N/A	N/A	N/A	-\$71	-\$71	\$1,303
Reserve Fund	N/A	N/A	N/A	\$0	\$0	\$0
Other	N/A	N/A	N/A	\$0	\$0	\$0
Non-Tax Supported ¹	N/A	N/A	N/A	-\$260	-\$260	\$18,427
Amended Budget	\$0	\$0	\$0	\$1,000	\$1,000	\$849

Subject to rounding.

Notes:

- 1) The non-tax supported source of financing is drawdown and debenture serviced through the City Services Roads Reserve Fund.
- 2) The 2030 capital gross expenditure is TS1358: \$389,422, TS1455: \$5,629,500.
- 3) The 2031 capital gross expenditure is TS1455: \$1,196,733.
- 4) The 2032 capital gross expenditure is TS1358: \$12,481,557, TS1455: \$13,529,816.
- 5) It should be noted that budgets were shifted to align with construction in 2032.

Part G: TS1359 – Windermere Road – Western Road to Richmond Street

What is the reason for the budget amendment?

This project is currently scheduled for construction in 2024; however, in order to provide sufficient time to acquire property, finalize the design and relocate utilities as well as to provide coordination with future planned work on Western University’s campus, a construction schedule of 2026 at the earliest is now being recommended. This timing will also facilitate a review of funding and prioritization as part of the Mobility Master Plan and upcoming Development Charges Background Study. This budget amendment identifies pre-engineering costs to progress the project and prepare a more refined estimate for the future construction year.

Capital Budget Expenditure Amendment Table (\$ Thousands)

Windermere Road – Western Road to Richmond Street	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Budget – TS1359	\$437	\$120	\$236	\$0	\$793	\$3,160
Amendment	N/A	N/A	N/A	\$1,500	\$1,500	\$0
Amended Budget	\$437	\$120	\$236	\$1,500	\$2,293	\$3,160

Capital Budget Source of Financing Amendment Table (\$ Thousands)

Source of Financing Type	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Capital Levy	N/A	N/A	N/A	\$0	\$0	\$0
Debenture	N/A	N/A	N/A	-\$160	-\$160	\$0
Reserve Fund ¹	N/A	N/A	N/A	\$0	\$0	\$0
Other	N/A	N/A	N/A	\$0	\$0	\$0
Non-Tax Supported ²	N/A	N/A	N/A	-\$1,340	-\$1,340	\$0
Amended Budget	\$437	\$120	\$236	\$1,500	\$2,293	\$3,160

Subject to rounding.

Notes:

- 1) The non-tax supported source of financing is the City Service Roads Reserve Fund.
- 2) The 2030 capital gross expenditure is \$0.
- 3) The 2031 capital gross expenditure is \$0.
- 4) The 2032 capital gross expenditure is \$0.

Additional Details

Previous related reports:

- [Civic Works Committee, September 13, 2022, Windermere Road Improvements Environmental Study Report](#)

Part H: TS1332 - Intersection - Oxford - Gideon (Roundabout)

What is the reason for the budget amendment?

This project is currently scheduled for construction in 2024. This budget amendment identifies pre-engineering costs required to progress the project and prepare a more refined construction cost estimate. The recently completed environmental assessment and preliminary design study does provide a good basis for determining the necessary scope of the project, property requirements and relocation of utility infrastructure to accommodate the intersection improvements.

Capital Budget Expenditure Amendment Table (\$ Thousands)

Intersection - Oxford - Gideon (Roundabout)	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Budget – TS1332	\$0	\$178	\$122	\$275	\$575	\$3,251
Amendment	N/A	N/A	N/A	\$400	\$400	\$0
Amended Budget	\$0	\$178	\$122	\$675	\$975	\$3,251

Capital Budget Source of Financing Amendment Table (\$ Thousands)

Source of Financing Type	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Capital Levy	N/A	N/A	N/A	\$0	\$0	\$0
Debenture	N/A	N/A	N/A	-\$50	-\$50	\$0
Reserve Fund ¹	N/A	N/A	N/A	\$0	\$0	\$0
Other	N/A	N/A	N/A	\$0	\$0	\$0
Non-Tax Supported ²	N/A	N/A	N/A	-\$350	-\$350	\$0
Amended Budget	\$0	\$178	\$122	\$675	\$975	\$3,251

Subject to rounding.

Notes:

- 1) The non-tax supported source of financing is the City Services Roads Reserve Fund.
- 2) The 2030 capital gross expenditure is \$0.
- 3) The 2031 capital gross expenditure is \$0.
- 4) The 2032 capital gross expenditure is \$0.

Additional Details

Previous related reports: [Civic Works Committee, January 19, 2021, Oxford Street West, and Gideon Drive Intersection Improvements Environmental Assessment Study Appointment of Consulting Engineer](#)

Part I: TS1496 – Sunningdale Road Widening - 150 Meters West of Richmond To 150 Meters East of Richmond

TS1496-3 - Sunningdale Road - Wonderland Road 150 Meters West of Richmond Street (GMIS Project)

TS1670 - Intersection - Sarnia/Philip Aziz - Western Road

What is the reason for the budget amendment?

These capital projects are scheduled for construction in 2023 but are being deferred to 2024 and 2025 respectively as additional time is required to acquire property, finalize designs, etc. In addition, deferring these capital budgets will help offset the significant impacts of parts A through H of this business case on the City Services Roads Reserve Fund.

TS1496 - Sunningdale Road Widening - 150 Meters West Of Richmond To 150 Meters East Of Richmond moved from 2023 to 2025

TS1496-3 - Sunningdale Road - Wonderland Road 150 Meters West Of Richmond Street (GMIS) moved from 2023 to 2025

TS1670 - Intersection - Sarnia/Philip Aziz - Western Road moved from 2023 to 2024.

Capital Budget Expenditure Amendment Table (\$ Thousands)

Sunningdale Road Widening - 150 Meters West of Richmond to 150 Meters East of Richmond	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Budget - TS1496	\$0	\$0	\$153	\$5,367	\$5,520	\$0
Amendment	N/A	N/A	N/A	-\$5,367	-\$5,367	\$5,367
Amended Budget	\$0	\$0	\$153	\$0	\$153	\$5,367

Capital Budget Expenditure Amendment Table (\$ Thousands)

Sunningdale Road - Wonderland Road 150 Meters West of Richmond Street (GMIS)	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Budget - TS1496-3	\$2,028	\$300	\$671	\$25,426	\$28,425	\$0
Amendment	N/A	N/A	N/A	-\$25,426	-\$25,426	\$25,426
Amended Budget	\$2,028	\$300	\$671	\$0	\$2,999	\$25,426

Capital Budget Expenditure Amendment Table (\$ Thousands)

Intersection - Sarnia/Philip Aziz - Western Road	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Budget - TS1670	\$0	\$0	\$928	\$7,484	\$8,412	\$0
Amendment	N/A	N/A	N/A	-\$7,484	-\$7,484	\$7,484
Amended Budget	\$0	\$0	\$928	\$0	\$928	\$7,484

Capital Budget Source of Financing Amendment Table – Cumulative Net Impact (\$ Thousands)

Source of Financing Type	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Capital Levy	N/A	N/A	N/A	\$428	\$428	\$0
Debenture	N/A	N/A	N/A	\$2,553	\$2,553	-\$2,981
Reserve Fund	N/A	N/A	N/A	\$0	\$0	\$0
Other	N/A	N/A	N/A	\$0	\$0	\$0
Non-Tax Supported ¹	N/A	N/A	N/A	\$35,296	\$35,296	-\$35,296
Amended Budget	\$2,028	\$300	\$1,752	\$0	\$4,080	\$38,277

Subject to rounding.

Notes:

- 1) The non-tax supported source of financing is debenture serviced through the City Services Roads Reserve Fund.
- 2) The 2030 capital gross expenditure is \$0.
- 3) The 2031 capital gross expenditure is \$0.
- 4) The 2032 capital gross expenditure is \$0.

Environmental, Socio-economic Equity and Governance (ESG) Considerations

Environmental, Socio-economic Equity and Governance Profile for this request:



Environmental	All projects in this amendment have been reviewed as part of the Climate Emergency Action Plan screening tool and will provide a sustainable approach to provide complete street elements to promote active transportation and transit use while reducing congestion and improving safety. The new infrastructure will be designed to provide improved resiliency over the existing conditions. These projects have involved significant stakeholder consultation however there has been no targeted consultation with respect to this budget amendment.
Socio-economic Equity	These projects will include the installation of sidewalks and cycling facilities in accordance with City design standards and the London Plan and will be implemented to meet the latest accessibility requirements.
Governance	<p>Council approval of the consultant assignments and/or construction awards will be requested where necessary in accordance with City’s Procurement of Goods and Services Policy. Progress of these projects will also be monitored through the capital budget monitoring process.</p> <p>These amendments will require support from other Transportation program areas which will be managed through deferral of other work to future years. Not proceeding with these projects will result in continuing traffic operations and safety concerns at specific locations within the project limits.</p>

2023 Annual Budget Update

Budget Amendment # P-9

Strategic Area of Focus: Building a Sustainable City

Strategy: Establish and revitalize community housing through a Regeneration Plan

Budget Amendment Type: Cost Driver

Description: Project Timeline and Funding Realignment - Regeneration of Public Housing

Service(s): London and Middlesex Community Housing

Lead: Paul Chisholm, Chief Executive Officer, London and Middlesex Community Housing

Budget Amendment Tax Levy Impact Table (\$ Thousands)

Tax Levy Impact Detail	2020	2021	2022	2023	2020 to 2023 Total
Annual Tax Levy Impact	N/A	N/A	N/A	\$0	\$0
Annual Incremental Tax Levy Impact	N/A	N/A	N/A	\$0	\$0
Estimated Annual Tax Levy Impact %	N/A	N/A	N/A	0.00%	0.00% Average
Estimated Annual Tax Payer Impact \$ ¹	N/A	N/A	N/A	\$0	\$0.00 Average

Subject to rounding.

1) Calculated based on the average assessed value of \$241 thousand for a residential property (excludes education tax portion and impacts of tax policy).

Project Timeline and Funding Realignment - Regeneration of Public Housing

What is the reason for the budget amendment?

Regeneration of LMCH existing sites was approved as a part of Business Case #21 during the 2020 to 2023 Multi-Year Budget, noting that the strategy first originated in the 2016 to 2019 Multi-Year Budget with funding starting to be accumulated. The intent of the business case is to redevelop selected LMCH sites with the goal to increase the diversity of housing stock, complete a proof of concept for mixed housing development, and foster a strengthened sustainable community.

LMCH has selected the Southdale Community as the first townhouse community for regeneration. LMCH is submitting a Zoning By-Law Amendment that sets out a three-phase plan to redevelop the site. Amending the timing of funds received through 2020 to 2023 Business Case #21 will allow LMCH to complete Phase 1 of this project while simultaneously allowing development of a fulsome Regeneration Strategy for the entire LMCH Portfolio.

Operating Budget (\$ Thousands)

Corporate Debt Servicing Costs	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Net Budget (Tax Levy)	\$37,560	\$35,945	\$33,559	\$33,244	\$140,308	\$201,194
Amendment	N/A	N/A	N/A	N/A	N/A	\$11,973
Amended Net Budget (Tax Levy)	\$37,560	\$35,945	\$33,559	\$33,244	\$140,308	\$213,167

Subject to rounding.

Capital Budget Expenditure Amendment Table (\$ Thousands)

Regenerating Public Housing Plan	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Budget – PH2640	\$1,250	\$1,500	\$2,750	\$3,500	\$9,000	\$21,000
Amendment	N/A	N/A	N/A	\$21,000	\$21,000	-\$21,000
Amended Budget	\$0	\$0	\$0	\$24,500	\$30,000	\$0

Capital Budget Source of Financing Amendment Table (\$ Thousands)

Source of Financing Type	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Capital Levy	N/A	N/A	N/A	\$0	\$0	\$0
Debenture	N/A	N/A	N/A	-\$21,000	-\$21,000	\$21,000
Reserve Fund	N/A	N/A	N/A	\$0	\$0	\$0
Other	N/A	N/A	N/A	\$0	\$0	\$0
Non-Tax Supported	N/A	N/A	N/A	\$0	\$0	\$0
Amended Budget	\$0	\$0	\$0	\$24,500	\$30,000	\$0

Subject to rounding.

Notes:

- 1) The 2030 capital gross expenditure is \$0.
- 2) The 2031 capital gross expenditure is \$0.
- 3) The 2032 capital gross expenditure is \$0.

Environmental, Socio-economic Equity and Governance (ESG) Considerations

Environmental, Socio-economic Equity and Governance Profile for this request:



Environmental	<p>Regeneration of the LMCH Community Housing Portfolio provides an opportunity to increase the density of existing community housing developments, leveraging existing infrastructure – roads, transit, water, sewer, etc. - as well as community assets, reducing the environmental impact as compared to growth in new communities.</p> <p>Residential Properties account for 40% of Canada’s energy consumption. Reimagine Southdale has a sustainability target for reduction of energy and greenhouse gas emissions. Reimagine will meet or exceed 2015 NECB – National Energy Code for Buildings by 35%. In addition to reduced energy costs the units are better able to adapt to climate and environmental changes we experience.</p>
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	<p>Redevelopment will implement waste reduction and diversion initiatives as outlined in the City of London’s “Climate Emergency Action Plan”.</p> <p>As outlined in the Reimagine Southdale Zoning By-law Amendment pre-application with City of London Planning, no ecological planning issues or associated studies are required related to this property.</p> <p>New developments will seek to lower greenhouse gas emissions and use renewable energy sources where possible in the built environment.</p>
<p>Socio-economic Equity</p>	<p>The redevelopment of the LMCH community housing portfolio will support the regeneration of the community to better meet the needs of current and future tenants:</p> <ul style="list-style-type: none"> • Increase the number of community housing units available in London – the first phase of the project will replace 18 townhomes with 53 new units. • Transition LMCH to providing mixed income communities – serving more families at different points within the housing continuum by adding new affordable market rental units. • Increase the accessibility of housing to better meet the needs of tenants by providing family housing that is barrier free. • Increase housing density in established communities with established infrastructure, services and supports. • Add additional amenity spaces, community rooms, landscaping features that supports the development of vibrant communities. • Responds to the needs and issues identified by tenants and the wider community through the development process.
<p>Governance</p>	<p>The LMCH Community Housing Portfolio is, on average, over 50 years old. The funding realignment received through this business case will allow LMCH to further the organization’s portfolio regeneration strategy, continue preliminary work to prepare other redevelopment projects and more importantly provides funds to support the first redevelopment project for LMCH.</p> <p>LMCH is working closely with Canada Mortgage and Housing Corporation to identify opportunities to access grant funding to support regeneration and ensure that all plans align with the National Housing Strategy. Starting the regeneration process through projects that improve the quality of housing for current tenants and improves the housing options for the broader community supports both local and national priorities.</p> <p>The provision of Community Housing through the Local Housing Corporation provides an opportunity to ensure public ownership is maintained, long term affordability is secured, investment in redevelopment is aligned with existing plans and supports meeting the needs of current and future tenants.</p>

	The gradual renewal of the LMCH portfolio will ensure that the current affordable housing stock remains a community asset for future generations
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Additional Details

The funding approved through the original business case was provided to support LMCH moving forward with regeneration across the portfolio. The focus of the first redevelopment project was directed toward the family townhome sites. The Board of Directors selected the Southdale Community as the redevelopment site and staff have been working closely with the tenants, Civic Administration, and our architect to finalize a site plan and develop a phased approach to this redevelopment. The Zoning Bylaw Amendment (ZBA) application was submitted in August 2022. The ZBA lays out a plan that includes the replacement of 68 existing townhouse units on the site with three 6-storey, 18-meter apartment buildings. The proposal provides a total of 265 units, including 98 existing townhouses and 167 apartment units ranging in type from 1 to 4-bedroom to be built over three phases.

The change to the funding flow for Business Case # 21 will enable Phase 1 of the project to build 53 new units of housing, new community space and invest in improvements across the rest of the site. Grant contributions from Canada Mortgage and Housing Corporation will be sought to reduce the net investment needed for the overall project, subject to acceptable terms and conditions and with the concurrence of Civic Administration.

If adjustment to the timing of the budget for this project is not approved, phase one of the project will be significantly delayed as the currently available budget is insufficient to initiate a procurement. LMCH would then have to revisit financing options for the project, including looking for assistance from other levels of government, e.g. via CMHC.

2023 Annual Budget Update

Budget Amendment # P-10

Strategic Area of Focus:	Building a Sustainable City; Leading in Public Service
Strategy:	Increase pedestrian amenities on streets Improve residents' satisfaction with winter road and sidewalk maintenance
Budget Amendment Type:	Cost Driver
Description:	Part A: Reduce previously approved additional investment in local improvement for streetlights. Part B: Reduce annual walkway maintenance. Part C: Reduce previously approved additional investment in Winter Maintenance.
Service(s):	Traffic Control and Streetlights, Roadway Maintenance and Winter Maintenance
Lead:	Kelly Scherr, Deputy City Manager, Environment and Infrastructure

Budget Amendment Tax Levy Impact Table (\$ Thousands)

Tax Levy Impact Detail	2020	2021	2022	2023	2020 to 2023 Total
Annual Tax Levy Impact	N/A	N/A	N/A	-\$936	-\$936
Annual Incremental Tax Levy Impact	N/A	N/A	N/A	-\$936	-\$936
Estimated Annual Tax Levy Impact %	N/A	N/A	N/A	-0.13%	-0.03% Average
Estimated Annual Tax Payer Impact \$ ¹	N/A	N/A	N/A	-\$4.37	-\$1.09 Average

Subject to rounding.

1) Calculated based on the average assessed value of \$241 thousand for a residential property (excludes education tax portion and impacts of tax policy).

Part A: Reduce Previously Approved Additional Investment in Local Improvement for Streetlights

What is the reason for the budget amendment?

This budget amendment is to reduce previously approved multi-year 2020 to 2023 additional investment (Business Case #23) in Streetlight Local Improvement. With the additional investment, the City had planned to add new streetlights where they did not exist by cost sharing between the City (60%) and the owners (40%). Due to lack of interest in this program, the City will eliminate the cost sharing and continue to add new streetlights using existing streetlight maintenance capital funds.

Operating Budget Table (\$ Thousands)

Electricity Costs	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Net Budget (Tax Levy)	\$0	\$5	\$11	\$16	\$32	\$201
Amendment	N/A	N/A	N/A	-\$16	-\$16	-\$201
Amended Net Budget (Tax Levy)	\$0	\$5	\$11	\$0	\$16	\$0

Subject to rounding.

Capital Budget Expenditure Amendment Table (\$ Thousands)

Streetlight Local Improvement	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Budget – TS5124	\$200	\$200	\$200	\$200	\$800	\$1,200
Amendment	N/A	N/A	N/A	-\$200	-\$200	-\$1,200
Amended Budget	\$200	\$200	\$200	\$0	\$600	\$0

Capital Budget Source of Financing Amendment Table (\$ Thousands)

Source of Financing Type	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Capital Levy	N/A	N/A	N/A	\$120	\$120	\$720
Debenture	N/A	N/A	N/A	\$0	\$0	\$0
Reserve Fund ¹	N/A	N/A	N/A	\$0	\$0	\$0
Other	N/A	N/A	N/A	\$80	\$80	\$480
Non-Tax Supported ²	N/A	N/A	N/A	\$0	\$0	\$0
Amended Budget	\$200	\$200	\$200	\$0	\$600	\$0

Subject to rounding.

Part B: Reduce Annual Walkway Maintenance

What is the reason for the budget amendment?

This budget amendment is to reduce walkway maintenance carried out by Roads Maintenance teams during summers from annually to every second year. Walkway maintenance was reduced when COVID-19 response reductions and prioritization of services were necessary. This is being presented as an opportunity for budgetary savings by implementing this frequency change on a permanent basis.

Operating Budget Table (\$ Thousands)

Transportation Operations – Summer Maintenance	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Net Budget (Tax Levy)	\$5,162	\$5,359	\$5,241	\$5,318	\$21,080	\$31,908
Amendment	N/A	N/A	N/A	-\$60	-\$60	-\$360
Amended Net Budget (Tax Levy)	\$5,162	\$5,359	\$5,241	\$5,258	\$21,020	\$31,548

Subject to rounding.

Part C: Reduce Previously Approved Additional Investment in Winter Maintenance

What is the reason for the budget amendment?

This budget amendment is to reduce previously approved multi-year 2020 to 2023 additional investment (Business Case #25) in Winter Maintenance program support for sidewalks as a budget reduction opportunity. Current Provincial Minimum Maintenance Standards (MMS) for sidewalks is 8 centimetres of snow accumulation before equipment is deployed and it allows 48 hours after the snowfall ends to clear the sidewalk. With the additional investment, a 5 centimetre threshold was achieved in the 2021/2022 winter but with this budget amendment, the City of London will revert to the Minimum Maintenance Standard 8-centimetre snow accumulation on sidewalks criteria. The value of the budget amendment was based on an estimated additional six sidewalk snowplow mobilizations annually.

A corresponding reduction of \$140,000 in the coordinated bus stop clearing service provided by the City to London Transit Commission would also be realized.

Operating Budget Table (\$ Thousands)

Winter Maintenance	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Net Budget (Tax Levy)	\$15,622	\$16,614	\$16,983	\$17,110	\$66,329	\$102,660
Amendment	N/A	N/A	N/A	-\$740	-\$740	-\$4,440
Amended Net Budget (Tax Levy)	\$15,622	\$16,614	\$16,983	\$16,370	\$65,589	\$98,220

Subject to rounding.

Environmental, Socio-economic Equity and Governance (ESG) Considerations

Environmental, Socio-economic Equity and Governance Profile for this request:



Environmental	Reducing walkway maintenance frequency and winter maintenance for sidewalks will lessen machine operating hours which will lessen carbon emissions.
Socio-economic Equity	<p>With the current Streetlight Local Improvement Program, owners must cost share (40%). The positive impact is that with this budget amendment cost sharing will be eliminated and will be absorbed by the City's life-cycle renewal account.</p> <p>Eliminating the Streetlight Local Improvement Program will allow for the installation of streetlights in unlit areas based on a scoring system similar to the Walkway Lighting Program. This will allow for the installation of lights where they are needed the most.</p> <p>Reduced provision of sidewalk snow plowing back to the Provincial Standard for deployment at 8cm from 5cm will make it more challenging for sidewalk users that use assistive devices during days with snowfall. The impact could delay those users from accessing services outside of their home.</p>

Governance	<p>The risk of approving this amendment is a possible increase in complaints from citizens about walkways and sidewalks not being maintained regularly.</p> <p>The City will not be able to provide a higher standard of winter maintenance on sidewalks and as a result will not provide this contribution toward higher levels of satisfaction in the annual resident satisfaction survey.</p>
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Additional Details

Links to previous related reports:

- [Civic Works Committee, February 20, 2019, Streetlight Local Improvement Process](#)
- [Strategic Priorities and Policy Committee, February 06, 2020, Business Cases for Additional Investments](#)
- [Civic Works Committee, July 23, 2019, Winter Maintenance Program Support](#)

2023 Annual Budget Update

Budget Amendment # P-11

Strategic Area of Focus: Building a Sustainable City

Strategy: Revitalize London's downtown and urban areas.

Budget Amendment Type: Cost Driver

Description: Reduction in horticulture aesthetics.

Service(s): Parks and Horticulture

Lead: Kelly Scherr, Deputy City Manager, Environment and Infrastructure

Budget Amendment Tax Levy Impact Table (\$ Thousands)

Tax Levy Impact Detail	2020	2021	2022	2023	2020 to 2023 Total
Annual Tax Levy Impact	N/A	N/A	N/A	-\$200	-\$200
Annual Incremental Tax Levy Impact	N/A	N/A	N/A	-\$200	-\$200
Estimated Annual Tax Levy Impact %	N/A	N/A	N/A	-0.03%	-0.01% Average
Estimated Annual Tax Payer Impact \$ ¹	N/A	N/A	N/A	-\$0.93	-\$0.23 Average

Subject to rounding.

1) Calculated based on the average assessed value of \$241 thousand for a residential property (excludes education tax portion and impacts of tax policy).

Reduction in Horticulture Aesthetics

What is the reason for the budget amendment?

A reduction to horticulture displays has been identified as a potential budget savings opportunity. Examples of the reduction/elimination will include the Hanging Basket Program, winter horticultural displays in the core and several other horticultural beds that will be grassed in. Low priority sites will be chosen, and sites are yet to be determined.

Operating Budget Table (\$ Thousands)

Major Parks & Horticulture	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Net Budget (Tax Levy)	\$1,985	\$2,023	\$2,059	\$2,093	\$8,160	\$12,558
Amendment	N/A	N/A	N/A	-\$200	-\$200	-\$1,200
Amended Net Budget (Tax Levy)	\$1,985	\$2,023	\$2,059	\$1,893	\$7,960	\$11,358

Subject to rounding.

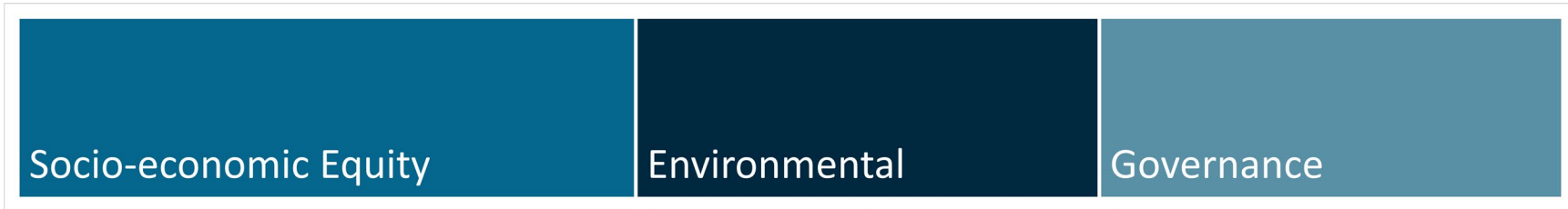
Staffing Impact Table

Staffing Summary - Changes	2020	2021	2022	2023
# of Full-Time Employees Impacted	N/A	N/A	N/A	0.0
# of Full-Time Equivalents Impacted	N/A	N/A	N/A	-1.54
Cost of Full-Time Equivalents (\$ Thousands)	N/A	N/A	N/A	-\$66

Subject to rounding.

Environmental, Socio-economic Equity and Governance (ESG) Considerations

Environmental, Socio-economic Equity and Governance Profile for this request:



Environmental	Machine operating hours reduction (two pick-up trucks for 3 hours per day for 20 weeks, 300 hours total) will lessen carbon emissions.
Socio-economic Equity	This will affect the look and feel of London and create an environment that is less attractive for residents and visitors alike. There will be fewer summer students hired in order to achieve the budget reduction.
Governance	Some areas that will be no longer featuring horticultural displays were part of an original road or subdivision design. Further landscape design standards for future subdivision, roadway and building features will need to be altered to allow for affordable maintenance practices.

2023 Annual Budget Update

Budget Amendment # P-12

Strategic Area of Focus:	Strengthening Our Community
Strategy:	Remove barriers to access recreation, sport, leisure, and leadership programs and services.
Budget Amendment Type:	Cost Driver
Description:	Reduction to the number of free Neighbourhood Playground Program Locations
Service(s):	Community Recreation & Leisure Programs
Lead:	Cheryl Smith, Deputy City Manager, Neighbourhood and Community-Wide Services

Budget Amendment Tax Levy Impact Table (\$ Thousands)

Tax Levy Impact Detail	2020	2021	2022	2023	2020 to 2023 Total
Annual Tax Levy Impact	N/A	N/A	N/A	-\$250	-\$250
Annual Incremental Tax Levy Impact	N/A	N/A	N/A	-\$250	-\$250
Estimated Annual Tax Levy Impact %	N/A	N/A	N/A	-0.04%	-0.01% Average
Estimated Annual Tax Payer Impact \$ ¹	N/A	N/A	N/A	-\$1.17	-\$0.29 Average

Subject to rounding.

1) Calculated based on the average assessed value of \$241 thousand for a residential property (excludes education tax portion and impacts of tax policy).

Reduction to the number of free Neighbourhood Playground Program Locations

What is the reason for the budget amendment?

The Neighbourhood Playground Program is a free summer program for children aged six to 12 that runs Monday to Thursday for seven weeks during the summer. Registration is free but limited. This amendment would see the program reduced from 22 full day sites to 10 full day sites.

The Neighbourhood Playground Program generates no revenue and therefore is identified as a potential budget saving service reduction opportunity.

Operating Budget Table (\$ Thousands)

Neighbourhood Playground Program	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Net Budget (Tax Levy)	\$425	\$425	\$425	\$425	\$1,700	\$2,550
Amendment	N/A	N/A	N/A	-\$250	-\$250	-\$1,500
Amended Net Budget (Tax Levy)	\$425	\$425	\$425	\$175	\$1,450	\$1,050

Subject to rounding.

Staffing Impact Table

Staffing Summary - Changes	2020	2021	2022	2023
# of Full-Time Employees Impacted	N/A	N/A	N/A	0.0
# of Full-Time Equivalents Impacted	N/A	N/A	N/A	-6.5
Cost of Full-Time Equivalents (\$ Thousands)	N/A	N/A	N/A	-\$250

Subject to rounding.

Environmental, Socio-economic Equity and Governance (ESG) Considerations

Environmental, Socio-economic Equity and Governance Profile for this request:



Environmental	There is minimal anticipated environmental impact as a result of this reduction.
Socio-economic Equity	<p>London families have come to depend upon the free Neighbourhood Playground Program in their neighbourhood. The program provides relief for parents while children are participating in passive and active recreation programming with friends, under the supervision of experienced play leaders.</p> <p>Fewer free Neighbourhood Playground Program sites will result in increased barriers to participation, such as families having to incur additional costs in order to travel outside of their neighbourhood to access these programs, and decreased overall opportunities for participation. In total, 3,360 program spaces would be lost. The reduction will disproportionately affect families who are unable to afford higher-cost summer recreation programs.</p> <p>As a result of this reduction, approximately 38 fewer summer positions will be filled.</p>
Governance	The community has not been advised of this possible reduction. A significant communication plan would need to be developed and implemented, in order to inform the public of the program reduction. This reduction could be seen to have a negative impact on the City's reputation in providing services to lower income Londoners.

Additional Details

The Neighbourhood Playground Program contributes to a number of recommendations under the 2019 Parks and Recreation Master Plan

- #2 Expand the variety, frequency, location, and promotion of drop-in programs, through the use of community centres, neighbourhood locations and parks.
- #8 As the City grows, continue to expand low-cost and no-cost program initiatives.
- #39 In neighbourhoods planned for residential intensification, evaluate existing parks, green spaces, and other municipal properties for their potential to accommodate multi-functional spaces and expanded social and recreational opportunities to serve diverse populations.

2020 – 2023 Business Plan – Service Highlights

- To expand number of program sites to serve new neighbourhoods through the provision of low-cost or no-cost drop-in opportunities (4 new free summer Playground programs).

2023 Annual Budget Update

Budget Amendment # P-13

Strategic Area of Focus: Leading in Public Service

Strategy: Continue to maintain, build, and enhance a high-performing and secure computing environment.
Deliver and maintain innovative digital solutions to increase efficiency and effectiveness across the Corporation.

Budget Amendment Type: Cost Driver

Description: Eliminate printing of Council Agenda materials and reduce associated Print Room costs.

Service(s): Information Technology Services (ITS)

Lead: Jacqueline Davison, Deputy City Manager, Enterprise Supports

Budget Amendment Tax Levy Impact Table (\$ Thousands)

Tax Levy Impact Detail	2020	2021	2022	2023	2020 to 2023 Total
Annual Tax Levy Impact	N/A	N/A	N/A	-\$8	-\$8
Annual Incremental Tax Levy Impact	N/A	N/A	N/A	-\$8	-\$8
Estimated Annual Tax Levy Impact %	N/A	N/A	N/A	0.00%	0.00% Average
Estimated Annual Tax Payer Impact \$ ¹	N/A	N/A	N/A	-\$0.04	-\$0.01 Average

Subject to rounding.

1) Calculated based on the average assessed value of \$241 thousand for a residential property (excludes education tax portion and impacts of tax policy).

Eliminate Printing of Council Agenda Materials and Reduce Associated Print Room Costs

What is the reason for the budget amendment?

By ceasing the printing of Council Agenda materials and relying on distribution of electronic copies of such materials, the City can immediately avoid \$8 thousand in recurring annual paper and print impression reductions. Furthermore, reductions of associated print technology and Print Room labour will deliver annual savings of \$4 thousand and \$55 thousand respectively, following the conclusion of the current Print Room contract in November 2024.

Overall, these measures will save the City \$56 thousand in total paper and print impression reductions (approximately \$8 thousand per year from 2023 to 2029) as well as \$295.5 thousand in printer technology and Print Room labour costs (\$59.1 thousand annually in years 2025 to 2029). The total potential savings for the City is \$351.5 thousand over the period 2023 to 2029.

Operating Budget Table (\$ Thousands)

Eliminate Printing of Council Agenda Materials and Reduce Associated Print Room Costs	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Net Budget (Tax Levy)	\$505	\$514	\$521	\$535	\$2,075	\$3,210
Amendment	N/A	N/A	N/A	-\$8	-\$8	-\$343
Amended Net Budget (Tax Levy)	\$505	\$514	\$521	\$527	\$2,067	\$2,867

Subject to rounding.

Environmental, Socio-economic Equity and Governance (ESG) Considerations

Environmental, Socio-economic Equity and Governance Profile for this request:

Environmental	Socio-economic Equity	Governance
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Environmental	Reducing paper copies of Council Agenda materials will eliminate approximately 30% of the current Print Room paper consumption, resulting in a reduction to recycling and waste. This reduction amounts to saving roughly 400 thousand pages of paper, reducing use of toner and electricity.
Socio-economic Equity	The elimination of printed agendas is not anticipated to impact socio-economic equity. While electronic materials are published for wide accessibility, public internet access and printing is also available via the London Public Library and other community services.
Governance	Electronic materials have been used successfully by Council, Administration, and 3 rd party stakeholders for several years. No change in governance or increased risk is expected through this reduction in paper copies.

Additional Details

By eliminating the printing of Council Agenda materials, ITS anticipates no reduction in stakeholder service levels, while delivering financial and environmental benefits to the City.

2023 Annual Budget Update

Budget Amendment # P-14

Strategic Area of Focus:	Strengthening Our Community
Strategy:	Invest in Community Building Projects
Budget Amendment Type:	Cost Driver
Description:	Humane Society of London & Middlesex (HSLM) New Comprehensive Animal Campus
Service(s):	Neighbourhood Strategic Initiatives and Funding
Lead:	Steve Ryall, Executive Director, Humane Society London & Middlesex Cheryl Smith, Deputy City Manager, Neighbourhood and Community-Wide Services

Budget Amendment Tax Levy Impact Table (\$ Thousands)

Tax Levy Impact Detail	2020	2021	2022	2023	2020 to 2023 Total
Annual Tax Levy Impact	N/A	N/A	N/A	\$0	\$0
Annual Incremental Tax Levy Impact	N/A	N/A	N/A	\$0	\$0
Estimated Annual Tax Levy Impact %	N/A	N/A	N/A	0.00%	0.00% Average
Estimated Annual Tax Payer Impact \$ ¹	N/A	N/A	N/A	\$0	\$0.00 Average

Subject to rounding.

1) Calculated based on the average assessed value of \$241 thousand for a residential property (excludes education tax portion and impacts of tax policy).

Humane Society of London & Middlesex (HSLM) New Comprehensive Animal Campus

What is the reason for the budget amendment?

The London Community Grants Program Community Review Panel referred one 2022 Capital project request in excess of the available budget to the budget process as per the London Community Grants Policy. Humane Society London & Middlesex (HSLM) submitted an application in the amount of \$3 million to support the development of a new comprehensive Animal Campus. This Budget Amendment Business Case has been completed by HSLM for Council's consideration:

This amendment is a \$3 million investment in the future of animal welfare and community-based humane education and advocacy in London. The investment will be a component of a broader \$21 million project to support the construction of a new Animal Campus located on 11 acres at 1414 Dundas Street that will offer the most comprehensive animal and community support and services in the city, region and country.

A sustainability plan has been developed for this project. Diversified funding, including donations, debt and social financing, and use of internal reserves, will be leveraged to complete the project. HSLM is a fiscally responsible organization, as demonstrated by its annual audited financial statements and adherence to all CRA requirements to maintain charitable status. Through prudent financial management that includes an annual operating budget reviewed and approved by a Board of Directors and professional financial resources in-house by a CPA, supported by professional fundraisers on staff, the organization has the controls and oversight to manage the campaign responsibly and successfully.

Funding Source	Details	Amount (in millions)
HSLM	Reserve, asset management (secured)	\$11.000
	Sale of existing building/property (pending)	\$1.100
Public sector: government grants - Federal, Provincial & Municipal	Green & Inclusive Community Buildings fund (Federal) next round of applications (planned)	\$1.000
	Ontario Trillium Foundation (pending)	\$0.150
	City of London (pending)	\$3.000
Private sector: individuals, corporations, foundations, associations & groups	Individual donations (confirmed)	\$0.351
	Individual donations (planned/pending)	\$3.000
	Corporate donations (confirmed)	\$0.424

	Corporate donations (planned/pending)	\$0.500
	Foundations, associations (planned/pending)	\$0.475
Total Campaign Revenue		\$21.000 million

Grants are being sought from all levels of government in support of the project and private sector donors will raise the remaining funds required. The City of London's one time support will help leverage funding from other levels of government and private donors. Specifically, the City of London's contribution would be utilized for the construction of publicly accessed areas (Community Hall, Education Centre) within the new animal campus.

By investing in the new HSLM Animal Campus, it is anticipated that:

- Shelter capacity will grow 128%, alleviating the current stress and waiting lists for surrender.
- Projected 46.5% increase in employment in year one alone.
- Volunteer opportunities for youth and senior populations will grow 40%.
- Annually 2,000 pets from the general public will be served through accessing low-cost veterinarian care, keeping more animals in their current homes and out of shelters and rescues.
- 1,000 preschool and elementary students will receive humane education & experiential learning opportunities annually through kids camps and classroom visits at the shelter campus. Projected growth in year two.
- 30 post secondary students will receive hands-on training and career development per semester.
- Reduce the number of animals on a surrender waitlist from 50 (plus 40 in process) to 0.

Operating Budget Table (\$ Thousands)

HSLM Animal Campus	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Net Budget (Tax Levy)	\$0	\$0	\$0	\$0	\$0	\$0
Expenditure Amendment	N/A	N/A	N/A	\$3,000	\$3,000	\$0
Revenue Amendment ¹	N/A	N/A	N/A	-\$3,000	-\$3,000	\$0
Amended Net Budget (Tax Levy)	\$0	\$0	\$0	\$0	\$0	\$0

Subject to rounding.

Notes:

- 1) The funding for this one-time grant will be sourced by a drawdown from the Community Investment Reserve Fund. The forecasted uncommitted balance (\$1.3 million) in this reserve fund is currently insufficient to fund the entire initiative. As part of the 2022 Mid-Year Operating Monitoring Report, Strategic Priorities and Policy Committee, September 20, 2022, approximately \$2.0 million dollars is forecasted to be contributed per the Surplus / Deficit Policy to this reserve fund in 2022. Should this forecasted contribution not materialize the Community Investment Reserve Fund will first be drawn down to a zero balance and the remaining variance will be funded by the Operating Budget Contingency Reserve.

Environmental, Socio-economic Equity and Governance (ESG) Considerations



Environmental	<p>HSLM has consulted with subject matter experts on environmental efficiencies and building sustainability. HSLM supports London’s Climate Emergency Action Plan (CEAP) with this project in the following ways:</p> <ol style="list-style-type: none"> 1. Reduce Community Greenhouse Gas Emissions: <p>The new building has been designed with high efficiency systems including:</p> <ul style="list-style-type: none"> • CO2 sensors in rooftop HVAC units serve high occupant loads to optimize and balance the outdoor air intake and human occupancy, hence minimize energy consumption.
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- Enthalpy recovery ventilation systems designed for exchanging both heat and moisture from the exhaust and supply air streams, to limit the total HVAC load.
- Two stage heating and cooling for packaged rooftop units over 3 tons of cooling therefore using less energy consumption.
- Air side economizer where a constant supply of outdoor air is provided and compressors can be turned off to save energy.
- High efficiency (90%+) in-floor heating boiler.
- All HVAC units are ASHRAE 90.1 compliant.
- Site has the capacity for future electric car charging stations.
- LED lighting
- Occupancy-sensing lighting controls as well as timeclock/photocell sensor for exterior lighting control to optimize on lighting usage within the building.

2. Improved Resilience to Climate Change Impacts:

The new building has an emergency generator on site for resilience against weather. As well a storm water management system will be installed to limit the amount of rainwater influx into municipal systems. In comparison, the current shelter with the age of the building and related systems has significant inefficiencies throughout, such as HVAC, windows, doors, insulation, roof, etc. The new building will dramatically improve efficiencies in all of these areas.

Structural design and planning will further contribute to energy efficiency and community resilience. Specific examples include:

- White/reflective roofing to minimize heat island effect
- Design elements such as Clear storey, skylights, windows, Canopies and overhangs to optimize natural lighting/shading and balancing of heat gain.
- East/West and southerly exposure
- Recyclable, commonly available, and locally sourced building materials
- High thermal/energy performance and current/modern building envelope practices
- Bicycle parking
- Centralized location and on common/accessible and quality public transit corridors
- Development located on existing heritage/historic site
- Directly adjacent to significant natural heritage area/feature (Treed Allee)
- Site Landscape/plant/tree selections made based on native/locally available species
- Site designed to respect and minimize impact to naturalized wetland feature
- Significant recreational and amenity greenspaces throughout site development

	<ul style="list-style-type: none"> • High performance windows, thermally broken doors/glazing • Usage of low VOC emitting building materials
Socio-economic Equity	<p>HSLM provides shelter, education and advocacy for animals and the community.</p> <ul style="list-style-type: none"> • The current facility has been located at the same address for over 120 years and is no longer able to meet the demand for our services or standards of safety and accessibility. • The new Animal Campus will be located at 1414 Dundas St and will offer 37,000 sq ft of space including multi-use community spaces, a low-cost veterinarian clinic open to the public, an Education Centre, increased outdoor space and many opportunities for London residents to interact with animals and develop skills, find purpose, make connections and benefit from the powerful human-animal bond. • Partnership with Fanshawe College to deliver education services at multiple levels. The new HSLM Animal Campus will facilitate opportunities for hands-on training and experiential learning for students in many disciplines, resulting in an increased number of trained graduates and meeting significant employment needs in the city. • The on-site Companion Animal Hospital (veterinary clinic) will enable HSLM to significantly enhance its work in providing care to animals at HSLM, as well as servicing the growing London community. Enhanced capacity will support the needs of pet owners in our rapidly growing city: 52% of homes in Ontario have a pet (2020). • By offering low-cost vet care on site at our Companion Animal Hospital to the public, delivered in part by student practitioners, we are supporting London residents who will have greater opportunities to keep their pets at home and driving community economic impact. • The facility square footage will increase dramatically from 9,890 to 37,000, therefore significantly increasing functionality, safety, sustainability, community participation rates and usable hours. There is a need for new approaches to education, with experiential learning at the core. Our new Animal Campus will offer new spaces intentionally designed to train students and provide hands-on learning opportunities with our shelter pets for children and youth, such as our 2,000 square foot Education Centre. • HSLM provide no-judgement surrenders to those who can no longer provide care for their animals and will introduce low-cost programs to support the population who experience socio-economic barriers with assistance to keeping their pets in their homes. We will source sustainable partnerships to support humane education programming for children and youth who face financial barriers to equitable participation. • Adherence to the Accessibility for Ontarians with Disability Act, Part IV.1 Design of Public Spaces Standards, including ramps, parking, slopes, paths, barrier free door operators, proper door widths, door latch clearances, barrier free turning circles, accessible washrooms, and railings.

	<ul style="list-style-type: none"> HSLM is constructing dedicated, comfortable and welcoming staff and volunteer zones to better meet health and safety standards and support and retain our team members. New employee and volunteer opportunities will be introduced to meet increased demand and growth.
Governance	<p>Financial support from the City of London will be essential for HSLM to leverage funding from other levels of government and the community as a whole. Delays in funding at all levels will result in higher risks associated with remaining in our current location longer, including safety.</p> <p>A risk management plan is in place for any significant risk factors. As well there is an ongoing risk mitigation plan with relevant stakeholders involved. In particular, HSLM has identified the following four risk factors that could have low to high impact on the project:</p> <p>Community Program risk factors:</p> <ol style="list-style-type: none"> 1. Program participation/revenue levels Statistics from the recent COVID pandemic indicate that pet ownership in Ontario increased over the past two years by 37%. Further increases are projected for pet ownership due to the reality that our growing City brings more companion animals to our area. Low interest in animal-related programs with HSLM would have a low to moderate impact on the project and therefore was considered in the risk assessment. To mitigate this risk, projected attendance numbers for community programs were set conservatively at 50%. 2. Projected animal adoption & animal service levels HSLM will work with and for the community to address needs for animal surrenders, animal hoarding cases and provide improved animal health services. Risks associated with these factors include: capacity to shelter 400 animals. To mitigate this low to moderate risk, HSLM will have flexible, adaptable rooms to take on more animals as needed, or create space for programming to occur as needed. <p>Cost and Funding risk factors:</p> <ol style="list-style-type: none"> 3. Cost over-runs Cost estimates have been generated at the work-package level based on current industry benchmarks and thus are well defined. Further, cost estimates have been reviewed by an external experienced [EW3] Construction Committee. The procurement process and budget to actual tracking is also well defined. The procurement process is on a competitive basis and the budget tracking is kept up-to-date in order to mitigate the risk of cost-overruns. <p>The significant land purchase and building design costs have been completed and therefore mitigate the cost risk of unknown design elements.</p>

	<p>4. Success of capital campaign As owners of the land, HSLM is not beholden to restrictions due to extended timelines based on fundraising. HSLM are managing the construction progress in a fiscally conservative manner with Board and Committee oversight to ensure HSLM have confirmed or guaranteed funds prior to commencing construction stages and milestones.</p> <p>The highest risk of capital campaign relates to the project costs to be raised through traditional fundraising (19% of total project budget). With a low to moderate probability to this risk, the Fund Development team have in progress identified funders to mitigate this unknown risk. Most of those funders either have been approached with success or have expressed significant interest in the project. Considering the interest from the number of contacts and funders in the project since the announcement of the new location, the HSLM is confident in reaching the \$4.125 million general/public fundraising goal.</p> <p>To mitigate risks associated with fundraising delays we have confirmed finance options with our banking partner to implement bridge funding for up to \$4 million.</p>
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Additional Details

Established as an organizational priority, the viability and impact of a new facility is documented and supported by the Board of Directors. Significant market research was undertaken to develop and design a comprehensive Animal Campus that meets the needs of animals and the community. A detailed capital campaign plan has been developed to support this project, outlining strategies for raising required funds. Key leadership staff have been recruited and placed to oversee the project and fundraising is underway with the support of campaign volunteers and business leaders.

HSLM anticipates the opening of our new Animal Campus in 2024. The total cost of the project is summarized as follows:

Components	Amount
Land	\$1,541,475
Building	\$440,140
Construction	\$18,212,426
Engineering	\$600,000
Total	\$20,794,041

The current construction status and forecasted metrics are as following:

- Rezoning of land approved by City of London.
- Facility design 95% complete (architectural, civil, mechanical, and electrical).
- General Contractor selected through a competitive RFP process.
- Site plan approval by City of London.
- Land purchase completed.
- Detailed construction timeline by General Contractor completed.
- Educational partnership with Fanshawe College at our Animal Campus.
- License agreement to use education space completed.
- In progress: land clearing, existing structure removal.

Additional Metrics	Current State	Forecast Year 1	Forecast Year 2
Square footage	9,890	37,000	37,000
Hours open to the public (weekly)	34	98	98
Support for pet owners (# of homes with a pet in London) *growth estimated	116,220	130,000*	145,000*
Employment opportunities	31	45	55
Volunteer positions	200	280	300
Post-secondary partnership - number of students receiving hands-on training	0	120	200
Cost per animal in shelter (\$ average)	860	700	600
Shelter capacity	175	400	400
Outdoor space dedicated to animal exercise and socialization (acres)	0.68	6	6

HSLM operates with various partners and stakeholders in the community, including:

Education Partnerships:

Fanshawe College - Students will receive experiential learning in multiple areas including animal health, administration offices, operations management, adoptions office, etc., and opportunities for in-class training in our Education Centre.

TVDSB, LDCSB and Preschools- partnerships in development to secure school groups, field trips and virtual humane education offerings.

Community & Business Partnerships:

HSLM is increasing its profile in the business community with partnerships with the London Chamber of Commerce and all media houses. HSLM is building relationships with community partners such as Canadian Mental Health Association (CMHA) and Community Living London to develop programming that supports their clients. We are fostering and growing existing partnerships, such as:

- London & Middlesex Community Housing - HSLM is the contracted animal welfare provider for LMCH.
- London Animal Care Centre - HSLM accepts lost pets and transfers those animals to LACC.
- Ontario Animal Welfare Network (OAWN) - HSLM is an active and founding partner of the Ontario Animal Welfare Network (OAWN).
- Provincial Animal Welfare Services (PAWS) - HSLM provides temporary housing for animals whose owners are being investigated for abuse and neglect of their pets

Anchor Institution Partnerships:

London Police Services - HSLM responds to hoarding and emergency situations that involve animals throughout the year.

London Fire Services - HSLM responds to emergency situations in support of LFS.

Middlesex London Health Unit - HSLM works closely with MLHU on clinics and initiatives directed at animal welfare.

Western University/Ivey School of Business - Developing integrated partnership opportunities.

Fanshawe College - integrated education services partnership including business, marketing, philanthropy, building/design internships and experiential learning opportunities for students.

HSLM has the following enhanced and expanded revenue streams to support long-term financial sustainability:

Enhanced Revenue Streams:

Adoptions revenue - improved efficiencies in animal health will enable improved turnaround times for adoptions.

Expanded Revenue Streams:

School group programming (fee per class/group)

Education partnership agreement

Education Centre (event/space rental fees)

Day Camp programming revenue (fee per participant)

Kennel Club (fee per pet)

Gift shop (pet gifts revenue)

Grooming Centre (pay per use)

Animal Services (contract agreements)

2023 Annual Budget Update

Budget Amendment # P-15

Strategic Area of Focus:	Strengthening our Community
Strategy:	Strengthen engagement opportunities for all Londoners to participate in their neighbourhoods.
Budget Amendment Type:	New Council Direction
Description:	Expand the Neighbourhood Decision Making Program by doubling the tax levy funding available
Service(s):	Neighbourhood Strategic Initiatives and Funding
Lead:	Cheryl Smith, Deputy City Manager, Neighbourhood and Community-Wide Services

Budget Amendment Tax Levy Impact Table (\$ Thousands)

Tax Levy Impact Detail	2020	2021	2022	2023	2020 to 2023 Total
Annual Tax Levy Impact	N/A	N/A	N/A	\$250	\$250
Annual Incremental Tax Levy Impact	N/A	N/A	N/A	\$250	\$250
Estimated Annual Tax Levy Impact %	N/A	N/A	N/A	0.04%	0.01% Average
Estimated Annual Tax Payer Impact \$ ¹	N/A	N/A	N/A	\$1.17	\$0.29 Average

Subject to rounding.

1) Calculated based on the average assessed value of \$241 thousand for a residential property (excludes education tax portion and impacts of tax policy).

Expand the Neighbourhood Decision Making Program by doubling the tax levy funding available

What is the reason for the budget amendment?

During the August 2, 2022 Council Meeting, Council passed a motion that staff BE DIRECTED to include in the 2023 annual budget deliberations, a business case for expanding the Neighbourhood Decision Making Program, by doubling the tax levy funding.

The Neighbourhood Decision Making (NDM) Program engages thousands of residents annually through idea submission and voting. Since 2017, less than 20% of resident ideas that made it to the voting stage were implemented. Additional investment in NDM of \$250 thousand, bringing the annual funding to \$500 thousand, would increase the funding available to neighbourhoods, the number of projects considered feasible, and potentially the number of projects implemented.

Operating Budget Table (\$ Thousands)

Neighbourhood Decision Making Program	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Net Budget (Tax Levy)	\$250	\$250	\$250	\$250	\$1,000	\$1,500
Amendment	N/A	N/A	N/A	\$250	\$250	\$1,500
Amended Net Budget (Tax Levy)	\$250	\$250	\$250	\$500	\$1,250	\$3,000

Subject to rounding.

Environmental, Socio-economic Equity and Governance (ESG) Considerations

Environmental, Socio-economic Equity and Governance Profile for this request:



Environmental	Further investment in the NDM Program may support the City’s net-zero greenhouse gas emission targets as well as resilience to climate-change impacts, by creating more opportunities for environmental projects to be funded. Of the total projects implemented to date, 37% have aligned to actions in London’s Climate Emergency Action Plan, including ideas such as pollinator plantings, a green house, bat boxes, tree planting, bike repair stations, beehives, solar panels, fruit trees and waste reduction workshops. Resources to support residents formulating ideas have been aligned with London’s Climate Emergency Action Plan.
Socio-economic Equity	Participation in the NDM Program is open to all Londoners of all ages. The Program provides enhanced supports for neighbourhoods that may be experiencing barriers to participation, including targeted outreach to newcomers, cultural groups, youth, and isolated residents. Staff representing several languages and cultures support engagement with historically underrepresented populations. In addition, resources to support residents to formulate ideas include accessibility considerations. Further investment in this program would impact equity-deserving groups by providing more funding to neighbourhoods and communities and continuing support to groups that experience barriers to participation.
Governance	An increase in annual funding will result in more funding available to neighbourhoods, an increase in the number of projects considered feasible, and potentially an increase in the number of projects implemented. Pending approval of the 2023 Annual Budget Update, a detailed communications plan will be developed to inform residents and other community stakeholders of funding changes. A value for money audit is currently in process and an equity analysis will be completed, with any recommendations for further enhancements presented to Council for consideration in 2023.

Additional Details

The NDM Program provides an opportunity for community members to directly decide how to spend a portion of the municipal budget in their neighbourhoods on an annual basis. The purpose of the program is to engage, empower, and connect residents by bringing

neighbours together around community-driven projects that enhance and strengthen neighbourhoods. The program provides opportunities for community members to participate in their neighbourhoods, learn about how municipal government works, and to make decisions that directly impact their lives. It provides opportunities for the City to learn about what people want in their neighbourhoods, work collaboratively across service areas to assess and implement ideas, and to support community members through a defined and consistent process.

The NDM Program, on average, engages close to 5000 residents annually. Program inclusion is a key focus area for implementation. Social Risk Index and participation data are used to target engagement efforts to reduce barriers to participation. Results from the 2022 program show that there was a good distribution of ideas submitted across the five geographical areas, wards, and planning districts. In addition, three out of the five areas with the highest Social Risk Index score had above average numbers for ideas submitted.

The following table compares the number of feasible ideas by geographical area to the number of projects implemented between 2017 and 2022.

	2017	2018	2019	2020	2021	2022
Feasible Ideas in Central London	55	40	33	Cancelled	24	22
Feasible Ideas in Northeast London	22	33	19	Cancelled	12	13
Feasible Ideas in Northwest London	23	21	19	Cancelled	12	12
Feasible Ideas in Southeast London	14	16	15	Cancelled	16	11
Feasible Ideas in Southwest London	35	33	18	Cancelled	22	20
Total Feasible Ideas	149	143	104	Cancelled	86	78
Total Ideas Implemented	20	17	14	Cancelled	18	24

Note: All projects for 2020 were cancelled due to the Pandemic.

Program enhancements based on the results from the value for money audit and equity analysis, will be presented to Council for consideration in 2023, as noted above. Pending Council's approval of this Budget Amendment, these recommendations will also include options to expand community impact by increasing the number of projects considered feasible as well as the number of projects implemented.

For more information about the program and past winning projects, visit [Neighbourhood Decision Making program page on the City of London's website.](#)

The August 2, 2022 Council Meeting Minutes can be found [here](#).

2023 Annual Budget Update

Budget Amendment # P-16

Strategic Area of Focus: Building a Sustainable City; Growing our Economy

Strategy: Revitalize London's Downtown and urban areas;
Support entrepreneurs, start-up, and scale-up companies

Budget Amendment Type: New Council Direction

Description: Funding for the Hamilton Road BIA

Service(s): Community Improvement/BIA

Lead: Scott Mathers, Deputy City Manager, Planning and Economic Development;
2023 President, Hamilton Road BIA

Budget Amendment Tax Levy Impact Table (\$ Thousands)

Tax Levy Impact Detail	2020	2021	2022	2023	2020 to 2023 Total
Annual Tax Levy Impact	N/A	N/A	N/A	\$100	\$100
Annual Incremental Tax Levy Impact	N/A	N/A	N/A	\$100	\$100
Estimated Annual Tax Levy Impact %	N/A	N/A	N/A	0.01%	0.00% Average
Estimated Annual Tax Payer Impact \$ ¹	N/A	N/A	N/A	\$0.47	\$0.12 Average

Subject to rounding.

1) Calculated based on the average assessed value of \$241 thousand for a residential property (excludes education tax portion and impacts of tax policy).

Funding for the Hamilton Road BIA

What is the reason for the budget amendment?

The Hamilton Road BIA 2022 Budget request, dated October 22, 2021, was deferred by Municipal Council to be brought forward as a full business case as part of the 2023 budget process. This budget amendment business case has been completed by the Hamilton Road BIA for Council's consideration.

City council originally invested in Hamilton Road, with its dozens of shuttered businesses, because they realized this area was an important gateway and an often first impression for those visiting the city. They recognized the social and reputational risks associated with allowing an area to deteriorate and that the community would not be able to pull itself up by its own bootstraps.

The vision of the Hamilton Road Community Improvement plan approved by council states that: ***By 2027, the Hamilton Road Area will be an attractive destination in London filled with heritage, diverse local businesses, and multicultural restaurants, as well as a safe and welcoming neighbourhood.*** The Hamilton Road BIA is the main driver of all elements of this vision but is under-resourced to achieve the goal in the remaining term of council. Presently it receives a yearly levy of \$70 thousand paid by the owners of business property within the business improvement area based on a target 5% maximum tax increase to its struggling business community. The amount is enough to cover the BIA's office, administration, grant assistance, participation in citywide programs, supervision of summer students and social media; however, it is not enough to cover all costs from beautification, communications, marketing, programs, events, security patrols, member support and services. These additional projects and services are crucial to the continued revitalization of this important, yet still visibly distressed, gateway to London. The success of the Old East BIA on its annual City grants of \$140 thousand is the precedent for matching the Hamilton Road levy with another \$100 thousand from the city tax levy. For further urban regeneration to take place, the investment promised in the CIP is required and the Hamilton Road BIA is uniquely positioned to guide those funds into concrete outcomes.

Operating Budget Table (\$ Thousands)

Hamilton Road BIA	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Net Budget (Tax Levy)	\$0	\$0	\$0	\$0	\$0	\$0
Amendment	N/A	N/A	N/A	\$100	\$100	\$600
Amended Net Budget (Tax Levy)	\$0	\$0	\$0	\$100	\$100	\$600

Subject to rounding.

Environmental, Socio-economic Equity and Governance (ESG) Considerations

Environmental, Socio-economic Equity and Governance Profile for this request:



Environmental	<p>The amendment is not intended to address net-zero greenhouse gas emission targets directly but the BIA takes a lead in assisting local businesses with grants and programs that may.</p> <p>The amendment is also not intended to increase resilience to extreme weather events or any other climate change-related impacts directly but the BIA takes a lead in assisting local businesses with grants and programs that may.</p> <p>Relevant stakeholders have not been consulted as there are no anticipated climate related impacts associated with this amendment.</p>
Socio-economic Equity	<p>This BIA was a recommendation of the Hamilton Road Community Improvement Plan which intended to help deliver urban revitalization to a community among which there are many working class homeowners, tenants on social assistance, a high proportion of individuals identifying as indigenous, and many business owners who are from visible minorities. Residents have typically completed lower levels of education than is the average for London. More directly, it positively affects a small business community that cannot generate levies like those in the downtown or other BIAs with big box stores as members.</p> <p>The BIA's funding deficiency is a barrier to successfully addressing local urban revitalization and economic development.</p> <p>We anticipate approval of this amendment will have a high impact as the BIA will move from a position of survival to full service, including the much-needed beautification projects that are typically associated with a BIA and the security patrols that deter crime and vandalism.</p> <p>There are no anticipated negative impacts resulting from the amendment.</p> <p>Stakeholder consultation on the amendment included BIA members, the Crouch Neighbourhood Resource Centre, the Hamilton Road Community Association and the Indigenous Fellowship of Hamilton Road. Consultation will be ongoing in terms of the projects that it will fund.</p>

<p>Governance</p>	<p>There are no significant risks anticipated from approving this amendment.</p> <p>The risk of not proceeding with this amendment is the inability to operate as an optimally functioning BIA, failure to meet the objectives of the community improvement plan, the demotivation and inability to recruit volunteer board members, loss of confidence in the BIA, loss of the BIA, loss of the perception that this is an up and coming place to invest where property values are expected to grow, an exodus of business ventures, increased vacant storefronts and shuttered properties, and a greater reliance on other local organizations to achieve the vision of the CIP (perhaps less effectively).</p> <p>If the amendment is not approved, mitigations could involve a reduced mandate focusing only on social media, summer students, city programs and grants for members as well as a further reduction in the size of the board or the appointment of city staff members to be directors as has been done with other boards.</p> <p>The progress, results and impacts of this amendment will be monitored and communicated through the financial performance of the Hamilton Road BIA, when it is audited and included in the consolidated financial returns of the City. The impacts of the amendment will be reported at the BIA's annual general meeting.</p>
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Additional Details

Amendment Drivers

The Hamilton Road Gateway, a first impression to many visitors, is in the midst of a much-needed urban regeneration. Aside from city infrastructure improvements, the main driver of that regeneration is the Hamilton Road BIA. Its original goal was to see how much could be accomplished with a 5% levy on the struggling business community. Though results have exceeded those of the previous business association these are not sustainable under current conditions. Without an executive director the demands on volunteer board members have caused significant attrition and a need to reduce the minimum number of directors to meet quorum. Staff retention has been difficult and in offering a competitive wage for an executive director there are insufficient funds remaining for beautification and other projects which have been financed thus far by one-time grants from the city (\$50k) and the business association (\$30k and \$5k). Expansion is not considered a viable option so, like the Old East Village BIA, an annual grant from the city is considered the only way to sustain the necessary funding.

Timing of Budget Amendment Implementation

There have been discussions about alternative ways to support smaller BIAs since the 2014-2018 term of council. With one term left to fulfill the vision of the Hamilton Road CIP and the BIA playing such a major part in achieving that vision, the timing for implementation of the amendment is coming somewhat late. However, an adequately resourced new board should have every opportunity to succeed. The business case comes at a time when reserves of the old business association have been depleted because of gifts to the BIA.

Strategic Plan

The BIA was established to fulfil the council's strategy to **Revitalize London's Downtown and urban areas** through the urban regeneration of the corridor. This is included in the strategic focuses of *STRENGTHENING our Community; BUILDING a Sustainable City; and GROWING our Economy*. This area is the inexpensive home to many new businesses and the BIA acts as a hub for business-to-business interaction, the additional strategy to **Support entrepreneurs, start-up, and scale-up companies** is also fulfilled.

The amendment seeks to further the following outcomes:

- London's neighbourhoods have a strong character and sense of place.
- London creates a supportive environment where entrepreneurs, businesses, and talent can thrive.

Community Improvement Plan

The vision of the Hamilton Road Community Improvement Plan approved by council states that:

By 2027, the Hamilton Road Area will be an attractive destination in London filled with heritage, diverse local businesses and multicultural restaurants, as well as a safe and welcoming neighbourhood.

Two of the "Do 1st" recommendations in the Hamilton Road Community Improvement Plan were:

3.5 Establish a Business Improvement Area (BIA)

3.6 Seek mentoring opportunities with other BIAs

The BIA plays an important part in advancing all elements in the vision by conducting beautification projects; supporting entrepreneurs; marketing the area as a destination for "*Authentic, Affordable, Ethnic Food*" (visit www.EatHamiltonRoad.com); incorporating heritage into public art and communications; and responding to safety concerns.

However, there is only one term left for the achievement of the vision and there are still sections of the corridor which are not attractive, not filled with businesses, not welcoming, and not conducive to feelings of safety because of the instability of businesses in the area. One important objective that the city committed to in the CIP was: ***Support the existing and new community organizations that nurture the well-being of all Hamilton Road area residents.*** Council directed staff to assist with this business case because of the BIA's need for financial support.

BIA Mission

Except for its ability to adequately "invest", the following mission of the BIA is being satisfactorily fulfilled and substantial community benefits will be achieved if scaled up in the manner proposed by the amendment.

The Hamilton Road Business Improvement Area (BIA) will develop, advocate, promote and invest in our unique community in areas of Economic Development, Beautification and Marketing and Promotion while simultaneously honouring the rich history and diversity of the Hamilton Road area.

Community/BIA Benefit

Vast improvements have been made along the corridor and the percentage of vacant storefronts has been reduced by half since the BIA first approached the city for a facade grant program in 2018. Though some attrition has happened, over 30 new businesses have opened since the inception of the BIA. The heart of the area, surrounding Crouch Library, looks wonderful with five new exteriors and no vacant properties. Numerous other businesses, with or without grants, have improved their facades. The Corridor is a mix of residential and commercial properties so the work of the BIA benefits a broader community than is typical.

The Hamilton Road BIA also provides resources, staff time, office space and media channels for the city's (sometimes unanticipated) initiatives such as LCRN, Patio Improvement Grant Programs, Shop2WinLondon, as well as working with the police and other BIAs on city-wide initiatives. It has continued with the active community role played by the previous Business Association including the annual scholarship program for B Davidson Secondary School.

The BIA has been able to leverage its staff resources substantially through Canada Summer Jobs funding which typically provides for two or three interns per year. Several businesses have added or improved their existing patios while others have been assisted with their online presence. The tree trunk tour has expanded with new installations and more are planned. The BIA has contributed both to individual businesses as well as the business to business ecosystem within the area.

Despite many wins, a plateau has been reached because of limited BIA resources. Along the corridor to the west there are still the boarded-up businesses of absentee landlords being used as unlicensed rentals where neighbours complain that illegal activities take place. Safety is a concern for many nearby residents and COVID created a large setback for the area. The proposed new budget with amended funding will allow the BIA to fulfill all its expected functions and bring further investment into the area, displacing undesirable uses for those commercial properties.

Previous reports

Request to create a BIA from the Hamilton Road Business Association

[Planning and Environment Committee - March 06, 2017 \(escribemeetings.com\)](https://pub-london.escribemeetings.com/Meeting.aspx?Id=282ac0cc-12c4-4756-8258-e0cfd05f6f5e&lang=English)

Authorization to Initiate Creation of the Hamilton Road BIA

<https://pub-london.escribemeetings.com/Meeting.aspx?Id=282ac0cc-12c4-4756-8258-e0cfd05f6f5e&lang=English>

Designation of the BIA under section 204 of the Municipal Act, 2001

[Planning and Environment Committee - September 24, 2018 \(escribemeetings.com\)](https://www.escribemeetings.com)

Grant for \$50,000 to assist with BIA activities

[Strategic Priorities and Policy Committee - January 24, 2019 \(escribemeetings.com\)](https://www.escribemeetings.com)

Façade Improvement and Upgrade to Building Code Forgivable Loan Programs

[Council - May 05, 2020 \(escribemeetings.com\)](https://www.escribemeetings.com)

BIA 2022 Funding requests \$100k annual (deferred) + \$30 one time operating contingency fund (Granted)

[Corporate Services Committee - January 10, 2022 \(escribemeetings.com\)](https://www.escribemeetings.com)

Response to 2022 funding Request

[Strategic Priorities and Policy Committee - November 09, 2021 \(escribemeetings.com\)](https://www.escribemeetings.com)

Additional Documents

Strategic Plan for the City of London 2019-2023

<https://london.ca/sites/default/files/2020-09/2019%20Strategic%20Plan.pdf>

Hamilton Road Community Improvement Plan

https://london.ca/sites/default/files/2021-04/Hamilton%20Road%20Area%20Community%20Improvement%20Plan%20-%202018_AODA.pdf

2023 Annual Budget Update

Budget Amendment # P-17

Strategic Area of Focus:	Building A Sustainable City
Strategy:	Prioritize investment in assets to implement the Asset Management Plan
Budget Amendment Type:	Cost Driver
Description:	Reduction to Previously Approved “For Consideration” Business Case: City of London Infrastructure Gap
Service(s):	Capital Financing
Lead:	Anna Lisa Barbon, Deputy City Manager, Finance Supports

Budget Amendment Tax Levy Impact Table (\$ Thousands)

Tax Levy Impact Detail	2020	2021	2022	2023	2020 to 2023 Total
Annual Tax Levy Impact	N/A	N/A	N/A	-\$950	-\$950
Annual Incremental Tax Levy Impact	N/A	N/A	N/A	-\$950	-\$950
Estimated Annual Tax Levy Impact %	N/A	N/A	N/A	-0.14%	-0.03% Average
Estimated Annual Tax Payer Impact \$ ¹	N/A	N/A	N/A	-\$4.43	-\$1.11 Average

Subject to rounding.

1) Calculated based on the average assessed value of \$241 thousand for a residential property (excludes education tax portion and impacts of tax policy).

Reduction to Previously Approved “For Consideration” Business Case: City of London Infrastructure Gap

What is the reason for the budget amendment?

Civic administration has brought forward this budget amendment for consideration to reduce the tax levy pressures in 2023. If approved, the amendment would reduce the Council approved 2020 to 2023 Additional Investment Business Case 4B - City of London Infrastructure Gap. This additional investment provides for increased tax supported contributions to the Infrastructure Gap Reserve Fund to mitigate growth in the City’s approximate \$666.9 million 10-year infrastructure gap. In March of 2020, Council approved an investment in annual increments of \$750 thousand starting in 2020, thus, by 2023 the contribution to the Infrastructure Gap Reserve Fund would have increased to \$3 million per year. As part of the 2021 Annual Budget Update, Council approved a permanent decrease to this investment of \$500 thousand starting in 2021. As part of the 2022 Annual Budget Update, Council approved an additional permanent decrease of \$600 thousand starting in 2022; thus, in 2023 this Business Case now represents an investment of \$1.9 million per year to the Infrastructure Gap Reserve Fund. If this 2023 budget amendment is approved by Council, a further permanent decrease of \$950 thousand starting in 2023 will result in this investment representing a \$950 thousand tax supported contribution per year to the Infrastructure Gap Reserve Fund – effectively this amendment results in halving the \$1.9 million contribution currently planned for 2023, noting that these amendments reduce the total approved Additional Investment Business Case 4B by \$3.65 million over the 2020-2023 Multi-Year Budget period (if this amendment is approved).

Operating Budget Table (\$ Thousands)

Infrastructure Gap Reserve Fund Contribution (Part B)	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Net Budget (Tax Levy)	\$750	\$1,000	\$1,150	\$1,900	\$4,800	\$11,400
Amendment	N/A	N/A	N/A	-\$950	-\$950	-\$5,700
Amended Net Budget (Tax Levy)	\$750	\$1,000	\$1,150	\$950	\$3,850	\$5,700

Subject to rounding.

Environmental, Socio-economic Equity and Governance (ESG) Considerations

Environmental, Socio-economic Equity and Governance Profile for this request:



Environmental	<p>It is difficult to quantify the environmental impact of the infrastructure gap growing. Timely rehabilitation and repair are considered cost efficient and consistent with less greenhouse gas emissions to complete this work, thus, this amendment may not help the City reach its 2050 emissions target. As adequate funding to keep infrastructure in good repair is consistent with maintaining infrastructure resiliency this amendment may not increase the City’s asset resiliency or address climate change-related impacts.</p>
Socio-economic Equity	<p>Tax-supported City infrastructure (such as Facilities, Roads, Recreation, etc.) are assets that are used by City of London residents (or used to provide services for them). This suggests that many equity-deserving and vulnerable groups are potentially impacted. The amendment will not address any specific barriers; reducing funding to mitigate the infrastructure gap (instead of using this funding to increase the amount of repair or rehabilitation work) may unintentionally continue systemic barriers and decrease the quality-of-life for residents who use this infrastructure on a regular basis.</p> <p>Given this reduction reduces the tax levy increase, however, there are economic benefits to the taxpayers of the City.</p>
Governance	<p>The proposed reduction in funding is expected to negatively impact the City’s infrastructure gap (i.e. increase the gap). This is inconsistent with the Corporate Asset Management Plan recommendation to mitigate the infrastructure gap growth. However, as outlined in the “Additional Details” section of the amendment, the City has various financial and non-financial mitigation strategies that may either fully or partially address this negative impact.</p> <p>Corporate Asset Management annually reports the results to Council advising if they are meeting or not meeting level of service targets and, since the 2019 Corporate Asset Management Plan, has provided annual reviews to Council on the City’s infrastructure gap. Any funding changes to the Capital Infrastructure Gap Reserve Fund will be reflected in the future Corporate Asset Management Plan updates or Corporate Asset Management Plan reviews.</p>

Additional Details

The risks associated with approving this amendment include, but are not limited to, further growth of the infrastructure gap, intergenerational inequities in lifecycle renewal capital financing, inability to maintain current levels of service, and the need for increased future additional investment requests to mitigate growth in the infrastructure gap. However, risks such as these may be partially offset by existing mitigation strategies such as one-time contributions to the Infrastructure Gap Reserve Fund in accordance with the Council approved Surplus/Deficit and Assessment Growth policies, and asset management condition assessments which inform capital projects. Furthermore, when assessing the reasonability of this budget amendment, Civic Administration confirms that these savings can be achieved without impacting the 2023 to 2032 lifecycle renewal capital plan presented in the 2023 Annual Budget Update for Council's approval.

To provide further context to this budget amendment, the following summarizes the current infrastructure gap and recent trends. The 2023 to 2032 capital plan includes a lifecycle renewal program totalling \$1.07 billion. This budget supports directly owned infrastructure with a replacement value of approximately \$22.1 billion. The budget, along with applicable uncommitted reserve fund balances, establishes the reference point to assess if a funding gap exists and assists in determining current levels of service, monitoring the gap, and informing the management of City assets. Based on the results of the Corporate Asset Management Plan 2021 Review, despite the planned lifecycle renewal expenditures and available reserve fund balances, a 10-year infrastructure gap of \$666.9 million exists and this gap represents 3.0% of the replacement value. This infrastructure gap and the gap's percentage of replacement value has increased since the 2019 Corporate Asset Management Plan when the gap equaled \$568.8 million and the gap percentage of replacement value was 2.8%. Thus, to achieve future infrastructure sustainability, the City will require either an increase in investment in infrastructure renewal, or a reduction in the number of services or levels of services the City provides. Approval of this budget amendment would marginally increase the infrastructure gap as a percentage of replacement value, from 3.04% to 3.07%.

Lastly, it is important to note that since the inception of Corporate Asset Management in 2010, Council has made significant financial and non-financial investments to mitigate the infrastructure gap. Examples of these investments are:

- Creating the Capital Infrastructure Gap Reserve Fund (as listed in recommendation #8 in the 2014 Corporate Asset Management Plan), with subsequent related business cases and assessment growth cases in the Tax Supported Source of Reserve Fund Contribution Table below;
- Creating a Council-approved Corporate Asset Management Policy which includes principles of a long-term, forward-looking asset management perspective, committing to alignment with City plans and strategies, and which takes into account Council-approved budgets and other financial plans;
- Supporting an infrastructure gap mitigation strategy over 25 years in the 2019 Corporate Asset Management Plan to recognize the long-term approach required to manage the infrastructure gap, it being noted this amendment would be contrary to this strategy;
- Investment in asset management systems totalling \$5.3 million (\$2.8 million in 2012 to 2021 life-to-date financing and \$2.5 million in future 2022 to 2031 financing);
- Establishment of financial policies that ensure prudent financial planning, such as the Capital Budget and Financing Policy and the Reserve/Reserve Fund Policy, as well as financial policies that seek to maximize public funds by allocating a portion of one-time surpluses to address the infrastructure gap, such as the Surplus/Deficit Policy and the Assessment Growth Policy;

- Approval of the CARR Reserve Fund Rationalization report recommendations that aligned the City’s lifecycle renewal reserve fund portfolio with the City’s asset management plan categories, further entrenching the ties between asset management and financial planning;
- 2023 annual reserve fund contributions of \$10.9 million dedicated to mitigating the infrastructure gap (as outlined in the following table), noting that since approval of the CARR Reserve Fund Rationalization Report in 2020, these contributions have been proportionately reallocated to their applicable lifecycle renewal reserve fund, e.g. Transportation Renewal RF, Recreation Renewal RF, etc. Since 2020, assessment growth cases have been approved for new or assumed assets based on recommended reinvestment rates listed in the 2019 CAM Plan. These amounts (approximating an additional \$6.2 million) will mitigate future growth in the infrastructure gap by having a funding source available as lifecycle needs accumulate for these new or assumed assets;

Tax Supported Source of Reserve Fund Contribution in 2023 Table (\$ Thousands)

Tax Supported Contribution Source available to mitigate the existing infrastructure gap ¹	2023
2016 Strategic Investment Case #7	\$7,000
2017 Assessment Growth Case #19 (permanent)	\$500
2018 Assessment Growth Case #23 (permanent)	\$500
2019 Assessment Growth Case #28 (permanent)	\$1,000
2020 to 2023 Additional Investment Case #4A (permanent)	\$1,000
2020 to 2023 Additional Investment Case #4B (permanent) ²	\$950
Total	\$10,950

Notes:

1. With approval of the Capital Asset Renewal and Replacement (CARR) Reserve Fund Rationalization Report, September 2020, on-going contributions to the Capital Infrastructure Gap Reserve Fund (IGRF) were reallocated. The tax supported contributions noted in this table have since been redistributed to service area specific lifecycle renewal reserve funds – leaving only one-time contributions from the Surplus / Deficit and Assessment Growth policies accumulating in the IGRF. Information above is consistent with the original 2020 business case presentation that preceded these changes – approval of this business case will result in proportionate reductions to all applicable CARR reserve fund contributions.
2. Contributions presented for additional investment case #4B assume Council approval of this 2023 budget amendment, which reduces the annual contribution by \$950 thousand.

For additional information regarding the Corporate Asset Management Plan and 2020 to 2023 additional investment business case, refer to the committee meetings and reports as well as other online information sources noted below:

- [July 26, 2021, Report to the Corporate Services Committee – Corporate Asset Management Plan 2021 Review](#)
- [September 8, 2020, Report to the Corporate Services Committee – Corporate Asset Management Plan 2020 Review](#)
- [September 8, 2020, Report to Corporate Services Committee - Capital Asset Renewal and Replacement Reserve Fund Rationalization Report](#)
- [August 26, 2019, Report to Strategic Priorities and Policy Committee – 2019 Corporate Asset Management Plan](#)
- [April 8, 2019, Report to Strategic Priorities and Policy Committee – Corporate Asset Management Policy](#)
- [Get Involved London Website – Business Cases for Additional Investment, see business case 4. City of London Infrastructure Gap on page 47 of document](#)

2023 Annual Budget Update

Budget Amendment # P-18

Strategic Area of Focus: Building a Sustainable City

Strategy: Implement the strategic program of road improvements identified in the Smart Moves Transportation Master Plan.

Budget Amendment Type: New Council Direction

Description: Streetscape Master Plan for Dundas Street – Argyle Business Improvement Area (BIA)

Service(s): Roadway Planning and Design

Lead: Kelly Scherr, Deputy City Manager, Environment and Infrastructure

Budget Amendment Tax Levy Impact Table (\$ Thousands)

Tax Levy Impact Detail	2020	2021	2022	2023	2020 to 2023 Total
Annual Tax Levy Impact	N/A	N/A	N/A	\$0	\$0
Annual Incremental Tax Levy Impact	N/A	N/A	N/A	\$0	\$0
Estimated Annual Tax Levy Impact %	N/A	N/A	N/A	0.00%	0.00% Average
Estimated Annual Tax Payer Impact \$ ¹	N/A	N/A	N/A	\$0	\$0.00 Average

Subject to rounding.

1) Calculated based on the average assessed value of \$241 thousand for a residential property (excludes education tax portion and impacts of tax policy).

Streetscape Master Plan for Dundas Street – Argyle BIA

What is the reason for the budget amendment?

As per Council direction, this amendment pertains to developing a Streetscape Master Plan for the Argyle portion of the Dundas Street Corridor, supporting the London Plan vision for Urban Corridors as high quality spaces with neighborhood amenities including parks, civic spaces and attractive outdoor seating areas, accessible to the public. A Community Improvement Plan (CIP) was completed in 2021 by the City’s Planning and Development Services staff with community consultation. The CIP provided several recommendations with the first recommended action being to develop a Streetscape Master Plan.

Capital Budget Expenditure Amendment Table (\$ Thousands)

Streetscape Master Plan for Dundas Street – Argyle BIA	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Budget – TS3229	\$0	\$0	\$0	\$0	\$0	\$0
Amendment	N/A	N/A	N/A	\$150	\$150	\$0
Amended Budget	\$0	\$0	\$0	\$150	\$150	\$0

Capital Budget Source of Financing Amendment Table (\$ Thousands)

Source of Financing Type	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Capital Levy	N/A	N/A	N/A	\$0	\$0	\$0
Debenture	N/A	N/A	N/A	\$0	\$0	\$0
Reserve Fund ¹	N/A	N/A	N/A	-\$150	-\$150	\$0
Other	N/A	N/A	N/A	\$0	\$0	\$0
Non-Tax Supported	N/A	N/A	N/A	\$0	\$0	\$0
Amended Budget	\$0	\$0	\$0	\$150	\$150	\$0

Subject to rounding.

Notes:

- 1) The reserve fund source of financing is the Community Investment Reserve Fund which has a forecasted uncommitted balance of approximately \$1.3 million.
- 2) The 2030 capital gross expenditure is \$0.
- 3) The 2031 capital gross expenditure is \$0.
- 4) The 2032 capital gross expenditure is \$0.

Environmental, Socio-economic Equity and Governance (ESG) Considerations

Environmental, Socio-economic Equity and Governance Profile for this request:

Environmental	Socio-economic Equity	Governance
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Environmental	This project will be reviewed utilizing the Climate Emergency Action Plan screening tool, and it will provide a sustainable approach to provide complete street and urban design elements to improve the public realm in the boulevard including consideration of transit improvements and improving overall safety. The new infrastructure will be designed to provide improved resiliency over the existing conditions. The project will involve stakeholder consultation through the Master Plan process.
Socio-economic Equity	This project will define possible boulevard enhancements including improved sidewalks in accordance with City design standards, the London Plan, and it will be implemented to meet the latest accessibility requirements.
Governance	This amendment will require support from other transportation program areas which will be managed through deferral of other work to future years. Not proceeding with this project will result in possible delays of infrastructure projects along the Argyle portion of Dundas Street. Progress of this project will also be monitored through the capital budget monitoring process, and the final Streetscape Master Plan will be shared with Council.

Additional Details

Link to previous related Committee report:

- [Planning and Environment Committee – September 20, 2021 – Argyle Core Area Community Improvement Plan](#)

2023 Annual Budget Update

Budget Amendment # W-1

Strategic Area of Focus: Building a Sustainable City

Strategy: Prioritize investment in assets to implement the Asset Management Plan

Budget Amendment Type: Cost Driver

Description: Schedule Change for Springbank #2 Water Reservoir Replacement and Expansion.

Service(s): Water Engineering

Lead: Kelly Scherr, Deputy City Manager, Environment and Infrastructure

Budget Amendment Rate Impact Table (\$ Thousands)

Rate Impact Detail	2020	2021	2022	2023	2020 to 2023 Total
Annual Rate Impact	N/A	N/A	N/A	\$0	\$0
Annual Incremental Rate Impact	N/A	N/A	N/A	\$0	\$0
Estimated Annual Rate Impact %	N/A	N/A	N/A	0.00%	0.00% Average
Estimated Annual Rate Payer Impact \$	N/A	N/A	N/A	\$0	\$0.00 Average

Subject to rounding.

Schedule Change for Springbank #2 Water Reservoir Replacement and Expansion

What is the reason for the budget amendment?

Civic Administration is recommending a schedule change for Springbank #2 Water Reservoir Replacement and Expansion (Springbank #2) project due to current construction work at neighbouring reservoirs – Springbank Reservoirs #1 and #3; this work is expected to continue into 2023, which will create a construction conflict with Springbank #2. Delaying construction of this project for one year will eliminate the conflict and is not expected to have an operational impact on the drinking water system.

Capital Budget Expenditure Amendment Table (\$ Thousands)

Springbank #2 Water Reservoir Replacement and Expansion	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Budget – EW3617	\$3,500	\$0	\$0	\$37,581	\$37,581	\$0
Amendment	N/A	N/A	N/A	-\$37,581	-\$37,581	\$37,581
Amended Budget	\$0	\$0	\$0	\$0	\$0	\$37,581

Capital Budget Source of Financing Amendment Table (\$ Thousands)

Source of Financing Type	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Capital Rate	N/A	N/A	N/A	\$0	\$0	\$0
Debenture	N/A	N/A	N/A	\$0	\$0	\$0
Reserve Fund ¹	N/A	N/A	N/A	\$37,581	\$37,581	-\$37,581
Other	N/A	N/A	N/A	\$0	\$0	\$0
Non-Rate Supported	N/A	N/A	N/A	\$0	\$0	\$0
Amended Budget	\$3,500	\$0	\$0	\$0	\$0	\$37,581

Subject to rounding.

Notes:

- 1) The reserve fund source of financing is the Water Works Renewal Reserve Fund.
- 2) The 2030 capital gross expenditure is \$0.
- 3) The 2031 capital gross expenditure is \$0.
- 4) The 2032 capital gross expenditure is \$0.

Environmental, Socio-economic Equity and Governance (ESG) Considerations

Environmental, Socio-economic Equity and Governance Profile for this request:



Environmental	The one-year delay of this project is not expected to have any significant environmental impacts. This delay will not change the scope of work that will ultimately be done to build Springbank Reservoir #2, and as a result, the overall environmental impacts of the project will remain unchanged.
Socio-economic Equity	The one-year delay of this project is anticipated to have positive impacts to Socio-economic Equity. The recommended schedule change will eliminate a construction conflict with the current ongoing work at Springbank Reservoirs #1 and #3, and is not expected to have an operational impact on the drinking water system. It is imperative that the current work related to Springbank Reservoirs #1 and #3 be completed without any conflicts, as the replacement of the protective waterproof membrane on both reservoirs have reached the end of their useful life. The membrane guards against contamination of the potable water supply stored within the buried, reinforced concrete structures. It is important for communities to have clean drinking water, as it allows residents to stay physically healthy and mitigates exposure to countless diseases.
Governance	The risk of not approving this budget amendment can result in construction constraints if projects Springbank Reservoirs #1 and #3 and Springbank #2 were to be constructed at the same time, and will accordingly result in significant project cost increases. These projects require each reservoir to be drained, and not in use while construction work is in progress. Having two of these reservoirs out of service at the same time for an extended period of time presents a risk to the drinking water system as there would be insufficient storage for emergency situations.

Additional Details

The rehabilitation work on Springbank #1 and #3 reservoirs is expected to continue into the 2023 construction season. This work will require one of those two reservoirs to be shut down for the majority of that construction season. In light of this, it is recommended to delay the reconstruction and expansion of the Springbank #2 reservoir until the rehabilitation work on the other reservoirs is complete. Operationally, it is not desirable to have more than one of these important drinking water reservoirs offline at one time. Also, the constrained site would make construction difficult and more expensive if both projects were being done at the same time. Operational staff are confident that it is possible to maintain the existing Springbank #2 reservoir for an additional year.

2023 Annual Budget Update

Budget Amendment # W-2

Strategic Area of Focus:	Building a Sustainable City
Strategy:	Continue annual reviews of growth infrastructure plans to balance development needs with available funding.
Budget Amendment Type:	Cost Driver
Description:	<p>Schedule Changes for Water Growth Projects</p> <p>Part A: Arva Pumping Station Upgrade</p> <p>Part B: Wonderland Road Watermain – Commissioners to Viscount</p> <p>Part C: Medway Watermain (A1) – Arva Pumping Station to Wonderland Road</p> <p>Part D: Wonderland Watermain (A2) – Medway Road to City Limit</p> <p>Part E: Wonderland Watermain (A3) – City Limit to Sunningdale Road</p> <p>Part F: Viscount Road Watermain – Wonderland to Andover (3001/3002)</p>
Service(s):	Water Engineering
Lead:	Kelly Scherr, Deputy City Manager, Environment and Infrastructure

Budget Amendment Rate Impact Table (\$ Thousands)

Rate Impact Detail	2020	2021	2022	2023	2020 to 2023 Total
Annual Rate Impact	N/A	N/A	N/A	\$0	\$0
Annual Incremental Rate Impact	N/A	N/A	N/A	\$0	\$0
Estimated Annual Rate %	N/A	N/A	N/A	0.00%	0.00% Average
Estimated Annual Rate Payer Impact \$	N/A	N/A	N/A	\$0	\$0.00 Average

Subject to rounding.

Schedule Changes for Water Growth Projects

What is the reason for the budget amendment?

The need, scope, and timing of the projects in Parts A through F of this budget amendment are under review as part of a servicing study that is expected to be completed by the end of 2022 and incorporated in the next Development Charges Background Study. This amendment will allow this study to confirm if these projects and their current scopes are appropriate, in the City's best interests, and that the timing aligns with the projected needs for future residential, institutional, commercial and industrial growth.

Part A: Arva Pumping Station Upgrade

Capital Budget Expenditure Amendment Table (\$ Thousands)

Arva Pumping Station Upgrade	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Budget – EW3654	\$0	\$340	\$0	\$3,133	\$3,473	\$0
Amendment	N/A	N/A	N/A	-\$3,133	-\$3,133	\$3,133
Amended Budget	\$0	\$340	\$0	\$0	\$340	\$3,133

Capital Budget Source of Financing Amendment Table (\$ Thousands)

Source of Financing Type	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Capital Rate	N/A	N/A	N/A	\$0	\$0	\$0
Debenture	N/A	N/A	N/A	\$0	\$0	\$0
Reserve Fund ¹	N/A	N/A	N/A	\$1,566	\$1,566	-\$1,566
Other	N/A	N/A	N/A	\$0	\$0	\$0
Non-Rate Supported ²	N/A	N/A	N/A	\$1,567	\$1,567	-\$1,567
Amended Budget	\$0	\$340	\$0	\$0	\$340	\$3,133

Subject to rounding.

Notes:

- 1) The reserve fund source of financing is the Water Works Renewal Reserve Fund.
- 2) The non-rate supported source of financing is the City Services Water Reserve Fund.
- 3) The 2030 capital gross expenditure is \$0.
- 4) The 2031 capital gross expenditure is \$0.
- 5) The 2032 capital gross expenditure is \$0.

Part B: Wonderland Road Watermain – Commissioners to Viscount

Capital Budget Expenditure Amendment Table (\$ Thousands)

Wonderland Road Watermain – Commissioners to Viscount	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Budget – EW3658	\$108	\$0	\$0	\$2,836	\$2,944	\$0
Amendment	N/A	N/A	N/A	-\$2,836	-\$2,836	\$2,836
Amended Budget	\$108	\$0	\$0	\$0	\$108	\$2,836

Capital Budget Source of Financing Amendment Table (\$ Thousands)

Source of Financing Type	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Capital Rate	N/A	N/A	N/A	\$0	\$0	\$0
Debenture	N/A	N/A	N/A	\$0	\$0	\$0
Reserve Fund	N/A	N/A	N/A	\$0	\$0	\$0
Other	N/A	N/A	N/A	\$0	\$0	\$0
Non-Rate Supported ¹	N/A	N/A	N/A	\$2,836	\$2,836	-\$2,836
Amended Budget	\$108	\$0	\$0	\$0	\$108	\$2,836

Subject to rounding.

Notes:

- 1) The non-rate supported source of financing is the City Services Water Reserve Fund.
- 2) The 2030 capital gross expenditure is \$0.
- 3) The 2031 capital gross expenditure is \$0.
- 4) The 2032 capital gross expenditure is \$0.

Part C: Medway Watermain (A1) – Arva Pumping Station to Wonderland Road

Capital Budget Expenditure Amendment Table (\$ Thousands)

Medway Watermain (A1) – Arva Pumping Station to Wonderland Road	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Budget – EW3692	\$0	\$0	\$0	\$572	\$572	\$5,397
Amendment	N/A	N/A	N/A	-\$572	-\$572	\$572
Amended Budget	\$0	\$0	\$0	\$0	\$0	\$5,969

Capital Budget Source of Financing Amendment Table (\$ Thousands)

Source of Financing Type	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Capital Rate	N/A	N/A	N/A	\$0	\$0	\$0
Debenture	N/A	N/A	N/A	\$0	\$0	\$0
Reserve Fund	N/A	N/A	N/A	\$0	\$0	\$0
Other	N/A	N/A	N/A	\$0	\$0	\$0
Non-Rate Supported ¹	N/A	N/A	N/A	\$572	\$572	-\$572
Amended Budget	\$0	\$0	\$0	\$0	\$0	\$5,969

Subject to rounding.

Notes:

- 1) The non-rate supported source of financing is the City Services Water Reserve Fund.
- 2) The 2030 capital gross expenditure is \$0.
- 3) The 2031 capital gross expenditure is \$0.
- 4) The 2032 capital gross expenditure is \$0.

Part D: Wonderland Watermain (A2) – Medway Road to City Limit

Capital Budget Expenditure Amendment Table (\$ Thousands)

Wonderland Watermain (A2) – Medway Road to City Limit	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Budget – EW3789	\$0	\$0	\$0	\$571	\$571	\$5,391
Amendment	N/A	N/A	N/A	-\$571	-\$571	\$571
Amended Budget	\$0	\$0	\$0	\$0	\$0	\$5,962

Capital Budget Source of Financing Amendment Table (\$ Thousands)

Source of Financing Type	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Capital Rate	N/A	N/A	N/A	\$0	\$0	\$0
Debenture	N/A	N/A	N/A	\$0	\$0	\$0
Reserve Fund	N/A	N/A	N/A	\$0	\$0	\$0
Other	N/A	N/A	N/A	\$0	\$0	\$0
Non-Rate Supported ¹	N/A	N/A	N/A	\$571	\$571	-\$571
Amended Budget	\$0	\$0	\$0	\$0	\$0	\$5,962

Subject to rounding.

Notes:

- 1) The non-rate supported source of financing is the City Services Water Reserve Fund.
- 2) The 2030 capital gross expenditure is \$0.
- 3) The 2031 capital gross expenditure is \$0.
- 4) The 2032 capital gross expenditure is \$0.

Part E: Wonderland Watermain (A3) – City Limit to Sunningdale Road

Capital Budget Expenditure Amendment Table (\$ Thousands)

Wonderland Watermain (A3) – City Limit to Sunningdale Road	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Budget – EW3790	\$0	\$0	\$0	\$502	\$502	\$4,735
Amendment	N/A	N/A	N/A	-\$502	-\$502	\$502
Amended Budget	\$0	\$0	\$0	\$0	\$0	\$5,237

Capital Budget Source of Financing Amendment Table (\$ Thousands)

Source of Financing Type	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Capital Rate	N/A	N/A	N/A	\$0	\$0	\$0
Debenture	N/A	N/A	N/A	\$0	\$0	\$0
Reserve Fund	N/A	N/A	N/A	\$0	\$0	\$0
Other	N/A	N/A	N/A	\$0	\$0	\$0
Non-Rate Supported ¹	N/A	N/A	N/A	\$502	\$502	-\$502
Amended Budget	\$0	\$0	\$0	\$0	\$0	\$5,237

Subject to rounding.

Notes:

- 1) The non-rate supported source of financing is the City Services Water Reserve Fund.
- 2) The 2030 capital gross expenditure is \$0.
- 3) The 2031 capital gross expenditure is \$0.
- 4) The 2032 capital gross expenditure is \$0.

Part F: Viscount Road Watermain – Wonderland to Andover (3001/3002)

Capital Budget Expenditure Amendment Table (\$ Thousands)

Viscount Road Watermain – Wonderland to Andover (3001/3002)	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Budget EW3657	\$0	\$0	\$0	\$461	\$461	\$4,246
Amendment	N/A	N/A	N/A	-\$461	-\$461	\$461
Amended Budget	\$0	\$0	\$0	\$0	\$0	\$4,707

Capital Budget Source of Financing Amendment Table (\$ Thousands)

Source of Financing Type	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Capital Rate	N/A	N/A	N/A	\$0	\$0	\$0
Debenture	N/A	N/A	N/A	\$0	\$0	\$0
Reserve Fund	N/A	N/A	N/A	\$0	\$0	\$0
Other	N/A	N/A	N/A	\$0	\$0	\$0
Non-Rate Supported ¹	N/A	N/A	N/A	\$461	\$461	-\$461
Amended Budget	\$0	\$0	\$0	\$0	\$0	\$4,707

Subject to rounding.

Notes:

- 1) The non-rate supported source of financing is the City Services Water Reserve Fund.
- 2) The 2030 capital gross expenditure is \$0.
- 3) The 2031 capital gross expenditure is \$0.
- 4) The 2032 capital gross expenditure is \$0.

Environmental, Socio-economic Equity and Governance (ESG) Considerations

Environmental, Socio-economic Equity and Governance Profile for this request:



Environmental	The construction of each of these projects will generate greenhouse gas emissions. By ensuring that we are only constructing works that are needed for our system, we are minimizing our greenhouse gas emissions. However, until the servicing study is complete, it is unknown whether there will be a net reduction in emissions.
Socio-economic Equity	There are no socio-economic equity impacts anticipated resulting from this budget amendment. The growth projects outlined in this budget amendment case do not extend water servicing to new areas and were instead intended to reinforce the broader water network to accommodate growth. Changing demand patterns, growth patterns and increased water efficiency means these projects need to be re-evaluated. The delay of these projects will not delay or restrict growth.
Governance	Constructing these works without the information from the servicing study would risk limited funds being spent on projects that may not be needed while reducing the funds available for other projects that are needed. This can be mitigated by not moving forward with the construction even though the budget is available.

Additional Details

These projects were initially justified and scheduled as part of growth studies completed on the City’s water system many years ago. Since then, much has changed including water demand patterns, growth patterns and increased water efficiency. A major growth study to assess these changes and the impact on our water system is expected to be complete by the end of 2022. This study will determine the scope and timing of these projects, and if there is a need for them. Constructing these works without the information from that study would risk limited funds being spent on projects that may not be required, while reducing available funding for other projects that are needed. This aligns with the Strategic Plan strategy to “Continue annual reviews of growth infrastructure plans to balance development needs with available funding”.

It should be noted that while these are growth projects, they are intended to address impacts of growth to the wider water network, and as such, no developments will be delayed by deferring these projects.

2023 Annual Budget Update

Budget Amendment # WWT-1

Strategic Area of Focus: Building a Sustainable City

Strategy: Implement strategies, policies, and programs to conserve natural areas and features.

Budget Amendment Type: Cost or Revenue Driver

Description: Part A: Mud Creek East Branch Phase 2 Budget Increase
Part B: Schedule Change - Stormwater Management Contingency Facility
Part C: Schedule Change - Dingman #2 Remediation Stormwater Management Flood Control Facility

Service(s): Stormwater Engineering

Lead: Kelly Scherr, Deputy City Manager, Environment and Infrastructure

Budget Amendment Rate Impact Table (\$ Thousands)

Rate Impact Detail	2020	2021	2022	2023	2020 to 2023 Total
Annual Rate Impact	N/A	N/A	N/A	\$0	\$0
Annual Incremental Rate Impact	N/A	N/A	N/A	\$0	\$0
Estimated Annual Rate Impact %	N/A	N/A	N/A	0.00%	0.00% Average
Estimated Annual Rate Impact \$	N/A	N/A	N/A	\$0	\$0.00 Average

Subject to rounding.

Part A: Mud Creek East Branch Phase 2 Budget Increase

What is the reason for the budget amendment?

Civic Administration is recommending a budget amendment to increase the 2023 capital budget for Mud Creek East Branch Phase 2 (Mud Creek Phase 2) project due to the results of a detailed design conducted in fall 2021. The detailed design estimate for constructing this project is \$11.5 million, as such, an associated budget increase for this amount is required in 2023. This increase can be attributed to various factors, some of which include an Environmental Assessment (EA) completed in 2017 which estimated the total cost of Phases 1 and 2 of this project to be approximately \$10 million; however, Phases 1A and 1B resulted in total construction costs of \$10 million when completed in spring 2021. This cost overrun is a result of the EA underestimating the cost of microtunnelling two large diameter (2400 mm) culverts under the Canadian National Railway (CN Rail) in 2020, as well as an increase in inflationary and supply chain pressures during the COVID-19 pandemic when the channel component was tendered in 2021.

The Mud Creek subwatershed is highly urbanized with a history of frequent flooding along Oxford Street and Proudfoot Lane and adjacent private properties. The areas north of CN Rail embankment provide infill and intensification opportunities, accordingly, Phase 2 of this project will allow over 50 hectares of prime infill and intensification lands to develop and reduce existing flooding within the Oxford Street and Proudfoot Lane areas. The required work includes a significant channel widening and realignment of the Mud Creek channel between the CN Rail, north to Proudfoot Lane and Oxford Street, as well as a new culvert crossing at Oxford Street (east of Proudfoot Lane). The work completed through this phase provides the opportunity for the creation of a high-quality naturalized area and public corridor. As part of this project, a multiuse recreation trail will surround the channel section and provide the ability to view the naturalized channel corridor. This project also provides the opportunity to create a space that supports ecological functions and features, such as terrestrial, aquatic and wetland habitat improvements. It is imperative to note, this critical project should move forward in 2023 and should not be delayed based on commitments made to developers in this area.

Capital Budget Expenditure Amendment Table (\$ Thousands)

Mud Creek East Branch Phase 2	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Budget – ES2681-2	\$4,875	\$0	\$0	\$0	\$4,875	\$0
Amendment	N/A	N/A	N/A	\$11,500	\$11,500	\$0
Amended Budget	\$4,875	\$0	\$0	\$11,500	\$16,375	\$0

Capital Budget Source of Financing Amendment Table (\$ Thousands)

Source of Financing Type	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Capital Rate	N/A	N/A	N/A	\$0	\$0	\$0
Debenture	N/A	N/A	N/A	\$0	\$0	\$0
Reserve Fund ¹	N/A	N/A	N/A	-\$7,256	-\$7,256	\$0
Other	N/A	N/A	N/A	\$0	\$0	\$0
Non-Rate Supported ²	N/A	N/A	N/A	-\$4,244	-\$4,244	\$0
Amended Budget	\$0	\$0	\$0	\$11,500	\$16,375	\$0

Subject to rounding.

Notes:

- 1) The reserve fund source of financing is the Sewage Works Renewal Reserve Fund.
- 2) The non-rate supported source of financing is the City Services Stormwater Reserve Fund.
- 3) The 2030 capital gross expenditure is \$0.
- 4) The 2031 capital gross expenditure is \$0.
- 5) The 2032 capital gross expenditure is \$0.

Part B: Schedule Change - Stormwater Management Contingency Facility

What is the reason for the budget amendment?

To accommodate the Mud Creek Phase 2 budget increase in 2023, Civic Administration is recommending deferring \$5 million for project ES2701, Stormwater Management Contingency Facility from 2023 to 2024 to partially offset the budget increase and help offset the impact of Part A of this business case on the City Services Stormwater Reserve Fund. The Stormwater Management Contingency Facility project was scheduled for 2023 in the 2021 Development Charges Background Study Update; however, there is currently no development linked to this funding. It is therefore recommended to defer this project until it is assigned to a development area.

Capital Budget Expenditure Amendment Table (\$ Thousands)

Stormwater Management Contingency Facility	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Budget - ES2701	\$0	\$0	\$865	\$5,020	\$5,885	\$0
Amendment	N/A	N/A	N/A	-\$5,020	-\$5,020	\$5,020
Amended Budget	\$0	\$0	\$865	\$0	\$865	\$5,020

Capital Budget Source of Financing Amendment Table (\$ Thousands)

Source of Financing Type	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Capital Rate	N/A	N/A	N/A	\$0	\$0	\$0
Debenture	N/A	N/A	N/A	\$0	\$0	\$0
Reserve Fund	N/A	N/A	N/A	\$0	\$0	\$0
Other	N/A	N/A	N/A	\$0	\$0	\$0
Non-Rate Supported ¹	N/A	N/A	N/A	\$5,020	\$5,020	-\$5,020
Amended Budget	\$0	\$0	\$865	\$0	\$865	\$5,020

Subject to rounding.

Notes:

- 1) The non-rate supported sources of financing is debenture serviced through the City Services Stormwater Reserve Fund.
- 3) The 2030 capital gross expenditure is \$0.
- 4) The 2031 capital gross expenditure is \$0.
- 5) The 2032 capital gross expenditure is \$0.

Part C: Schedule Change - Dingman #2 Remediation Stormwater Management Flood Control Facility

What is the reason for the budget amendment?

Civic Administration is also recommending deferring \$4.8 million budgeted for project ES3202, Dingman #2 Remediation Stormwater Management Flood Control Facility from 2023 to 2025, as work related to this project is not yet ready to be constructed. Deferring this work will partially offset the impact of Part A of this business case on the City Services Stormwater Reserve Fund and Sewage Works Renewal Reserve Fund.

Capital Budget Expenditure Amendment Table (\$ Thousands)

Dingman #2 Remediation Stormwater Management Flood Control Facility	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Previously Approved Budget – ES3202	\$0	\$0	\$410	\$4,823	\$5,233	\$0
Amendment	N/A	N/A	N/A	-\$4,823	-\$4,823	\$4,823
Amended Budget	\$0	\$0	\$410	\$0	\$410	\$4,823

Capital Budget Source of Financing Amendment Table (\$ Thousands)

Source of Financing Type	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Capital Rate	N/A	N/A	N/A	\$0	\$0	\$0
Debenture	N/A	N/A	N/A	\$0	\$0	\$0
Reserve Fund ¹	N/A	N/A	N/A	\$4,100	\$4,100	-\$4,100
Other	N/A	N/A	N/A	\$0	\$0	\$0
Non-Rate Supported ²	N/A	N/A	N/A	\$723	\$723	-\$723
Amended Budget	\$0	\$0	\$410	\$0	\$410	\$4,823

Subject to rounding.

Notes:

- 1) The reserve fund source of financing is Sewage Works Renewal Reserve Fund.
- 2) The non-rate supported source of financing is debenture serviced through the City Services Stormwater Reserve Fund.
- 3) The 2030 capital gross expenditure is \$0.
- 4) The 2031 capital gross expenditure is \$0.
- 5) The 2032 capital gross expenditure is \$0.

Environmental, Socio-economic Equity and Governance (ESG) Considerations

Environmental, Socio-economic Equity and Governance Profile for this request:



Environmental	<p>Mud Creek Phase 2 Project will reduce flooding risk to existing properties and allow for future development to proceed, therefore, it supports adaptation as part of the Climate Emergency Action Plan to reduce impacts of flooding. An Environmental Assessment and Environmental Impact Study (EIS) were completed in 2017. The EIS includes recommendations for tree planting at a ratio of 3:1 to compensate for tree removals as well as additional habitat features to support wildlife. The long-term benefits of this project will include approximately 1 kilometer of 60-metre-wide natural green corridor that will provide natural carbon sequestration and support increased biodiversity of fauna and wildlife.</p> <p>The deferral of projects ES2701 (Stormwater Management Contingency Facility) and ES3202 (Dingman #2 Remediation Stormwater Management Flood Control Facility) are not expected to have any significant environmental impacts.</p>
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Socio-economic Equity	<p>Mud Creek Phase 2 project will reduce or eliminate flooding across Oxford Street, west of Proudfoot Lane and open up over 50 hectares of residential infill development north of Oxford Street. The proposed pathway along this channel project will promote active mobility within a densely populated area and serve the community with a walkable natural area to support physical and mental health.</p> <p>The deferral of projects ES2701 (Stormwater Management Contingency Facility) and ES3202 (Dingman #2 Remediation Stormwater Management Flood Control Facility) are not expected to have any significant impacts to Socio-economic Equity considerations.</p>
Governance	<p>This budget amendment is required for the City to meet its obligations to landowners who have submitted development applications for infill/intensification subdivisions and site plans over 15 years ago. Phase 1 of Mud Creek was completed in 2021 after over 15 years of study for a cost of \$10 million. This included two storm sewers installed trenchlessly under the CN rail tracks (\$7.5 million), and restoration works of approximately 700 metres of channel (\$2.5 million). The Phase 2 works are necessary to allow development to proceed and realize the benefits of Phase 1 works. This project is finally in a position to be implemented with upcoming approvals from the Upper Thames River Conservation Authority (UTRCA) and Fisheries and Oceans Canada (DFO). Therefore, we recommend this budget amendment be approved for the City to honour its commitments.</p> <p>The deferral of projects ES2701 (Stormwater Management Contingency Facility) and ES3202 (Dingman #2 Remediation Stormwater Management Flood Control Facility) are not expected to have any significant impacts to Governance considerations.</p>

Additional Details

The design studies and planning for Mud Creek Phase 2 project have taken over 15 years to finalize. This project was delayed from 2022 construction due to environmental and archeological study requirements and is not recommended to be delayed beyond 2023 based on commitments made to developers in this area. This project is critical to facilitate over 50 hectares of infill residential development on a future transit corridor. As such, Civic Administration is recommending increasing the capital budget of ES2681-2, Mud Creek East Branch Phase 2 by \$11.5 million to construct this critical project in 2023. It is also recommended to defer \$5 million for Stormwater Management Contingency Facility from 2023 to 2024 and the \$4.8 million for Dingman #2 Remediation Stormwater Management Flood Control Facility from 2023 to 2025 to partially offset the increase and help soften the impact of Part A of this business case on the City Services Stormwater Reserve Fund.

Appendix A - Operating Budget Overview

2023 Annual Update – Operating Net Budget Overview (\$ Thousands)

Operating Budget	2020 Tax Levy Revenue	2021 Tax Levy Revenue	2022 Tax Levy Revenue	2023 Tax Levy Revenue	2020 to 2023 Average % Increase
Previously Approved % Increase From Rates ¹	4.4%	3.4%	2.8%	3.9%	3.6%
Previously Approved Budget	642,901	673,581	701,849	729,063	
Amendments ²				-6,602	
Amended Budget	642,901	673,581	701,849	722,461	
Amended % Increase From Rates	4.4%	3.4%	2.8%	2.9%	3.4%

Subject to rounding.

Notes

1. Previously approved rates are recalculated taking into account assessment growth impact in each annual update year of the Multi-Year Budget period.
2. Amendments reflects impacts of all budget amendments as applicable.

2023 Annual Update – Gross Operating Expenditure and Non-Tax Levy Revenue Budget Overview (\$ Thousands)

Operating Budget	2020 Expenditure	2020 Non-Tax Levy Revenue	2021 Expenditure	2021 Non-Tax Levy Revenue	2022 Expenditure	2022 Non-Tax Levy Revenue	2023 Expenditure	2023 Non-Tax Levy Revenue
Previously Approved Budget	1,007,784	364,883	1,041,639	368,058	1,108,664	406,814	1,102,670	373,607
Amendments ¹							2,374	8,975
Amended Budget	1,007,784	364,883	1,041,639	368,058	1,108,664	406,814	1,105,044	382,582

Subject to rounding.

Notes

1. Amendments reflects impacts of all budget amendments as applicable.
2. Amounts reported include housekeeping budget adjustments.

2020 Operating Budget Overview (\$ Thousands)

2020 Operating Budget	Approved Expenditure Budget	Approved Non-Tax Levy Revenue	Approved Tax Levy Revenue
Culture Services	27,548	1,332	26,216
Economic Prosperity	17,483	4,450	13,033
Environmental Services	37,632	14,289	23,343
Parks, Recreation & Neighbourhood Services	51,472	20,934	30,538
Planning & Development Services	17,832	9,958	7,874
Protective Services	199,619	12,614	187,005
Housing, Social & Health Services	316,969	230,439	86,530
Transportation Services	96,485	14,080	82,405
Corporate, Operational & Council Services	83,634	14,763	68,871
Financial Management	159,110	42,024	117,086
Total	1,007,784	364,883	642,901

Subject to rounding.

Notes

1. Amounts reported include housekeeping budget adjustments.

2021 Operating Budget Overview (\$ Thousands)

2021 Operating Budget	Approved Expenditure Budget	Approved Non-Tax Levy Revenue	Approved Tax Levy Revenue
Culture Services	27,450	657	26,793
Economic Prosperity	15,787	3,440	12,347
Environmental Services	41,130	14,479	26,651
Parks, Recreation & Neighbourhood Services	53,858	21,706	32,152
Planning & Development Services	19,405	10,897	8,507
Protective Services	206,597	13,179	193,418
Housing, Social & Health Services	321,247	231,318	89,929
Transportation Services	102,995	16,048	86,947
Corporate, Operational & Council Services	87,364	15,354	72,009
Financial Management	165,808	40,979	124,828
Total	1,041,639	368,058	673,581

Subject to rounding.

Notes

1. Amounts reported include housekeeping budget adjustments.

2022 Operating Budget Overview (\$ Thousands)

2022 Operating Budget	Approved Expenditure Budget	Approved Non-Tax Levy Revenue	Approved Tax Levy Revenue
Culture Services	28,924	807	28,117
Economic Prosperity	16,827	4,360	12,467
Environmental Services	45,106	15,370	29,737
Parks, Recreation & Neighbourhood Services	54,166	21,210	32,956
Planning & Development Services	19,509	12,380	7,128
Protective Services	215,154	13,929	201,225
Housing, Social & Health Services	358,515	263,613	94,903
Transportation Services	105,347	15,660	89,687
Corporate, Operational & Council Services	91,633	17,585	74,049
Financial Management	173,482	41,901	131,581
Total	1,108,664	406,814	701,849

Subject to rounding.

Notes

1. Amounts reported include housekeeping budget adjustments.

2023 Operating Budget Overview (\$ Thousands)

2023 Operating Budget	Previously Approved Expenditure Budget	Previously Approved Non-Tax Levy Revenue	Previously Approved Tax Levy Revenue	Amended Expenditure Budget	Amended Non-Tax Levy Revenue	Amended Tax Levy Revenue
Culture Services	29,206	657	28,549	29,204	657	28,547
Economic Prosperity	14,492	2,453	12,039	14,792	2,453	12,339
Environmental Services	47,409	15,704	31,706	45,909	17,204	28,706
Parks, Recreation & Neighbourhood Services	54,600	21,324	33,276	57,332	24,399	32,933
Planning & Development Services	19,061	12,050	7,011	19,061	12,050	7,011
Protective Services	218,669	13,688	204,981	218,669	13,688	204,981
Housing, Social & Health Services	337,251	233,361	103,890	339,210	233,711	105,499
Transportation Services	107,639	15,752	91,887	106,738	15,752	90,986
Corporate, Operational & Council Services	91,229	16,476	74,753	92,505	16,601	75,904
Financial Management	183,113	42,142	140,971	181,622	46,067	135,555
Total	1,102,670	373,607	729,063	1,105,044	382,582	722,461

Subject to rounding.

Notes

1. Amounts reported include housekeeping budget adjustments.
2. Amended Budget reflects impacts of all budget amendments as applicable.

2020 to 2023 Operating Budget Overview (\$ Thousands)

2020 to 2023 Operating Budget	Previously Approved Expenditure Budget	Previously Approved Non-Tax Levy Revenue	Previously Approved Tax Levy Revenue	Amended Expenditure Budget	Amended Non-Tax Levy Revenue	Amended Tax Levy Revenue	Average Daily Tax Payer Impact (\$)
Culture Services	113,128	3,453	109,675	113,126	3,453	109,673	0.34
Economic Prosperity	64,589	14,702	49,886	64,889	14,702	50,186	0.16
Environmental Services	171,277	59,841	111,436	169,777	61,341	108,436	0.34
Parks, Recreation & Neighbourhood Services	214,095	85,173	128,922	216,827	88,249	128,579	0.40
Planning & Development Services	75,807	45,286	30,521	75,807	45,286	30,521	0.09
Protective Services	840,039	53,410	786,628	840,039	53,410	786,628	2.44
Housing, Social & Health Services	1,333,982	958,731	375,251	1,335,941	959,081	376,860	1.17
Transportation Services	412,466	61,540	350,926	411,565	61,540	350,025	1.09
Corporate, Operational & Council Services	353,861	64,178	289,682	355,137	64,303	290,833	0.90
Financial Management	681,513	167,047	514,466	680,022	170,972	509,051	1.59
Total	4,260,757	1,513,362	2,747,394	4,263,130	1,522,338	2,740,793	8.52

Subject to rounding.

Notes

1. Amounts reported include housekeeping budget adjustments.
2. Amended Budget reflects impacts of all budget amendments as applicable.

2020 Operating Budget Detail by Service Grouping (\$ Thousands)

2020 Operating Budget	Approved Expenditure Budget	Approved Non-Tax Levy Revenue	Approved Tax Levy Revenue
Centennial Hall	848	657	191
Arts, Culture & Heritage Advisory & Funding	2,527	75	2,452
Museum London	1,821	0	1,821
Eldon House	295	0	295
Heritage	543	0	543
Library Services	21,513	600	20,913
Total Culture Services	27,548	1,332	26,216
Economic Development	9,325	590	8,735
Community Improvement / Business Improvement Areas	5,454	3,860	1,594
RBC Place London	648	0	648
Tourism & Sports Attraction	2,056	0	2,056
Covent Garden Market	0	0	0
Total Economic Prosperity	17,483	4,450	13,033
Kettle Creek Conservation Authority	223	0	223
Lower Thames Valley Conservation Authority	68	0	68
Upper Thames River Conservation Authority	1,568	0	1,568
Climate Change & Environmental Stewardship	1,072	128	945
Garbage, Recycling & Composting	34,700	14,161	20,539
Total Environmental Services	37,632	14,289	23,343
Neighbourhood & Recreation Services	37,043	20,878	16,165
Parks & Urban Forestry	14,429	56	14,373
Total Parks, Recreation & Neighbourhood Services	51,472	20,934	30,538

2020 Operating Budget	Approved Expenditure Budget	Approved Non-Tax Levy Revenue	Approved Tax Levy Revenue
Building Approvals	8,113	7,873	239
Planning Services	3,708	285	3,423
Development Services	6,011	1,800	4,211
Total Planning & Development Services	17,832	9,958	7,874
Animal Services	3,081	1,269	1,812
By-Law Enforcement & Property Standards	3,373	2,397	976
Emergency Management & Security Services	3,227	64	3,163
Fire Services	65,690	315	65,375
London Police Services	124,247	8,569	115,678
Total Protective Services	199,619	12,614	187,005
Municipal Housing	19,777	11,078	8,699
Housing Development Corporation	2,843	0	2,843
London & Middlesex Community Housing	12,389	0	12,389
Long Term Care	24,581	18,830	5,751
Land Ambulance	18,943	0	18,943
Middlesex-London Health Unit	6,705	0	6,705
Social & Community Support Services	231,730	200,531	31,199
Total Housing, Social & Health Services	316,969	230,439	86,530
Parking	3,478	7,120	-3,642
London Transit Commission	38,089	0	38,089
Roadways	54,839	6,880	47,959
Rapid Transit	80	80	0
Total Transportation Services	96,485	14,080	82,405

2020 Operating Budget	Approved Expenditure Budget	Approved Non-Tax Levy Revenue	Approved Tax Levy Revenue
Corporate Services	65,611	5,704	59,907
Corporate Planning & Administration	2,206	22	2,184
Council Services	4,094	130	3,965
Public Support Services	11,723	8,907	2,816
Total Corporate, Operational and Council Services	83,634	14,763	68,871
Capital Financing - Capital Levy	48,262	0	48,262
Capital Financing - Debt Servicing	37,560	0	37,560
Capital Financing - Contribution to Capital Reserve Funds	31,794	0	31,794
Other Related Financing - Contingencies	4,962	0	4,962
Other Related Financing - Other Corporate Revenues & Expenditures	26,558	39,583	-13,025
Finance	9,974	2,441	7,533
Total Financial Management	159,110	42,024	117,086

Subject to rounding.

Notes

1. Amounts reported include housekeeping budget adjustments.

2021 Operating Budget Detail by Service Grouping (\$ Thousands)

2021 Operating Budget	Approved Expenditure Budget	Approved Non-Tax Levy Revenue	Approved Tax Levy Revenue
Centennial Hall	848	657	191
Arts, Culture & Heritage Advisory & Funding	2,495	0	2,495
Museum London	1,852	0	1,852
Eldon House	299	0	299
Heritage	564	0	564
Library Services	21,392	0	21,392
Total Culture Services	27,450	657	26,793
Economic Development	9,308	1,450	7,858
Community Improvement / Business Improvement Areas	3,716	1,990	1,726
RBC Place London	658	0	658
Tourism & Sports Attraction	2,105	0	2,105
Covent Garden Market	0	0	0
Total Economic Prosperity	15,787	3,440	12,347
Kettle Creek Conservation Authority	314	0	314
Lower Thames Valley Conservation Authority	69	0	69
Upper Thames River Conservation Authority	1,660	0	1,660
Climate Change & Environmental Stewardship	1,579	375	1,204
Garbage, Recycling & Composting	37,508	14,105	23,403
Total Environmental Services	41,130	14,479	26,651
Neighbourhood & Recreation Services	38,800	21,649	17,151
Parks & Urban Forestry	15,058	56	15,001
Total Parks, Recreation & Neighbourhood Services	53,858	21,706	32,152

2021 Operating Budget	Approved Expenditure Budget	Approved Non-Tax Levy Revenue	Approved Tax Levy Revenue
Building Approvals	8,485	8,072	413
Planning Services	4,547	904	3,643
Development Services	6,372	1,921	4,451
Total Planning & Development Services	19,405	10,897	8,507
Animal Services	3,179	1,269	1,910
By-Law Enforcement & Property Standards	3,406	2,507	899
Emergency Management & Security Services	3,387	65	3,322
Fire Services	67,013	318	66,694
London Police Services	129,612	9,020	120,592
Total Protective Services	206,597	13,179	193,418
Municipal Housing	19,656	10,892	8,764
Housing Development Corporation	3,186	0	3,186
London & Middlesex Community Housing	13,184	0	13,184
Long Term Care	25,034	18,922	6,112
Land Ambulance	21,822	0	21,822
Middlesex-London Health Unit	6,095	0	6,095
Social & Community Support Services	232,268	201,504	30,765
Total Housing, Social & Health Services	321,247	231,318	89,929
Parking	4,246	8,010	-3,764
London Transit Commission	41,626	0	41,626
Roadways	57,042	7,958	49,085
Rapid Transit	80	80	0
Total Transportation Services	102,995	16,048	86,947

2021 Operating Budget	Approved Expenditure Budget	Approved Non-Tax Levy Revenue	Approved Tax Levy Revenue
Corporate Services	68,771	6,125	62,645
Corporate Planning & Administration	2,282	154	2,128
Council Services	4,177	125	4,052
Public Support Services	12,134	8,950	3,184
Total Corporate, Operational and Council Services	87,364	15,354	72,009
Capital Financing - Capital Levy	50,183	0	50,183
Capital Financing - Debt Servicing	35,979	0	35,979
Capital Financing - Contribution to Capital Reserve Funds	36,769	0	36,769
Other Related Financing - Contingencies	6,247	0	6,247
Other Related Financing - Other Corporate Revenues & Expenditures	26,322	38,527	-12,205
Finance	10,308	2,453	7,855
Total Financial Management	165,808	40,979	124,828

Subject to rounding.

Notes

1. Amounts reported include housekeeping budget adjustments.

2022 Operating Budget Detail by Service Grouping (\$ Thousands)

2022 Operating Budget	Approved Expenditure Budget	Approved Non-Tax Levy Revenue	Approved Tax Levy Revenue
Centennial Hall	848	657	191
Arts, Culture & Heritage Advisory & Funding	2,660	150	2,510
Museum London	1,898	0	1,898
Eldon House	304	0	304
Heritage	1,473	0	1,473
Library Services	21,742	0	21,742
Total Culture Services	28,924	807	28,117
Economic Development	9,575	1,658	7,917
Community Improvement / Business Improvement Areas	3,591	1,852	1,740
RBC Place London	1,518	850	668
Tourism & Sports Attraction	2,143	0	2,143
Covent Garden Market	0	0	0
Total Economic Prosperity	16,827	4,360	12,467
Kettle Creek Conservation Authority	316	0	316
Lower Thames Valley Conservation Authority	71	0	71
Upper Thames River Conservation Authority	1,694	0	1,694
Climate Change & Environmental Stewardship	1,699	382	1,317
Garbage, Recycling & Composting	41,328	14,988	26,340
Total Environmental Services	45,106	15,370	29,737
Neighbourhood & Recreation Services	38,546	21,103	17,442
Parks & Urban Forestry	15,620	106	15,513
Total Parks, Recreation & Neighbourhood Services	54,166	21,210	32,956

2022 Operating Budget	Approved Expenditure Budget	Approved Non-Tax Levy Revenue	Approved Tax Levy Revenue
Building Approvals	8,969	8,270	699
Planning Services	4,602	889	3,713
Development Services	5,937	3,221	2,716
Total Planning & Development Services	19,509	12,380	7,128
Animal Services	3,241	1,232	2,010
By-Law Enforcement & Property Standards	3,743	2,678	1,065
Emergency Management & Security Services	3,681	66	3,615
Fire Services	68,867	322	68,545
London Police Services	135,622	9,632	125,990
Total Protective Services	215,154	13,929	201,225
Municipal Housing	20,532	11,115	9,417
Housing Development Corporation	3,254	0	3,254
London & Middlesex Community Housing	13,923	0	13,923
Long Term Care	26,968	20,815	6,153
Land Ambulance	24,332	0	24,332
Middlesex-London Health Unit	7,345	0	7,345
Social & Community Support Services	262,161	231,682	30,478
Total Housing, Social & Health Services	358,515	263,613	94,903
Parking	4,393	8,380	-3,986
London Transit Commission	44,088	0	44,088
Roadways	56,786	7,201	49,585
Rapid Transit	80	80	0
Total Transportation Services	105,347	15,660	89,687

2022 Operating Budget	Approved Expenditure Budget	Approved Non-Tax Levy Revenue	Approved Tax Levy Revenue
Corporate Services	70,579	6,211	64,368
Corporate Planning & Administration	2,351	156	2,195
Council Services	6,161	2,045	4,116
Public Support Services	12,543	9,173	3,370
Total Corporate, Operational and Council Services	91,633	17,585	74,049
Capital Financing - Capital Levy	53,651	0	53,651
Capital Financing - Debt Servicing	33,749	0	33,749
Capital Financing - Contribution to Capital Reserve Funds	40,935	0	40,935
Other Related Financing - Contingencies	8,492	0	8,492
Other Related Financing - Other Corporate Revenues & Expenditures	26,007	39,307	-13,300
Finance	10,649	2,594	8,055
Total Financial Management	173,482	41,901	131,581

Subject to rounding.

Notes

1. Amounts reported include housekeeping budget adjustments.

2023 Operating Budget Detail by Service Grouping (\$ Thousands)

2023 Operating Budget	Previously Approved Expenditure Budget	Previously Approved Non-Tax Levy Revenue	Previously Approved Tax Levy Revenue	Amended Expenditure Budget	Amended Non-Tax Levy Revenue	Amended Tax Levy Revenue
Centennial Hall	848	657	191	848	657	191
Arts, Culture & Heritage Advisory & Funding	2,513	0	2,513	2,511	0	2,511
Museum London	1,927	0	1,927	1,927	0	1,927
Eldon House	308	0	308	308	0	308
Heritage	1,481	0	1,481	1,481	0	1,481
Library Services	22,129	0	22,129	22,129	0	22,129
Total Culture Services	29,206	657	28,549	29,204	657	28,547
Economic Development	9,002	1,528	7,474	9,002	1,528	7,474
Community Improvement / Business Improvement Areas	2,666	925	1,741	2,966	925	2,041
RBC Place London	678	0	678	678	0	678
Tourism & Sports Attraction	2,147	0	2,147	2,147	0	2,147
Covent Garden Market	0	0	0	0	0	0
Total Economic Prosperity	14,492	2,453	12,039	14,792	2,453	12,339
Kettle Creek Conservation Authority	316	0	316	316	0	316
Lower Thames Valley Conservation Authority	72	0	72	72	0	72
Upper Thames River Conservation Authority	1,727	0	1,727	1,727	0	1,727
Climate Change & Environmental Stewardship	1,674	355	1,319	1,674	355	1,319
Garbage, Recycling & Composting	43,620	15,348	28,272	42,120	16,848	25,272
Total Environmental Services	47,409	15,704	31,706	45,909	17,204	28,706
Neighbourhood & Recreation Services	38,811	21,217	17,594	41,744	24,293	17,451
Parks & Urban Forestry	15,788	106	15,682	15,588	106	15,482
Total Parks, Recreation & Neighbourhood Services	54,600	21,324	33,276	57,332	24,399	32,933
Building Approvals	8,970	8,429	541	8,970	8,429	541

2023 Operating Budget	Previously Approved Expenditure Budget	Previously Approved Non-Tax Levy Revenue	Previously Approved Tax Levy Revenue	Amended Expenditure Budget	Amended Non-Tax Levy Revenue	Amended Tax Levy Revenue
Planning Services	4,013	264	3,749	4,013	264	3,749
Development Services	6,079	3,357	2,722	6,079	3,357	2,722
Total Planning & Development Services	19,061	12,050	7,011	19,061	12,050	7,011
Animal Services	3,300	1,205	2,094	3,300	1,205	2,094
By-Law Enforcement & Property Standards	3,763	2,620	1,142	3,763	2,620	1,142
Emergency Management & Security Services	3,710	67	3,643	3,710	67	3,643
Fire Services	70,587	326	70,261	70,587	326	70,261
London Police Services	137,311	9,471	127,840	137,311	9,471	127,840
Total Protective Services	218,669	13,688	204,981	218,669	13,688	204,981
Municipal Housing	20,797	11,063	9,734	20,797	11,063	9,734
Housing Development Corporation	3,386	0	3,386	3,386	0	3,386
London & Middlesex Community Housing	14,912	0	14,912	14,912	0	14,912
Long Term Care	27,123	20,914	6,208	27,123	20,914	6,208
Land Ambulance	27,776	0	27,776	29,535	0	29,535
Middlesex-London Health Unit	7,345	0	7,345	7,345	0	7,345
Social & Community Support Services	235,912	201,383	34,528	236,112	201,733	34,378
Total Housing, Social & Health Services	337,251	233,361	103,890	339,210	233,711	105,499
Parking	4,396	8,380	-3,984	4,396	8,380	-3,984
London Transit Commission	45,837	0	45,837	45,837	0	45,837
Roadways	57,326	7,293	50,034	56,425	7,293	49,133
Rapid Transit	80	80	0	80	80	0
Total Transportation Services	107,639	15,752	91,887	106,738	15,752	90,986

2023 Operating Budget	Previously Approved Expenditure Budget	Previously Approved Non-Tax Levy Revenue	Previously Approved Tax Levy Revenue	Amended Expenditure Budget	Amended Non-Tax Levy Revenue	Amended Tax Levy Revenue
Corporate Services	71,286	6,339	64,946	72,562	6,464	66,097
Corporate Planning & Administration	2,251	23	2,228	2,251	23	2,228
Council Services	5,040	898	4,142	5,040	898	4,142
Public Support Services	12,652	9,216	3,436	12,652	9,216	3,436
Total Corporate, Operational and Council Services	91,229	16,476	74,753	92,505	16,601	75,904
Capital Financing - Capital Levy	54,331	0	54,331	53,736	0	53,736
Capital Financing - Debt Servicing	33,009	0	33,009	33,009	0	33,009
Capital Financing - Contribution to Capital Reserve Funds	42,464	0	42,464	41,514	0	41,514
Other Related Financing - Contingencies	16,837	0	16,837	16,837	1,759	15,078
Other Related Financing - Other Corporate Revenues & Expenditures	25,775	39,519	-13,744	25,625	41,685	-16,060
Finance	10,698	2,623	8,074	10,902	2,623	8,279
Total Financial Management	183,113	42,142	140,971	181,622	46,067	135,555

Subject to rounding.

Notes

1. Amounts reported include housekeeping budget adjustments.
2. Amended Budget reflects impacts of all budget amendments as applicable.

2020 to 2023 Operating Budget Detail by Service Grouping (\$ Thousands)

2020 to 2023 Operating Budget	Previously Approved Expenditure Budget	Previously Approved Non-Tax Levy Revenue	Previously Approved Tax Levy Revenue	Amended Expenditure Budget	Amended Non-Tax Levy Revenue	Amended Tax Levy Revenue	Average Daily Tax Payer Impact (\$)
Centennial Hall	3,392	2,628	764	3,392	2,628	764	0.00
Arts, Culture & Heritage Advisory & Funding	10,195	225	9,970	10,193	225	9,968	0.03
Museum London	7,499	0	7,499	7,499	0	7,499	0.02
Eldon House	1,206	0	1,206	1,206	0	1,206	0.00
Heritage	4,061	0	4,061	4,061	0	4,061	0.02
Library Services	86,776	600	86,176	86,776	600	86,176	0.27
Total Culture Services	113,128	3,453	109,675	113,126	3,453	109,673	0.34
Economic Development	37,210	5,226	31,984	37,210	5,226	31,984	0.10
Community Improvement / Business Improvement Areas	15,427	8,627	6,800	15,727	8,627	7,100	0.02
RBC Place London	3,501	850	2,651	3,501	850	2,651	0.01
Tourism & Sports Attraction	8,451	0	8,451	8,451	0	8,451	0.03
Covent Garden Market	0	0	0	0	0	0	0.00
Total Economic Prosperity	64,589	14,702	49,886	64,889	14,702	50,186	0.16
Kettle Creek Conservation Authority	1,169	0	1,169	1,169	0	1,169	0.00
Lower Thames Valley Conservation Authority	279	0	279	279	0	279	0.00
Upper Thames River Conservation Authority	6,649	0	6,649	6,649	0	6,649	0.02
Climate Change & Environmental Stewardship	6,024	1,239	4,784	6,024	1,239	4,784	0.01
Garbage, Recycling & Composting	157,156	58,602	98,554	155,656	60,102	95,554	0.30
Total Environmental Services	171,277	59,841	111,436	169,777	61,341	108,436	0.34

2020 to 2023 Operating Budget	Previously Approved Expenditure Budget	Previously Approved Non-Tax Levy Revenue	Previously Approved Tax Levy Revenue	Amended Expenditure Budget	Amended Non-Tax Levy Revenue	Amended Tax Levy Revenue	Average Daily Tax Payer Impact (\$)
Neighbourhood & Recreation Services	153,200	84,848	68,353	156,133	87,923	68,210	0.21
Parks & Urban Forestry	60,895	325	60,569	60,695	325	60,369	0.19
Total Parks, Recreation & Neighbourhood Services	214,095	85,173	128,922	216,827	88,249	128,579	0.40
Building Approvals	34,537	32,644	1,893	34,537	32,644	1,893	0.01
Planning Services	16,870	2,342	14,528	16,870	2,342	14,528	0.05
Development Services	24,399	10,299	14,100	24,399	10,299	14,100	0.04
Total Planning & Development Services	75,807	45,286	30,521	75,807	45,286	30,521	0.09
Animal Services	12,801	4,975	7,826	12,801	4,975	7,826	0.02
By-Law Enforcement & Property Standards	14,285	10,202	4,083	14,285	10,202	4,083	0.01
Emergency Management & Security Services	14,005	262	13,744	14,005	262	13,744	0.04
Fire Services	272,157	1,281	270,875	272,157	1,281	270,875	0.84
London Police Services	526,791	36,691	490,100	526,791	36,691	490,100	1.52
Total Protective Services	840,039	53,410	786,628	840,039	53,410	786,628	2.44

2020 to 2023 Operating Budget	Previously Approved Expenditure Budget	Previously Approved Non-Tax Levy Revenue	Previously Approved Tax Levy Revenue	Amended Expenditure Budget	Amended Non-Tax Levy Revenue	Amended Tax Levy Revenue	Average Daily Tax Payer Impact (\$)
Municipal Housing	80,763	44,148	36,615	80,763	44,148	36,615	0.11
Housing Development Corporation	12,669	0	12,669	12,669	0	12,669	0.04
London & Middlesex Community Housing	54,409	0	54,409	54,409	0	54,409	0.17
Long Term Care	103,706	79,482	24,224	103,706	79,482	24,224	0.08
Land Ambulance	92,874	0	92,874	94,633	0	94,633	0.29
Middlesex-London Health Unit	27,489	0	27,489	27,489	0	27,489	0.09
Social & Community Support Services	962,071	835,101	126,970	962,271	835,451	126,820	0.39
Total Housing, Social & Health Services	1,333,982	958,731	375,251	1,335,941	959,081	376,860	1.17
Parking	16,513	31,890	-15,376	16,513	31,890	-15,376	-0.05
London Transit Commission	169,640	0	169,640	169,640	0	169,640	0.53
Roadways	225,993	29,331	196,662	225,092	29,331	195,761	0.61
Rapid Transit	320	320	0	320	320	0	0.00
Total Transportation Services	412,466	61,540	350,926	411,565	61,540	350,025	1.09
Corporate Services	276,246	24,380	251,866	277,522	24,505	253,017	0.79
Corporate Planning & Administration	9,089	354	8,735	9,089	354	8,735	0.03
Council Services	19,473	3,198	16,275	19,473	3,198	16,275	0.05
Public Support Services	49,053	36,247	12,806	49,053	36,247	12,806	0.04
Total Corporate, Operational and Council Services	353,861	64,178	289,682	355,137	64,303	290,833	0.90

2020 to 2023 Operating Budget	Previously Approved Expenditure Budget	Previously Approved Non-Tax Levy Revenue	Previously Approved Tax Levy Revenue	Amended Expenditure Budget	Amended Non-Tax Levy Revenue	Amended Tax Levy Revenue	Average Daily Tax Payer Impact (\$)
Capital Financing - Capital Levy	206,426	0	206,426	205,831	0	205,831	0.64
Capital Financing - Debt Servicing	140,297	0	140,297	140,297	0	140,297	0.44
Capital Financing - Contribution to Capital Reserve Funds	151,962	0	151,962	151,012	0	151,012	0.47
Other Related Financing - Contingencies	36,538	0	36,538	36,538	1,759	34,779	0.11
Other Related Financing - Other Corporate Revenues & Expenditures	104,663	156,935	-52,273	104,513	159,101	-54,589	-0.17
Finance	41,628	10,111	31,517	41,832	10,111	31,721	0.10
Total Financial Management	681,513	167,047	514,466	680,022	170,972	509,051	1.59

Subject to rounding.

Notes

1. Amounts reported include housekeeping budget adjustments.
2. Amended Budget reflects impacts of all budget amendments as applicable.

Appendix B - Capital Budget Overview

2020 to 2029 Capital Budget Overview by Classification – As Recommended (\$ Thousands)

Classification	2020 Approved Budget	2021 Approved Budget	2022 Approved Budget	2023 Amended Budget	2020 to 2023 Amended Budget	2023 Amended Budget Increase/Decrease	2024 to 2029 Amended Forecast	2024 to 2029 Amended Forecast Increase/Decrease	2020 to 2029 Amended Ten Year Plan
Lifecycle Renewal	105,569	93,994	106,404	97,610	403,577	-333	629,764	-2,850	1,033,341
Growth ¹	124,545	111,599	205,387	236,425	677,956	-10,225	679,359	25,329	1,357,315
Service Improvement	95,960	34,323	54,566	112,869	297,719	20,950	296,025	-22,200	593,744
Total Expenditures	326,074	239,916	366,357	446,905	1,379,252	10,392	1,605,147	279	2,984,399

Subject to rounding.

Notes

1. The next steps for projects impacted by the Climate Lens screening, such as the Wonderland Road Widening, were discussed at the August 31, 2021, Civic Works Committee, via the report titled “Outcome of Climate Lens Screening Applied to Major Transportation Projects”. Based on the approved recommendations from this report, the Multi-Year Growth Budget will be adjusted during the next appropriate cycle. Capital plan adjustments for these specific projects are not available for the 2023 Annual Budget Update.

2020 to 2029 Capital Budget Overview by Service Program – As Recommended (\$ Thousands)

Service Program	2020 Approved Budget	2021 Approved Budget	2022 Approved Budget	2023 Amended Budget	2020 to 2023 Amended Budget	2023 Amended Budget Increase/ Decrease	2024 to 2029 Amended Forecast	2024 to 2029 Amended Forecast Increase/ Decrease	2020 to 2029 Amended Ten Year Plan
Culture Services	8,533	2,004	3,722	2,047	16,306	0	15,457	0	31,763
Economic Prosperity	4,518	9,258	7,743	7,138	28,657	0	43,787	0	72,444
Environmental Services	42,231	1,660	5,209	15,745	64,845	0	45,845	0	110,690
Parks, Recreation and Neighbourhood Services	27,478	24,974	28,277	63,218	143,947	0	118,869	0	262,816
Planning and Development Services	1,901	4,695	3,956	5,467	16,019	0	3,638	0	19,657
Protective Services	18,638	22,782	32,829	28,569	102,818	0	110,201	0	213,020
Housing, Social and Health Services	35,511	16,887	17,496	67,444	137,337	21,000	82,788	-21,000	220,125
Transportation Services	170,082	144,790	245,161	235,317	795,350	-10,750	954,732	21,279	1,750,082
Corporate, Operational and Council Services	17,181	12,867	21,964	21,961	73,973	142	229,831	0	303,804
Total Expenditures	326,074	239,916	366,357	446,905	1,379,252	10,392	1,605,147	279	2,984,399

Subject to rounding.

2020 to 2029 Source of Financing Overview – As Recommended (\$ Thousands)

Source of Financing	2020 Approved Budget	2021 Approved Budget	2022 Amended Budget	2023 Amended Budget	2020 to 2023 Amended Budget Total	2023 Amended Budget Increase/Decrease	2024 to 2029 Amended Forecast	2024 to 2029 Amended Forecast Increase/Decrease	2020 to 2029 Amended Ten Year Plan
Capital Levy	46,430	47,634	57,587	53,911	205,562	36	352,043	-3,539	557,605
Debt	54,877	28,118	32,316	89,507	204,818	19,541	178,073	-17,618	382,890
Reserve Fund	68,842	40,158	55,696	82,732	247,427	292	398,317	-663	645,744
Other	5,113	2,570	1,809	7	9,499	0	1,774	0	11,274
Sub-Total Tax Supported	175,261	118,480	147,408	226,156	667,306	19,869	930,206	-21,821	1,597,513
Debt	9,970	4,568	27,794	47,366	89,698	-9,410	126,092	24,011	215,790
Reserve Fund	53,734	54,925	70,381	54,829	233,869	13	276,527	-1,432	510,396
Canada Community-Building Fund	27,355	17,108	46,333	34,743	125,540	0	97,138	0	222,678
Federal Grants	28,340	23,833	31,484	40,054	123,712	0	17,939	0	141,651
Provincial Grants	21,065	17,923	33,053	36,460	108,501	0	32,315	0	140,816
Other Government	0	0	7,101	5,910	13,011	0	119,314	0	132,324
Other	10,349	3,079	2,803	1,386	17,617	-80	5,616	-480	23,233
Sub-Total Non-Tax Supported	150,812	121,436	218,949	220,749	711,947	-9,477	674,941	22,100	1,386,888
Total Source of Financing	326,074	239,916	366,357	446,905	1,379,252	10,392	1,605,147	279	2,984,399

Subject to rounding.

2030 to 2032 Capital Budget Overview by Classification – As Recommended (\$ Thousands)

Classification	2030 Forecast	2031 Forecast	2032 Forecast	2023 to 2032 Amended Ten Year Plan
Lifecycle Renewal	108,648	113,126	116,381	1,065,528
Growth	73,905	40,254	48,752	1,078,695
Service Improvement	4,599	57,021	4,050	474,565
Total Expenditures	187,152	210,400	169,183	2,618,788

Subject to rounding.

Source of Financing	2030 Forecast	2031 Forecast	2032 Forecast	2023 to 2032 Amended Ten Year Plan
Capital Levy	63,737	65,325	66,893	601,909
Debt	0	40,608	0	308,187
Reserve Fund	34,373	51,574	38,880	605,876
Other	0	0	0	1,782
Sub-Total Tax Supported	98,109	157,508	105,773	1,517,754
Debt	37,136	1,120	2,164	213,878
Reserve Fund	34,075	34,565	42,425	442,421
Canada Community-Building Fund	13,725	13,100	14,714	173,421
Federal Grants	0	0	0	57,994
Provincial Grants	3,171	3,171	3,171	78,288
Other Government	0	0	0	125,224
Other	936	936	936	9,810
Sub-Total Non-Tax Supported	89,043	52,893	63,410	1,101,035
Total Source of Financing	187,152	210,400	169,183	2,618,788

Subject to rounding.

2030 to 2032 Major Capital Projects by Classification – As Recommended (\$ Thousands)

Classification	Project	2030 Forecast	2031 Forecast	2032 Forecast
Lifecycle Renewal	Road Network Improvements	28,641	29,328	30,029
Lifecycle Renewal	Bus Replacement Program	10,756	10,756	11,014
Lifecycle Renewal	Traffic Signal and Street Light Maintenance	8,804	9,029	9,245
Lifecycle Renewal	Vehicle and Equipment Replacement	6,662	6,238	8,898
Lifecycle Renewal	LMCH Infrastructure Gap	6,142	6,142	6,142
Growth	Wonderland Road Widening (Riverside to Springbank) ¹	41,766	0	0
Growth	Bostwick Road (Pack to Wharnclyffe)	5,630	1,197	13,530
Growth	Oxford Street W Widening (Sanitorium to Commissioners)	0	18,497	0
Growth	Southdale Road W Widening (Bostwick to Colonel Talbot)	0	13,682	0
Growth	Wonderland Road Widening (Sunningdale to Fanshawe) ¹	1,687	0	11,262
Service Improvement	Highbury LTC Facility Demolition and Rebuild	0	37,375	0
Service Improvement	ILDS Internal Servicing	0	13,000	0
Service Improvement	Urban Forest Strategy	1,600	1,600	1,600
Service Improvement	Long Term Disposal Capacity	880	2,550	950
Service Improvement	ILDS External Transportation	619	996	0

Subject to rounding.

Notes

1. The next steps for projects impacted by the Climate Lens screening, such as the Wonderland Road Widening, were discussed at the August 31, 2021, Civic Works Committee, via the report titled “Outcome of Climate Lens Screening Applied to Major Transportation Projects”. Based on the approved recommendations from this report, the Multi-Year Growth Budget will be adjusted during the next appropriate cycle. Capital plan adjustments for these specific projects are not available for the 2023 Annual Budget Update.

Appendix C - Reserve / Reserve Fund Overview

Reserve and Reserve Fund Classification Descriptions

Classification	Type	Description
Obligatory	City Services	City Services reserve funds are legislated by the Development Charges (DC) Act, 1997, as amended; a separate reserve fund exists for each service upon which a DC is levied; contributions fund future growth-related projects.
Obligatory	Canada Community-Building Fund	Canada Community-Build Fund Reserve Fund is maintained under the Agreement for Transfer of Federal Gas Tax Revenues under the New Deal for Cities and Communities between Canada-Ontario-AMO-City of Toronto made as of June 17, 2005.
Obligatory	Parkland	Parkland Reserve Fund is legislated by the Planning Act, R.S.O. 1990, as amended; monies standing in the reserve fund represent contributions from developers for payments in lieu of providing parkland and the reserve fund is restricted to supporting related park or other recreational purposes.
Discretionary	Capital Asset Renewal and Replacement	Established to provide funding for the repair and maintenance of existing City assets to ensure City-owned assets do not deteriorate over time.
Discretionary	Capital Asset Growth	Established to provide funding to new capital initiatives while allowing the City to stabilize the cost of purchasing major capital assets by spreading the cost over multiple years.
Discretionary	Special Projects and New Initiatives	Planned savings within the budget to fund projects or expenses either identified at the time the reserve or reserve fund is set-up or after, which allows the City to save for planned or unanticipated projects or expenses that may arise and do not have another funding source.
Discretionary	Contingencies/Stabilization and Risk Management	Designed to fund future obligations which are based on calculated estimates and to mitigate unforeseen events or one-time unanticipated revenue losses and expenses.

Reserve and Reserve Fund Overview ¹ – As Recommended (\$ Thousands)

Classification	Type	2020 Uncommitted	2021 Uncommitted	2022 Uncommitted	2023 Projected	2024 to 2029 Forecast
Obligatory	City Services	25,432	23,662	23,039	20,220	44,522
Obligatory	Canada Community-Building Fund	42,107	48,537	21,015	5,128	3,517
Obligatory	Parkland	2,645	2,301	3,272	2,717	3,701
Total	Obligatory	70,184	74,501	47,326	28,065	51,740
Discretionary	Capital Asset Renewal and Replacement ²	87,206	108,672	130,147	141,001	141,371
Discretionary	Capital Asset Growth ²	23,698	24,652	34,179	34,450	56,203
Discretionary	Special Projects and New Initiatives ²	154,259	160,998	200,853	177,219	212,276
Discretionary	Contingencies/Stabilization and Risk Management	224,531	200,968	254,396	257,032	281,793
Total	Discretionary	489,695	495,290	619,576	609,702	691,643

Subject to rounding.

Notes

1. Amounts reported include the recommended 2023 Annual Budget Update amendments.
2. Balances are increasing because several reserves and reserve funds do not factor in draws until approved by Municipal Council, or authorized designate.

Reserve and Reserve Fund Details – As Recommended
 Obligatory Reserve Funds (\$ Thousands)

Reserve Fund	2020 Uncommitted	2021 Uncommitted	2022 Uncommitted	2023 Projected	2024 to 2029 Forecast
Canada Community-Building Fund	42,107	48,537	21,015	5,128	3,517
City Services	25,432	23,662	23,039	20,220	44,522
Parkland	2,645	2,301	3,272	2,717	3,701
Total Obligatory	70,184	74,501	47,326	28,065	51,740

Subject to rounding.

Notes

1. Obligatory reserve funds were established to comply with legislation. Contributions and drawdowns are dictated by legislation.
2. Large 2020 to 2022 balance of the Canada Community-Building Fund includes portions of the two one-time top-ups the City of London received from the Government of Canada. This balance declines due to inclusion of these funds in future capital plans.

Capital Asset Renewal and Replacement Reserve Funds (\$ Thousands)

Reserve Fund	2020 Uncommitted	2021 Uncommitted	2022 Uncommitted	2023 Projected	2024 to 2029 Forecast
Capital Infrastructure Gap	7,860	9,959	12,971	13,230	14,899
City Facilities	43,257	54,147	58,842	60,304	16,974
Corporate Security & Emergency Management	0	26	42	68	199
Courts Administration	270	5	13	14	15
Dearness Home	829	861	943	971	1,078
Library	369	555	788	1,001	201
Material Recovery Facility	1,553	715	454	463	3,798
Parking Facilities	543	1,319	1,814	2,734	7,264
Parks	0	186	702	1,292	4,281
Public Art	272	276	210	214	241
Public Housing	2,935	3,401	6,904	6,185	4,577
RBC Place London ²	458	1,161	653	987	885
Recreation	0	738	1,976	3,493	12,189
Solid Waste	5,072	8,220	12,821	12,901	9,255
Technology Services	6,913	7,493	6,091	4,911	2,677
Transportation	0	2,035	8,128	14,926	49,158
Urban Forestry	2,686	2,320	1,896	1,663	2,139
Vehicle Replacement - City	5,965	7,799	8,080	8,021	4,170
Vehicle Replacement - Fire	5,590	5,124	3,973	4,761	2,354
Vehicle Replacement - Police	2,637	2,331	2,846	2,862	5,016
Total Capital Asset Renewal and Replacement	87,206	108,672	130,147	141,001	141,371

Subject to rounding.

Notes

1. Balances are increasing because several reserves and reserve funds do not factor in draws until approved by Municipal Council, or authorized designate.
2. Budgeted activity within this reserve fund is governed by Agency, Board, or Commission policies and approvals.

Capital Asset Growth Reserve Funds (\$ Thousands)

Reserve Fund	2020 Uncommitted	2021 Uncommitted	2022 Uncommitted	2023 Projected	2024 to 2029 Forecast
Commercial DC Incentive	375	178	242	247	278
Industrial DC Incentive	3,468	6,756	4,987	5,084	5,707
Industrial Land	11,631	9,838	15,394	14,919	26,582
Industrial Oversizing	1,791	1,722	1,690	1,593	2,082
Institutional DC Incentive	5,296	3,502	7,625	6,768	7,426
Non-Growth Works Arising from Development Agreements	758	766	790	806	908
Residential DC Incentive ²	379	1,890	3,450	5,034	13,220
Total Capital Asset Growth	23,698	24,652	34,179	34,450	56,203

Subject to rounding.

Notes

1. Balances are increasing because several reserves and reserve funds do not factor in draws until approved by Municipal Council, or authorized designate.
2. Residential DC Incentive Reserve Fund balances are increasing because they do not reflect draws until associated DC grants are approved through the Community Improvement Plan program.

Special Projects and New Initiatives Reserves and Reserve Funds (\$ Thousands)

Reserve or Reserve Fund	2020 Uncommitted	2021 Uncommitted	2022 Uncommitted	2023 Projected	2024 to 2029 Forecast
Affordable Housing ¹	293	158	48,175	21,566	14,113
Animal Services	244	183	228	232	261
Automated Enforcement	1,988	1,656	2,447	2,496	2,811
Child Care and Early Childhood Development	5,333	5,565	5,934	6,053	6,817
Civic Investment ²	(87)	66	176	21	1,173
Community Improvement Program	6,019	7,446	3,260	3,146	5,917
Community Investment	1,563	1,579	1,339	58	43
Cultural Prosperity	1,054	1,065	1,331	1,357	1,529
Dearness Home Gift ³	789	887	810	829	950
Economic Development ⁴	10,458	10,144	9,815	9,376	25,592
Golf Course	250	296	524	571	869
Horton Street Environmental ⁵	78,373	79,317	79,854	79,854	79,854
Housing Support Services	510	515	531	542	610
Land Acquisition ⁶	11,367	12,703	15,868	16,670	21,831
Municipal Affordable Homeownership	1,793	2,149	2,675	2,729	3,073
Municipal Election	1,801	2,258	845	472	931
Operating Effectiveness, Efficiency and Economy ⁶	18,343	19,508	16,634	19,069	22,321
Social Housing ⁶	10,033	10,660	4,100	4,686	8,463
Social Services	3,791	3,829	3,948	4,027	4,535
Tourism Infrastructure ⁶	346	1,015	2,359	3,465	10,583
Total Special Projects and New Initiatives	154,259	160,998	200,853	177,219	212,276

Subject to rounding.

Notes

1. The forecasted balance in the Affordable Housing Reserve Fund is predominantly impacted by the drawdown schedule of the Roadmap to 3,000 Affordable Units which culminates in 2026. Much of this funding is therefore committed and not available for other housing initiatives.
2. The Civic Investment Reserve Fund was severely affected by COVID-19 impacts on Budweiser Gardens revenues but is projected to continue to recover in future years.
3. Budgeted activity within this reserve fund is subject to donation restrictions, if any, and Dearness Home policies and approvals.
4. The balance in this fund does not include amount set aside for the London Community Recovery Network.
5. The balance in the Horton Street Environmental Reserve Fund is held as contingency against the potential cleanup costs of the coal-tar affected lands at Horton and Ridout.
6. Balances are increasing because several reserves and reserve funds do not factor in draws until approved by Municipal Council, or authorized designate.



Contingencies / Stabilization and Risk Management Reserves and Reserve Funds (\$ Thousands)

Reserve or Reserve Fund	2020 Uncommitted	2021 Uncommitted	2022 Uncommitted	2023 Projected	2024 to 2029 Forecast
Building Permits	3,776	4,819	3,768	3,843	4,328
LMHC Employee Entitlement ¹	26	26	27	27	31
LPS Employee Benefits ¹	1,346	1,361	3,984	3,754	4,227
LPS Recruitment ¹	173	171	178	120	136
LPS Sick Leave ¹	92	93	96	98	110
LPS Unfunded Liability ¹	10,192	10,294	7,710	7,865	8,857
LPL Sick Leave ¹	41	43	30	15	17
Operating Budget Contingency ²	68,147	38,905	61,670	60,695	60,695
Self Insurance	8,239	10,912	13,700	14,193	16,453
Sick Leave City	1,049	557	362	370	416
Unfunded Liability ²	116,373	117,536	145,176	148,079	166,761
Workplace Safety and Insurance Board	15,078	16,252	17,694	17,973	19,762
Total Contingencies/Stabilization and Risk Management	224,531	200,968	254,396	257,032	281,793

Subject to rounding.

Notes

1. Budgeted activity within this reserve fund is governed by Agency, Board, or Commission policies and approvals.
2. The balances of these funds are significant due to the nature of their Municipal Council approved purposes, it being noted that each fund is below established targets.

Appendix D - Debt Overview

Annual Debt Servicing Costs (\$ Thousands)	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
General Property Taxes	37,560	35,945	33,559	33,244	28,585	34,289	37,605	39,690	40,744	41,013
Wastewater and Treatment	9,748	9,193	5,838	4,725	4,402	3,716	4,261	4,649	5,394	4,174
Water	350	349	112	111	0	0	0	0	0	0
Rate Supported Reserve Funds	4,810	2,230	2,221	1,218	499	0	0	0	0	0
Joint Water Boards - City's Share	2,586	2,663	2,401	1,620	1,470	1,715	936	1,587	1,266	1,238
City Services Reserve Funds	12,666	14,826	14,615	14,845	19,753	24,778	31,309	35,334	40,200	43,313
Total Corporate	67,721	65,206	58,746	55,763	54,710	64,498	74,110	81,260	87,603	89,738

Subject to rounding.

Note: The 2020 to 2023 debt servicing costs for General Property Taxes, Wastewater and Treatment, and Water represent budgeted amounts and include housekeeping budget adjustments. Amounts beyond this period are forecasts.

Forecasted Issued Debt Levels at Year-End (\$ Thousands)	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
General Property Taxes	139,657	123,807	109,738	141,173	211,714	226,520	246,262	250,632	251,917	251,350
Wastewater and Treatment	33,008	24,662	19,456	15,217	11,184	16,280	21,041	25,608	29,604	34,994
Water	549	213	108	0	0	0	0	0	0	0
Rate Supported Reserve Funds	5,786	3,752	1,656	490	0	0	0	0	0	0
Joint Water Boards - City's Share	9,967	7,522	5,286	3,776	2,382	2,983	2,111	9,891	8,862	7,832
City Services Reserve Funds	90,127	86,359	82,514	115,244	144,588	173,753	199,008	220,104	237,327	256,315
Total Corporate	279,095	246,314	218,757	275,900	369,867	419,536	468,422	506,235	527,709	550,490

Subject to rounding.

Note 1: 2020 and 2021 Issued Debt Levels reflects actual amounts.

Note 2: Debt Overview includes impacts of budget amendments as applicable.

Appendix E – 2020 to 2023 Multi-Year Budget Tax Levy Summary

2020 to 2023 Multi-Year Budget Tax Levy Summary	2020 to 2023 Average % Increase
2020 Budget to Maintain Existing Service Levels ^{1, 2}	2.9%
Total 2020 Business Cases (Additional Investments and Tax Levy Reductions)	0.9%
2020 % Increase from Rates	3.8%
2021 Budget Amendments Approved by Council	0.0%
2021 Amended % Increase from Rates	3.8%
2022 Budget Amendments Approved by Council	-0.2%
2022 Amended % Increase from Rates	3.6%
2023 Draft Budget Amendments	-0.2%
2023 Amended % Increase from Rates	3.4%

Subject to rounding.

Notes

1. Previously approved rates are recalculated taking into account assessment growth impact in each year of annual update of the Multi-Year Budget period.
2. Budget to maintain existing service levels includes provincial impact decisions made as part of the 2020 to 2023 Multi-Year Budget.

2020 to 2023 Multi-Year Budget Tax Levy Summary (\$Thousands)	2020	2021	2022	2023
2020 Budget to Maintain Existing Service Levels ³	3.2%	3.4%	2.4%	2.8%
Case #1: 60% Waste Diversion Action Plan	700	3,900	6,500	6,500
Case #2: Affordable Housing Community Improvement Plan	187	187	195	203
Case #3B: Back to the River Environmental Assessment Implementation	0	0	0	0
Case #3C: Back to the River Soho Environmental Assessment	0	0	0	0
Case #4A: City of London Infrastructure Gap	500	500	1,000	1,000
Case #4B: City of London Infrastructure Gap	750	1,500	2,250	3,000
Case #5A: Climate Emergency Declaration (Develop Action Plan)	0	0	0	0
Case #5B Climate Emergency: Implement Immediate Actions	90	318	318	318
Case #6: Coordinated Informed Response	1,613	1,655	1,697	1,738
Case #7A: Core Area Action Plan	1,880	2,280	2,580	2,580

2020 to 2023 Multi-Year Budget Tax Levy Summary (\$Thousands)	2020	2021	2022	2023
Case #7B: Core Area Action Plan	500	600	300	300
Case #8: Dearness Home Auditorium Expansion	0	0	259	259
Case #9: Fanshawe College Innovation Village	0	0	0	0
Case #10A: Housing Development Corporation Funding for Affordable Housing	0	100	250	500
Case #10B: Housing Development Corporation Funding for Affordable Housing	500	670	830	800
Case #11A: Information System - Application Tracking Software	0	0	0	0
Case #11B: Information System - Human Capital Management System	183	183	183	183
Case #12: London and Middlesex Community Housing Infrastructure Gap	500	1,000	1,500	2,000
Case #13: Master Accommodation Plan	0	0	0	0
Case #14: Operations Master Plan 2020	0	0	0	0
Case #15: Subsidized Transit Program	0	0	0	964
Case #16: T-Block Replacement / New Storage Building	0	0	0	0
Case #17A: Community Improvement Plan - Community Building Projects	30	30	50	50
Case #17B: Community Improvement Plan - Land Acquisition	0	0	0	0
Case #18: London and Middlesex Community Housing - Co-Investment with Canada Mortgage Housing Corporation	1,873	1,921	1,967	2,016
Case #19: London and Middlesex Community Housing Operating Staffing and Security	1,054	1,347	1,535	1,739
Case #20: London Public Library – Collections	0	0	0	0
Case #21: Regeneration of Public Housing	500	500	1,750	2,500
Case #23: Street Light Local Improvement	120	125	131	136
Case #24: Wifi in Recreation Facilities for the Public	0	0	0	0
Case #25: Winter Maintenance Program Support	0	740	740	740
Case #26: Eliminate Curbside Christmas Tree Collection	0	-40	-40	-40
Case #27: London Public Library - Eliminate Planned Security Enhancements	0	-21	-43	-43
Case #28: London Public Library - Eliminate Planned Staffing Increase	0	0	0	-42
Case #29: London Public Library - Promissory Note Forgiveness	-171	-176	-182	-188
Case #30: London Public Library - Wi-Fi Hotspot Lending Program	-47	-47	-47	-47
Case #31: Multi-Residential Fee Increase for Waste Collection	0	-150	-300	-450
Case #33: Reduce Road Network Improvements for Minor Streets	-800	-800	-800	-800

2020 to 2023 Multi-Year Budget Tax Levy Summary (\$Thousands)	2020	2021	2022	2023
Case #34: Transfer Portion of Conservation Authority Costs to Wastewater and Treatment Budget	-2,788	-2,854	-2,921	-2,991
Total 2020 Business Cases \$	7,174	13,468	19,702	22,925
Total 2020 Business Cases %	1.2%	1.0%	0.9%	0.5%
2020 % Increase from Rates	4.4%	4.4%	3.4%	3.3%
Case #1: RBC Place London - Promissory Note Forgiveness	0	0	0	0
Case #2: RBC Place London - Revised Capital Plan	0	0	0	0
Case #3: Recycling and Composting - Repair of Material Recovery Facility Fire Suppressant System	0	0	0	0
Case #4: Children's Services - Reduction in Required Investment in 2021 Due to Impacts of COVID-19	0	-1,630	0	0
Case #5: Middlesex-London Health Unit - Increased Funding by the Ministry of Health in 2021	0	-610	0	0
Case #6: Ontario Works - Reduction in Investment in 2021 in Connection with Impacts of COVID-19 Pandemic	0	-425	0	0
Case #7: Corporate Services - Administrative Recoveries from Water, Wastewater and Treatment, and Joint Water Boards	0	-403	-578	-601
Case #8: Other Related Financing - Reduction to Corporate Contingency Budget	0	-500	-700	-700
Case #9: Implementation of Strategic Objectives Related to Growing a Film Sector in London	0	0	0	0
Case #10: Revised Implementation (Case #1, 2020 Budget) - 60% Waste Diversion Action Plan	0	-2,300	-1,450	0
Amendment to the 2020 to 2023 Additional Investment Case #4B – City of London Infrastructure Gap	0	-500	-500	-500
Total 2021 Budget Amendments \$	0	-6,367	-3,228	-1,801
Total 2021 Budget Amendments %	0.0%	-1.0%	0.4%	0.1%
2021 Amended % Increase from Rates	4.4%	3.4%	3.8%	3.4%
Case #P-1: Various Services – Budget Right-Sizing	0	0	-3,712	-3,282
Case #P-2: Middlesex London Health Unit – Inflationary Pressures	0	0	640	640
Case #P-3: RBC Place London – Funding Support	0	0	0	0
Case #P-4: Private Parking Enforcement – Increased Fines	0	0	-100	-100

2020 to 2023 Multi-Year Budget Tax Levy Summary (\$Thousands)	2020	2021	2022	2023
Case #P-5: Child Care and Ontario Works – Reduction in Required 2022 Investment	0	0	-2,773	0
Case #P-6: Infrastructure Gap and Community Building Projects – Reductions to Previously Approved Business Cases	0	0	-650	-650
Case #P-7: Reduction to Neighbourhood and Sports Programs – Part C	0	0	-100	-100
Case #P-8: Parks – Naturalization and Reduction in Tree Trimming	0	0	-258	-258
Case #P-9: Invasive Species Management - Capital	0	0	0	0
Case #P-10: Transportation – Capital Project Adjustments	0	0	0	0
Case #P-11: Long-term Disposal Capacity – Revised Costs	0	0	0	0
Case #P-12: LTC – Zero Emission Buses	0	0	0	0
Total 2022 Budget Amendments \$	0	0	-6,952	-3,750
Total 2022 Budget Amendments %	0.0%	0.0%	-1.0%	0.5%
2022 Amended % Increase from Rates	4.4%	3.4%	2.8%	3.9%
Case #P-1 (Operating): Various Services – Budget Right Sizing	0	0	0	-6,581
Case #P-2 (Operating): Ontario Works and Children’s Services – Reduction in Required 2023 Investments	0	0	0	-1,030
Case #P-3 (Operating): Roadmap to 3,000 Affordable Units – Portable Benefits & Staff Resources	0	0	0	1,794
Case #P-4 (Operating): Project Clean Slate	0	0	0	200
Case #P-5 (Operating): Cybersecurity Infrastructure Expansion and Updates	0	0	0	1,009
Case #P-6 (Operating): 1001 Inventions Exhibit	0	0	0	0
Case #P-7 (Operating): Land Ambulance – Additional Resources to Address Service Pressures	0	0	0	0
Case #P-8 (Capital): Realignment and Adjustment of Transportation Capital Growth Project Budgets	0	0	0	0
Case #P-9 (Capital): Project Timeline and Funding Realignment – Regeneration of Public Housing	0	0	0	0
Case #P-10 (Operating): Reduction to Previously Approved “For Consideration” Business Cases for Streetlights and Winter Maintenance, and Walkway Maintenance Reductions	0	0	0	-936
Case #P-11 (Operating): Reduction in Horticulture Aesthetics	0	0	0	-200
Case #P-12 (Operating): Reduction to Neighbourhood Playground Program Locations	0	0	0	-250

2020 to 2023 Multi-Year Budget Tax Levy Summary (\$Thousands)	2020	2021	2022	2023
Case #P-13 (Operating): Eliminate Printing of Council Agenda Materials	0	0	0	-8
Case #P-14 (Operating): Humane Society of London & Middlesex Animal Campus	0	0	0	0
Case #P-15 (Operating): Increase to Neighbourhood Decision Making Program	0	0	0	250
Case #P-16 (Operating): Funding for the Hamilton Road BIA	0	0	0	100
Case #P-17 (Operating): Reduction to Previously Approved "For Consideration" Business Case – Infrastructure Gap RF Contribution	0	0	0	-950
Case #P-18 (Capital): Streetscape Master Plan for Dundas Street – Argyle BIA	0	0	0	0
Total 2023 Budget Amendments \$	0	0	0	-6,602
Total 2023 Budget Amendments %	0.0%	0.0%	0.0%	-1.0%
2023 Amended % Increase from Rates	4.4%	3.4%	2.8%	2.9%

Subject to rounding.

Notes

1. Summary represents operating and capital levy (property tax) funding only. It does not include funding from other sources, primarily reserves/reserve funds.
2. Previously approved rates are recalculated taking into account assessment growth impact in each year of annual update of the Multi-Year Budget period.
3. Budget to maintain existing service levels includes provincial impact decisions made as part of the 2020 to 2023 Multi-Year Budget.

Appendix F - 2020 to 2023 Water Schedule of Rates and Charges

1. Monthly Water Usage Charges - Water rates

Range within Block (m ³)	Monthly Water Consumption (m ³)	January 1, 2020 Rate (\$/m ³)	January 1, 2021 Rate (\$/m ³)	January 1, 2022 Rate (\$/m ³)	January 1, 2023 Rate (\$/m ³)
0 - 7	First 7	\$0.0000	\$0.0000	\$0.0000	\$0.0000
8 - 15	Next 8	\$2.3069	\$2.3646	\$2.4237	\$2.4843
16 - 25	Next 10	\$2.9659	\$3.0400	\$3.1160	\$3.1939
26 - 35	Next 10	\$3.2956	\$3.3780	\$3.4625	\$3.5491
36 - 250	Next 215	\$1.2524	\$1.2837	\$1.3158	\$1.3487
251 - 7,000	Next 6,750	\$1.1864	\$1.2161	\$1.2465	\$1.2777
7,001 - 50,000	Next 43,000	\$1.0811	\$1.1081	\$1.1358	\$1.1642
50,001+	Over 50,000	\$0.9626	\$0.9867	\$1.0114	\$1.0367

2. Monthly Water Fixed Charges

2.1 Infrastructure Connection Charge

Meter Size (mm)	January 1, 2020 Monthly Charge	January 1, 2021 Monthly Charge	January 1, 2022 Monthly Charge	January 1, 2023 Monthly Charge
16 mm	\$16.20	\$16.61	\$17.03	\$17.46
19 mm	\$24.29	\$24.90	\$25.52	\$26.16
25 mm	\$40.49	\$41.50	\$42.54	\$43.60
40 mm	\$80.99	\$83.01	\$85.09	\$87.22
50 mm	\$129.59	\$132.83	\$136.15	\$139.55
76 mm	\$283.43	\$290.52	\$297.78	\$305.22
100 mm	\$485.91	\$498.06	\$510.51	\$523.27
150 mm	\$1,133.80	\$1,162.15	\$1,191.20	\$1,220.98
200 mm	\$1,943.63	\$1,992.22	\$2,042.03	\$2,093.08
250 mm	\$2,429.67	\$2,490.41	\$2,552.67	\$2,616.49

2.2 Fire Protection Charge

Property Classification	January 1, 2020 Monthly Rate	January 1, 2021 Monthly Rate	January 1, 2022 Monthly Rate	January 1, 2023 Monthly Rate
Residential and Low-density Residential	\$1.66	\$1.70	\$1.74	\$1.78
Institutional, Commercial, Industrial, Medium-density Residential, High Rise under 5.0 hectares	\$11.12	\$11.40	\$11.69	\$11.98
Institutional, Commercial, Industrial, Medium-density Residential, High Rise 5.0 hectares and over	\$55.54	\$56.93	\$58.35	\$59.81

2.3 Customer Assistance Charge

Property Classification	January 1, 2020 Monthly Charge	January 1, 2021 Monthly Charge	January 1, 2022 Monthly Charge	January 1, 2023 Monthly Charge
Residential	\$0.25	\$0.25	\$0.25	\$0.25

3.1 Temporary Connection Charges for Construction

Building Type	January 1, 2020 Charge (\$)	January 1, 2021 Charge (\$)	January 1, 2022 Charge (\$)	January 1, 2023 Charge (\$)
Single family	\$59.99	\$61.49	\$63.03	\$64.61
Duplex	\$59.99	\$61.49	\$63.03	\$64.61
Up to 4 units	\$74.97	\$76.84	\$78.76	\$80.73
5 to 10 units	\$112.38	\$115.19	\$118.07	\$121.02
11 to 15 units	\$149.88	\$153.63	\$157.47	\$161.41
16 to 20 units	\$187.42	\$192.11	\$196.91	\$201.83
21 to 25 units	\$225.64	\$231.28	\$237.06	\$242.99
26 to 30 units	\$262.29	\$268.85	\$275.57	\$282.46
31 to 35 units	\$299.92	\$307.42	\$315.11	\$322.99
36 to 40 units	\$337.40	\$345.84	\$354.49	\$363.35

Building Type	January 1, 2020 Charge (\$)	January 1, 2021 Charge (\$)	January 1, 2022 Charge (\$)	January 1, 2023 Charge (\$)
41 to 50 units	\$374.83	\$384.20	\$393.81	\$403.66
Over 50 units (Charge per unit)	\$7.60	\$7.79	\$7.98	\$8.18
Other Structures	\$15.26	\$15.64	\$16.03	\$16.43
	per 93 m ² of floor space (minimum charge \$38.12)	per 93 m ² of floor space (minimum charge \$39.07)	per 93 m ² of floor space (minimum charge \$40.05)	per 93 m ² of floor space (minimum charge \$41.05)

3.2 Main Tap Charges

Type of Main Tap	January 1, 2020 Charge	January 1, 2021 Charge	January 1, 2022 Charge	January 1, 2023 Charge
Tap size of 50 mm or less	\$359.95	\$368.95	\$378.17	\$387.62
Tap size of greater than 50 mm	\$719.90	\$737.90	\$756.35	\$775.26
Tapping concrete mains or tap size of greater than 300 mm	\$2,159.71	\$2,213.70	\$2,269.04	\$2,325.77

3.3 Miscellaneous Charges

Service or Activity	January 1, 2020 Charge	January 1, 2021 Charge	January 1, 2022 Charge	January 1, 2023 Charge
Change of occupancy/ Account set-up/ Security deposit	As set by and payable to London Hydro	As set by and payable to London Hydro	As set by and payable to London Hydro	As set by and payable to London Hydro
Late payment	As set by and payable to London Hydro	As set by and payable to London Hydro	As set by and payable to London Hydro	As set by and payable to London Hydro

Service or Activity	January 1, 2020 Charge	January 1, 2021 Charge	January 1, 2022 Charge	January 1, 2023 Charge
NSF cheques	As set by and payable to London Hydro	As set by and payable to London Hydro	As set by and payable to London Hydro	As set by and payable to London Hydro
Collection charges	As set by and payable to London Hydro	As set by and payable to London Hydro	As set by and payable to London Hydro	As set by and payable to London Hydro
Bulk Water User charges Cost of Water per 1,000 litres	\$3.85	\$3.95	\$4.05	\$4.15
Inspecting waterworks installations/disconnections (per hour)	\$133.25	\$136.58	\$139.99	\$143.49
Disconnection of Water Service				
During regular hours	\$35.00	\$35.00	\$35.00	\$35.00
After regular hours	\$185.00	\$185.00	\$185.00	\$185.00
Arrears Certificate Charges (non-payment/arrears)	As set by and payable to London Hydro	As set by and payable to London Hydro	As set by and payable to London Hydro	As set by and payable to London Hydro
Disconnect and Reconnect Meter at customer request				
16 and 19 mm	\$133.25	\$136.58	\$136.58	\$136.58
25 mm and larger	\$266.50	\$273.16	\$273.16	\$273.16
Install Water Meter and Remote Read-Out Unit at customer request				
16 and 19 mm	\$307.50	\$315.19	\$323.07	\$331.15
25 mm and larger	Time and Material	Time and Material	Time and Material	Time and Material
Repair damaged Water Meter				
16 and 19 mm	\$235.75	\$241.64	\$247.68	\$253.87
25 mm and larger	Time and Material	Time and Material	Time and Material	Time and Material
Meter checked for accuracy at customer's request and found to be accurate				

Service or Activity	January 1, 2020 Charge	January 1, 2021 Charge	January 1, 2022 Charge	January 1, 2023 Charge
16 and 19 mm	\$271.63	\$278.42	\$285.38	\$292.51
25 mm and larger	\$404.88	\$415.00	\$425.38	\$436.01
Builder and Developer Frontage Charges: (based on actual frontage which directly abuts City right-of-way)				
Residential (per meter; maximum 50 meters)	\$234.33	\$240.19	\$246.19	\$252.34
Commercial, Industrial and Institutional (per meter)	\$249.23	\$255.46	\$261.85	\$268.40
Illegal Hydrant Connection Charge (charge per offence + Water consumption)	\$768.75	\$787.97	\$807.67	\$827.86
Temporary Hydrant Connection				
Hydrant connection/disconnection	\$225.50	\$405.50	\$415.64	\$426.03
Hydrant occupancy (per week)	\$41.00	\$42.03	\$43.08	\$44.16
Water consumption:				
Minimum charge (up to 300m ³)	\$999.38	\$1,155.00	\$1,183.88	\$1,213.48
All additional m ³ (per m ³)	\$3.33	\$3.85	\$3.95	\$4.05
Water Meter Installation Options (by application):				
Radio Device Wired to Outside of House	No Charge	No Charge	No Charge	No Charge
Touch Pad Wired Outside of House	Material	Material	Material	Material
Meter Pit Installation	Time and Material (\$2,500.00 deposit)	Time and Material (\$2,500.00 deposit)	Time and Material (\$2,500.00 deposit)	Time and Material (\$2,500.00 deposit)
Valve Rod Extensions (by Length):				
2 Foot	\$67.62	\$69.31	\$71.04	\$72.82
2 ½ Foot	\$68.91	\$70.63	\$72.40	\$74.21
3 Foot	\$70.18	\$71.93	\$73.73	\$75.57

Service or Activity	January 1, 2020 Charge	January 1, 2021 Charge	January 1, 2022 Charge	January 1, 2023 Charge
3 ½ Foot	\$71.47	\$73.26	\$75.09	\$76.97
4 Foot	\$72.75	\$74.57	\$76.43	\$78.34
4 ½ Foot	\$74.05	\$75.90	\$77.80	\$79.75
5 Foot	\$75.33	\$77.21	\$79.14	\$81.12
5 ½ Foot	\$76.62	\$78.54	\$80.50	\$82.51
6 Foot	\$77.89	\$79.84	\$81.84	\$83.89
6 ½ Foot	\$79.18	\$81.16	\$83.19	\$85.27
7 Foot	\$80.46	\$82.47	\$84.53	\$86.64
7 ½ Foot	\$81.75	\$83.79	\$85.88	\$88.03
8 Foot	\$83.04	\$85.12	\$87.25	\$89.43
9 Foot	\$85.60	\$87.74	\$89.93	\$92.18
10 Foot	\$88.17	\$90.37	\$92.63	\$94.95

Appendix G - 2020 to 2023 Wastewater and Treatment Schedule of Rates and Charges

1. Monthly Wastewater Usage Charges

Range within Block (m ³)	Monthly Water Consumption (m ³)	January 1, 2020 Rate (\$/m ³)	January 1, 2021 Rate (\$/m ³)	July 1, 2021 Rate (\$/m ³)	January 1, 2022 Rate (\$/m ³)	January 1, 2023 Rate (\$/m ³)
0 - 7	First 7	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
8 - 15	Next 8	\$2.0503	\$2.1016	\$2.1583	\$2.2123	\$2.2676
16 - 25	Next 10	\$2.6361	\$2.7020	\$2.7750	\$2.8444	\$2.9155
26 - 35	Next 10	\$2.9290	\$3.0022	\$3.0833	\$3.1604	\$3.2394
36 - 250	Next 215	\$1.1128	\$1.1406	\$1.1714	\$1.2007	\$1.2307
251 - 7,000	Next 6,750	\$1.0544	\$1.0808	\$1.1100	\$1.1378	\$1.1662
7,001 - 50,000	Next 43,000	\$0.9607	\$0.9847	\$1.0113	\$1.0366	\$1.0625
50,001+	Over 50,000	\$0.8553	\$0.8767	\$0.9004	\$0.9229	\$0.9460

2. Monthly Wastewater Fixed Charges

Meter Size (mm)	January 1, 2020 Monthly Charge	January 1, 2021 Monthly Charge	July 1, 2021 Monthly Charge	January 1, 2022 Monthly Charge	January 1, 2023 Monthly Charge
16 mm	\$13.72	\$14.06	\$14.44	\$14.80	\$15.17
19 mm	\$20.56	\$21.07	\$21.64	\$22.18	\$22.73
25 mm	\$34.27	\$35.13	\$36.08	\$36.98	\$37.90
40 mm	\$68.53	\$70.24	\$72.14	\$73.94	\$75.79
50 mm	\$109.64	\$112.38	\$115.41	\$118.30	\$121.26
76 mm	\$239.84	\$245.84	\$252.48	\$258.79	\$265.26
100 mm	\$411.13	\$421.41	\$432.79	\$443.61	\$454.70
150 mm	\$959.35	\$983.33	\$1,009.88	\$1,035.13	\$1,061.01
200 mm	\$1,644.58	\$1,685.69	\$1,731.20	\$1,774.48	\$1,818.84
250 mm	\$2,056.30	\$2,107.71	\$2,164.62	\$2,218.74	\$2,274.21

3. Monthly Stormwater Fixed Charges

Property Type and Size	January 1, 2020 Storm Drainage Charge	January 1, 2021 Storm Drainage Charge	July 1, 2021 Storm Drainage Charge	January 1, 2022 Storm Drainage Charge	January 1, 2023 Storm Drainage Charge
Residential, land area equal to or below 0.40 hectares without a storm sewer within 90m of property (\$/Month)	\$12.56	\$12.87	\$13.22	\$13.55	\$13.89
Land area equal to or below 0.40 hectares (\$/Month)	\$16.71	\$17.13	\$17.59	\$18.03	\$18.48
Land area above 0.40 hectares (\$/hectare/Month)	\$139.10	\$142.58	\$146.43	\$150.09	\$153.84

4. Miscellaneous Rates and Charges

4.1 Frontage Charge

Type of Sewer Connection (\$ per metre of calculated frontage)	January 1, 2020 Frontage Charge	January 1, 2021 Frontage Charge	July 1, 2021 Frontage Charge	January 1, 2022 Frontage Charge	January 1, 2023 Frontage Charge
Sanitary Sewer	\$255.05	\$261.43	\$268.49	\$275.20	\$282.08
Storm Sewer - Residential	\$236.12	\$242.02	\$248.55	\$254.76	\$261.13
Storm Sewer - All Lands excluding Residential	\$472.25	\$484.06	\$497.13	\$509.56	\$522.30

4.2 Private Drain Connection (PDC) Charges

Services provided by the Engineer - single detached residential, low density residential dwellings	January 1, 2020 Each PDC (\$)	January 1, 2021 Each PDC (\$)	July 1, 2021 Each PDC (\$)	January 1, 2022 Each PDC (\$)	January 1, 2023 Each PDC (\$)
Repair or replace existing PDC - no construction	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00

4.3 Hauled Liquid Waste Disposal

Type of Service	January 1, 2020 Rate (\$ per 1,000 litres)	January 1, 2021 Rate (\$ per 1,000 litres)	July 1, 2021 Rate (\$ per 1,000 litres)	January 1, 2022 Rate (\$ per 1,000 litres)	January 1, 2023 Rate (\$ per 1,000 litres)
Hauled Liquid Waste excluding Leachate	\$14.52	\$14.88	\$15.28	\$15.66	\$16.05
Leachate	\$26.75	\$27.42	\$28.16	\$28.86	\$29.58


4.4 High Strength Sewage Service Charge

Type of Service	January 1, 2020 Rate (\$ per m ³)	January 1, 2021 Rate (\$ per m ³)	July 1, 2021 Rate (\$ per m ³)	January 1, 2022 Rate (\$ per m ³)	January 1, 2023 Rate (\$ per m ³)
High Strength Sewage Service Charge	\$0.672	\$0.689	\$0.708	\$0.726	\$0.744



2020-2023
**MULTI-YEAR
BUDGET**
City of London

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2023 ANNUAL BUDGET UPDATE

City of London

Budget Tabling

2023 Annual Budget Update

December 6, 2022



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 **Budget Document**

**Property Tax, Water,
Wastewater & Treatment Budgets**
2023 ANNUAL BUDGET UPDATE
Draft - December 6, 2022



london.ca/budget

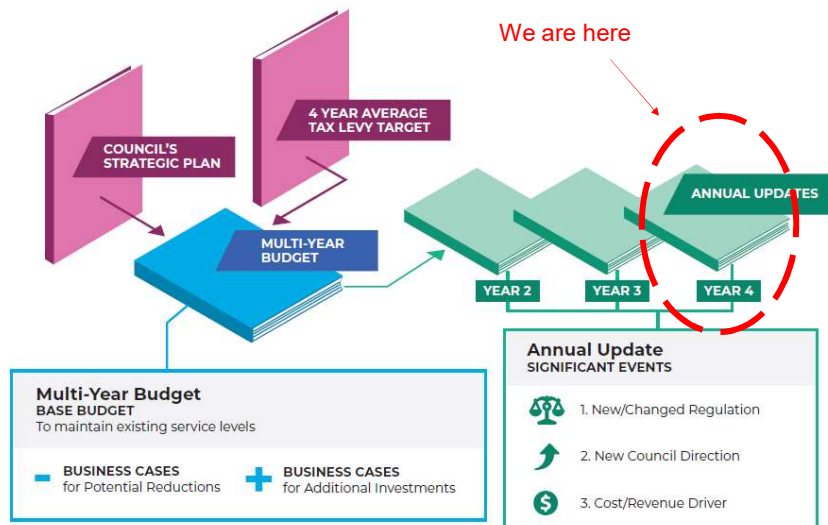
Accessible online: www.London.ca/Budget

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- Refresher: Multi-Year Budget Process & Types of Budget Amendments
- ESG Considerations in the 2023 Budget Update
- Recap: Property Tax Supported Multi-Year Budget after the 2022 Annual Budget Update
- Tax Policy & Key Financial Principles
- Summary of 2023 Budget Update
- Overview of Proposed 2023 Budget Amendments
- 2023 COVID-19 Impacts
- Inflationary Impacts – Operating and Capital Budgets
- Bill 23 Impacts on the Budget
- Key Dates in the 2023 Budget Update Process
- Public Engagement Overview

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Categories of Budget Amendments

1. New/Changed Regulation

A new or changed legislation or regulation with a financial impact to the municipality

2. New Council Direction

A new Council direction that has transpired after the approval of the Multi-Year Budget

3. Cost/Revenue Driver

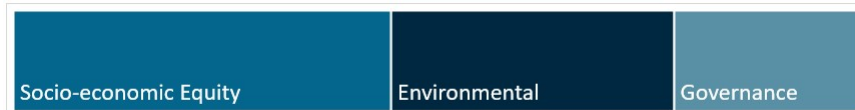
A corporate or service area budget adjustment as a result of a change in economic conditions

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ESG Considerations in the 2023 Budget Update

- Building on the inclusion of the Environmental, Social and Governance (ESG) section in 2022 budget amendments, the format for considering ESG factors in 2023 budget amendments has been modified to provide for enhanced flexibility.
- While each amendment may not focus on all ESG aspects, all three components are considered and evaluated. Both positive and negative considerations are noted as they may apply to each amendment.
- A graphical “ESG Profile” has also been included in each amendment, highlighting the relative weights of the ESG factors in that amendment:

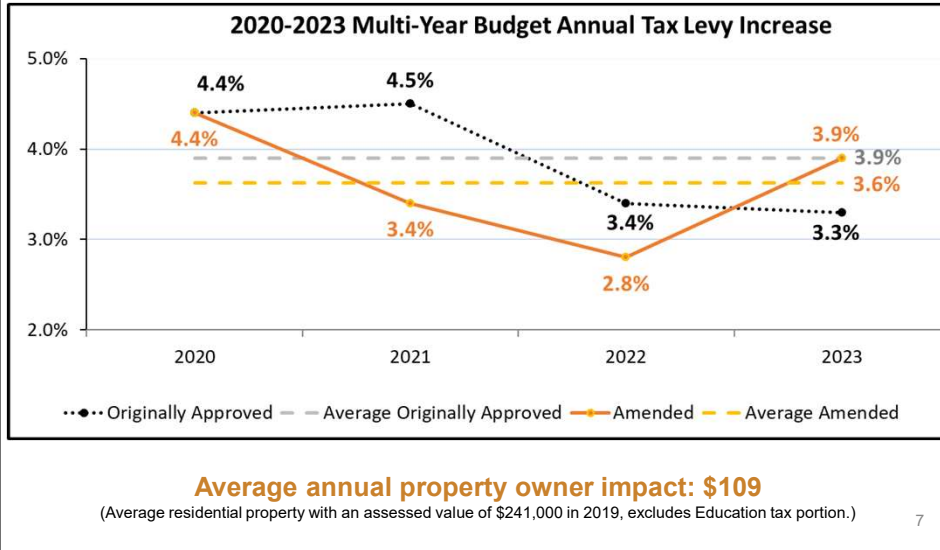


- Further integration of climate and equity impact considerations into other aspects of the City’s budgeting process (e.g., Business Plans, base budgets, etc.) will occur in preparation for the City’s 2024-2027 Multi-Year Budget.

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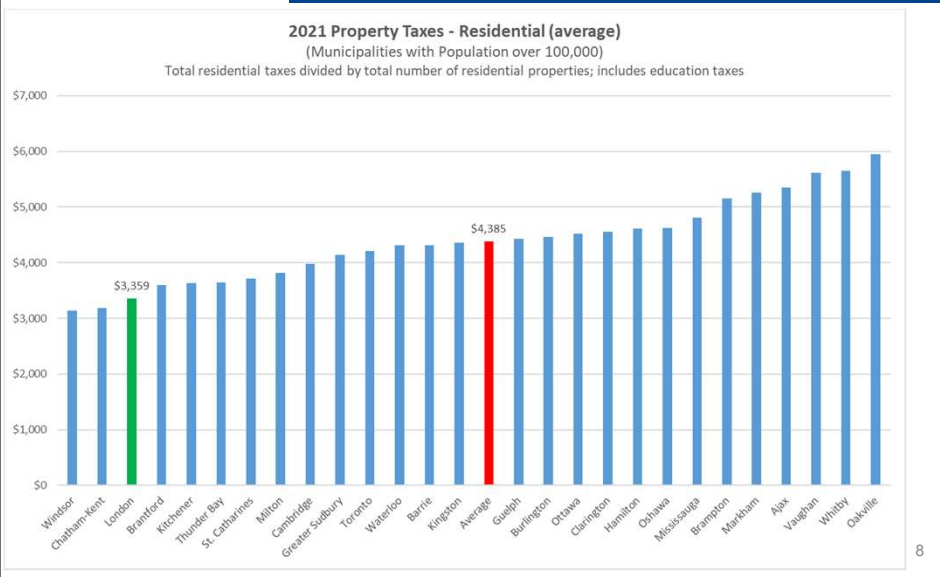
Recap: Property Tax Supported Budget after the 2022 Budget Update



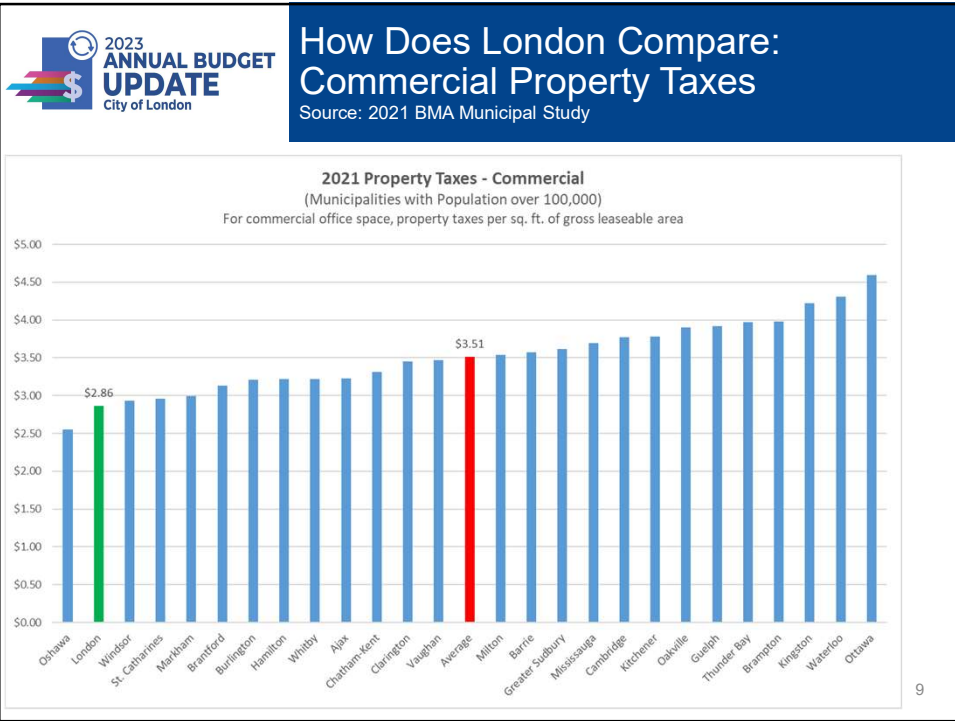
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How Does London Compare: Residential Property Taxes

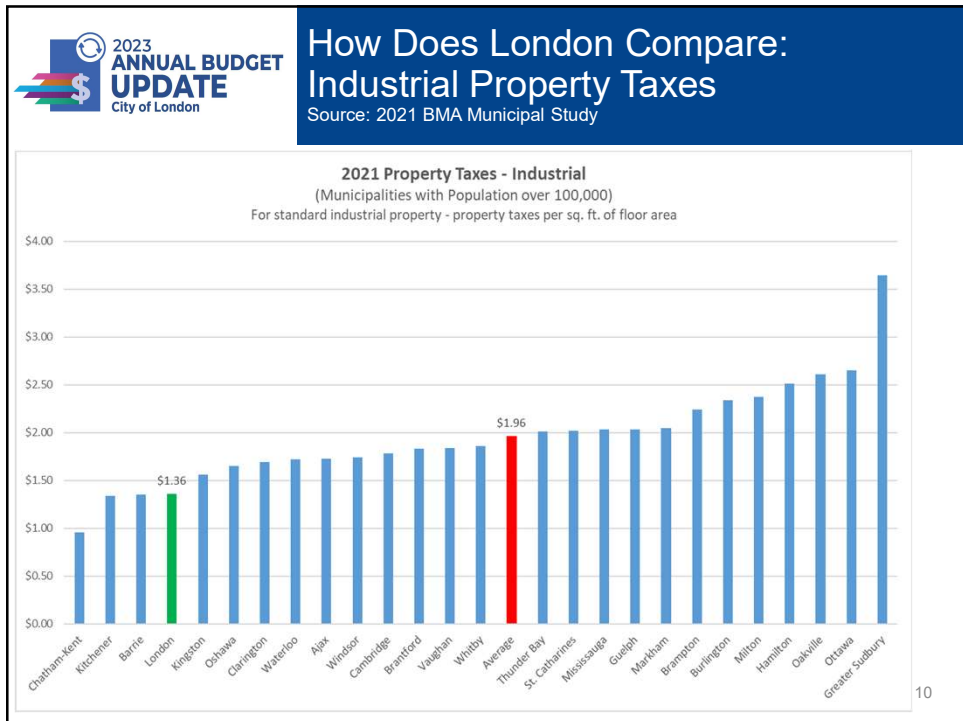
Source: 2021 BMA Municipal Study



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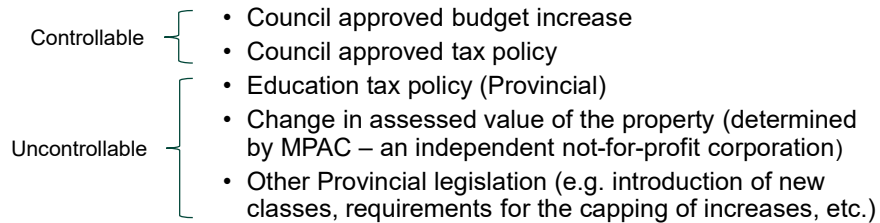


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- The actual year over year tax levy increase for a particular property is determined by multiple factors, only two of which are controlled by the City:

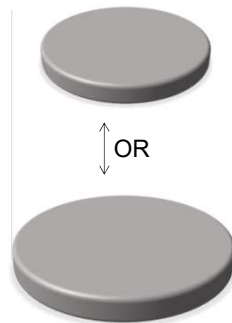


- If the assessed value of a property increases more or less than the class average, the increase will change accordingly
- Tax policy is approved separately **after** budget approval

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NET EXPENDITURE BUDGET



“How big is the pie?”

Aggregate amount to be funded by taxpayers

TAX POLICY



“How is the pie sliced?”

Between property classes: residential, multi-residential, commercial, industrial, etc.

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Key Financial Principles

- One-time funding is appropriate to fund one-time costs, but should not be used to implement permanent programs with ongoing costs;
- Alternate sources of revenue should be considered to cover only those expenses that are linked to them, to ensure that this funding is not required to support other expenses in the event that the funding is reduced or eliminated;
- Council should avoid taking on services/programs where there is pressure to “fill in” for services/programs that are generally the responsibility of other levels of government;
- When considering new initiatives, consider the total cost of the initiative (both one-time and ongoing operating costs), cash flow requirements and benefits to the community;

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Key Financial Principles – cont'd

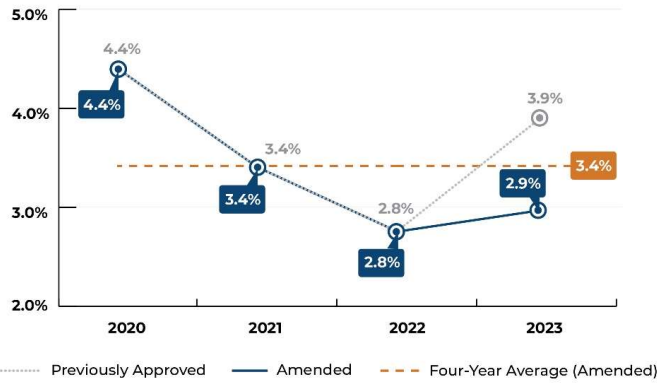
- Avoid taking on more/new services without considering long-term exit strategies;
- The City of London should determine its own capital priorities. New infrastructure programs introduced by the federal and provincial governments should be assessed relative to the capital needs and priorities of the City and ability to fund these initiatives;
- Ensure that reserves and reserve funds are kept at an adequate level to ensure the Corporation maintains sufficient liquidity; and
- Debt is appropriate for certain large-scale growth and service improvement capital projects, but should generally be avoided for lifecycle renewal projects.

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Summary of the Proposed 2023 Property Tax Supported Budget Update – As Tabled

2020 to 2023 Multi-Year Budget Annual Tax Levy Increase

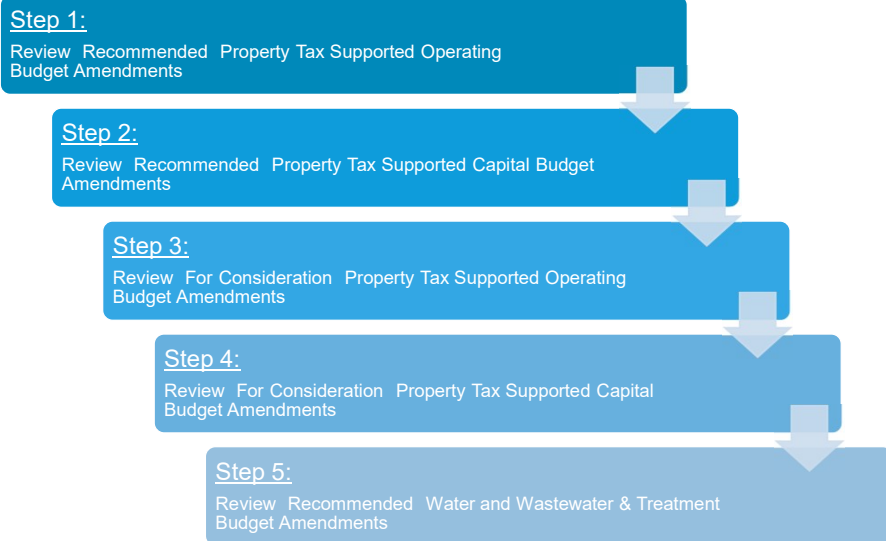


Average annual property owner impact: reduced from \$109 to \$101
(Average residential property with an assessed value of \$241,000 in 2019, excludes Education tax portion.)

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Suggested Process for 2023 Budget Deliberations



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#	Description	Annual Tax Levy Impact	
		2023	2024 & Beyond
P-1	Reductions due to Zero-based Reviews and Other Budget Right-sizing	(\$6,581)	(\$4,996)
	Civic Administration conducts regular reviews of its budgets to ensure resources are aligned with current service level requirements. Permanent budget reductions (reduced expenditures and increased revenues) have been identified that can be implemented without impacting service levels.		
P-2	Ontario Works and Children's Services - Reduction in Required 2023 Investments	(\$1,030)	\$0
	In the 2020-2023 Multi-Year Budget, due to provincial funding changes, Council approved additional funding for the Ontario Works and Child Care programs and for the development of anticipated new child care centres. As a result of COVID-19 related recovery benefits, the Ontario Works program has experienced a decreased caseload along with a decrease in employment related expenses. While caseload has seen growth in 2022, it has not reached the level experienced pre-COVID so part of the investment approved can be reduced without service impact. Furthermore, Child Care cost sharing changes have not yet been reinstated, and transitional funding received can be utilized to offset 2023 costs if necessary. Finally, the development of anticipated child care centres has been delayed due to COVID-19, resulting in savings in 2023 to the municipal portion of Child Care Expansion Plan Funding. ¹⁷		

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#	Description	Annual Tax Levy Impact	
		2023	2024 & Beyond
P-3	Roadmap to 3,000 Affordable Units – Portable Benefits & Staff Resources	\$1,794	\$1,794
	On December 7, 2021, Council approved the Roadmap to 3,000 Affordable Units Action Plan and directed a business case be brought forward to the 2023 Annual Budget Update to establish a permanent funding source for the portable housing benefit program and staffing resources required to support the Plan. The portable housing benefit program will provide rent allowances and supplements to tenants to allow access to available market units and is critical to the overall Roadmap.		
P-4	Project Clean Slate	\$200	\$200
	Operated by Youth Opportunities Unlimited (YOU) beginning in 2021, Project Clean Slate helps to address the issue of loose trash and garbage on private property in the Core Area, while also providing employment and development opportunities for youth engaged in YOU programming. Using reallocations within existing budgets, Council funded the Project in 2021 and 2022. This amendment is to establish permanent funding for the program starting in 2023.		

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#	Description	Annual Tax Levy Impact	
		2023	2024 & Beyond
P-5	Cybersecurity Infrastructure Expansion and Updates	\$1,009	\$1,009
	The ITS Division faces new and rapidly evolving cybersecurity threats that put the Corporation at significant operational and financial risk in the event of a successful attack. Approval of this recommended amendment will reduce risks to the City of London and enhance information security's defensive measures.		
P-6	1001 Inventions Exhibit	\$125 - \$125* = \$0	\$0
	On February 15, 2022, Council resolved that the recommendations of A London for Everyone: An Action Plan to Disrupt Islamophobia be endorsed. One such recommendation is to explore the feasibility of bringing the 1001 Inventions exhibition to London in October 2023. 1001 Inventions is a not-for-profit award-winning international science and cultural heritage organization that raises awareness of the creative golden age of Arabic Science. * Revenue to support this expenditure is recommended to be drawn from the Community Investment Reserve Fund, resulting in no tax levy impact.		

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#	Description	Annual Tax Levy Impact	
		2023	2024 & Beyond
P-7	Land Ambulance – Additional Resources to Address Service Pressures	\$1,759 - \$1,759* = \$0	\$0
	On September 7, 2022, notification was received from County of Middlesex (the service manager for land ambulance services in the City and County) of the anticipated 2023 budget for Middlesex-London Paramedic Service; the City of London's share represents an increase from the previously approved 2023 budget. * As a significant portion of the increase is growth-related, the 2023 increase is proposed to be funded through Assessment Growth revenue in accordance with the Council approved Assessment Growth Policy.		

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#	Description	Total Capital Budget Impact	
		2023	2024 & Beyond
P-8	Realignment and Adjustment of Transportation Capital Growth Projects	(\$10,225)	\$25,329
	This amendment relates to several large, complex transportation projects that have and/or are progressing through planning and environmental assessment stages which have provided better information to inform the required budgets and their timing, which are proposed for adjustment in this budget amendment. This budget amendment has <u>no tax levy impact</u> as it can be accommodated within available capital budget funding sources.		
P-9	Project Timeline and Funding Realignment – Regeneration of Public Housing	\$21,000	(\$21,000)
	Amending the timing of funds received through 2020 to 2023 Additional Investment Business Case #21 – Regeneration of Public Housing - will allow LMCH to complete Phase 1 of this project while simultaneously allowing development of a fulsome Regeneration Strategy for the entire LMCH portfolio. This amendment has <u>no tax levy impact</u> , although may impact future debt servicing budgets.		

21

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#	Description	Annual Tax Levy Impact	
		2023	2024 & Beyond
P-10	Reduction to Previously Approved “For Consideration” Business Cases for Streetlights and Winter Maintenance, and Walkway Maintenance Reductions	(\$936)	(\$936)
	This budget amendment has three parts and has been proposed to help alleviate tax levy pressures through adjusting the funding approach for the previously approved additional investment in Local Improvements for Streetlights, reducing annual walkway maintenance during summers, and reducing the previously approved additional investment in winter maintenance for sidewalks.		
P-11	Reduction in Horticulture Aesthetics	(\$200)	(\$200)
	A reduction to horticulture displays has been identified as a potential budget savings opportunity. This could include the reduction/elimination of the Hanging Basket Program, winter horticultural displays in the core and other horticultural beds that will be grassed in.		

22

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#	Description	Annual Tax Levy Impact	
		2023	2024 & Beyond
P-12	Reduction to Neighbourhood Playground Program Locations	(\$250)	(\$250)
	The Neighbourhood Playground Program is a free summer program for children aged 6 to 12 with limited registration. The program has been identified as a potential budget saving opportunity, and this amendment would see the program reduced from 22 full day sites to 10 full day sites.		
P-13	Eliminate Printing of Council Agenda Materials	(\$8)	(\$57)
	By ceasing the printing of Council Agenda materials and relying on distribution of electronic copies of such materials, the City can avoid costs of paper and print impression reductions. Further savings in associated print technology and print room labour would be realized following the conclusion of the current Print Room contract in November 2024.		

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#	Description	Annual Tax Levy Impact	
		2023	2024 & Beyond
P-14	Humane Society of London & Middlesex Animal Campus	\$3,000 - \$3,000* = \$0	\$0
	This amendment is a \$3 million request from Humane Society of London & Middlesex that has been referred from the London Community Grants Program Community Review Panel as it was in excess of the available program budget. The one-time grant would support the construction of a new Animal Campus in London. * Funding is recommended to be drawn from the Community Investment Reserve Fund, resulting in no tax levy impact.		
P-15	Increase to Neighbourhood Decision Making Program	\$250	\$250
	On August 2 nd , 2022, Council directed staff to include a business case in the 2023 Annual Budget Update for expanding the Neighbourhood Decision Making Program (NDM) by doubling the tax levy funding. The NDM Program engages thousands of residents annually through idea submission and voting. Additional investment in NDM would increase funding available to neighbourhoods, the number of projects considered feasible, and potentially the number of projects implemented.		

24

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Step 3: For Consideration 2023 Operating Budget Amendments (\$000's)

#	Description	Annual Tax Levy Impact	
		2023	2024 & Beyond
P-16	Funding for the Hamilton Road BIA	\$100	\$100
	The budget request from Hamilton Road BIA, dated October 22, 2021, was deferred by Municipal Council to be brought forward as a full business case as part of the 2023 Annual Budget Update. If approved, an annual grant from the City to support the Hamilton Road BIA will be funded through the property tax levy.		
P-17	Reduction to Previously Approved "For Consideration" Business Case – Infrastructure Gap	(\$950)	(\$950)
	This amendment would reduce the Council approved 2020 to 2023 Additional Investment Business Case #4B – City of London Infrastructure Gap. This additional investment provides for increased tax supported contributions to the Infrastructure Gap Reserve Fund to mitigate growth in the City's approximate \$666.9 million 10-year infrastructure gap. Approval of this amendment would result in a decreased contribution of \$950 thousand per year to the Infrastructure Gap Reserve Fund starting in 2023 as a budget reduction opportunity.		

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Step 4: For Consideration 2023 Capital Budget Amendments (\$000's)

#	Description	Total Capital Budget Impact	
		2023	2024 & Beyond
P-18	Streetscape Master Plan for Dundas Street – Argyle BIA	\$150	\$0
	As per Council direction, this amendment pertains to developing a Streetscape Master Plan for the Argyle portion of the Dundas Street Corridor, supporting the London Plan vision for Urban Corridors as high-quality spaces with neighborhood amenities including parks, civic spaces and attractive outdoor seating areas, accessible to the public. Funding is recommended to be sourced from the Community Investment Reserve Fund, resulting in <u>no tax levy impact</u> .		

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#	Description	Total Capital Budget Impact	
		2023	2024 & Beyond
W-1	Schedule Change for Springbank #2 Water Reservoir Replacement and Expansion	(\$37,581)	\$37,581
	A schedule change to defer the Springbank #2 Water Reservoir Replacement and Expansion (Springbank #2) project due to current construction work at neighbouring reservoirs - Springbank Reservoirs #1 and #3; this work is expected to continue into 2023, which will create a construction conflict with Springbank #2. Delaying construction of this project for one year will eliminate the conflict and is not expected to have an operational impact on the drinking water system. This amendment has no impact on previously approved 2023 water rates.		
W-2	Schedule Changes for Water Growth Projects	(\$8,075)	\$8,075
	The need, scope, and timing of the projects in this budget amendment are under review as part of a servicing study that is expected to be completed by end of 2022 and incorporated in the next Development Charges Background Study. This amendment will allow the study to confirm if these growth projects and their current scopes are appropriate, in the City's best interests, and that the timing aligns with the projected needs for future growth. Constructing these works without the information from the study would risk limited funds being spent on projects that may not be required. This amendment has no impact on previously approved 2023 water rates.		

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#	Description	Total Capital Budget Impact	
		2023	2024 & Beyond
WWT-1	Mud Creek East Branch Phase 2 Budget Increase & Related Project Deferrals	\$1,657	\$9,843
	Civic Administration is recommending a budget amendment to increase the 2023 capital budget for Mud Creek Branch Phase 2 project due to the results of a detailed design conducted in fall 2021. The detailed design estimate for constructing this project is \$11.5 million, as such, an associated budget increase for this amount is required in 2023. To accommodate the Mud Creek Phase 2 budget increase in 2023, Civic Administration is recommending deferring \$5 million for project Stormwater Management Contingency Facility from 2023 to 2024 to partially offset the budget increase. Civic Administration is also recommending deferring \$4.8 million budgeted for project Dingman #2 Remediation Stormwater Management Flood Control Facility from 2023 to 2025, as work related to this project is not yet ready to be constructed. This amendment has no impact on previously approved 2023 wastewater rates.		

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2023 COVID-19 Impacts

- With the 2021 and 2022 Annual Budget Updates, and continuing with this 2023 Annual Budget Update, budget amendments have been included that allow for a direct response to impacts from the pandemic – demonstrating the flexibility of the Multi-Year Budget process.
- COVID-19 effects continue to result in financial impacts to the City, however these impacts have gradually declined in 2022 as public health restrictions have been lifted. Further moderation is anticipated in 2023.
- Focus will shift to monitoring longer-term changes to behaviours and community trends.
- Funding remains earmarked in our Operating Budget Contingency Reserve should unanticipated COVID-19 financial impacts materialize in 2023.

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Inflationary Impacts – Operating Budget

- Inflation is currently running at 20-year highs based on many metrics; while municipal spending is not necessarily reflective of the same types of purchases as consumer spending, inflation does nevertheless impact municipal operating budgets.
- There are no budget amendments presented relating solely to inflationary pressures for the operating budget. While some pockets of inflationary pressure have been noted, they are currently being managed through offsetting savings in the overall City budget.
- There is the potential for further pressures to be experienced by the City into the future as certain goods and services purchased through established contracts will come up for renewal.
- Throughout the pandemic, the City of London has strategically set aside funds in contingency reserves from savings resulting from operational adjustments in response to the pandemic. These savings remain available to mitigate unanticipated inflationary pressures through 2023.

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Inflationary Impacts – Capital Budget

- Supply chain disruptions and increased demand for certain raw materials have resulted in many capital projects in the City's approved capital plan experiencing inflationary pressures.
- Capital projects in the City's 10-year capital plan do account for inflation; however, the 2.4% factor used during the multi-year budget development has been significantly outpaced since the start of 2021.
- Budget amendments have been included in the 2023 Annual Budget Update to secure additional funding for a number of capital projects that are being impacted by inflation and are planned to proceed in 2023.
- In the coming months leading up to the next multi-year budget, easing of supply chain pressures, commodity price moderation, central bank actions, etc. may help moderate future inflationary impacts.
- The 2024 to 2027 Multi-Year Budget will provide the best opportunity for significant changes to the City's capital budget and 10-year capital plan – providing time to monitor inflationary trends over the coming months.

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Financial Impacts of Bill 23

- On October 25, 2022, the Government of Ontario introduced Bill 23, the *More Homes Built Faster Act, 2022* which proposes changes to the Development Charges Act, Planning Act, Ontario Heritage Act, Municipal Act, Conservation Authorities Act and other statutes.
- As reported to the Strategic Priorities and Policy Committee on November 22, there are many proposed changes with potential financial impacts:
 - Full and partial exemptions of Development Charges (DC's)
 - Mandatory 5-year phase-in of DC rates
 - Changes to eligible capital costs recoverable through DC's
 - Changes to parkland dedication and cash-in-lieu requirements
- Preliminary projections indicate financial impacts of at least \$97 million over a 5-year period. Given the timing of this legislation, changes have not been incorporated in the 2023 Budget Update. Any changes, if required, will be reflected in the 2024-2027 Multi-Year Budget.

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Key Dates in the Budget Process

What / Where	Date
Tabling of the 2023 Annual Budget Update SPPC at 4:00pm	December 6
Public Participation Meeting SPPC at 4:00pm	January 17
2023 Annual Budget Update Review SPPC at 9:30am	January 26 January 27 (if required)
Final Approval of the 2023 Annual Budget Update Council at 1:00pm	February 14

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Upcoming 2023 Budget Update Public Engagement Activities

Description	Date
Social Media & Digital Advertising	Ongoing through Budget Approval
Budget Webpage (www.london.ca/budget) – all materials available	Ongoing
GetInvolved.London.ca Website – education & guidance on how to get more information or submit feedback	Ongoing
Budget Open Houses (same content at both sessions) City Hall, Committee Room 1, 2 nd Floor	January 12 12:00pm or 6:00pm
Virtual Budget Information Session Link accessible via GetInvolved.London.ca	January 14 10:00am
Public Participation Meeting	January 17 SPPC at 4:00pm
Support for Councillors' Engagement Activities	As Requested
Meetings with Community Groups & Advisory Committees	As Requested
Phone Calls (519-661-4638), E-mails (budget@london.ca)	As Requested
E-mail Updates via Newsletter	Ongoing

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2020-2023
**MULTI-YEAR
BUDGET**
City of London



LondonCanada



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budget@london.ca



getinvolved.london.ca

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From: Valerie Terejko
Sent: Thursday, November 17, 2022 10:14 PM
To: Woolsey, Heather
Subject: Re: [EXTERNAL] Request to Deliver Deputation

Thank you, and of course.

I'm hopeful to appear before the whole of the committee of council, as collective accountability is critical in good governance and this applies to all municipally elected officials and leaders. This deputation will review Bill 5, "Stopping Harassment and Abuse by Local Leaders Act".

I am requesting a motion be put forth and a recorded vote to: #1. Support this legislation, and #2. That a letter expressing support for the Bill be sent to County of Middlesex MPPs, Premier Doug Ford, the Minister of Municipal Affairs and Housing, and MPP Stephen Blais.

I hope this helps, and please let me know if you require further information.

Thank you,

Valerie

On Nov 17, 2022, at 4:45 PM, Valerie Terejko <vmorri@alumni.uwo.ca> wrote:

Hello Heather,

I would absolutely like to confirm delegation status at the December 6th meeting. I have attached the powerpoint presentation I intend to use for my 5min presentation. I would also like to note that the efforts our group have made to get Bill 5 passed have seen incredible support and momentum over the past few weeks. We have received unanimous support from 17 municipalities, listed below. Further information can be found on our website at <https://womenofontariosayno.squarespace.com/>

CITY OF BARRIE
CITY OF OTTAWA
TOWN OF COLLINGWOOD
TOWN OF ADJALA-TOSORONTIO
TOWNSHIP OF RAMARA
TOWN OF MIDLAND
TOWNSHIP OF ORO-MEDONTE
CITY OF WOODSTOCK
TOWN OF NEW TECUMSETH
ESSA TOWNSHIP
TOWNSHIP OF CLEARVIEW
TOWNSHIP OF SPRINGWATER
TOWN OF WASAGA BEACH
TOWNSHIP OF TINY
CITY OF BRADFORD
CITY OF ORILLIA
TOWN OF PENETANGUISHENE

Please don't hesitate to contact me if you have any questions.

Warmly,
Valerie



Supporting Bill 5, Stopping Harassment
and Abuse by Local Leaders Act.
It's needed.

#TheWomenOfONTARIO Say No





Ontario Private Members Bill 5

Multiple Ontario municipalities have learned the hard way in the last few years about the lack of tools in the Municipal Act for holding councillors accountable for workplace harassment.

Currently, the most severe penalty that can be imposed on a municipal councillor is the suspension of pay for 90 days. There is no process for removing councillors from office.





Ontario Private Members Bill 5

Bill 5 seeks to address this. The Bill amends the Municipal Act, 2001 and the City of Toronto Act, 2006.

The Stopping Harassment and Abuse by Local Leaders Act will permit municipalities to direct the Integrity Commissioner to apply to the court to vacate a member's seat for failing to comply with the municipality's workplace violence or harassment policies.





Ontario Private Members Bill 5

This helps keep workplaces safe. It's accountability, through a transparent and fair process that should exist but doesn't.

Our Ask Today:

For council to pass a motion to endorse Bill 5 and write a letter of support to be sent to local MPPs, Premier Doug Ford, the Minister of Municipal Affairs and Housing, the Association of Municipalities of Ontario and MPP for Orléans, Stephen Blais.

Report to Strategic Priorities and Policy Committee

To: Chair and Members
Strategic Priorities and Policy Committee
From: Scott Mathers, MPA P.Eng.,
Deputy City Manager, Planning and Economic Development
Subject: City of London Growth Projections 2021-2051
Date: December 6, 2022

Recommendation

That, on the recommendation of the Acting Director, Planning and Development, the following actions BE TAKEN with respect to the City of London corporate growth forecast:

- (a) This staff report **BE RECEIVED** for information;
- (b) The final report by Watson and Associates Economists entitled “Population, Housing and Employment Growth Projection Study, 2021-2051”, attached hereto as Appendix “B”, **BE RECEIVED** for information;
- (c) The Reference Scenario outlined in the final report prepared by Watson and Associates Economists entitled “Population, Housing and Employment Growth Projection Study, 2021-2051”, attached hereto as Appendix “B”, **BE ENDORSED** for use as the City of London corporate growth forecast, including but not limited to use in forthcoming Planning Act and Development Charges Act initiatives; and,
- (d) Civic Administration **BE DIRECTED** to provide a report to Planning and Environment Committee outlining an approach for implementing the provincial housing target for London.

Executive Summary

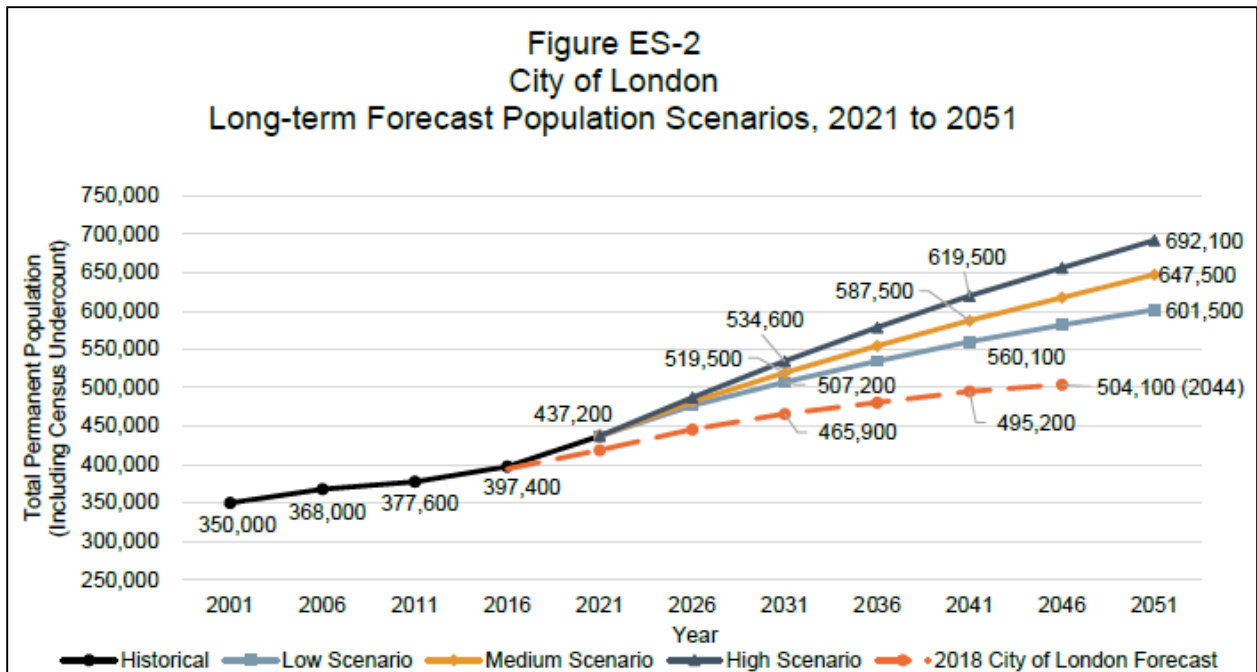
Growth forecasts are an informed estimation of future conditions based on past and present economic, demographic, and construction trends. Assumptions are based on research, technical knowledge, and established projection methods in alignment with Provincial guidelines.

Various City initiatives require growth forecasts for future population, housing units, and employment. These initiatives include, but are not limited to, budget forecasts, Development Charges studies and updates, community plans and strategies, servicing needs assessments, economic development initiatives, the municipal comprehensive review of the Official Plan (London Plan) and the associated land needs assessment for the Urban Growth Boundary, as well as mobility master planning.

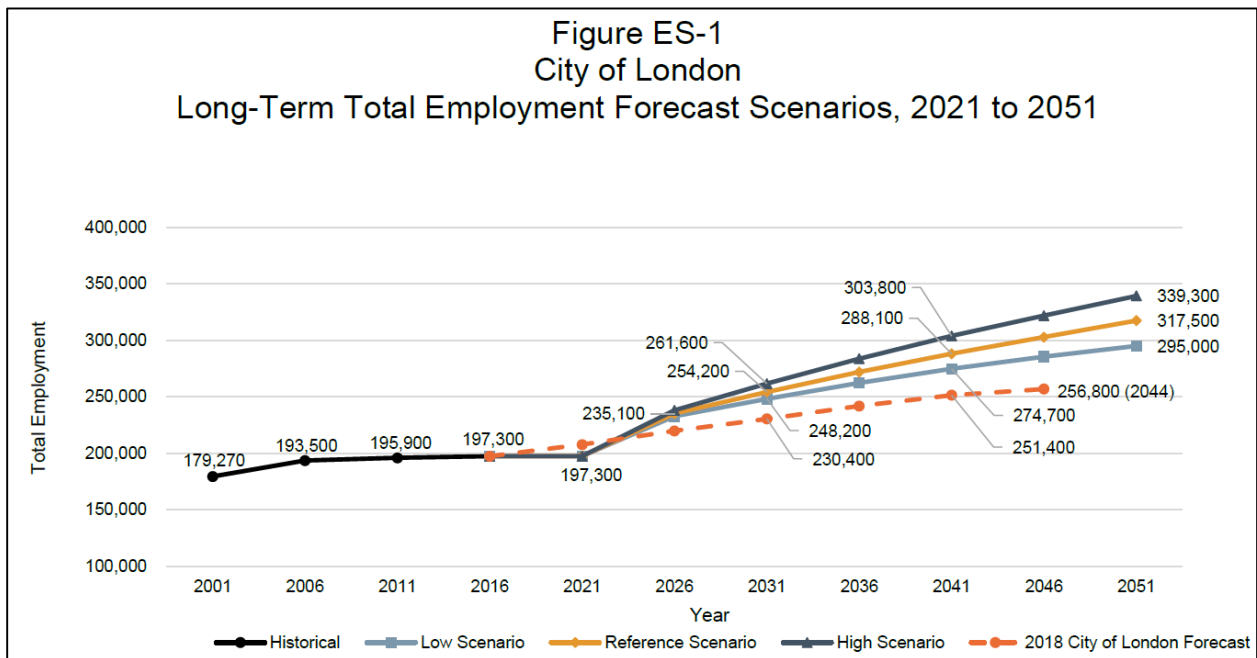
The attached growth forecast is intended as one coordinated document to be used for all of the various City initiatives that require projections of future population, housing, and employment space needs.

The following report provides an overview of growth forecasts, highlights the findings of the Watson and Associates Economists Growth Projection Study, seeks endorsement of the “Reference Scenario”, and also highlights how the forecast will be used in several City initiatives. A High and Low growth scenario are also included to illustrate different possible outcomes if trends evolve differently than expected. The Reference scenario is a projection similar to the 2022 Ontario Ministry of Finance projections.

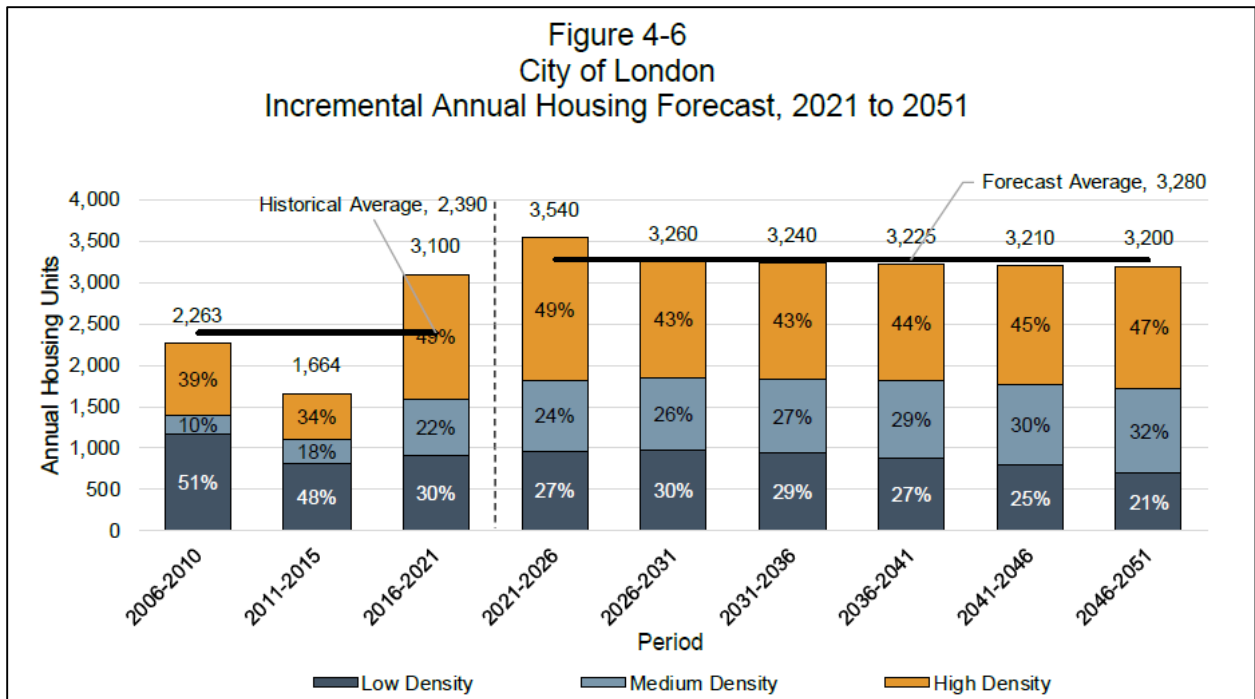
Of note, some key findings of the Projection Study include that London’s population is projected to grow to 647,500 by year 2051 under the Reference Scenario. This represents an annual average growth rate of 1.3% over the projection period and is roughly equivalent to adding the population of the city of St. Thomas every 5 to 6 years. See Figure ES-2 below.



Employment growth is expected to be very strong, with an annual average growth of 1.6% or 4,010 jobs per year to 2051. This is considerably higher than the historical annual growth rate of 0.5% from years 2001 to 2021. Total jobs by 2051 are projected to be 317,500. Employment growth is anticipated to be strong in export-based sectors, such as transportation and warehousing, wholesale trade, construction, energy, manufacturing and technology. Stronger employment growth is also expected in sectors with work-from-home and off-site employment. See Figure ES-1 below.



Housing starts are also expected to remain strong, with the number of new households projected to annually average 3,280 in the Reference Scenario. This projected number is significantly higher than the historical average of 2,390 (from 2001-2021). The projected average is also higher than the average number of new units between years 2016 and 2021, which was a very high growth period. New housing units are also projected to continue the trend towards medium- and high-density units, with single and semi-detached low-density units projected to account for less than 30% of new starts. See Figure 4-6, below.



Linkage to the Corporate Strategic Plan

The Population, Housing and Employment Projection Study, 2021-2051 directly aligns with the “Building a Sustainable City” Strategic Area of Focus of Council’s strategic plan. The Growth Forecasts are used in various City initiatives that align with the Strategic Plan, including to ensure London’s infrastructure is built, maintained, and operated to meet the long-term needs of our community; that London’s growth and development is well planned and sustainable over the long term; and, that Londoners can move around the city safely and easily in a manner that meets their needs.

Analysis

1.0 Background Information

1.1 Overview of Growth Projections

Watson & Associates Economists were contracted by the City in spring 2022 for the preparation of the 2021-2051 growth projections. The methodology Watson uses in the attached report (for more detail see section 1.3 below) is well accepted in the demographics sector and is based on the standardized Provincial methodology. Watson have used this same methodology in the City of London’s 2019 Development Charges Study forecasts, as well as in growth forecasts, land economics studies, and Development Charges studies for municipalities across Ontario and Canada.

Growth forecasts represent an informed estimation of future conditions. Projected results are based on past and present economic, demographic patterns and development trends. Assumptions are made about changes that are likely to take place over time to produce projections over a period for population, housing, and employment. Assumptions are based on research, acquired technical knowledge, and established projections methodology, including Provincial methodology guidelines.

While every effort is made to ensure the accuracy of growth forecasts, they are not precise predictions of the future. To ensure projections respond to emerging trends, provincial legislation requires periodic updates to municipal projections. A description of forecasting methods, assumptions, data, and results is provided in the attached report. Highlights of the report and its findings are below in Section 3 of this staff report.

For further information about how growth forecasts are used by the City of London, see Appendix “A” below.

1.2 Growth Forecasts versus Housing Growth Targets

It is important to recognize the difference between growth forecasts/projections and growth targets. As noted above, growth forecasts are an informed estimate of the future that identify expected growth based on macro-economic outlook, demographics, household formations, and other methodological guidelines. Both the *Planning Act* and *Development Charges Act* require the use of forecasts/projections to identify land, infrastructure and community facility needs. Growth projections employ both external variables (global/national/provincial/regional conditions that inform community change) and local variables (London-specific construction figures, land supply information, economic development priorities, etc.) to arrive at specific numbers for future population, employment, housing and non-residential space. Projections are created using detailed models that consider hundreds of different data points and assumptions in order to derive the best possible growth scenario for our city's future.

In contrast, growth targets are aspirational goals of desired rates of growth. They provide motivating outcomes for strategies and initiatives. An example of a growth target is the recently released Provincial government's housing target of 47,000 for London that is intended to help achieve an Ontario-wide target of 1.5 million new houses constructed over the next 10 years. For comparative purposes, the Reference Scenario projects 33,900 new units over the next 10 years, which is based on population forecasts similar to the Ministry of Finance projections for London-Middlesex.

The province has been clear that their housing targets and pledges are not intended to act as planning documents. The risk of over-estimating growth based on targets include over-investing in infrastructure that is not required to accommodate growth, insufficient revenue collection, faulty service delivery planning and a loss of important agricultural lands to urban development.

More work is required to determine the City initiatives, strategies, and actions necessary to facilitate meeting the provincial target. Civic Administration will prepare a separate report to Council over the coming months in response to the assigned housing target and request for a pledge. The report will highlight City initiatives that provide opportunities for increased housing development and identify various initiatives, strategies and actions to help facilitate meeting the housing target.

1.3 Methods Used to Prepare Growth Projections

Consistent with population projection methodology guidelines established by the Province of Ontario, Watson uses a combined forecasting approach to derive growth projections. This incorporates both the "top-down" cohort-survival forecast methodology and a "bottom-up" household formation methodology. The methods are well accepted in the industry and have been used by Watson & Associates to model growth in previous forecasts for the City of London as well as in other cities across Canada.

The starting point for growth forecasting is an examination of the London economy within the context of long-term international, national, provincial, regional, and local economic outlooks. Potential for growth is considered by economic sector and an employment forecast is prepared. The employment forecast largely determines the population projections with employment as a key factor in migration, which in turn principally drives population growth.

The forecasts for future population are based on cohort survival (births minus deaths plus net migration, by sex for five-year age groups). Key factors in this analysis include demographic trends like an aging population (including for the largest cohorts of the "baby boom"), as well as natural increase, immigration, and migration patterns to and from the city. Population forecasts are then converted through a housing demand model to project anticipated growth of household formations. Potential household growth is a function of projected population by age applying headship rates (number of people in each age group who are projected to head a household).

Watson also considers demand by structure type, including Low-Density housing forms (singles and semi-detached units), Medium-Density forms (townhouses), and High-Density housing forms (apartments, including Additional Residential Unit apartments). Demand by structure type is informed by past housing activity, recent development trends, and the relationship between family type, dwelling type, and housing preferences as population ages (based on the demographics projections by age group).

Post-secondary population and housing projections are included within the analysis. This consists of enrollment trends, geographic location trend for students, international student growth projection, and a review of comparator post-secondary institutions in Ontario. From the enrollment projection, a housing forecast is identified for incorporation into the overall housing forecast.

Three growth scenarios are also presented. These growth options are based on the amount of residential intensification, such as infill and redevelopment within existing urban areas within the Built Area Boundary (BAB), versus the amount of new housing delivered on greenfield lands. Greenfield lands are planned for future urban uses and are located outside the BAB but within the Urban Growth Boundary. As noted below, the recommended growth option will be determined during the forthcoming Land Needs Assessment as part of the Comprehensive Review of the London Plan.

For non-residential growth, the employment forecast informs the anticipated floor space demand for future industrial, commercial, and institutional employment sectors. This floor space demand is expressed in floor space to employment ratios. Economic trends, such as the rise in e-commerce and related need for increased transportation logistics and warehousing inform the floor space need. Changes to the nature of some workplaces, including remote work, hybrid home/office work, and shared desk spaces are also considered for the non-residential floor space analysis. These changes to the nature of work are factors which have been accelerated by the COVID pandemic but are projected to remain long-term.

2.0 Projection Results

2.1 Overview of Results of the Growth Projections, 2021-2051

The projections report contains results for employment growth, population growth, and residential growth. Population growth includes projections by age cohort, residential growth is identified by various dwelling type, and employment growth for industrial, commercial and institutional sectors is represented by floor space requirement.

Three growth forecast scenarios are identified: a low-growth scenario, a reference scenario, and a high-growth scenario. The recommended reference growth forecasts/projections are provided in the report, with a high and low scenario also included. The purpose of the three scenarios is to illustrate different possible outcomes if trends evolve differently than expected. However, for planning purposes the Reference Scenario should be considered the recommended growth projection. The high and low scenarios provide the City with a frame of reference for the spectrum of future conditions and the ability to adjust plans/strategies if necessary, based on growth monitoring.

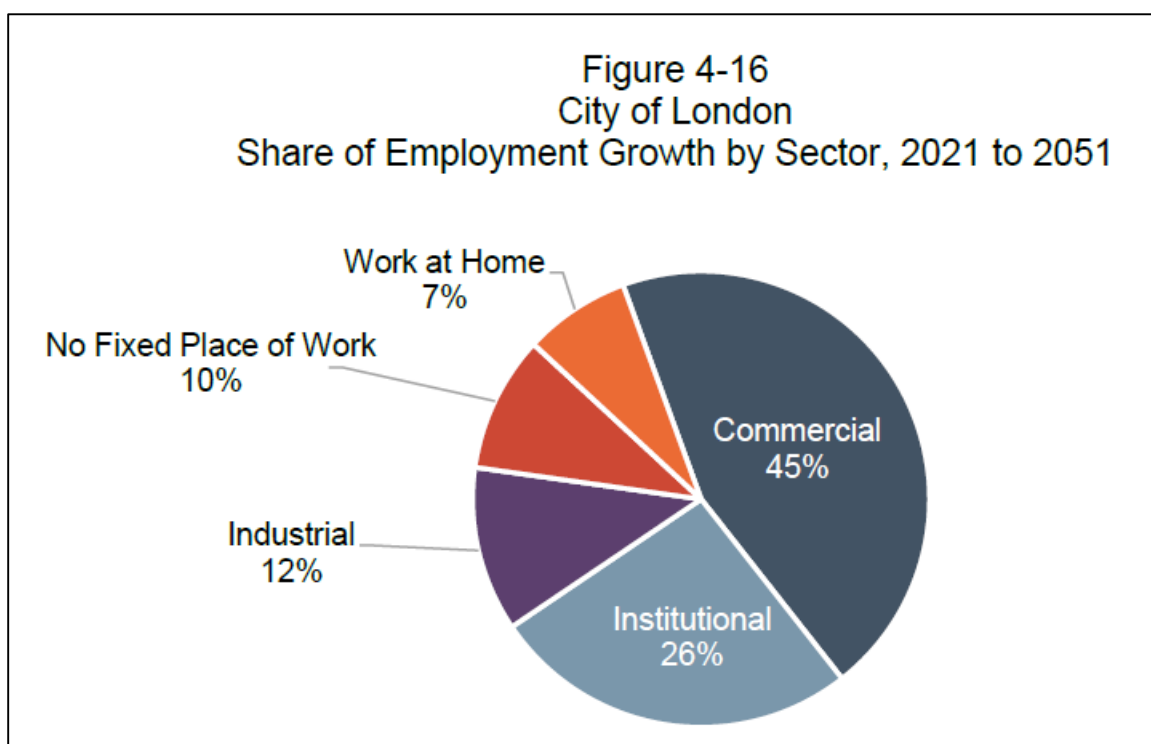
2.1.1 Employment Projections

New job creation in the city and within the regional 'commutershed' are considered as key drivers of population growth. The macro-economic outlook and labour force growth in turn support migration to London. Based upon labour force trends and future local employment prospects, Watson expects an annual employment growth rate of approximately 1.6% between 2021 and 2051. Under this scenario the employment base is expected to increase from 197,300 jobs in 2021 to 317,500 jobs by 2051. This is an increase of approximately 120,200 jobs over the forecast. This employment growth is significantly higher than the historical annual growth rate, which was 0.5% from years 2001 to 2021. The relative economic strength and projected growth is

anticipated to be driven by local and regional economic opportunities which are supporting higher immigration rates as well as increased migration to the City and London region from other parts of Ontario and Canada.

The employment activity rate has in recent years declined as a result of changes to the macro-economy, including changes to the manufacturing sector since the 2008-2009 recession, and negative economic impacts from COVID-19 during 2020-2021. The rate reached a low of 45% in 2021; however, the projections are for a rebound and stabilization at approximately 49% activity rate.

Below is an excerpt from the Watson report (copy of Figure 4-16 of Watson report), which summarizes employment growth forecasted by employment sector. The Commercial and Institutional sectors combined are projected to account for 71% of job growth. Appendix E to the Watson report includes detailed figures for projected employment growth by sector for 5-year increments from 2021 to 2051.



2.1.2 Population Projections

Watson's population projections conclude that London's population will grow through the forecast period at an annual average rate of 1.3% to 2051, resulting in an expected population of 647,500 (includes the net Census undercount). The table below, from Appendix A of the Watson report, provides total anticipated population growth in 5-year increments as well as the yearly growth rate for each 5-year period.

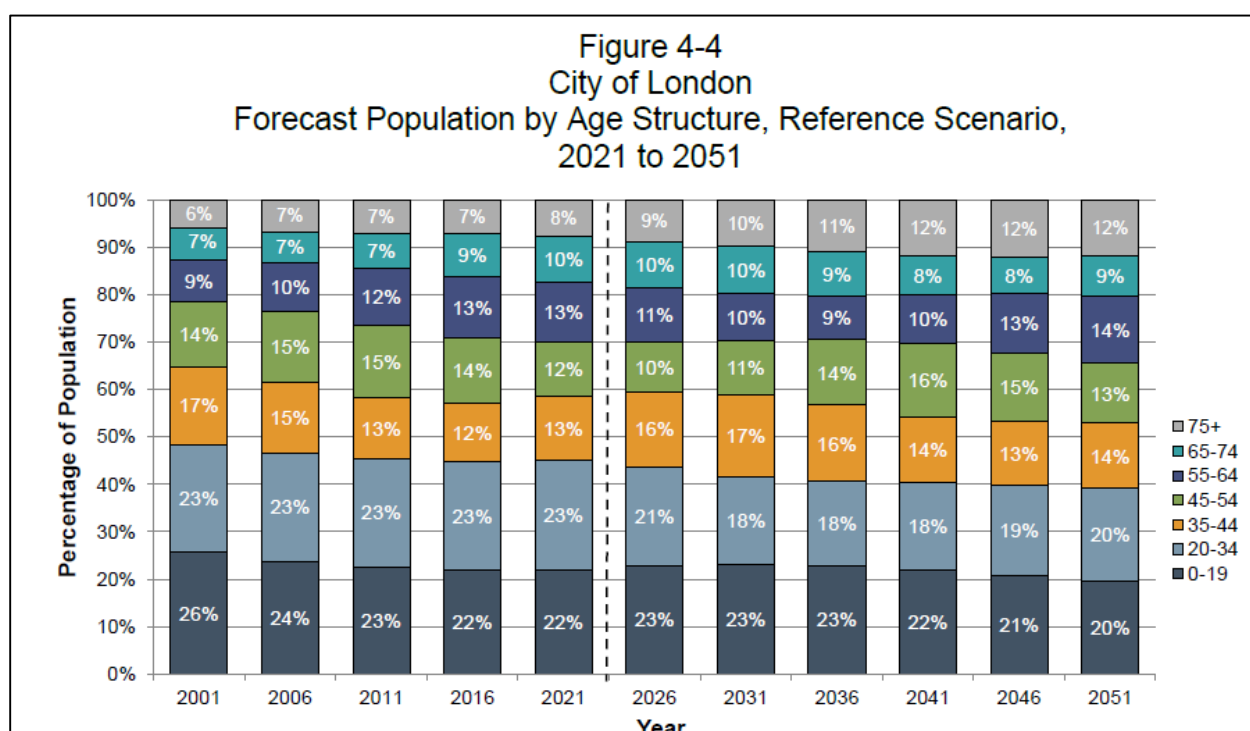
Figure A-6: City of London, Medium Scenario, Total Population Forecast by Major Age Group, 2021 to 2051

Cohort	2001	2006	2011	2016	2021	2026	2031	2036	2041	2046	2051
0-19	89,700	87,700	85,500	86,800	95,400	110,300	120,300	127,100	129,500	127,500	127,100
20-34	79,600	83,900	86,300	91,200	102,300	100,400	95,000	98,400	108,200	118,300	126,500
35-44	57,800	55,100	48,500	49,400	57,900	76,100	90,600	88,800	80,900	82,600	88,800
45-54	48,200	54,200	57,500	54,300	50,600	50,400	58,900	76,800	91,300	89,600	81,900
55-64	30,300	38,600	46,000	51,500	55,500	54,900	52,200	51,700	59,900	77,300	91,200
65-74	23,400	24,100	27,700	35,600	42,500	47,600	51,300	51,000	48,700	48,400	56,100
75+	21,100	24,400	26,300	28,600	33,000	41,900	51,100	60,800	69,000	73,900	75,900
Total	350,000	368,000	377,600	397,400	437,200	481,700	519,500	554,500	587,500	617,500	647,500
Annual Growth Rate (5-year increment)		1.0%	0.5%	1.0%	1.9%	2.0%	1.5%	1.3%	1.2%	1.0%	1.0%

Note: Population includes net Census undercount. Figures may not add precisely due to rounding.
Source: 2001 to 2021 from Statistics Canada Census and 2021 to 2051 forecast by Watson & Associates Economists Ltd.

The following factors are also of note regarding the population projection:

- Consistent with recent trends, the City’s annual population growth is projected to remain strong, with years 2021 through 2026 growing at an average annual rate of 2.0%. Years 2026 through 2031 are projected to grow at 1.5%.
- The 75 years plus age group (including “Baby Boomers”) is expected to increase from 9% to 12% over the forecast. The adult population of 20 to 54 years old is projected to be the largest age cohort group but is projected to decline in relative terms from 48% to 47% of total population. (See below for copy of Figure 4-4, which shows the forecasted population by age structure).
- Net migrations are higher than the 20-year historical average and are more reflective of the recent post-2016 period. Forecasted net migration trends are reflective of steady growth anticipated in local and regional economies and forecasted work-at-home opportunities, with over 90% of migrants projected to be working-aged adults and children. Net migration is also reflective of the perceived attractiveness of the city to empty nesters and retired/semi-retired persons re-locating from communities throughout Southern Ontario. The majority of migration is expected from within Ontario.
- Population growth associated with natural increase (births minus deaths) is forecast to continue to decline due to the aging of the city’s population.
- The forecasted population growth rate is similar to the most recent Ontario Ministry of Finance forecast (1.3% annual growth rate through 2046).



2.1.3 Households, Housing Units and Residential Construction

Based upon the population and demographics projects and corresponding household formation projection (“headship rate”), a forecast is provided for number of permanent households. The number of households is forecasted to grow at a rate of 1.5% annually, from 174,660 in 2021 to 273,025 households in 2051. Housing demand is then assumed based on the number of households formed. Household growth is forecasted to average 3,280 units per year. During the 2021-2026 period the housing growth is anticipated to be highest, averaging 3,540 units per year over the 5-year period. The last 5-year period has demonstrated historically high growth in housing units. However, new units are projected under the Reference Scenario to exceed the last 5-years of growth in every 5-year period for the duration of the projections period (next 30 years until 2051).

Below is a copy of Figure 4-6, which depicts the average annual housing forecast (Reference Scenario) by 5-year period compared to past historic averages for units created by type (Low Density, Medium Density, and High Density forms). The projected housing units also take into account forecasted growth in post-secondary student population and the associated housing need.

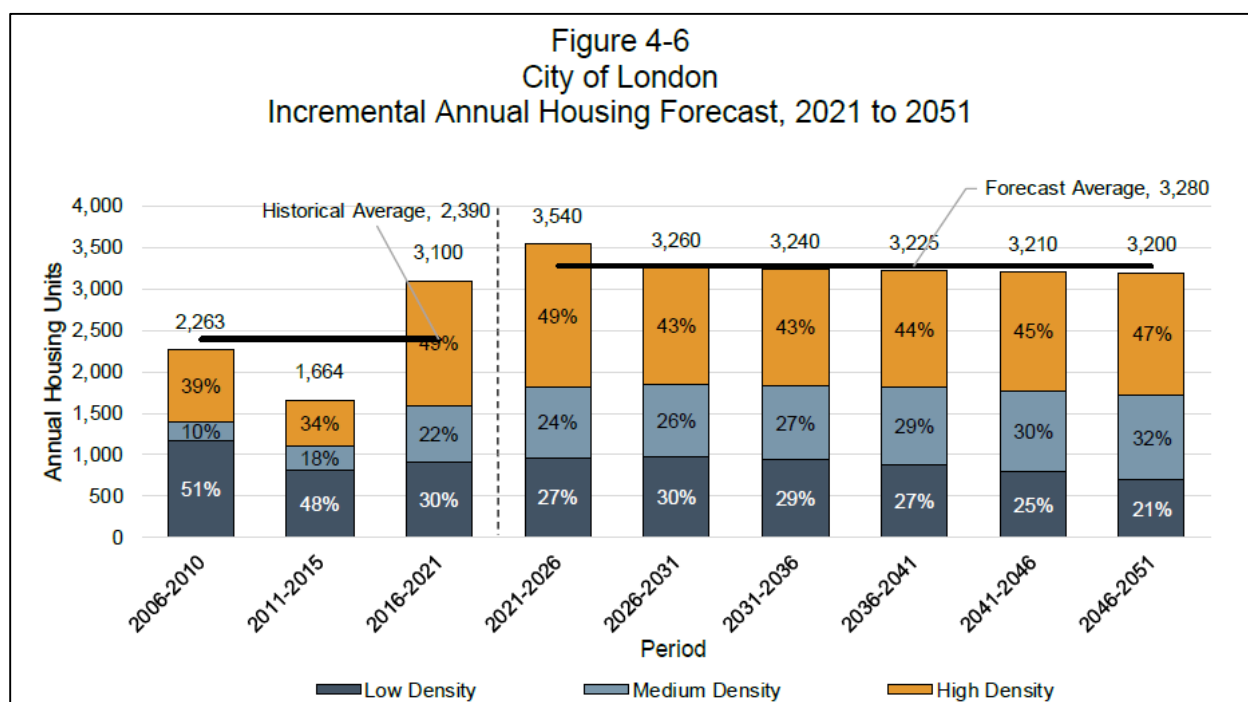


Figure 4-6 above demonstrates that construction of London’s new housing stock is anticipated to continue to diversify by structure type. Low Density Residential forms (i.e. single-detached and semi-detached dwellings) have decreased as a proportion of overall new housing units. Low Density accounted for 51% of new units in years 2006 to 2010, but were reduced to 30% of units by 2016-2021. The trend towards more Medium Density Residential units (i.e. Townhouses) and High Density Residential Units (i.e. Apartment Units and Additional Residential Units) is projected to continue throughout the forecast. This is based upon demographics, including aging population, and the cost and affordability of new housing in Low Density forms.

Figure 4-6 also demonstrates that the average number of housing starts are projected to be higher than what was seen during the last 5-year period, noting that years 2016-2021 were a historically high growth period in housing. Thus, the Reference Scenario is anticipating robust levels of housing construction even beyond what was seen from 2016 to 2021. Further increases to the housing projection above the Reference Scenario are not recommended.

Three (3) “growth options” have also been identified in the Watson report that are based upon varying rates of intensification, infill and redevelopment within the existing built urban area (the Built Area Boundary, 2016). The balance of development would take place on Greenfield lands. The three options will be considered during the subsequent Land Needs Assessment, which will be completed as part of the Comprehensive Review of the London Plan. Determining which options is most likely will depend on the policy approach and resulting level of opportunity for intensification.

2.1.4 Industrial, Commercial, and Institutional Floor Space Requirements

Non-residential construction projections are based upon Industrial, Commercial, and Institutional space demand derived from forecasted employment for each of the land use categories.

- **Industrial:** Continued demand for new Industrial space is forecasted, with several macro-economic trends influencing space needs (expressed in average floor space per worker or “FSW”). Increased manufacturing automation, competitiveness and efficiency has reduced employment density levels. This coupled with retail warehousing and logistics associated with e-commerce has

resulted in a projected space need of 1,150 sq. ft. per employee.

- Commercial and Office: Recent trends in retail have included the rise of e-commerce, smaller “bricks and mortar” retail footprints, and big box “fulfillment centres”. Trends in Office floor space requirements have also been decreasing, with the rise in remote work as a response to the COVID pandemic, “hybrid” office and work-from-home arrangements, and “hot desk” shared spaces. These trends in office space needs are projected to continue. Watson’s result is a combined Commercial/Office projection for an FSW of 370 sq. ft. per commercial/office employee.
- Institutional: The Institutional sector is forecasted to experience strong GFA growth, with an average of 732,400 sq. ft. annual development and a space requirement of 700 sq. ft. FSW.

Figure 4-17 below summarizes the projected employment by sector, employee FSW, and the corresponding Gross Floor Area required by sector (annual average and total over the forecast period).

Sector	Total Employment Growth (2021 to 2051)	Employment Losses Due to COVID-19	Total Employment Growth Net Vacant Space due to COVID-19 Job Losses (2021 to 2051)	Gross Floor Area Forecast Per Worker (F.S.W.) Assumptions (sq.ft.)	Non-Residential Gross Floor Area Forecast (sq.ft.)	Annual Average Gross Floor Area (sq.ft.)
Industrial	14,050		14,050	1,150	16,157,500	538,600
Commercial/ Population- Related	54,020	-11,040	42,980	370	15,890,283	529,700
Institutional	31,390		31,390	700	21,973,000	732,400
Total	99,460	-11,040	88,420	-	54,020,783	1,800,700

2.1.5 High and Low Growth Scenarios

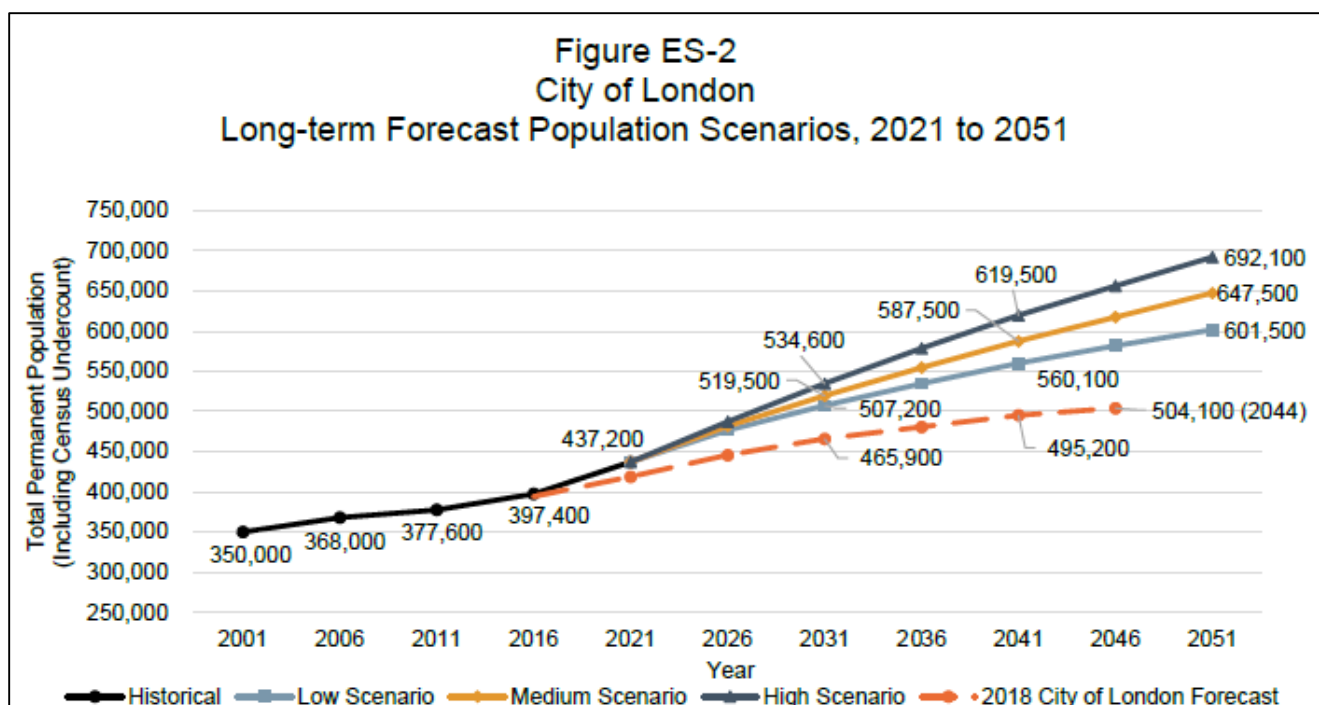
Watson and Associates has prepared two additional alternative growth scenarios to inform future planning discussions: a high growth scenario and a low growth scenario. Below is a copy of Figure ES-2 from the Watson report, which shows the low, reference, and high growth projection scenarios.

Over the 2021-2051 period, the high growth scenario projects average annual population growth of 1.5% and the low growth scenario projects 1.1% average annual growth, whereas the Reference Scenario projects 1.3% average annual growth.

The high growth scenario assumes international immigration targets will be exceeded and the London-Middlesex Area will outperform the Ministry of Finance projections. The low growth scenario assumes immigration targets will not be met, slowing economic growth and producing fewer jobs and less population.

Employment, household and non-residential construction are provided for these low and high growth alternative scenarios, reflecting assumptions about low and high economic growth.

The high and low growth scenarios provide a range of growth possibilities for individuals and organizations that use the projections report for future planning studies. Additionally, the growth scenarios can inform aspiration growth targets to be used as monitoring tools for infrastructure planning.



3.0 Selecting a Scenario for Growth Planning and Growth Financing

Growth forecasts are essential inputs for land needs assessments, budgeting and infrastructure cost recovery, service master plans, and other community studies. Growth forecasts provide expected demand for housing and non-residential space to be used in calculating the amount of land required for development as well as infrastructure required to service that demand. It is important to select growth forecasts that provide the most likely outcome for future development of the city.

For planning and growth financing purposes, forecasts based on the Reference Scenario are selected to model future land needs and infrastructure costs. Although High and Low scenarios can provide beneficial ranges to test different development alternatives, the use of a Reference Scenario is the preferred choice for assessing future demand.

Selecting a growth scenario that differs from the Reference can have significant planning and financial implications if demand is not realized, including:

- Excessive infrastructure requirements (e.g. roads, sewers), producing higher than necessary Development Charges rates;
- Challenges maintaining financial sustainability by placing pressure on growth supported reserve funds and debt levels;
- Creating expectations about the timing of extending services. Expectations which can only be delivered if the high growth scenario is achieved;
- Inaccurate community needs assessments and service delivery planning, resulting in resident dissatisfaction, economic development challenges, operating budget pressures and misallocation of resources.
- Challenges in establishing municipal financing plans where growth expectations are not met;
- Potential over-expansion of urban area and loss of important prime agricultural lands; and
- Difficulties defending planning and growth financing decisions if challenged at the Ontario Land Tribunal (OLT).

The City of London also employs a Growth Management Implementation Strategy (GMIS). The GMIS provides an important tool to respond to increased growth should demand exceed the reference scenario. The GMIS is updated annually to coordinate infrastructure with the anticipated timing of development project delivery. Infrastructure

needed to support demand can be advanced through the GMIS process and the capital budget in order to ensure the city can accommodate growth, if it exceeds the reference scenario.

Given the long-term nature of growth projections, the five-year update provides an opportunity to adjust forecasts based on recent economic, demographic, and land development trends, including if the city experiences a rate of growth that differs from the Reference Scenario.

It is therefore recommended that the Reference Scenario be endorsed for use in forthcoming City initiatives, including but not limited to the Mobility Master Plan, Development Charges Background Study, Comprehensive Review of the London Plan, and Neighbourhood and Community-wide Services. This Reference Scenario is recommended with the understanding that tools are in place to test the implications of higher rates of growth as well as respond to increased growth requirements, if required.

4.0 Stakeholder Consultation

The preparation of the growth projections has been a collaborative effort, with input from community and industry stakeholders. Consultations have been held with the Development Charges External Stakeholder Committee that includes members of the London Development Institute, London Home Builder's Association, and Urban League.

An initial project consultation meeting with the DC External Stakeholders was held on May 25, 2022, followed by a July 27, 2022 presentation by Watson of the draft growth projections report, at which time the draft growth projections report was distributed for comment. A follow up meeting was held on August 5, 2022.

Comments from the stakeholders were subsequently received. The comments from the development industry stakeholders included the following themes:

- Natural population and non-permanent resident population were considered to be accurate and align with Ministry of Finance forecasts.
- International immigration, especially international student population, was not given enough weight in the report, noting that Federal immigration forecasts have increased recently and international students may become permanent residents.
- Initial years of the forecast were considered to be in alignment with Ministry forecast, however, the peer review believed that intra-provincial migration (e.g. "outflow" from Greater Toronto Area, based on housing issues in the GTA and "unmet demand" in Central Ontario), should result in London having higher growth rates in the latter years of the projection period.
- The long-term forecast was lower than the Ministry of Finance projection.
- A request that the high growth alternative scenario be endorsed.

Following this feedback, at the September 28, 2022 DC External Stakeholder meeting, Watson identified how the projections report would be revised in order to respond to feedback. The final projections were revised, including the following:

- A Student Enrolment and Corresponding Population Growth Forecast section was added to the report, based on information gathered from post-secondary institutions and comparators schools in Ontario.
- Immigration targets were reviewed, resulting in a corresponding increase to the longer-term projection period.
- To recognize the lag time between building permit issuance and occupancy, particularly for High Density Residential buildings, the initial years of the projection period increased annual population growth.
- The overall population projection from 2021-2051 is now in alignment with the most recent Ministry of Finance projections, with the Reference Scenario anticipated to slightly outperform the Ministry's projections.

The final Watson report was distributed to stakeholders in November 2022. Certain earlier comments from the London Development Institute remain, including the request that the High Growth Scenario be used. Staff also met with the Urban League in November 2022 where they expressed concern about potential financial implications to property taxpayers and to municipal DC rates if the High Growth Scenario were to be endorsed.

Conclusion

The Watson & Associates employment, population, housing and non-residential space forecast for 2021 to 2051 provides an important basis for various City of London initiatives, including the Development Charges Background Study, Comprehensive Review of the London Plan, Mobility Master Plan, Neighbourhood and Community-wide community facilities planning, assessment growth allocation business cases, and the water and wastewater budget.

The projections are similar to the results of the most current Ministry of Finance growth projections and are based upon a methodology consistent with provincial guidelines.

It is recommended that the Reference Growth Scenario be used as City of London corporate growth forecasts for the various City initiatives, including but not limited to the forthcoming *Planning Act* and *Development Charges Act* initiatives.

Prepared by: Travis Macbeth, MCIP, RPP
Senior Planner, Long Range Planning and Research

Reviewed by: Justin Adema, MCIP, RPP
Manager, Long Range Planning and Research

Reviewed by: Kevin Edwards, MCIP, RPP
Manager, Long Range Planning, Research and Ecology

Recommended by: Britt O'Hagan, MCIP, RPP
Acting Director, Planning and Development

Concurred by: Paul Yeoman, MCIP, RPP, PLE
Director, Capital Assets and Projects

Submitted by: Scott Mathers, MPA, P.Eng.
Deputy City Manager, Planning and Economic Development

November 25, 2022
TM/tm

Appendix “A”: How Growth Projections are Used by the City

1. Comprehensive Review of The London Plan

The *Planning Act* requires that every municipality must make updates to its official plan, so that the plan conforms with provincial plans, has regard for matters of Provincial interest, and is consistent with policy statements such as the Provincial Policy Statement (PPS). Section 26 of the *Planning Act* prescribes that these updates must take place within the first ten (10) years after a new official plan comes into effect and then every five (5) years thereafter. These updates are known as a “comprehensive review” of an official plan, and The London Plan is the official plan for the City of London.

In accordance with the PPS definition, a comprehensive review is an official plan review undertaken by a city, which is based upon population and employment projections and considers alternative directions for future growth and development. Through the comprehensive review, cities are required to evaluate land supply and ensure it is sufficient to accommodate its projected growth through intensification and new greenfield development (PPS section 1.1.2). Consistent with the PPS, the London Plan identifies that up to 20 years supply may be accommodated within the Urban Growth Boundary or “UGB” (London Plan policy 73). If the land supply is determined not to be sufficient to meet the projected growth of population, housing, or employment land needs, then a city may be required to add urban lands to its UGB.

The Growth Forecast attached to this report will be used as the basis for the forthcoming comprehensive review and its land needs/Urban Growth Boundary analysis.

2. Development Charges

The *Development Charges Act* requires that municipalities review their Development Charges (DC) by-law at least every five (5) years. Prior to updating the DC by-law, a detailed background study must be undertaken. The background study reviews forecasted growth and infrastructure requirements to service anticipated new residential and non-residential development needs.

Section 5(1) of the *Development Charges Act* identifies the methodology that must be used when preparing the DC By-law. First, the “anticipated amount, type and location of development, for which development charges can be imposed, must be estimated”.

The Growth Forecast attached to this report will be used in establishing the anticipated amount, type, and location of development, in conformity with the Act. The Growth Forecast provides the foundation for the Development Charges background study and associated engineering master servicing plans that will determine infrastructure requirements.

3. Assessment Growth Allocation Business Cases

Consistent with the Council-approved Assessment Growth Policy, the City annually undertakes a process to allocate additional property tax revenues from growth of the City to the service areas that incur costs to service that growth. City Service Areas, Boards and Commissions that incur these one-time or permanent costs to extend existing services must submit business cases to the City Treasurer. These assessment growth allocation business cases are required to clearly demonstrate a growth need for the service. Assessment growth business cases submitted often rely upon population and household growth metrics to support the growth needs of the services.

4. Water and Wastewater Budgets

Growth forecasts directly impacts the City's finances through the water and wastewater & treatment budgets. While other factors including water conservation efforts and the type of consumption (e.g. industrial vs. residential) are also evaluated, the population and household growth forecasts are an important consideration when planning how to accommodate projected water consumption and related resource demands.

5. Mobility Master Plan (MMP)

A new Mobility Master Plan (MMP) is currently being prepared to create a new integrated plan that supersedes the current 2030 Smart Moves Transportation Master Plan and 2016 Cycling Master Plan, and identifies the policy framework and infrastructure programs with a 25-year horizon. The MMP will be used to inform future infrastructure planning, capital and operating budgets, future growth/development inside London and associated development charge studies.

Growth forecasts are required to model the estimated future demand on our transportation and mobility network. The model will be used to plan and prioritize improvements to our streets and multi-use paths to accommodate walking, cycling, travel by transit, personal vehicles, and the movement of goods (trucks).

6. Neighbourhood and Community-Wide Services

Neighbourhood and Community-Wide Services utilizes the growth forecasts for capital and program planning. Specifically, the forecast is used by Fire Services to plan future Fire Station construction and equipment purchases. Recreation and Sport utilizes the forecasts for infrastructure planning for new community centres and amenities like spray pads, courts, community gardens, etc. The forecasts assist staff in determining when a building or amenity is needed and where in the city.

**Appendix “B”: Population, Housing, and Employment Growth
Projection Study, 2021-2051 (Watson & Associates)**



Population, Housing and Employment Growth Projection Study, 2021-2051

City of London

Final Draft Report

October 17, 2022

Watson & Associates Economists Ltd.
905-272-3600
info@watsonecon.ca



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Executive Summary

The City of London retained Watson & Associates Economists Ltd. (Watson) in early 2022 to undertake an update of the City's 2018 Population, Housing and Employment Growth Study.^[1] Historical and forward-looking development activity, demographic and economic trends within the City of London and the surrounding region have been analyzed to inform this updated growth analysis for the City to the year 2051. More specifically, this report provides a review of the following:

- Statistics Canada Census population and household trends from 2001 to 2021;
- Recent residential and non-residential building permit activity by dwelling type (new units only) and major employment sector from 2016 to 2021;
- Labour force trends for the London Census Metropolitan Area (C.M.A.);
- Future potential residential development supply by structure type by stage of development;
- Recent Ontario Ministry of Finance (M.O.F.) population projections for the London-Middlesex Area;^[2]
- Key growth drivers and disruptors influencing future residential and non-residential growth;
- Three population, housing and employment growth scenarios for the City of London, including low, medium and high growth forecasts to the year 2051 in five-year increments;
- Population and housing growth options by planning policy area, i.e., Built-Area Boundary (B.A.B.), designated greenfield area (D.G.A.) and remaining Rural Area by housing structure type to the year 2051;^[3] and
- Non-residential gross floor area forecast by major employment sector to the year 2051.

^[1] City of London Population, Housing and Employment Growth Forecast, 2016 to 2044 Final Report, February 1, 2018, Watson & Associates Economists Ltd.

^[2] For the purpose of this analysis, the London-Middlesex Area includes the City of London and Middlesex County.

^[3] Designated Greenfield Area is defined as the land area between the Built-Area Boundary and Urban Growth Boundary in accordance with the London Plan (Official Plan).



The results of this growth forecast update will form the foundation for business planning and long-range planning initiatives, including the review of the London Plan (Official Plan (O.P.), Development Charges (D.C.) Background Study, as well as Service Area Infrastructure and Community Facility Master Planning Studies. As part of the terms of reference for this study, three long-term City-wide population and employment growth forecasts have been explored and evaluated, including a low, medium and high growth scenario. Further details regarding forecast housing growth by structure type are examined regarding the “recommended” Medium Growth Scenario (reference forecast) over the 2021 to 2051 planning horizon. In developing the long-term assessment of forecast housing demand by structure type, three draft options regarding the allocation of population and housing growth within the City’s B.A.B., D.G.A. and Rural Area have been explored. More specifically, this includes a reduced long-term housing intensification target of 40%, a status quo scenario (i.e., 45% residential intensification), and a 50% housing intensification scenario from 2021 to 2051. The City’s recommended approach to the allocation of growth by planning policy area will be further determined as part of the City’s Comprehensive Review (C.R.) exercise, which is anticipated to commence in 2023.^[1]

City of London’s Population, Employment and Housing Trends, 2001 to 2021

Over the past 20 years, the City of London has experienced steady population growth. Since 2011, the rate of population growth across the City has increased substantially, driven by steady net migration across all major demographic groups (i.e., particularly children, adults, and to a lesser extent, seniors). Between 2011 and 2021, the City’s annual population growth rate increased to 1.5%, fueling demand for steady new housing construction throughout the City.

For many Ontario municipalities, including the City of London, the COVID-19 pandemic has been a significant driver of ownership housing demand, largely led by the ultra-low interest rate environment generated throughout 2020 and 2021 in response to the pandemic, combined with steady outward growth pressure during this period, particularly from the larger urban centres of the Greater Toronto Hamilton Area (G.T.H.A). Demand for rental housing within the City has also steadily increased over

[1] According to the Provincial Policy Statement (P.P.S.), 2020, a Comprehensive Review is defined as an O.P. review or an O.P. Amendment which is initiated by a planning authority, for the purposes of policies 1.1.3.8 (expansion of a settlement area) and/or 1.3.2.4 (conversion of land within Employment Areas).



the past decade, and most notably over the past several years. As of October 2021, rental vacancy rates within the primary rental market within the City of London averaged 1.9%, down from 3.4% from the previous year. Comparatively, the average vacancy rate for the province of Ontario was 3.4% as of October 2021. ^[1] This recent trend of relatively stronger demand toward rental and ownership housing is anticipated to continue over the medium to long term, notwithstanding a general cooling in the ownership housing market in the near term.

The City of London is anticipated to accommodate a growing share of young adults and new families seeking competitively priced home ownership and rental opportunities. It is also important to recognize that the population base of the City is getting older, on average, and aging at a similar rate to the province as a whole. More specifically, the percentage of the City's population in the 65+ age group is forecast to increase over the forecast period from 18% in 2021 to 21% in 2051 (refer to section 4.3 of this report for further details). Similar to broader national trends, the aging of the population and declining population growth associated with natural increase (i.e., births less deaths) is anticipated to place downward pressure on the rate of population and labour force growth across the economic region over the long-term.

Over the past 20 years, the City has experienced periods of employment growth and decline resulting from economic expansion and contraction across the broader regional economy during this time. Between 2001 and 2006 the City's employment base increased by 14,200; however, since that time employment gains have been relatively modest. Following the 2008/2009 global financial crisis, the City of London economy has continued to strengthen and diversify; however, this recovery was slow to materialize. Similar to the national and provincial economies, the regional economy has also experienced disruption related to structural changes. While these structural changes have been present for several decades, they hit the export-based economy across the London-Middlesex Area particularly hard between 2006 to 2011. During the 2011 to 2021 period, the City experienced steady employment growth across a number of knowledge-based sectors, including professional, scientific, and technical services; health care and social assistance; and educational services. Strong local population growth has also fueled steady employment growth in the retail and construction sectors. A large portion of these employment gains experienced between 2011 and 2021, however, were offset by job losses in manufacturing and the accommodation and food

[1] CMHC Housing Market Information Portal, 2022.



sector. It is noted that the 2021 employment estimate for the City, provided herein, reflects a large number of temporary job losses resulting from the impacts of COVID-19. As of 2022, it is estimated that the City's employment base has increased by 19,900 employees since 2016.

The existing housing stock within the City of London is weighted towards low-density housing forms (i.e., singles and semi-detached). In recent decades, however, the City has experienced a steady shift toward a higher share of medium-density and high-density housing types. This shift has been largely driven by declining housing affordability associated with low-density housing options, as well as increased demand for medium- and high-density housing forms, driven by demographic and socio-economics factors associated with the aging population base, high-density housing demand associated with non-permanent residents (N.P.R.) as well as lifestyle choices of existing and new residents. Between 2008 and 2021, medium- and high-density housing types accounted for 62% of all new residential construction across the City. Looking forward, a broad mix of future housing options across a range of density types will be required to accommodate both younger and older adults across varying income levels, including affordable housing options, throughout the City.

City of London Employment Growth Outlook to 2051

A broad range of considerations related to demographics, economics, and socio-economics are anticipated to influence employment growth trends in the City of London over the coming decades. These factors will not only affect the rate and magnitude of growth but will also influence the built-form, density, and location of non-residential development and the need for employment lands over the long term.

Over the past several decades, the provincial economy has been steadily shifting away from goods-producing sectors towards services-providing and knowledge-based jobs. As a result of these continued structural changes occurring in the macro-economy, it is important to recognize that the above-mentioned trends will generate both positive and disruptive economic impacts related to employment growth, local business investment, and labour force demand. These disruptive forces are also anticipated to have long-term impacts on industrial, commercial, and retail space requirements, as well as long-term employment land needs, which must be considered and monitored on an on-going basis when planning for non-residential development within the City of London (refer to section 4.5.1, herein).



The long-term economic growth outlook for the City of London has strengthened relative to the previous population and employment projections which were prepared for the City in 2018.^[1] This relative strength is anticipated to be driven by local and regional economic opportunities which are supporting higher immigration rates (including higher numbers of non-permanent residents), as well as increased inter- and intra-provincial net-migration to the City and surrounding region.

Since the onset of the pandemic, COVID-19 has acted as a near-term driver of housing demand for the London-Middlesex Area, largely driven by opportunities for remote/hybrid work schedules and the City's attractiveness to families seeking grade-related housing forms which are more competitively priced relative to the Greater Golden Horseshoe (G.G.H.). In the near-term, tighter monetary policy imposed by the Bank of Canada in response to persistently high inflation rates is likely to continue to cool the regional housing market for the remainder of 2022 and 2023. Notwithstanding anticipated short-term trends in the regional housing market, the longer-term economic and population growth outlook for the London-Middlesex Area remains strong.

The City of London continues to have a strong appeal to both businesses and residents. This appeal is largely attributed to the City's geographic location, which offers opportunities for urban living within proximity to retail, entertainment and other urban amenities, including public and private schools, three regional hospitals, two post-secondary institutions, access to urban indoor and outdoor recreational facilities, as well as access to recreational opportunities within the surrounding rural countryside. These attributes make the City of London an attractive destination for permanent residents of all ages, non-permanent residents, domestic post-secondary students and businesses by size and sector.

The regional employment base is particularly concentrated in employment sectors related to financial services, information technology, business services, health care and social services, government, advanced manufacturing, energy, information and cultural industries, education, training and research, agri-business and tourism. These sectors, as well as other emerging knowledge-based industries, are anticipated to represent the fastest growing segments of the London-Middlesex Area economy. As the employment base continues to grow within the City of London and the surrounding commuter-shed, the economy is also anticipated to diversify, generating a range of new live/work and

[1] City of London Population, Housing and Employment Growth Forecast, 2016 to 2044 Final Report, February 1, 2018, Watson & Associates Economists Ltd.

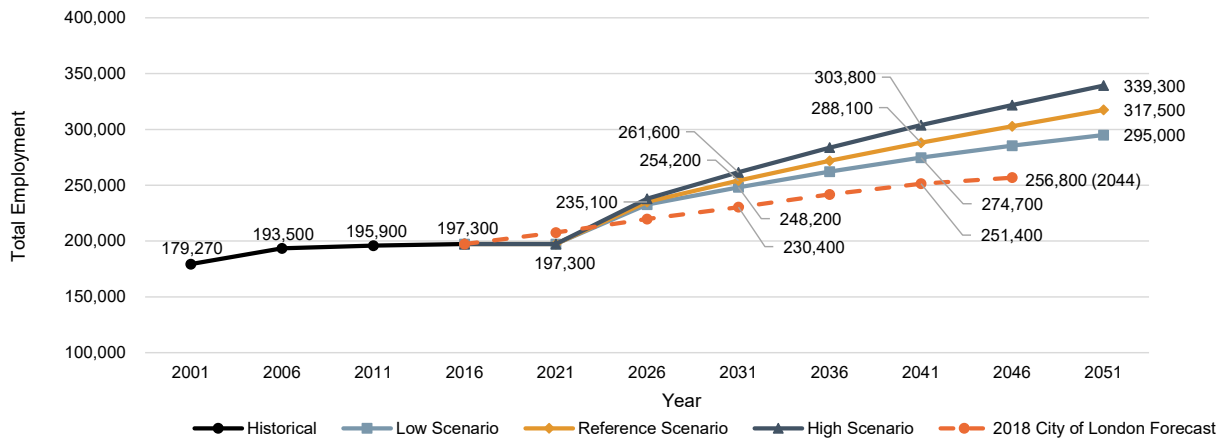


commuting opportunities. Accordingly, the City of London will continue to be a desirable location for workers to live, leading to steady population growth across the City. Over the next 30 years, the City's local employment base is also anticipated to benefit from the regional economic expansion anticipated within neighbouring municipalities in southwestern Ontario. As such, raising the economic profile of the City by leveraging the economic opportunities and strengths of the broader regional economy should represent a key long-term economic development strategy for the City of London.

Figure ES-1 summarizes three long-term employment forecast scenarios for the City of London over the 2021 to 2051 forecast period relative to historical employment trends between 2001 and 2021. By 2051, the City's employment base is forecast to grow to between approximately 295,000 and 339,300. This represents an increase of approximately 97,700 to 142,000 jobs between 2021 and 2051. Under the Medium Growth Scenario (Reference Scenario), the City of London employment base is forecast to grow to 302,800, representing an increase of approximately 105,500.



Figure ES-1
City of London
Long-Term Total Employment Forecast Scenarios, 2021 to 2051



Note: Total employment includes no fixed place of work and work at home employment.
Source: Historical derived from Statistics Canada Census data, 2001 to 2016. 2018 City of London Forecast from City of London Population, Housing and Employment Growth Forecast, 2016 to 2044, Final Report, February 1, 2018. Low, Reference and High Scenarios by Watson & Associates Economists Ltd.

Employment Scenario	2021	2051	2021-2051	Annual Growth	Annual Growth Rate
Low Scenario	197,300	295,000	97,700	3,260	1.3%
Medium Scenario	197,300	317,500	120,200	4,010	1.6%
High Scenario	197,300	339,300	142,000	4,730	1.8%

Note: Figures may not add precisely due to rounding.

Source: 2021 estimated by Watson & Associates Economists Ltd., and 2051 by Watson & Associates Economists Ltd.

Employment growth is anticipated across a variety of export-based employment sectors (e.g., transportation and warehousing, wholesale trade, construction, energy and manufacturing). Population-related employment (including retail, accommodation and food services and range of knowledge-based sectors) is also anticipated to experience steady growth fueled by relatively higher levels population growth within the City and surrounding economic region. Relative to historical trends, stronger employment growth rates are also anticipated related to work at home and off-site employment.

City of London Permanent Population Growth Outlook to 2051

Figure ES-2 summarizes three long-term population forecast scenarios for the City of London over the 2021 to 2051 forecast period relative to historical population between



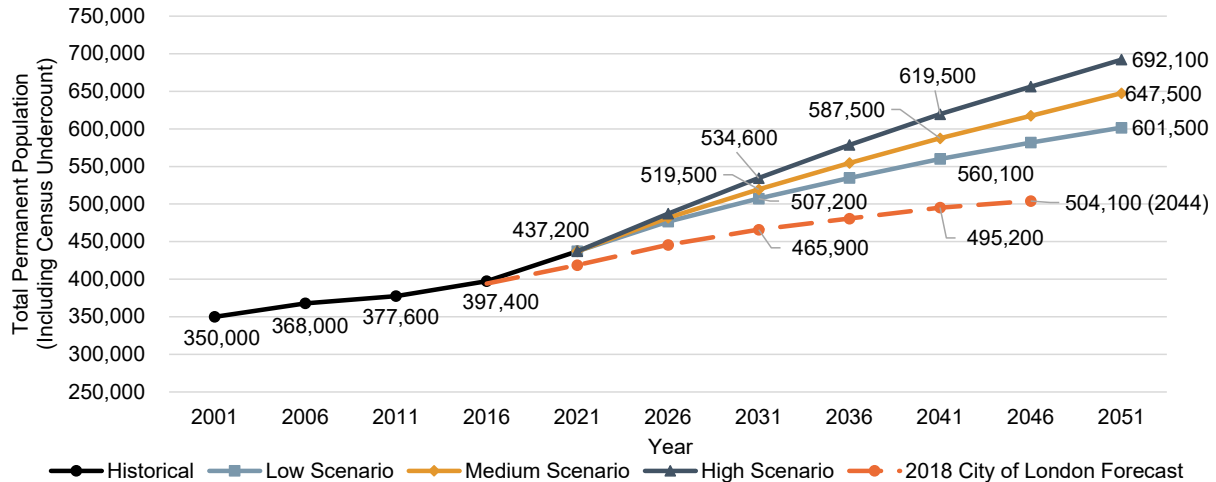
2001 and 2021. By 2051, the City's permanent population base is forecast to grow to a range between 601,500 to 692,100. This represents an increase of approximately 164,300 to 254,900 persons between 2021 and 2051. Under the Medium Growth Scenario (Reference Scenario), the City of London population base is forecast to grow to 647,500, representing an increase of approximately 210,300.

Based on our review, the Medium (Reference) Scenario represents the “recommended” growth forecast scenario for the City of London for the following reasons:

1. The rate population growth identified in the 15 to 64 population age group is reasonable given forecast job growth in the local and regional economy.
2. Forecast net migration levels are higher but appropriate relative to historical trends experienced over the past 20 years, particularly during the post-2016 period. Forecast net migration trends are reflective of steady growth anticipated in the local and regional economies, forecast work at home opportunities, as well as the attractiveness of the City to empty nesters and seniors as a retirement/ semi-retirement destination.
3. The forecast level of permanent annual housing growth required to accommodate the Reference Growth Scenario is reasonable in relation to historical trends observed based on residential building permit data, Statistics Canada Census data.
4. It represents a reasonable future ratio of population relative to the surrounding municipalities in comparison to historical and forecast trends.



Figure ES-2
City of London
Long-term Forecast Population Scenarios, 2021 to 2051



Note: Population includes net Census undercount.
Source: Historical derived from Statistics Canada Census data, 2001 to 2021. 2018 City of London Forecast from City of London Population, Housing and Employment Growth Forecast, 2016 to 2044, Final Report, February 1, 2018, Low, Medium and High Scenarios by Watson & Associates Economists Ltd.

Population Scenario	2021	2051	2021-2051	Annual Growth	Annual Growth Rate
Low Scenario	437,200	601,500	164,300	5,480	1.1%
Medium Scenario	437,200	647,500	210,300	7,010	1.3%
High Scenario	437,200	692,100	254,900	8,500	1.5%

Note: Figures may not add precisely due to rounding.

Source: 2021 derived from Statistics Canada Census data and 2051 by Watson & Associates Economists Ltd.

In comparing recent population growth trends and the Reference Growth Scenario to the City of London O.P. growth forecast, the following observations can be made:

- The most recent Statistics Canada Census results indicate that the City of London permanent population was 422,300 as of 2021. Accounting for an estimated net Census undercount adjustment of approximately 3.5%, the City's 2021 permanent population was estimated at 437,200.^[1] Comparably, the City's

^[1] The Statistics Canada population is adjusted to account for the net number of persons who are missed (i.e., over-coverage less under-coverage) during enumeration. For the City of London, the net under-coverage is approximately 3.5%.



2021 population is approximately 17,600 persons higher than the 2021 population estimate as set out in the City of London O.P.; and

- According to the City of London O.P., the City's population is forecast to reach 458,400 by the year 2035, excluding the net Census undercount. Including an upward adjustment of approximately 3.5% for the net Census undercount, the City's population is projected to reach 474,500 in accordance with the City of London O.P. In comparison, the City is forecast to reach 547,800 persons by the year 2035 under the Reference Growth Scenario, which represents an increase of approximately 73,300 persons.
- In addition to the forecast population growth identified above from permanent residents, population increase is also anticipated from the City's student population not captured by the Statistics Canada Census.

City of London Post-Secondary Student Population Growth Outlook, 2021 to 2051

Post-secondary students are an important part of the City of London as they contribute to the vibrancy, diversity and economic strength of this area. Within the City of London there are two main post-secondary institutions, including the University of Western Ontario and Fanshawe College. As of 2021, there are approximately 56,900 full-time students attending these two post-secondary institutions within the City. This includes all students who are permanent residents within Canada and international students who are captured as non-permanent residents in the City. These students comprise those who live on-campus, off-campus with parents, as well as all remaining students residing off-campus primarily in rental housing.

As part of this growth analysis update for the City, a full-time post-secondary enrolment forecast has been prepared for the City's two post-secondary institutions. The results of this analysis indicates that full-time enrolment is forecast to increase from 56,900 in 2021 to 82,600 by 2051, an increase of 45% (25,700 students) over the forecast period (1.3% annual growth rate).

City of London Post-Secondary Housing Growth Outlook, 2021 to 2051

To accommodate the long-term Population Growth Scenario, the City will require between 83,800 and 112,800 additional households over the 2021 to 2051 planning horizon. Under the Medium Growth Scenario, the City's housing base is forecast to increase by 98,300 households over the next 30 years. Figure ES-3 provides a summary of the City's anticipated housing needs by structure type in five-year



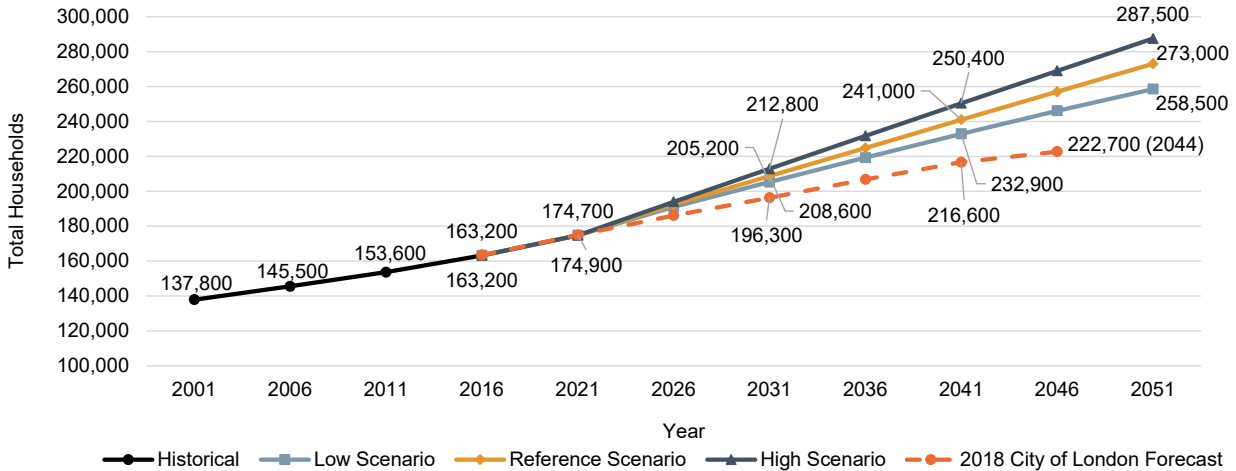
increments over the 2021 to 2051 based on the Medium Housing Growth Scenario. For additional context, historical housing growth trends by structure type in five-year increments are also provided. Over the 30-year forecast period the City of London is forecast to average approximately 3,280 new households per year, representing an 37% increase in annual housing activity when compared to annual housing development over the past 15 years in accordance with Statistics Canada data.^[1] An additional 2,800 of off-campus dwelling units are anticipated to be required to accommodate post-secondary students not captured in the Census.

New residential development within the City of London is anticipated to steadily shift away from low-density housing forms towards medium- and high-density types. This shift is anticipated to be largely driven by declining housing affordability associated with low-density housing options, as well as the increased demand for high-density housing associated with seniors and the increase in the share of population aged 65+. Over the 2021 to 2051 forecast period, new housing development is projected to comprise 27% low-density (singles and semi-detached), 28% medium-density (townhouses) and 45% high-density (apartment) housing units.

[1] As previously noted, the number of residential building permits (new units only) issued between 2016 and 2021 exceeds the household growth reported by the Census between 2016 and 2021, as a large number of these residential building permits were not occupied during the 2021 Census enumeration. These residential building permits are expected to be captured in the 2026 Census.



Figure ES-3
City of London
Long-term Household Forecast Scenarios, 2021 to 2051



Source: Historical derived from Statistics Canada Census data, 2001 to 2021. 2018 City of London Forecast from City of London Population, Housing and Employment Growth Forecast, 2016 to 2044, Final Report, February 1, 2018. Low, Reference and High Scenarios by Watson & Associates Economists Ltd.

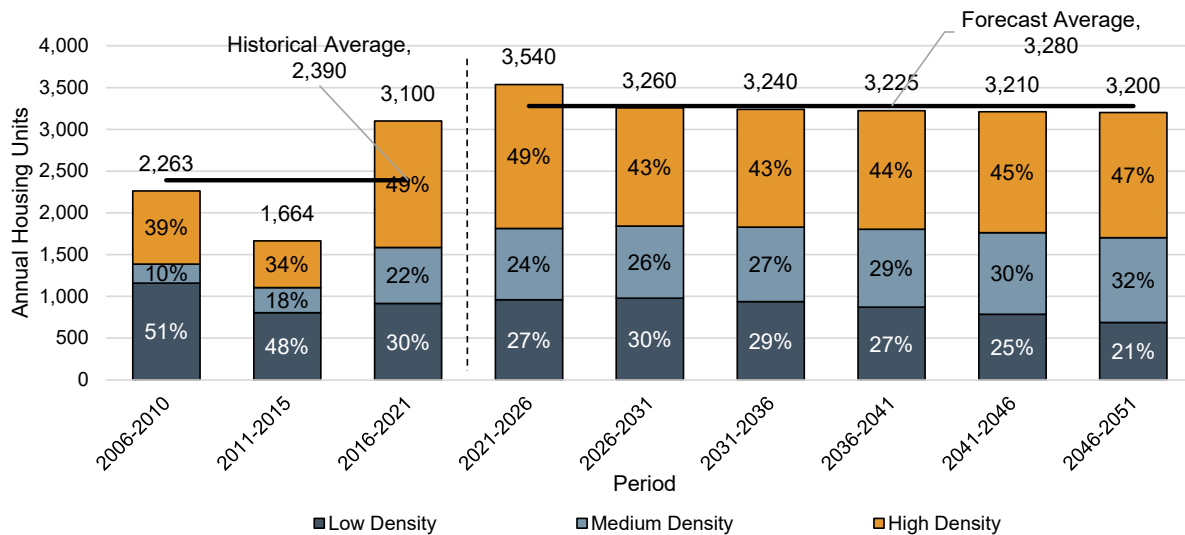
Housing Scenario	2021	2051	2021-2051	Annual Growth	Annual Growth Rate
Low Scenario	174,700	258,500	83,800	2,790	1.3%
Medium Scenario	174,700	273,000	98,300	3,280	1.5%
High Scenario	174,700	287,500	112,800	3,760	1.7%

Note: Figures may not add precisely due to rounding.

Source: 2021 derived from Statistics Canada Census data and 2051 by Watson & Associates Economists Ltd.



Figure ES-4
City of London
Forecast Households by Structure Type, Medium (Reference) Scenario, 2021 to 2051



Note: Low density includes singles and semis.
Medium density includes townhouses and apartments in duplexes.
High density includes bachelor, 1-bedroom and 2-bedroom+ apartments.
Source: 2006 to 2021 derived from City of London building permit data. 2021 to 2051 forecast by Watson & Associates Economists Ltd.

To ensure that economic growth is not constrained by future labour shortages, effort will be required by the City of London to continue to explore ways to attract and accommodate new skilled and unskilled working residents to the City within a diverse range of housing options. Attraction efforts must also be linked to housing accommodation (i.e., both ownership and rental), infrastructure, municipal services, and amenities, as well as quality of life attributes that appeal to the younger mobile population, while not detracting from the City’s attractiveness to older population segments.

Building on Reference Growth Scenario (Medium Growth Scenario), three draft long-term population and housing growth options by planning policy area (i.e., B.A.B., D.G.A and Rural Area) have been developed. Each of the long-term growth options by planning policy area have been developed to facilitate the key directions and broad city building policies of the City of London O.P., while also reflecting anticipated housing market trends by structure type and tenure to the year 2051. The long-term growth options developed, include:



Growth Option 1: 40% Housing Intensification

Growth Option 1 is premised on an annual housing intensification target of 40%, which is slightly lower than the City of London O.P.^[1] It is noted that the City of London O.P. establishes an intensification target of 45% over the long-term planning horizon (2016 to 2035).

Growth Option 2: 45% Housing Intensification

Growth Option 2 is premised on an annual housing intensification target of 45%, consistent with the City of London O.P.

Growth Option 3: 50% Housing Intensification

Under Growth Option 3, the City's long-term housing intensification target has been increased to 50% over the forecast period between 2021 and 2051. Similar to Growth Option 2, the City's housing intensification target between 2015 and 2031 has been held consistent with the current City of London O.P. intensification target of 45%.

As previously noted, the City's recommended approach to the allocation of growth by planning policy area will be further determined as part of the City's C.R. exercise, which is anticipated to commence in 2023.

[1] Excludes students not captured by the Census.



1. Introduction

1.1 Terms of Reference

The City of London retained Watson & Associates Economists Ltd. (Watson) in early 2022 to undertake an update of the City's 2018 Population, Housing and Employment Growth Study.^[1] Historical and forward-looking development activity, demographic and economic trends within the City and the surrounding region have been analyzed to inform this updated growth analysis for the City to the year 2051. More specifically, this report provides a review of the following:

- Statistics Canada Census population and household trends from 2001 to 2021;
- Recent residential and non-residential building permit activity by dwelling type (new units only) and major employment sector from 2016 to 2021;
- Labour force trends for the London Census Metropolitan Area (C.M.A.);
- Future potential residential development supply by structure type by stage of development;
- Recent Ontario Ministry of Finance (M.O.F.) population projections for the London-Middlesex Area;^[2]
- Key growth drivers and disruptors influencing future residential and non-residential growth;
- Three population, housing and employment growth scenarios for the City of London, including low, medium and high growth forecasts to the year 2051 in five-year increments;
- Population and housing growth options by planning policy area, i.e., Built-Area Boundary (B.A.B.), designated greenfield area (D.G.A.) and remaining Rural Area by housing structure type to the year 2051;^[3] and

^[1] City of London Population, Housing and Employment Growth Forecast, 2016 to 2044 Final Report, February 1, 2018, Watson & Associates Economists Ltd.

^[2] For the purpose of this analysis, the London-Middlesex Area includes the City of London and Middlesex County.

^[3] Designated Greenfield Area is defined as the land area between the Built-Area Boundary and Urban Growth Boundary in accordance with the London Plan (Official Plan).



- Non-residential gross floor area forecast by major employment sector to the year 2051.

The results of this growth forecast update will form the foundation for business planning and long-range planning initiatives, including the review of the London Plan (Official Plan (O.P.), Development Charges (D.C.) Background Study, as well as Service Area Infrastructure and Community Facility Master Planning Studies. As part of the terms of reference for this study, three long-term City-wide population and employment growth forecasts have been explored and evaluated, including a low, medium and high growth scenario. Further details regarding forecast housing growth by structure type are examined regarding the “recommended” Medium Growth Scenario (reference forecast) over the 2021 to 2051 planning horizon. In developing the long-term assessment of forecast housing demand by structure type, three draft options regarding the allocation of population and housing growth within the City’s B.A.B., D.G.A. and Rural Area have been explored. More specifically, this includes a reduced long-term housing intensification target of 40%, a status quo scenario (i.e., 45% residential intensification), and a 50% housing intensification scenario from 2021 to 2051. The City’s recommended approach to the allocation of growth by planning policy area will be further determined as part of the City’s Comprehensive Review (C.R.) exercise, which is anticipated to commence in 2023.^[1]

1.2 Summary of Key Findings

This summary report provides an overview of the preliminary findings associated with the City-wide long-term population and employment growth scenarios and growth options by planning policy area for the City of London to the year 2051. This forecast has been provided within the context of regional economic conditions and growth assumptions as well as region-wide and local development trends. These findings identify the following:

^[1] According to the Provincial Policy Statement (P.P.S.), 2020, a Comprehensive Review is defined as an O.P. review or an O.P. Amendment which is initiated by a planning authority, for the purposes of policies 1.1.3.8 (expansion of a settlement area) and/or 1.3.2.4 (conversion of land within Employment Areas).



- The City of London 2018 Growth Forecast housing is tracking closely to Census housing growth from 2016 to 2021, being approximately 2% above Census housing growth.^[1] It is important to note that high-density housing unit growth comprised a greater share of growth than anticipated. Between 2016 and 2021, high-density units comprised 50% of new residential units from building permit activity and 39% of Census housing growth compared to 30% in the 2018 Population, Housing and Employment Growth Study.
- Active housing supply has also become significantly more oriented to high-density developments with the high-density share of active developments increasing from 26% in 2016 to 47% in 2022 of the total active housing development inventory. This shift suggests that the City's housing forecast will likely continue to be more weighted toward high-density housing relative to the results of the 2018 Growth Forecast Study.
- Non-residential growth from building permits issued from 2016 to 2021 is generally comparable to the 2018 Growth Forecast Study, tracking 12% lower than anticipated. However, industrial building permit activity has shown a relatively strong rebound, with gross floor area (G.F.A.) from building permit data 23% higher than previously forecast in the 2018 Growth Forecast Study. The industrial employment sector has also been steadily recovering since the 2008/2009 economic downturn. Historically low province-wide industrial vacancy rates and competitively priced industrial lands continue to attract demand to the City of London for industrial and export-based development.
- Residential and non-residential development activity is anticipated to be particularly strong over the next 10 to 15 years relative to historical growth, driven by steady immigration, intra-provincial migration, particularly from within the Greater Golden Horseshoe (G.G.H.), and to a lesser degree inter-provincial migration.
- The Medium (Reference) Scenario represents the “recommended” growth forecast scenario for the City of London. Under the Reference Scenario the permanent population is forecast to grow from 437,200 to 647,500 during the 2021 to 2051 period, increasing at a rate of 1.3% annually. This represents a higher population growth rate relative to the historical annual growth rate of 1.1% achieved from 2001 to 2021.

[1] City of London Population, Housing and Employment Growth Forecast, 2016 to 2044 Final Report, February 1, 2018, Watson & Associates Economists Ltd.



- Historically, the share of London’s population has been 84% of the London-Middlesex Area population from 2001 to 2021. Over the 2021 to 2046 forecast period, this share is forecast to remain relatively constant at 84% by 2046.
- The City’s population is aging. By 2051, 12% of the City’s population will be 75+ years of age or older, up from 8% in 2021.
- Over the 2021 to 2051 period, permanent households are expected to increase from 174,700 to 273,000, growing at a rate of 1.5% annually. This translates to an annual average of 3,280 housing units over the 30-year period, an increase of 37% above historical housing growth from 2006 to 2021.
- Under all growth options by planning policy area, which range from a 40% to 50% intensification target, strong housing demand is anticipated for medium- and high-density housing forms i.e., duplexes, townhouses, apartments (including purpose-built rentals and condos) and senior citizens’ housing, largely driven by demand for more affordable housing types and the aging of the population. Medium and high-density housing types are forecast to comprise approximately 70% to 77% of forecast households under Growth Options 1 and 3, respectively.
- The City of London’s employment base is forecast to reach 317,500 jobs by 2051 under the Reference Scenario. This represents an increase of approximately 120,200 jobs between 2021 and 2051, representing an average annual employment growth rate of 1.6%. This is notably higher relative to the historical annual growth rate of 0.5% achieved from 2001 to 2021.
- Employment growth is expected across a range of sectors driven by the continued development of the regional and local economic base. The majority of employment growth in the City is anticipated in the commercial and institutional categories which are expected to account for 71% of job growth between 2021 and 2051, followed by industrial with 12% of job growth, no fixed place of work (N.F.P.O.W.) employment at 10% and work at home employment at 7%.^{[1] [2]}
- Over the 2021 to 2051 forecast period, the City of London is forecast to add 54.0 million sq.ft. of non-residential G.F.A. to its non-residential building space

[1] Statistics Canada defines no fixed place of work (N.F.P.O.W.) employees as “persons who do not go from home to the same workplace location at the beginning of each shift. Such persons include building and landscape contractors, travelling salespersons, independent truck drivers, etc.”

[2] Work from home employment reflects people who work from home on a full-time basis. This does not include people with a physical place of work outside their home who partially work from home in a hybrid working environment.



inventory under the Medium Growth Scenario. The non-residential building space forecast comprises 25% industrial and 75% commercial/institutional development.



2. Overview of the Macro-Economic Outlook and Regional Employment Trends

This chapter summarizes the national, provincial and regional economic trends that are anticipated to continue to influence the population and employment growth outlook for the London-Middlesex Area over the next three decades.

2.1 Near-Term Macro-Economic Impacts of COVID-19

2.1.1 Near-Term Economic Impacts

Since being declared a pandemic by the World Health Organization (W.H.O.) on March 12, 2020, the economic impacts of coronavirus disease (COVID-19) on global economic output have been significant. Economic sectors such as travel and tourism, accommodation and food, manufacturing, and energy were hit particularly hard by COVID-19 social-distancing measures. On the other hand, many employment sectors, particularly knowledge-based sectors, that have been more adaptable to the current remote work environment and evolving hybrid work-from-home/work-at-office environment have been less negatively impacted, and in some cases have prospered. Furthermore, required modifications to social behavior (i.e., physical distancing) and increased work-at-home requirements resulting from government-induced containment measures and increased health risks have resulted in significant economic disruption, largely related to changes in consumer demand and consumption patterns. Lastly, escalating tensions and constraints related to international trade have also begun to raise questions regarding the potential vulnerabilities of globalization and the structure of current global supply chains. This has been further exacerbated with the geopolitical unrest that has arisen due to the 2022 Russian invasion of Ukraine.

Currently, the level of sustained economic impact related to the “exogenous shock” to the global and Canadian economies resulting from the COVID-19 pandemic is still somewhat uncertain. As policy responses and vaccine efforts have been rolled out to pave the road for economic recovery, the rapid spread and threat of new variants have increased the uncertainty as to when the pandemic can be overcome. Generally, most national governments have now shifted their approach in the management of COVID-19 focusing on living with the virus rather than eliminating it.



For many Ontario municipalities, including the City of London, the COVID-19 pandemic has been a significant driver of ownership housing demand, largely led by the ultra-low interest rate environment generated throughout 2020 and 2021 in response to the pandemic, combined with steady outward growth pressure during this period particularly from the larger urban centres of the Greater Toronto Hamilton Area (G.T.H.A). It is recognized, however, that the longer-term population and employment growth potential for the County will be heavily dependent on the sustained economic growth potential of the London-Middlesex Area and surrounding region. As such, it is important not to overstate the recent impacts of COVID-19 on housing demand in the London-Middlesex Area over the long term.

Looking ahead over the next several months, there are growing macro-economic headwinds to be aware of that are influencing economic conditions within the London-Middlesex Area economy. Most notably, persistently high global and national inflation levels have required an aggressive response by central banks to tighten monetary conditions through sharp increases in interest rates and quantitative tightening. It is noted that as of August 2022, Canada's inflation rate reached 7.6%, a level not seen since 1983.^[1] Current measures by central banks are anticipated to continue to cool economic output and consumer demand; however, on-going trade disruptions, geopolitical conflict and tight labour conditions continue to aggravate global supply shortages of goods and services. In turn, this limits the ability of tighter monetary conditions to ease rising inflationary pressures.

Rising public-sector debt due to pandemic response measures and increasing household debt loads resulting from sharp housing price appreciation in many areas of Canada, most notably the Country's largest urban centres, is also a concern. Recently, the national housing market has started to show cooling signs with respect to sales and price appreciation. Higher mortgage rates, rising borrowing costs, fuel costs and upward pressures on rents, however, are further exacerbating challenges associated with declining housing affordability through increases in monthly households carrying costs. These impacts, combined with the broader inflationary concerns outlined, are increasingly likely to result in potential near-term setbacks in the economy recovery path for Ontario and Canada. Despite these consequences of COVID-19 and the near-term economic headwinds discussed above, the long-term economic and housing outlook for the London-Middlesex Area, and more broadly southwestern Ontario, remains positive

[1] [Canada Inflation Rate \(CPI\) - July 2022 Update | WOWA.ca](#)



as the region continues to be attractive to international investment and newcomers alike.

2.1.2 COVID-19 and the Changing Nature of Work

In addition to its broader impacts on the economy, COVID-19 is also accelerating changes in work and commerce as a result of technological disruptions which were already taking place prior to the pandemic. Businesses are increasingly required to rethink the way they conduct business with an increased emphasis on remote work enabled by technologies such as virtual private networks (V.P.N.s), virtual meetings, cloud technology and other remote work collaboration tools. These disruptive forces continue to broadly impact the nature of employment by place of work and sector, and have a direct influence on commercial, institutional and industrial real estate space needs.

As of 2021, it is estimated that approximately 7% of the City of London workforce is working from home on a full-time basis, up from 6% in 2016. The percentage of workers who reported having no fixed place of work (N.F.P.O.W.) was approximately 10% in 2021, remaining relatively stable in terms of percentage share compared to 2016.^[1]^[2] It is anticipated that the number of people who work from home on a full-time and part-time basis, as well as those who do not have a fixed place of work, will steadily increase over the long-term across the City of London driven by continued growth in knowledge-based employment sectors and continued technological advancement. As the percentage of work at home and off-site employment continues to steadily rise, this is anticipated to reduce the relative need for future commercial office and retail building space, which is discussed further in section 4.5.1.2, herein.

2.1.3 Immigration Levels for Canada – New Targets

In February 2022, the Canadian federal government released its Immigration Levels Plan for the next three years. Canada has continued to raise their immigration targets and aims to welcome 431,600 new permanent residents in 2022, 447,100 in 2023, and

[1] Work at home and N.F.P.O.W. employment derived from 2001 and 2016 Statistics Canada Census data.

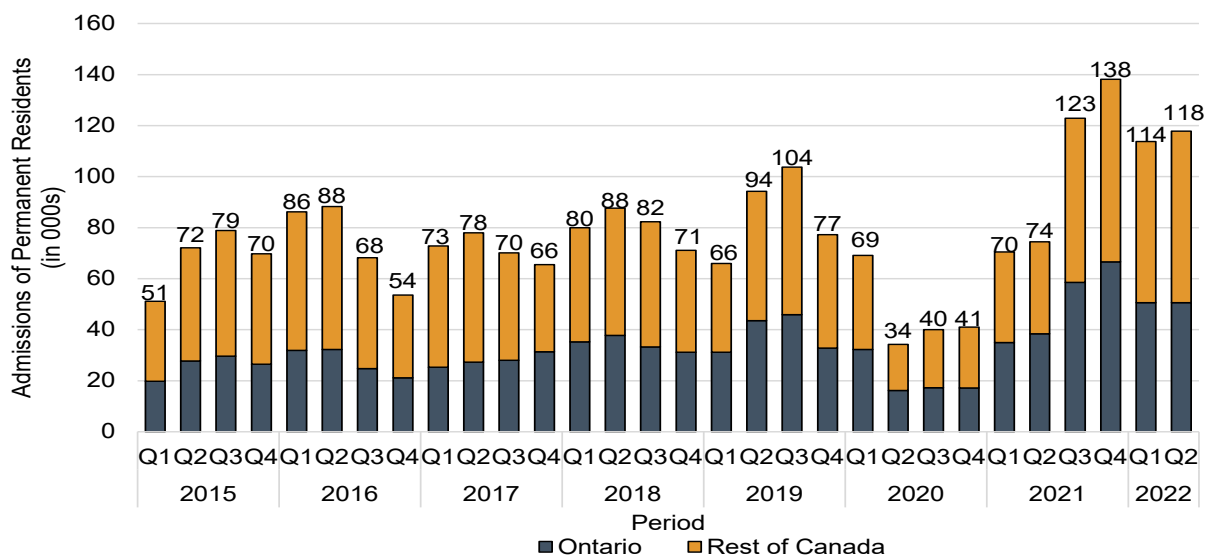
[2] Statistics Canada defines N.F.P.O.W. employees as “persons who do not go from home to the same workplace location at the beginning of each shift. Such persons include building and landscape contractors, travelling salespersons, independent truck drivers, etc.”



451,000 in 2024. This is an increase of 23,400 newcomers annually from the previous targets in 2023. The increase in immigration targets are aimed to make up for the shortfall in 2020 and fill crucial labour market gaps to ensure Canada remains competitive on the world stage. With a focus on economic growth, 60% of admissions are to come from the economic class.^{[1][2]}

Figure 2-1 summarizes admissions to Canada and Ontario by quarter since 2015. Throughout 2020 and the first half of 2021 national and provincial immigration levels sharply declined due to COVID-19. Immigration in the second half of 2021 rebounded strongly, resulting in 405,000 permanent residents admitted to Canada in 2021, while roughly half the total national immigration was accommodated in the Province of Ontario last year. Looking forward through 2022 and beyond, immigration levels to Canada and Ontario are anticipated to remain strong, exceeding pre-pandemic averages between 2015 and 2019.

Figure 2-1
Quarterly Admission of Permanent Residents in Ontario
Versus the Rest of Canada, 2015 to Q2 2022



Source: Derived from IRCC, August 17, 2022, data, by Watson & Associates Economists Ltd.

[1] <https://www.canada.ca/en/immigration-refugees-citizenship/news/notices/supplementary-immigration-levels-2022-2024.html>

[2] Immigration, Refugee and Citizenship Canada news release, October 20, 2020. <https://www.canada.ca/en/immigration-refugees-citizenship/news/2020/10/government-of-canada-announces-plan-to-support-economic-recovery-through-immigration.html>



2.2 Planning within the Context of an Evolving National and Provincial Economy

2.2.1 Ontario Outlook within the Canadian Context

Similar to the broader Canadian economy, the economic base of Ontario, as measured by gross domestic product (G.D.P.) output, has shifted from the goods-producing sector (i.e., manufacturing and primary resources) to the services-producing sector over the past several decades. This shift has largely been driven by G.D.P. declines in the manufacturing sector which were accelerated as a result of the 2008/2009 global economic downturn. It is noted, however, that these G.D.P. declines in the manufacturing sector have started to show signs of stabilization over the past few years, both prior to the pandemic as well as through the more recent economic recovery.

Over the past decade, the Ontario export-based economy experienced a rebound in economic activity following the 2008/2009 downturn; however, this recovery was relatively slow to materialize with levels sharply rebounding by 2014, as illustrated in Figure 2-2. This economic rebound has been partially driven by a gradual recovery in the manufacturing sector, fueled by a lower-valued Canadian dollar combined with the gradual strengthening of the United States' (U.S.) economy.^[1] Provincial G.D.P. growth eased in 2019 to 1.6%, largely as a result of a tightening labour market and slowing global economic growth.^[2]

As illustrated in Figure 2-2, the Ontario economy contracted by 5.1% in 2020 before rebounding by 4.6% in 2021. BMO Capital Markets has forecast that the Ontario economy will continue its momentum through 2022 growing by 3.2%, while the overall Canadian economy is expected to grow by 3.4% in 2022. Economic growth in Ontario is forecast to moderate to 0.7% in 2023 and 1.0% for Canada.^[3]

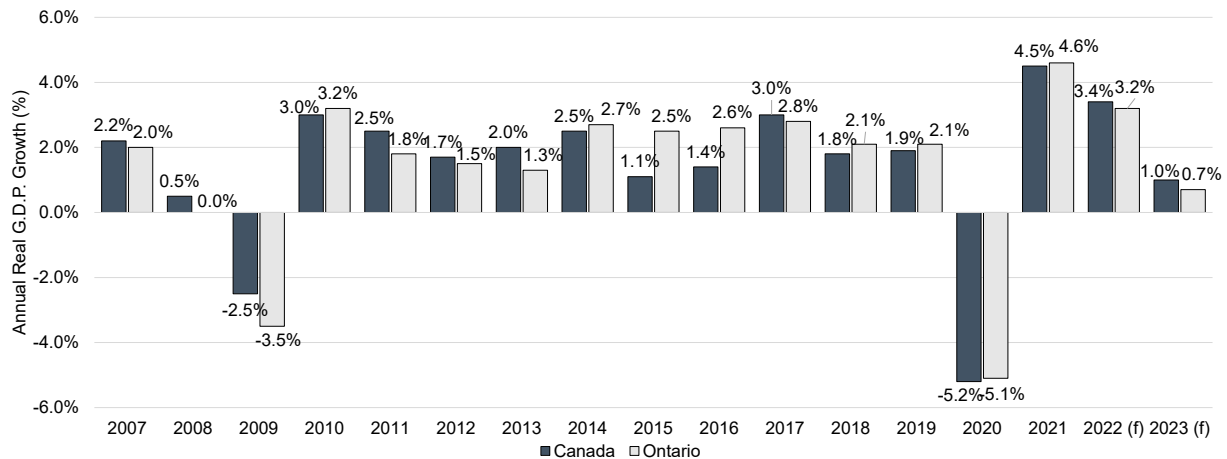
[1] Valued at approximately \$0.72 U.S. as of October 14, 2022.

[2] Provincial Economic Outlook, BMO Capital Markets, January 7, 2022.

[3] Provincial Economic Outlook, BMO Capital Markets, August 26, 2022.



Figure 2-2
Province of Ontario and Canada
Annual Real G.D.P. Growth, Historical (2006 to 2020) and Forecast (2021 to 2023)



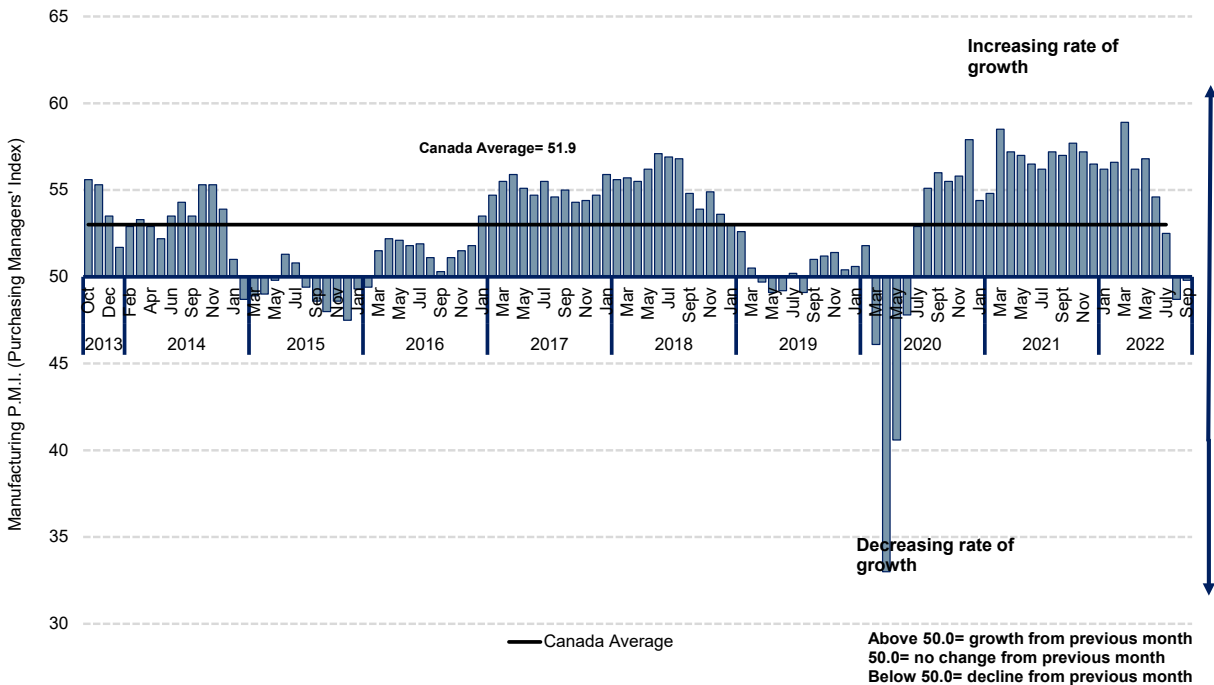
Note: 2021 (Ontario), 2022 and 2023 are forecast by BMO Capital Markets Economics.
Source: Derived from BMO Capital Markets Economics, Provincial Economic Outlook, August 26, 2022, by Watson & Associates Economists Ltd., 2022.

2.2.2 Outlook for National and Provincial Manufacturing Sector

The Purchasing Managers' Index (P.M.I.) is a prevailing economic indicator for economic trends in the manufacturing and services sectors which is based on the purchasing managers' market condition outlook and serves as a key measure of the direction of the manufacturing sector on a monthly basis. The P.M.I. index ranges between a number of 1 to 100. A P.M.I. value greater than 50 represents an expansion relative to the previous month, while a P.M.I. value less than 50 represents a contraction. Figure 2-3 summarizes the P.M.I. for Canada between 2013 and 2022 (April). As illustrated in Figure 2-3, the P.M.I. data largely indicated moderate to strong expansion between 2013 and 2022, with the exception of 2015, 2019 and 2020 where the index showed sustained monthly contractions. The P.M.I. data shows steep contractions at the beginning of March 2020 due to the negative effects of COVID-19 on the global economy, international trade, and the general demand for goods and services. These conditions worsened into April 2020; however, the manufacturing sector showed signs of a strong rebound by July 2020. The most current P.M.I. data for August 2022 indicates that the strength of manufacturing sector has started to weaken considerably relative to the first half of 2022.



Figure 2-3
Purchasing Managers' Index for Canada, 2001 to September 2022



Source: IHS Markit Canada, Canada PMI Index, June 2012 - September 2022.

Note: Above 50.0 indicates growth from the previous month, 50.0 indicates no change from the previous month, and values below 50.0 indicate a decline from the previous month.

Source: IHS Markit Canada, Canada PMI Index, June 2012 to July 2022 summarized by Watson & Associates Economists Ltd., 2022.

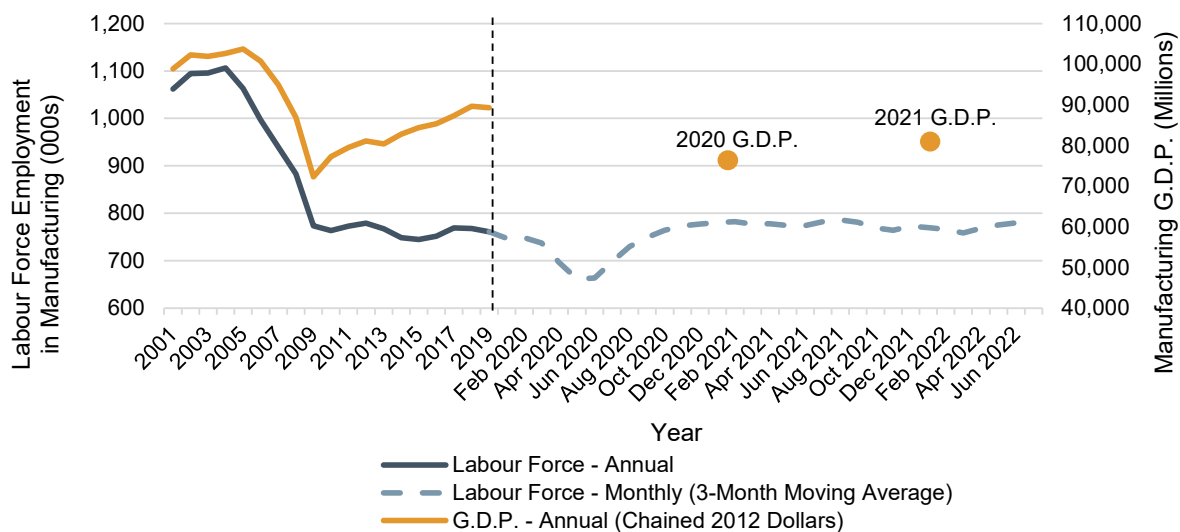
As summarized in Figure 2-4, the manufacturing sector in Ontario experienced significant declines between 2004 and 2009 with respect to labour force and G.D.P. Between 2009 and 2019, however, provincial labour force levels in the manufacturing sector stabilized, while G.D.P. output steadily increased. Since stabilizing in 2010, labour force levels in the manufacturing sector have remained relatively steady except for the mid-2020 decline and sharp recovery following the onset of COVID-19.

While manufacturing remains vitally important to the provincial and regional economies with respect to jobs and economic output, this sector is not anticipated to represent a high employment growth sector at the provincial or regional level. While there will continue to be a manufacturing focus in Ontario, the nature of industrial processes is rapidly shifting, becoming more capital/technology intensive and automated, with lower labour requirements. The highly competitive nature of the manufacturing sector will



require production to be increasingly cost effective and value-added oriented, which bodes well for firms that are specialized and capital/technology intensive. As a result of increased technological efficiencies in the manufacturing sector, provincial G.D.P. levels related to the manufacturing sector have moderately increased over the past decade compared to generally flat labour force trends, indicating increasing G.D.P. output per employee.

Figure 2-4
Manufacturing Labour Force Trends in Ontario, 2001 to July 2022



Source: Annual labour force data from Statistics Canada Labour Force Survey, Table 282-0125, 2020 monthly data from Table 14-10-0091-01, and 2021 monthly data from Table 14-10-0388-01. Annual G.D.P. data from Statistics Canada Table 36-10-0402-01, by Watson & Associates Economists Ltd.

2.3 Regional Economic Trends

2.3.1 Middlesex County Long-Term Population Forecast, 2016 to 2046

Figure 2-5 compares the most recent Spring 2022 Ministry of Finance (M.O.F.) population projections for the London-Middlesex Area with the previous M.O.F. population projections prepared in 2017 and 2021.^[1] The M.O.F. has been progressively increasing their growth projections for the London-Middlesex Area on an annual basis since 2017. Under the 2022 M.O.F. forecast, the London-Middlesex Area

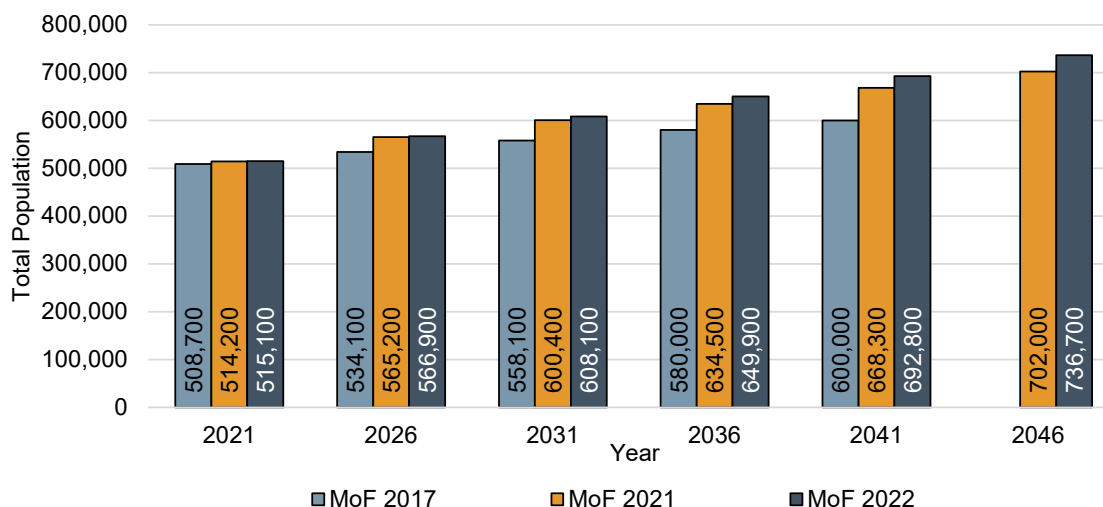
^[1] The London-Middlesex Area includes the City of London and Middlesex County and is defined at the Middlesex Census Division by Statistics Canada Census geographic boundaries.



is projected to reach a permanent population of 692,800 by 2041. This represents an increase of 92,800 persons relative to the 2017 M.O.F. projections, and an increase of 24,500 persons relative to the 2021 M.O.F. projections.

Population growth in the London-Middlesex Area is expected to grow at a steady annual rate of 1.4% under the Summer 2022 M.O.F. projections.^[1] This represents a long-term annual population growth rate slightly higher than the province-wide average.

Figure 2-5
London-Middlesex Area
Ministry of Finance, Population Projections, 2016 to 2046



Note: Ontario Ministry of Finance projections for Middlesex County include the City of London. Population includes the net Census Undercount.

Source: Adapted from Ontario Ministry of Finance Population Projections Update, Spring 2017, Spring 2021, and Summer 2022, by Watson & Associates Economists Ltd.

2.4 London-Middlesex Area Historical Population Growth, 2001 to 2021

Figure 2-6 and Figure 2-7 summarize the historical population for the London-Middlesex Area, as provided by Statistics Canada from 2001 to 2021. The 2021 population for the London-Middlesex Area is 517,900 and is tracking notably higher from 2016 to 2021 compared to historical levels from 2001 to 2016.^[2] It is noted that population growth in

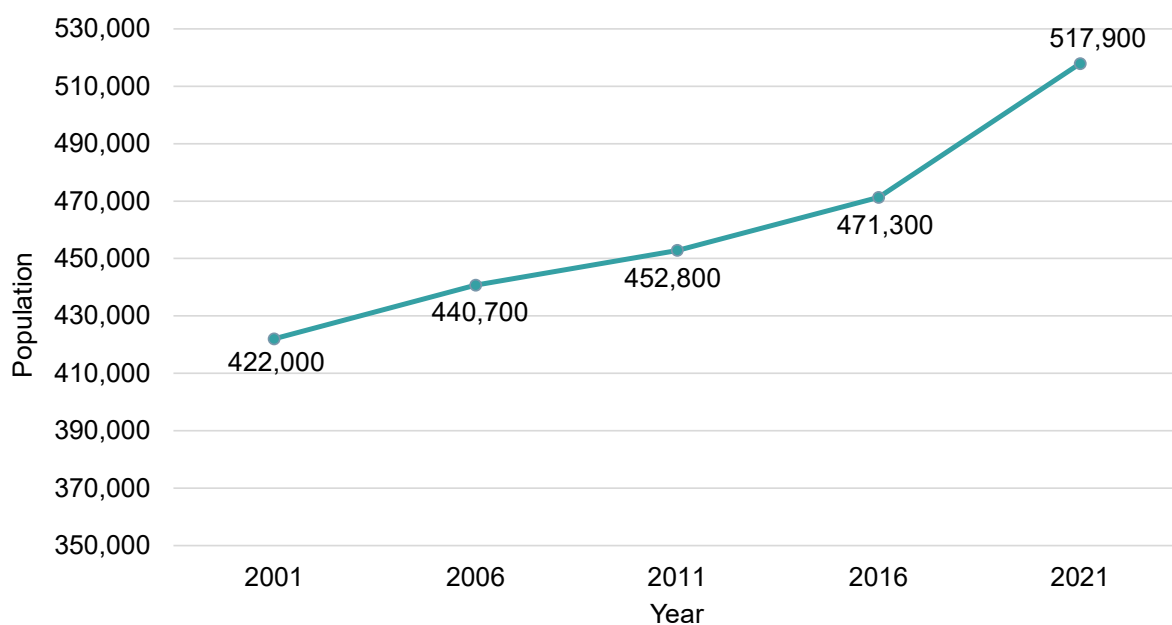
^[1] An increase from 0.9% annual population growth for Middlesex County as per the 2017 M.O.F. projections.

^[2] 2001 and 2021 Census population has been adjusted for the net Census undercount.



the London-Middlesex Area over the past decade has been largely driven by net migration and, to a lesser extent, natural increase (i.e., births less deaths). As such, Statistics Canada data indicates the London-Middlesex Area has attracted a higher number of new residents (in-migration less out-migration) during the post-2015 period relative to the 2001 to 2015 period.^[1] Between 2001 and 2021, the City of London accounted for approximately 84% of total population growth in the London-Middlesex Area.

Figure 2-6
London-Middlesex Area, Historical Population, 2001 to 2021



Note: Figures include net Census undercount. Figures have been rounded.
Source: Derived from Statistics Canada Census data, 2001 to 2021, by Watson & Associates Economists Ltd.

[1] Statistics Canada components of population change by Census Division, Table 17-10-0140-01.



Figure 2-7
City of London, Share of London-Middlesex Area Population,
2001 to 2021



Note: Population includes net Census undercount.

Source: 2001 to 2016 derived from Statistics Canada Census, and 2021 estimated by Watson & Associates Economists Ltd.

Note: Population includes net Census undercount.

Source: Derived from Statistics Canada Census data, 2001 to 2021, by Watson & Associates Economists Ltd.

2.4.1 London-Middlesex Area Historical Net Migration Trends, 2001 to 2021

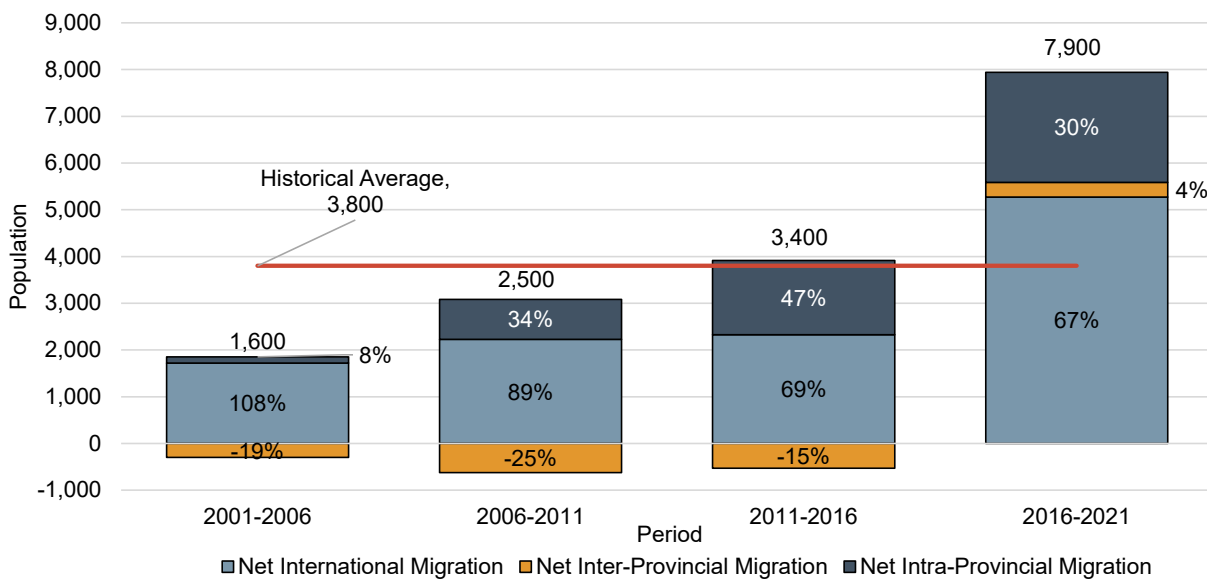
Figure 2-8 summarizes the historical net migration trends for Middlesex Census Division as provided by Statistics Canada from 2001 to 2021. Key observations include:

- Net migration for Middlesex Census Division steadily increased over the 2001 to 2021 period;
- Both Middlesex Census Division and the Province of Ontario experienced increases in total net migration in the 2016 to 2021 period, relative to the previous period between 2001 and 2016;
- International migration represents the largest share of total net migration for both Middlesex Census Division and Ontario between 2001 and 2021; and
- While absolute net migration levels associated with intra-provincial migration (migration from other regions of Ontario) have increased across the London-Middlesex Area over the past 20 years, international migration is anticipated to



represent the largest component of net migration to this area over the next 30 years.

Figure 2-8
London-Middlesex Area
Historical Net Migration Trends, 2001 to 2021



Note: Figures have been rounded. Figures are not adjusted for the residual deviation.
Source: Statistics Canada Table 17-10-0140-01, Components of Population Change by Census Division, 2016 boundaries, by Watson & Associates Economists Ltd.

Figure 2-9 illustrates the share of intra-provincial and inter-provincial migration (migration from other provinces/territories within Canada) to the Middlesex Census Division from 2015 to 2020. Additional details regarding the age of intra-provincial and inter-provincial in-migration by age are provided in Appendix A. Key observations include:

- Central Ontario, also referred to as the G.G.H. accounted for the largest share of net migration, comprising 44% of all migration within Canada to the London-Middlesex Area. The Greater Toronto and Hamilton Area (G.T.H.A.) comprised 32% of migration and the G.G.H. Outer Ring comprised 13%. The Census divisions that experienced the most migration to the London Middlesex Area in the G.G.H are the City of Toronto, Peel Region, Region of Waterloo and York Region.
- The remaining areas outside the G.G.H. in Ontario represented 39% of migration, with the highest amount coming from Elgin County and Oxford County.



- Over the past five years, inter-provincial net migration has represented a rather modest source of net migration, accounting for 16% of total inter-provincial and intra-provincial net migration. The Cities of Edmonton, Calgary and Montreal have had the highest amount of migration to the London-Middlesex Area over the past five years.

Figure 2-9
Location of Inter-provincial and Intra-provincial Net Migration
to the Middlesex Census Division, 2015 to 2020

Geographic Area	Share of Migration from Canadian Census Divisions to the London-Middlesex Area, 2015 to 2020
G.T.H.A.	32%
G.G.H. Outer-Ring	13%
G.G.H. Total	44%
Remaining Ontario	39%
Ontario Total	84%
Outside Ontario	16%
Total	100%

Source: Derived from Statistics Canada custom order data, by Watson & Associates Economists Ltd.

Looking forward, population growth within the London-Middlesex Area will be increasingly driven by net migration, as population growth associated with natural increase (births less deaths) is anticipated to steadily diminish over the long-term due to the aging of the regional and provincial population. While absolute net migration levels associated with intra-provincial migration have increased across the London-Middlesex Area over the past 20 years, it is anticipated that international migration will continue to represent the largest contributor to population growth in the London-Middlesex Area over the next 30 years.

2.5 Regional Labour Force Trends

Figure 2-10 summarizes the total employed labour force and unemployment rate trends for the London C.M.A. Census labour force data is not available for the City of London post-2016, but it is captured in the London C.M.A. by the Statistics Canada Labour Force Survey. From 2007 to 2011, the employed labour force declined and the



unemployment rate peaked at a historical high in 2009, coinciding with the 2008/2009 global economic recession. Since 2011, the London C.M.A. economy has shown signs of recovery with steady overall growth in the employed labour force and a declining unemployment rate.

From 2016 to 2019, the employed labour force has increased by approximately 7,600 people at an annual growth rate of 1%. During the coronavirus disease (COVID-19) pandemic, the unemployment rate reached a high of 10.9% in July 2020. Comparatively, the unemployment rate for the Province of Ontario, as a whole, reached 12.2% in July 2020. In the period of economic recovery from the pandemic lockdowns, the unemployment rate steadily fell to 4.8% in April 2022, and the unemployment rate for the Province of Ontario declined to 5.5%.

The latest labour force participation rate forecast from Statistics Canada forecasts the Canadian labour force to decline from 65% in 2016 to between 62% and 63%% in 2036, which is consistent with previous projections released in 2014 by the federal government which forecasted a decrease from 67% in 2014 to 62% by 2036 and 61% by 2050.^[1]^[2] Similar to national and provincial trends, the City's population and labour force base is aging. Looking forward, the aging labour force base is anticipated to result in continued gradual decline in the City's labour force participation rates over the long-term planning horizon. More specifically, the City of London's labour force participation rate is forecast to gradually decline at a similar rate from 63% in 2016 to between 59% and 61% by 2051.^[3]^[4]

Addressing the interconnection between the City's competitive economic position and its longer-term housing needs by market segment is critical in realizing the City's future forecast population and employment growth potential as well as the City's ultimate goals related to prosperity, opportunity, and livability. This approach recognizes that the accommodation of skilled labour and the attraction of new businesses are inextricably linked and positively reinforce one another. To ensure that economic growth is not

^[1] Statistics Canada, Insight on the Canadian Society, The Labour Force in Canada and it's Regions: Projections to 2036. By Laurent Martel. March 20, 2019.

^[2] Jobs Report: The State of the Canadian Labour Market, Department of Finance, Canada, 2014.

^[3] Labour force participation rate in this section does not include the net Census undercount.

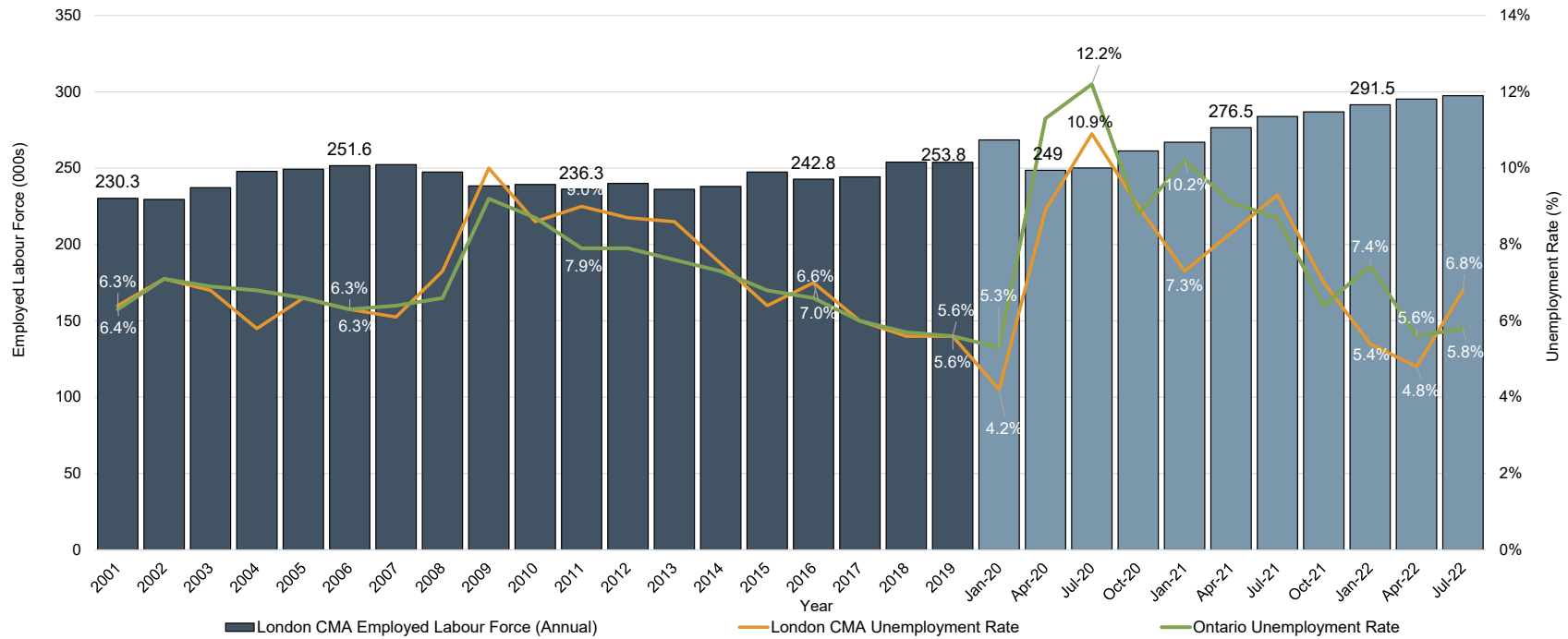
^[4] 2021 Census labour force data is not available during this time.



constrained by future labour shortages, continued effort will be required by the City of London to continue to explore ways to attract and accommodate new skilled and unskilled working residents to the economic region within a broad range of housing options by type and tenure.



Figure 2-10
London Census Metropolitan Area Labour Force Trends, 2011 to Year-to-Date 2022



Note: Statistics Canada Labour Force Survey and Census labour force statistics may differ.
Source: Statistics Canada Data Tables 14-10-0096-01, 14-10-0385-01, 14-10-0378-01, 14-10-0327-01, and 14-10-0017-01. Data derived by Watson & Associates Economists Ltd., 2022.

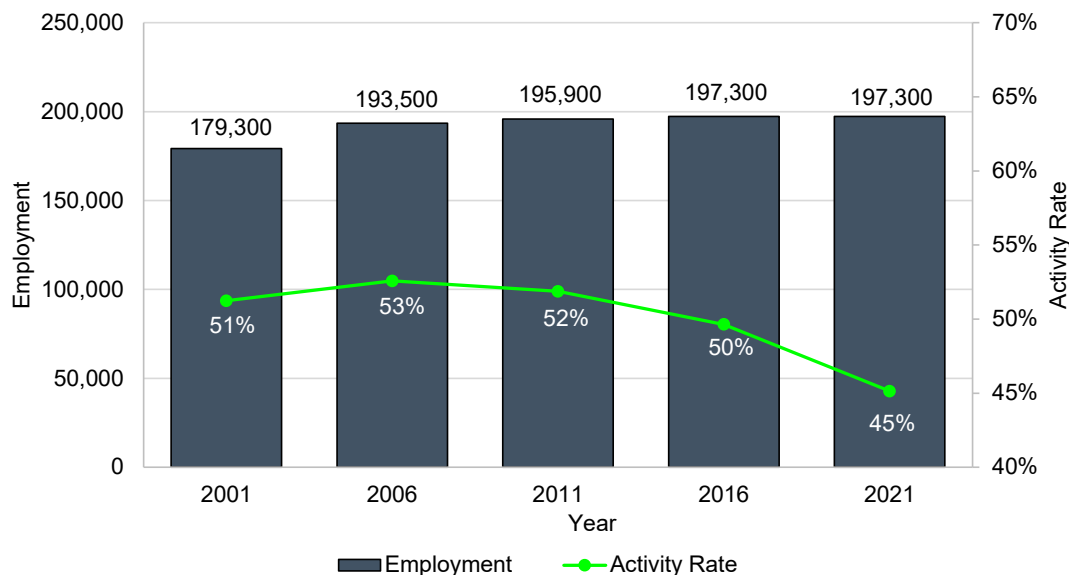


2.6 City of London Employment Trends by Sector, 2001 to 2021

2.6.1 Recent Employment Growth Trends by Sector

Figure 2-11 summarizes total employment growth in the City of London between 2001 and 2021. This includes the live/work labour force, including work at home employees as well as in-commuters. During this time period, the City experienced an increase of approximately 18,000 jobs. The City's employment activity rate decreased from 51% in 2001 to approximately 45% in 2021, indicating that the population has been increasing at a faster rate than the local employment base.^[1] While total employment was relatively flat from 2016 to 2021 due to the impacts of COVID-19, it is estimated that total employment has grown to 217,200 as of 2022.

Figure 2-11
City of London
Employment Growth, 2001 to 2021



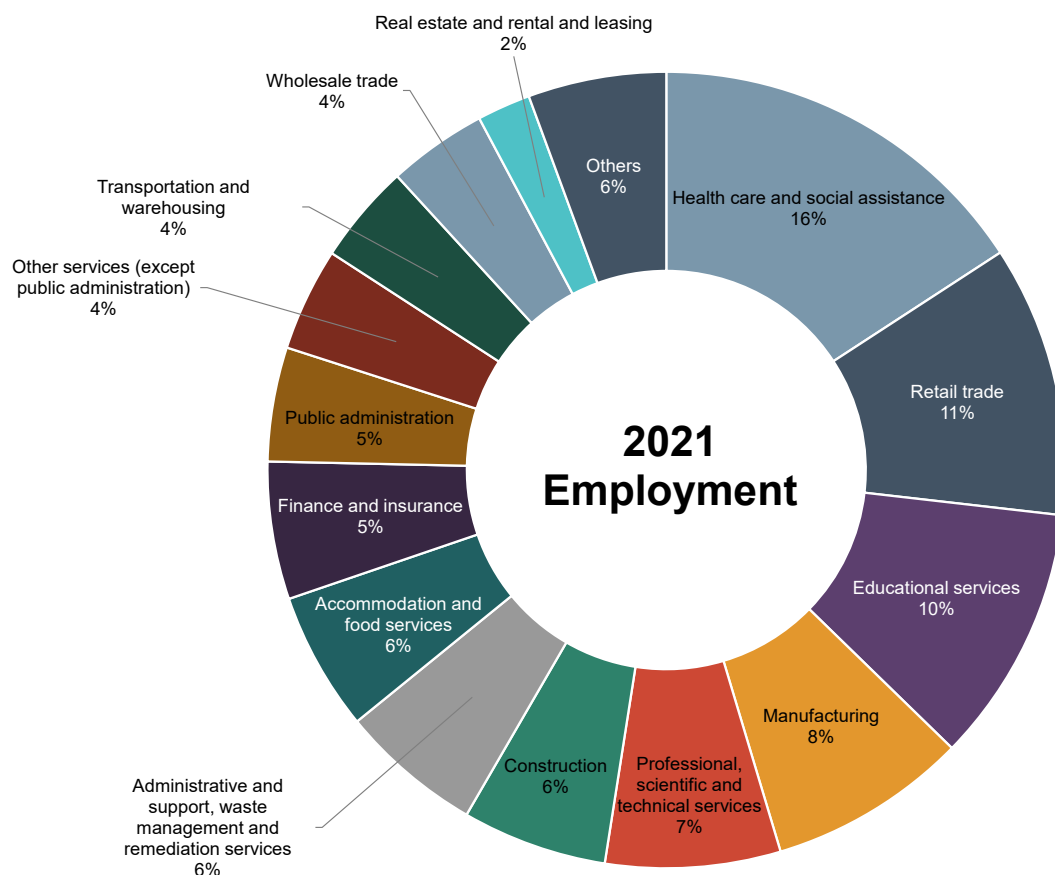
Source: 2001 to 2016 derived from Statistics Canada Census data, and 2021 derived by Watson & Associates Economists Ltd.

[1] An employment activity rate is defined as the number of local jobs in a municipality divided by resident population.



Figure 2-12 summarizes the employment share by sector in 2021, representing the number of jobs located within the City of London. The City employment base is diverse, spanning a range of employment sectors from healthcare and social assistance, retail trade, education, manufacturing, professional and scientific services to construction. The largest employment sector in the City in 2021 is healthcare and social service accounting 16% of the share of the total employment base.

Figure 2-12
City of London
Estimated Employment Share by Sector, 2021



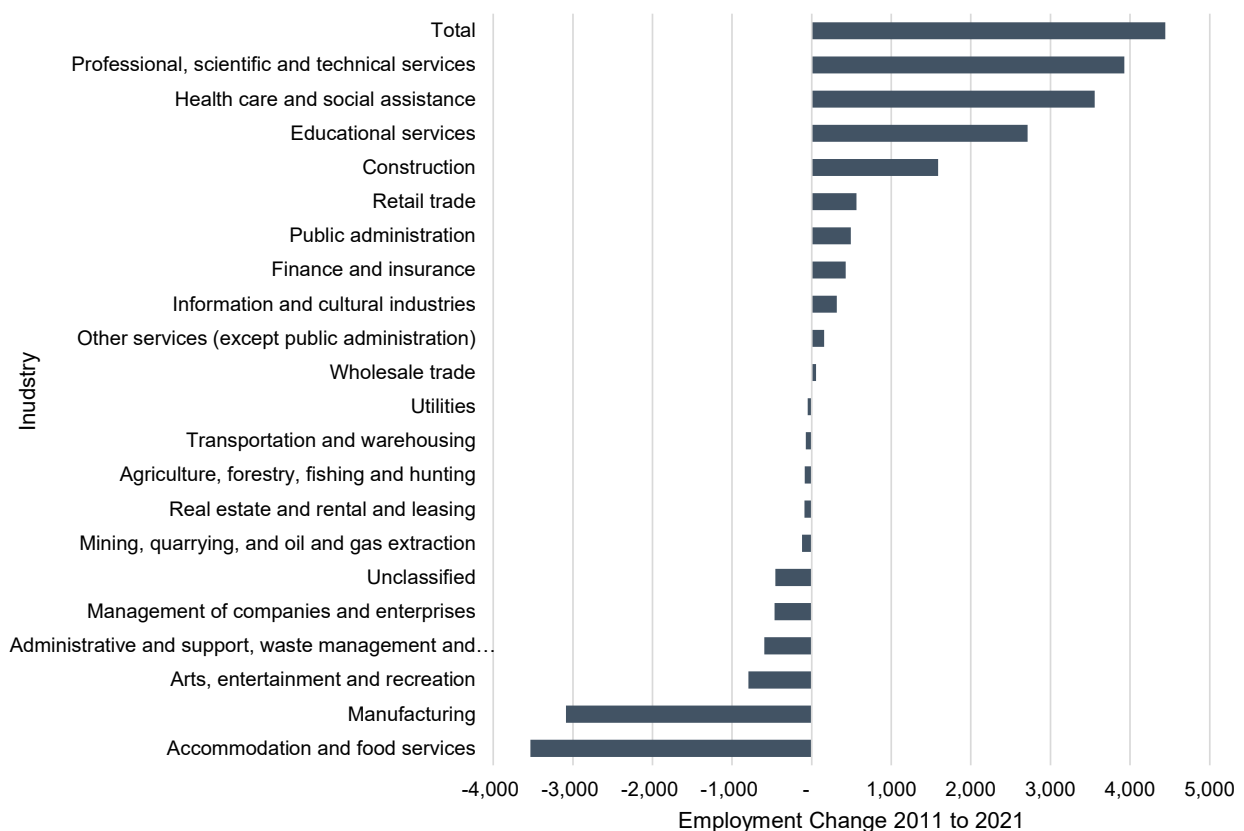
Source: Derived from EMSI data by Watson & Associates Economists Ltd.

As summarized in Figure 2-13, most major commercial, institutional and industrial employment sectors have experienced growth in the City of London over the past decade, driven by a gradual provincial and regional economic recovery following the 2008/2009 global financial crisis. Employment growth across the County has been



particularly strong in professional, scientific, and technical services as well as institutional sectors such as health care and social assistance and educational services, which experienced notable increases in employment over the past decade. A large portion of the employment gains experienced between 2011 and 2021, however, were offset by job losses in manufacturing and the accommodation and food sector. Again, it is noted that a portion of these job losses have been recovered as of 2022.

Figure 2-13
City of London
Employment Growth, 2011 to 2021



Note: Figure includes employees and self-employed jobs. EMSI data may differ from Census data.
Source: Derived from EMSI data by Watson & Associates Ltd., 2022.

2.7 Observations

A broad range of considerations related to demographics, economics, and socio-economics are anticipated to influence employment growth trends in the London-Middlesex Area over the coming decades. These factors will not only affect the rate



and magnitude of growth but will also influence the built-form, density, and location of non-residential development and the need for employment lands over the long term.

Over the past several decades, the provincial economy has been steadily shifting away from goods-producing sectors towards services-providing and knowledge-based jobs. As a result of these continued structural changes occurring in the macro-economy, it is important to recognize that the above-mentioned trends will generate both positive and disruptive economic impacts related to employment growth, local business investment, and labour force demand. These disruptive forces are also anticipated to have long-term impacts on industrial, commercial, and retail space requirements, as well as long-term employment land needs, which must be considered and monitored on an on-going basis when planning for non-residential development within the City of London.

The long-term economic growth outlook for the London-Middlesex Area has strengthened relative to the previous population and employment projections which were previously prepared for the City in 2017.^[1] This relative strength is anticipated to be driven by local and regional economic opportunities which are supporting higher immigration rates (including higher numbers of non-permanent residents), as well as increased inter- and intra-provincial net-migration to the region.

Since the onset of the pandemic, COVID-19 has acted as a near-term driver of housing demand for the London-Middlesex Area, largely driven by opportunities for remote/hybrid work schedules and the City's attractiveness to families seeking grade-related housing forms which are more competitively priced relative to the G.G.H. In the near-term, tighter monetary policy imposed by the Bank of Canada in response to persistently high inflation rates is likely to continue to cool the regional housing market for the remainder of 2022 and 2023. Notwithstanding anticipated short-term trends in the regional housing market, the longer-term economic and population growth outlook for the London-Middlesex Area remains strong, driven by strong intra-provincial migration and international immigration

Within the London-Middlesex Area, the City of London continues to have a strong appeal to both businesses and residents. This appeal is largely attributed to the City's geographic location which offers opportunities for urban living within proximity to retail, entertainment and other urban amenities, including public and private schools, three

[1] City of London Population, Housing and Employment Growth Forecast, 2016 to 2044 Final Report, February 1, 2018, Watson & Associates Economists Ltd.



regional hospitals, two post-secondary institutions, access to urban indoor and outdoor recreational facilities, as well as access to recreational opportunities within the surrounding rural countryside. These attributes make the City of London an attractive destination for residents of all ages, students, as well as small, mid-sized and large-scale businesses.

The regional employment base is particularly concentrated in employment sectors related to financial services, information technology, business services, health care and social services, government, advanced manufacturing, energy, information and cultural industries, education, training and research, agri-business and tourism. These sectors, as well as other emerging knowledge-based industries, are anticipated to represent the fastest growing segments of the London-Middlesex Area economy. As the employment base continues to grow within the City of London and the surrounding commuter-shed, the economy is also anticipated to diversify, generating a range of new live/work and commuting opportunities. Accordingly, the City of London will continue to be a desirable location for workers to live, leading to steady population growth across the City. Over the next 30 years, the City's local employment base is also anticipated to benefit from the regional economic expansion anticipated within neighbouring municipalities in southwestern Ontario. As such, raising the economic profile of the City by leveraging the economic opportunities and strengths of the broader regional economy should represent a key long-term economic development strategy for the City of London.

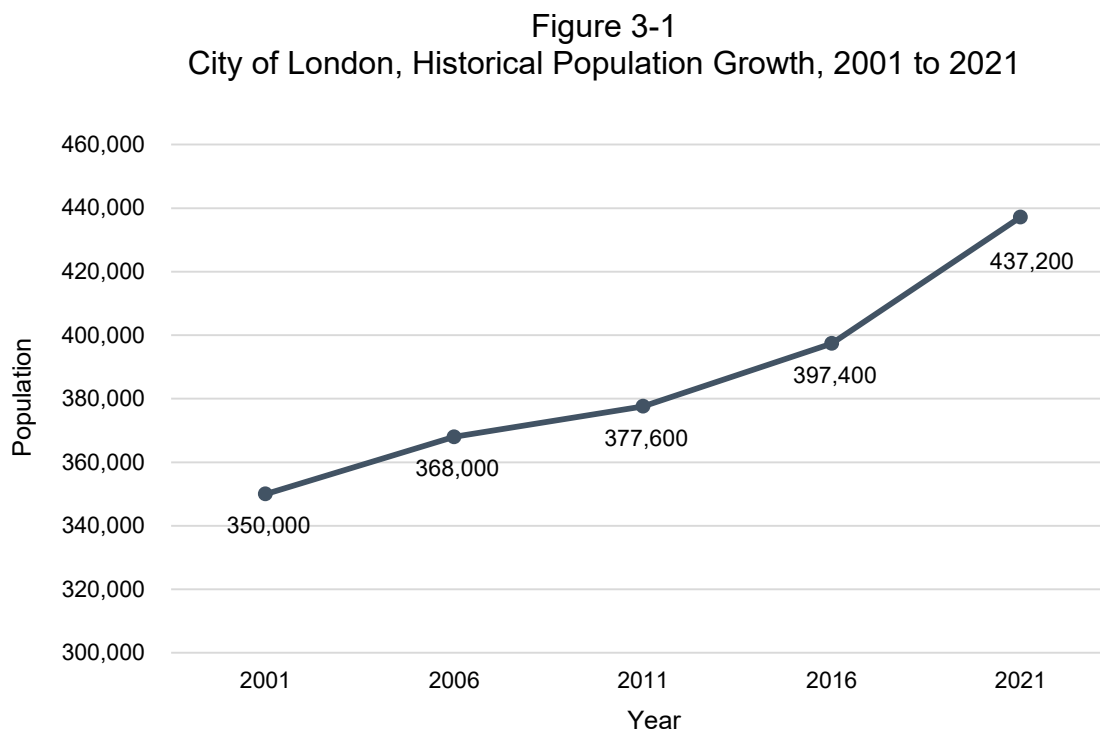


3. City of London Trends

3.1 City of London Residential Trends

3.1.1 Historical Population Growth, 2001 to 2021

Figure 3-1 summarizes the historical population for the City of London as provided by Statistics Canada from 2001 to 2021. Similar to the broader London-Middlesex Area, the 2021 population for the City of London (i.e., 437,200 persons including the net Census undercount) is tracking notably higher from 2016 to 2021 compared to historical levels from 2001 to 2016.^[1]



Note: Figures include Census undercount. Figures have been rounded.

Source: Derived from Statistics Canada Census data, 2001 to 2021, by Watson & Associates Economists Ltd.

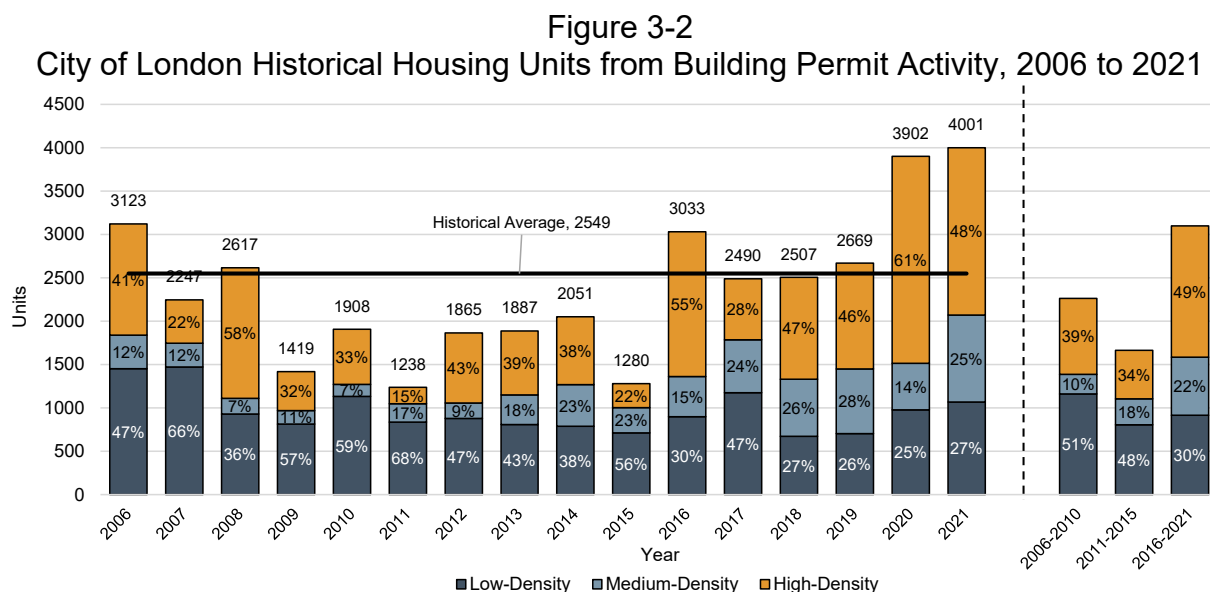
^[1] 2001 and 2021 Census population has been adjusted for the net Census undercount.



3.1.2 City of London Residential Building Permit Activity by Dwelling Type

Figure 3-2 summarizes historical trends regarding residential building permit activity (i.e., new units) for the City of London during the 2006 to 2021 period. Over the past 15-year period:

- The City of London issued an average of approximately 2,400 residential building permits per year related to new residential dwellings;
- The average rate of residential building permit activity significantly increased during the 2016 to 2021 period, partly driven by a large number of permits issued for new high-density residential dwellings during this time period; and
- The share of residential building permits issued for low-density housing progressively decreased from 51% during the 2006 to 2010 period to 48% during the 2011 to 2015 period, and to 30% during the 2016 to 2021 period.



Note: Low density includes singles and semi-detached. Medium density includes townhouses in duplexes. High density includes bachelor, 1-bedroom and 2-bedroom+ apartments.
Source: Building permit data provided by the City of London, summarized by Watson & Associates Economists Ltd., 2022.

3.1.3 City of London Residential Building Permit Activity with the Built-Area Boundary, 2017 to 2021

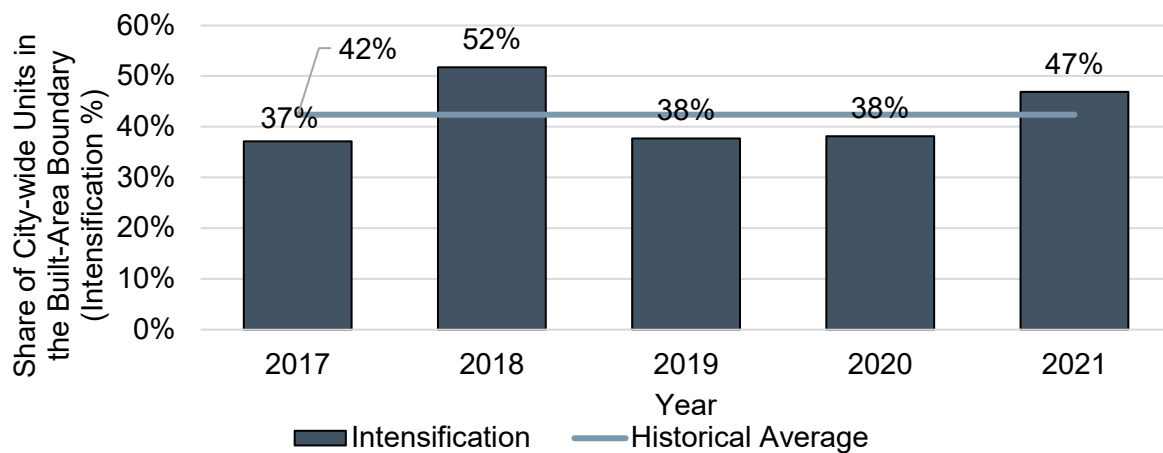
Figure 3-3 summarizes historical trends regarding residential building permit activity (i.e., new units) within the B.A.B. for the City of London during the 2017 to 2021 period. The London Plan, i.e., the City of London O.P., establishes an intensification target of 45% over the 20-year planning horizon (2016 to 2035). It is important to understand



intensification trends since the O.P. target was established from 2016. It is noted that the City's B.A.B., as summarized in Figure 3-3 below, was last delineated in 2016. Accordingly, the historical time period below appropriately aligns with the time period in which the B.A.B. was last updated. The following observations can be made over the past five-year period:

- The City of London issued an average of approximately 1,285 residential building permits per year in the B.A.B. from 2017 to 2021 related to new residential dwellings, while the last two years averaged 1,615 units annually; and
- Over the 2017 to 2021 time period, the City averaged 42% of new housing unit growth in the B.A.B., with 2018 and 2021 exceeding the O.P. target of 45%.

Figure 3-3
City of London Historical Intensification, 2017 to 2021



Source: Derived from City of London building permit data, 2017 to 2021, by Watson & Associates Economists Ltd.

3.1.4 City of London Residential Building Permit Activity Comparison to 2021

Figures 3-4, 3-5 and 3-6 summarize how the 2018 Growth Forecast Study is tracking to historical residential building permit activity. Key observations are as follows:

- Over the 2016 to 2021 period, average annual Census households increased by 2,304, compared to a forecast annual average of 2,348 housing units over the 2016 to 2021 period, as reported in the 2018 Growth Forecast Study. This



represents a decrease of 2% from the 2018 study with respect to short-term annual housing growth. It is important to note that the persons per unit (P.P.U.) increased from 2.44 in 2016 to 2.50 in 2021, meaning the average occupancy per unit from 2016 to 2021 is higher relative to 2016. This results in a lower housing requirement from population growth.

- The share of Census housing by structure type between 2016 and 2021 is as follows:
 - High-density dwelling units (apartments) – 39%;
 - Low-density dwelling units (singles and semi-detached) – 36%; and
 - Medium-density dwelling units (townhouses and rows) – 25%.
- Comparatively, the housing unit forecast by type between 2016 to 2021 as per the 2018 Growth Forecast, anticipated a higher share of low-density development and a lower share of high-density development.
- Comparing 2016 to 2020 residential building permits (new units only) to the 2021 Census for the City of London indicates that the number of residential building permits issued was approximately 28% higher than housing growth derived between the 2016 and 2021 Census periods. Most of this difference is within the high-density dwelling units, with an almost 600-unit difference in building permits issued between 2016 and 2020 when compared to Census housing in 2021.^[1] This discrepancy appears to be largely associated with the lag time between building permit issuance and occupancy of high-density dwellings.

[1] It is noted that actual household growth between Census periods, is typically about 10 to 15% lower than annual residential building permits issued for new units for the City of London, based on a review of Census household data and residential building permit data (new units only) between 2006 and 2016 for the City of London.



Figure 3-4
City of London, Short-Term Housing Forecast Comparison, 2016 to 2021,
vs. Census Housing 2016 to 2021

Housing by Structure Type	City of London Population, Housing and Employment Growth Forecast, 2016 to 2021 Annual Average		Census Housing, 2016 to 2021		Difference (Actual-Forecast)	
	Total	Share	Total	Share	Total	Share
Low Density	1,128	48%	837	36%	-291	-12%
Medium Density	516	22%	568	25%	52	3%
High Density	704	30%	899	39%	195	9%
Total	2,348	100%	2,304	100%	-44	0%

Low density includes singles and semi-detached.

Medium density includes townhouses and apartments in duplexes.

High density includes bachelor, 1-bedroom, and 2-bedroom+ apartments.

Source: City of London Population, Housing and Employment Growth Forecast, 2016 to 2044; derived by Watson & Associates Economists Ltd., 2018. Historical Activity from Statistics Canada Census, 2016 and 2021.

Figure 3-5
City of London, Short-Term Housing Forecast Comparison, 2016 to 2021,
vs. Residential Building Permit Activity, 2016 to 2020

Housing by Structure Type	City of London Population, Housing and Employment Growth Forecast, 2016 to 2021 Annual Average		Historical Activity, Building Permits, 2016 to 2020		Difference (Actual - Forecast)	
	Total	Share	Total	Share	Total	Share
Low Density	1,128	48%	841	28%	-287	-20%
Medium Density	516	22%	641	22%	125	0%
High Density	704	30%	1,482	50%	778	20%
Total	2,348	100%	2,964	100%	616	0%

Low density includes singles and semi-detached.

Medium density includes townhouses and apartments in duplexes.

High density includes bachelor, 1-bedroom, and 2-bedroom+ apartments.

Source: City of London Population, Housing and Employment Growth Forecast, 2016 to 2044; derived by Watson & Associates Economists Ltd., 2018. Historical activity from City of London.



Figure 3-6
 City of London, Housing Comparison, 2016 to 2020 Building Permits vs. Census
 Housing, 2016 to 2021

Housing by Structure Type	Historical Activity, Building Permits, 2016 to 2020 Annual Average		Census Housing, 2016 to 2021 Annual Average		Difference (Actual – Forecast)	
	Total	Share	Total	Share	Total	Share
Low Density	841	28%	837	36%	-4	-8%
Medium Density	641	22%	568	25%	-73	-3%
High Density	1,482	50%	899	39%	-583	-11%
Total	2,964	100%	2,304	100%	-660	0%

Low density includes singles and semi-detached.

Medium density includes townhouses and apartments in duplexes.

High density includes bachelor, 1-bedroom, and 2-bedroom+ apartments.

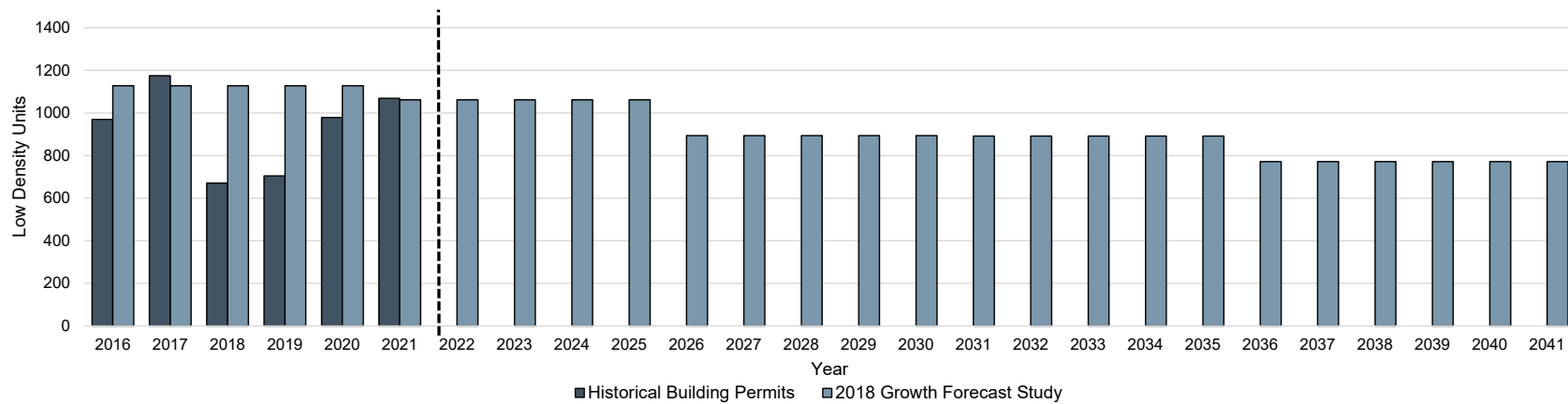
Source: Historical building permit activity from City of London. Statistics Canada Census 2016 and 2021.

Figures 3-7, 3-8, and 3-9 compare the housing development forecast by structure type from the 2018 Population Forecast Growth Study relative to historical building permit activity by structure type. Key observations include:

- In 2018 and 2019, the amount of low-density housing development activity decreased, falling well short of the 2018 Growth Forecast Study during this time period. Between 2020 and 2021, low-density housing development activity increased, tracking closer to the 2018 Growth Forecast Study.
- During the 2018 to 2021 period, medium- and high-density building permits tracked significantly higher compared to the 2018 Growth Forecast Study.



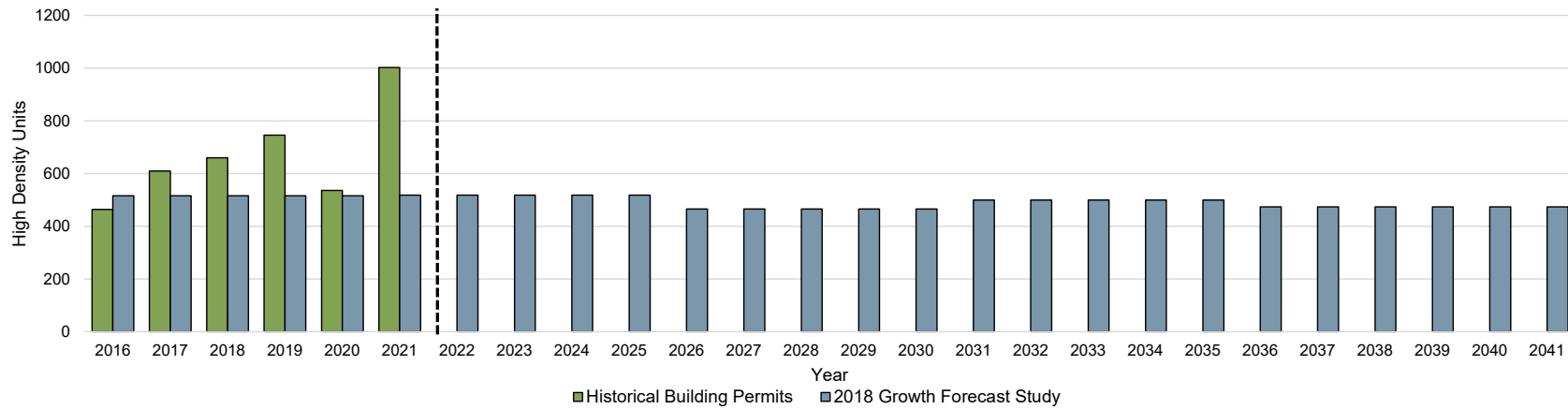
Figure 3-7
City of London Low-Density Housing Activity Comparison



Source: Historical building permit data received from City of London. Watson forecast from City of London Population, Housing and Employment Growth Forecast, 2016 to 2044, released February 1, 2018, by Watson & Associates Economists Ltd. Figure prepared by Watson & Associates Economists Ltd., 2022.



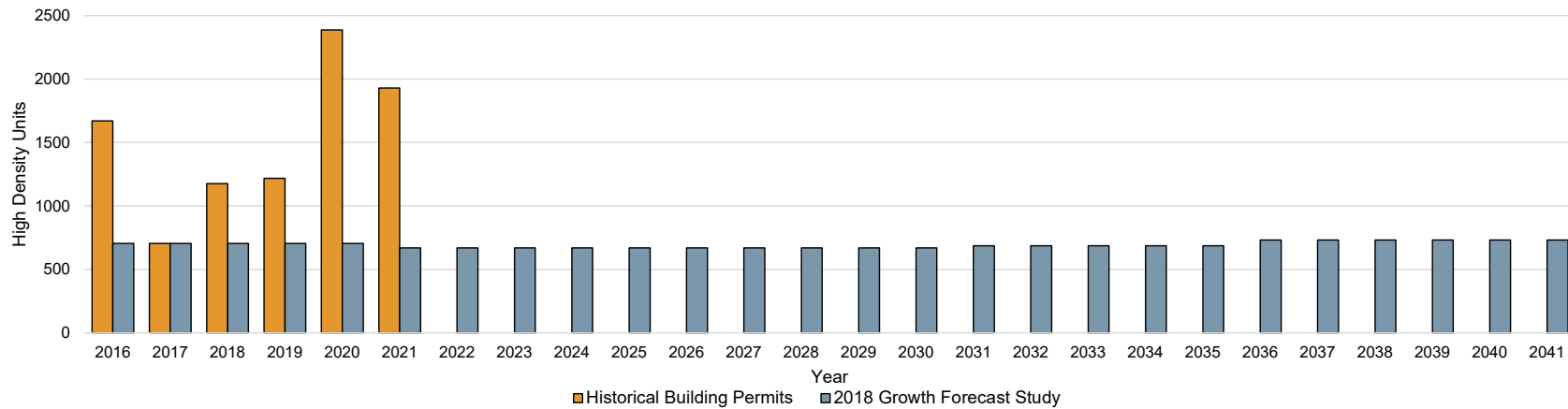
Figure 3-8
City of London Medium-Density Housing Activity Comparison



Source: Historical building permit data received from the City of London. Watson forecast from City of London Population, Housing and Employment Growth Forecast, 2016 to 2044, released February 1, 2018, by Watson & Associates Economists Ltd. Figure prepared by Watson & Associates Economists Ltd., 2022.



Figure 3-9
City of London High-Density Housing Activity Comparison



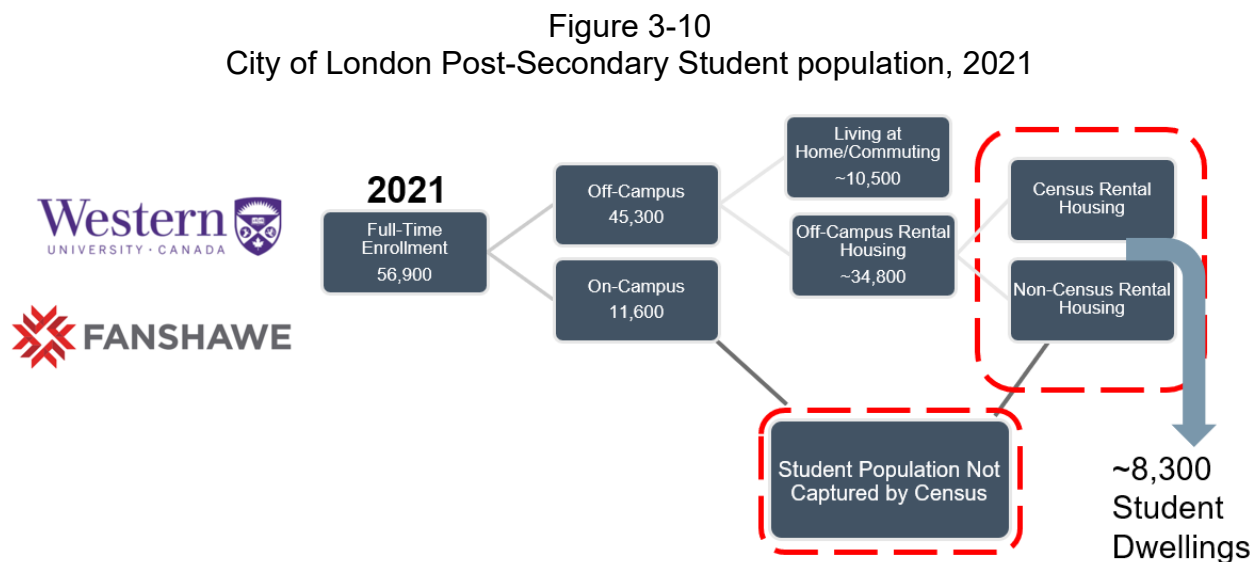
Source: Historical building permit data received from the City of London. Watson forecast from City of London Population, Housing and Employment Growth Forecast, 2016 to 2044, released February 1, 2018, by Watson & Associates Economists Ltd. Figure prepared by Watson & Associates Economists Ltd., 2022.



3.1.5 City of London Post-Secondary Student Population

Within the City of London there are two main post-secondary institutions, including the University of Western Ontario and Fanshawe College. As of 2021, there are approximately 56,900 full-time students attending these two post-secondary institutions within the City. This includes students who are permanent residents within the City, permanent residents outside the City and international students who are captured as non-permanent residents in the City. These students comprise those who live on campus, off campus with parents, as well as remaining residents living off campus primarily in rental housing as illustrated in Figure 3-10.

A portion of the post-secondary student population is not captured in the Statistics Canada Census data. More specifically, of the 2021 full-time enrolment, an estimated 43% (24,430 students), are not captured in the 2021 Census. This includes students living on campus (in school residences) and living off campus largely in rental housing. The students captured by Census data include those living at home (with parents) or otherwise captured as permanent or non-permanent residents during the Census enumeration.





3.1.6 City of London Future Housing Supply Potential

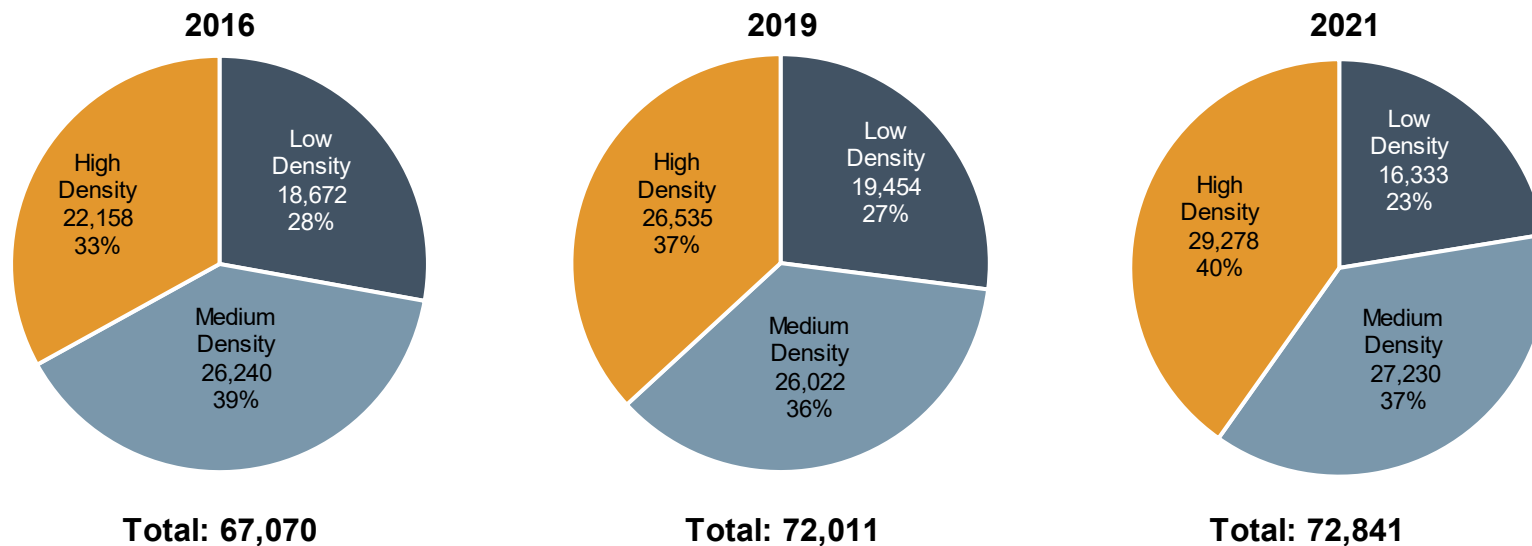
Figure 3-11 and Figure 3-12 compare the City of London's housing supply potential by housing structure type as of December 2021 to the 2016 supply identified in the 2018 Growth Forecast. Key observations include:

- As of 2021, the City of London has a potential future housing supply of approximately 72,800 future residential units in active and future developments, up from approximately 67,100 in 2016.
- Of the City's total residential supply potential (housing units), 22% is low density (single detached and semi-detached), 37% is medium density (townhouses) and 40% is high density (apartments).^[1]
- In comparison to the 2016 housing supply, the City's total long-term housing supply shifted further towards medium- and high-density development.
- The City's active developments increased from approximately 28,800 in 2016 to approximately 38,900 in 2021.
- Active housing supply has also become significantly more oriented to high-density developments with the share of active high-density developments increasing from 26% to 47% of the total active housing development inventory.
- This shift in the City's active housing development inventory suggests that the City's housing forecast will likely continue to be more weighted toward high-density housing relative to the results of the 2018 Growth Forecast Study.

^[1] The following notes are provided regarding the City's long-term housing supply potential. The Vacant Land Inventory (V.L.I.) is based on the land use designations of the 1989 Official Plan. Densities for the V.L.I. are from development trends between 2000 and 2010. The 2021 V.L.I. includes Site Plans, summarized here in the "Submitted" category. The City's total housing supply inventory on vacant urban does not include all future housing potential within the B.A.B. through residential intensification and redevelopment. The City is planning to undertake a more detailed assessment of housing supply opportunities within the B.A.B. during their next Comprehensive Review (C.R) update.



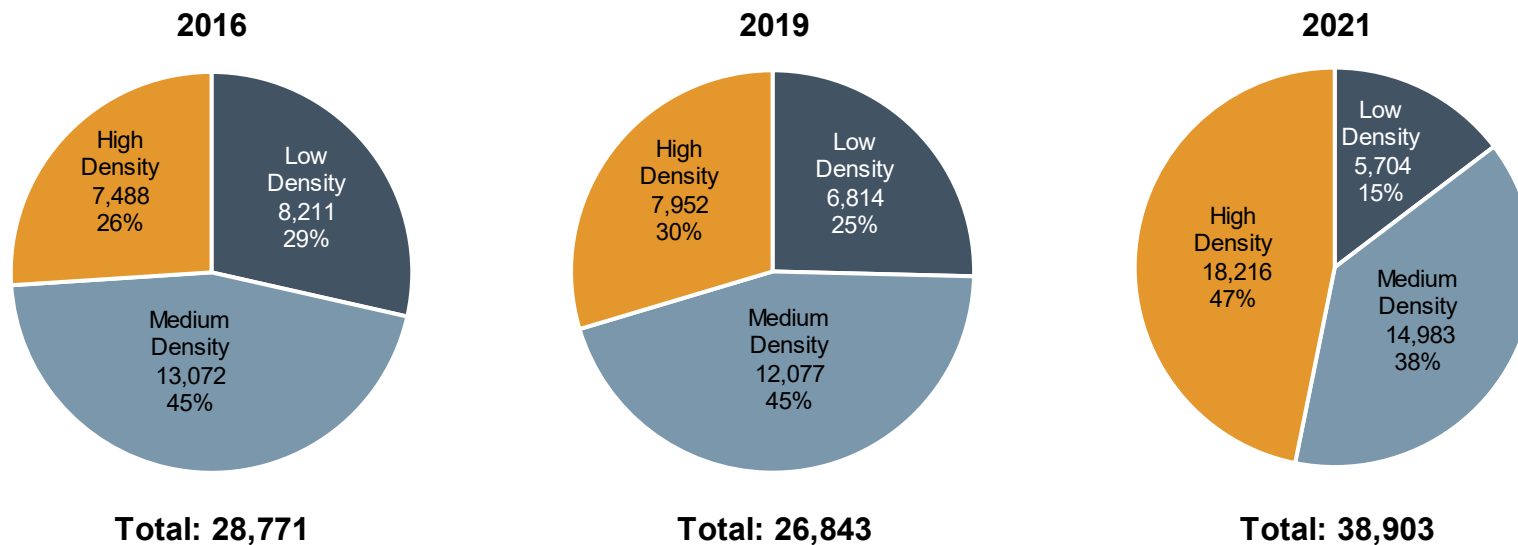
Figure 3-11
City of London
Summary of Future Residential Supply (Housing Units) by Housing Structure Type
(Active and Future Developments)



Source: Derived from data provided by City of London, by Watson & Associates Economists Ltd., 2022.



Figure 3-12
City of London
Summary of Future Residential Supply (Housing Units) by Housing Structure Type
(Active Developments Only)



Source: Derived from data provided by City of London, by Watson & Associates Economists Ltd., 2022.



3.1.7 London Area Housing Price Trends

Figure 3-13 summarizes housing prices for all sales listed on the Multiple Listing Service (M.L.S.) in the City of London. Key observations include:

- The average blended housing sale price in the City of London over the 2019 to 2022 period increased significantly from January 2019 at \$387,900 to \$773,600 in January 2022. Since January 2022, the average sales price has decreased to \$673,600 as of July 2022;^[1]
- Residential sales activity in the City of London has slowed as of August 2022. Recent data from the London St. Thomas Realtor Association (LSTAR) indicates that active listings have increased to 1,052 in August 2022 in comparison to 358 active listings for the month of August 2021; and
- Within this context of residential listings, the City of London has experienced a decrease in housing demand over the past year, with months of residential inventory increasing from 0.5 in August 2021 to 2.5 in August 2022.^[2]

With respect to rental vacancy trends in the City of London, total vacancy rates in the primary rental market have decreased from 3.4% in October 2020 to 1.9% in October 2021; however, this vacancy rate remains below the overall provincial vacancy rate of 3.4%.^[3]

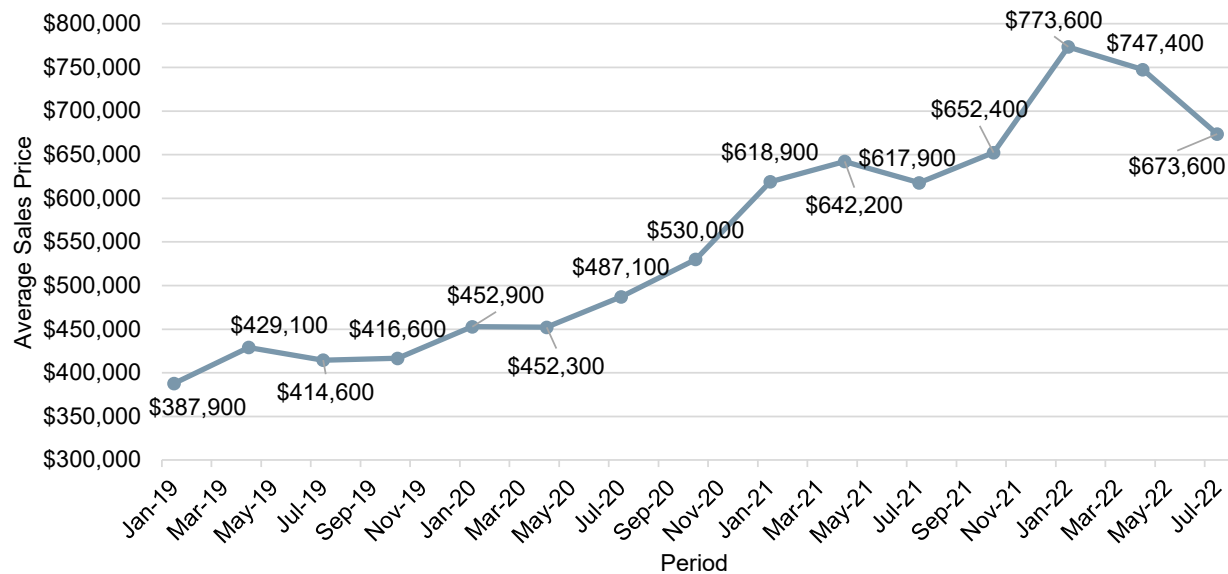
[1] London & St. Thomas Association of Realtors, Residential Market Activity January 2019 to July 2022.

[2] Ibid.

[3] CMHC Housing Market Information Portal, 2022.



Figure 3-13
City of London
Average Sales Price, All Unit Types, Quarterly 2019 to 2022



Note: Figures have been rounded.

Source: London and St. Thomas Association of Realtors Residential Market Activity Reports, January 2019 to July 2022, summarized by Watson & Associates Economists Ltd.

3.2 City of London Non-Residential Trends

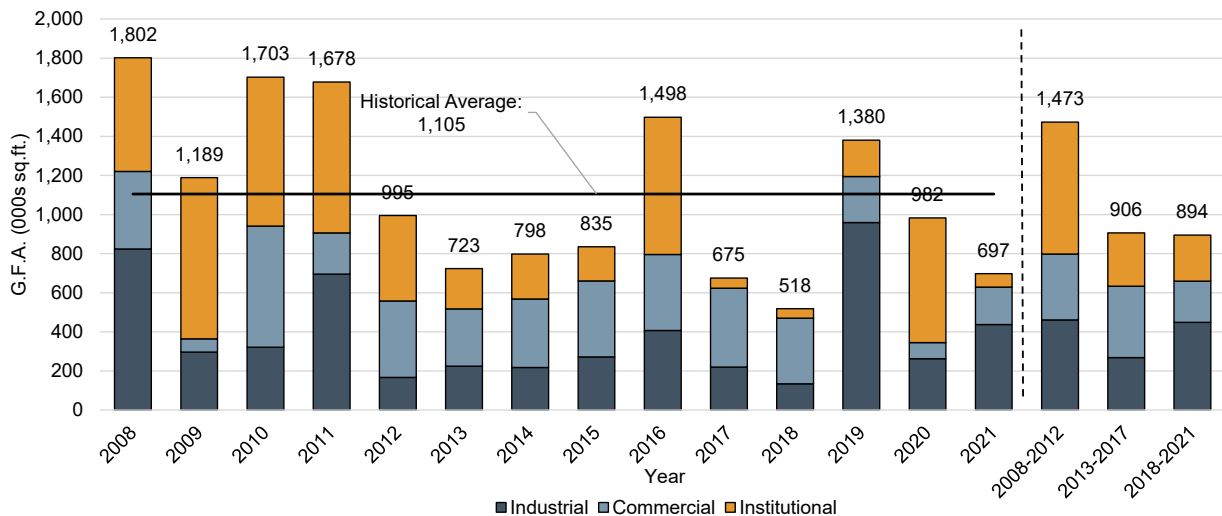
3.2.1 City of London Non-Residential Building Permit Activity

Figure 3-14 and Figure 3-15 summarize non-residential building construction by industrial, commercial and institutional sector (I.C.I.) for the City of London during the 2008 to 2021 period, expressed in G.F.A. in square feet (sq.ft.). Key observations include:

- The City of London has averaged 1,105,000 sq.ft. of non-residential building activity over the 2008 to 2021 period;
- Over the most recent five-year period examined, the share of industrial development activity has increased to 50% of total non-residential construction; and
- Non-residential construction activity decreased in 2020 and 2021 in comparison to 2019.



Figure 3-14
City of London, Non-Residential Building Permit Activity by ICI, 2008 to 2021



Source: Building permit data provided by the City of London. Summarized by Watson & Associates Economists Ltd., 2022.

Figure 3-15
City of London, Share of Non-Residential Building Permit Activity by ICI, 2008 to 2021

Period	Industrial	Commercial	Institutional	Total
2008-2012	31%	23%	46%	100%
2013-2017	30%	40%	30%	100%
2018-2021	50%	24%	26%	100%

Source: Data provided by the City of London, 2022.

3.2.2 City of London Non-Residential Building Permit Activity Comparison

Figure 3-16 further summarizes how the City of London 2018 Growth Forecast Study is tracking to historical non-residential building permit activity. Key observations include:

- Over the 2016 to 2021 period, approximately 958,445 sq.ft. has been issued annually through non-residential building permit activity. This compares to an annual average forecast of 1,089,100 sq.ft. over the 2016 to 2021 period as per the 2018 Growth Forecast Study, or approximately 12% lower than anticipated total non-residential building activity; and
- Actual building permit activity from 2016 to 2021 indicates that the recent share of industrial development activity has been higher, while the share of institutional



development activity has been lower relative to the short-term forecast relative to the City of London 2018 Growth Forecast Study.

Figure 3-16
City of London, Annual Average G.F.A. from Non-Residential Building Permit Activity Comparison

Density	City of London Population, Housing, and Employment Growth, Forecast 2016 to 2020 Annual Average		Historical Activity 2016 to 2021 Annual Average		Difference (Forecast - Average)		
	Sector	G.F.A.	Share	G.F.A.	Share	G.F.A.	Share
	Industrial	326,730	30%	403,162	42%	76,432	-12%
	Commercial	304,948	28%	272,904	28%	-32,044	0%
	Institutional	457,422	42%	282,381	29%	-175,041	13%
	Total	1,089,100		958,446		-130,654	0%

Source: City of London Population, Housing and Employment Growth Forecast, 2016 to 2044, by Watson & Associates Economists Ltd., 2018. Historical activity from City of London.

3.3 Observations

Over the past 20 years, the City of London has experienced steady population growth. Since 2011, the rate of population growth across the City has increased substantially, driven by steady net migration across all major demographic groups (i.e., children, adults and seniors) as through stronger immigration of non-permanent residents. Between 2011 and 2021, the City's annual population growth rate increased to 1.5%, fueling demand for steady new housing construction throughout the City.

For many Ontario municipalities, including the City of London, the COVID-19 pandemic has been a significant driver of ownership housing demand, largely led by the ultra-low interest rate environment generated throughout 2020 and 2021 in response to the pandemic, combined with steady outward growth pressure during this period particularly from the larger urban centres of the Greater Toronto Hamilton Area (G.T.H.A). This recent trend towards relatively stronger annual new housing construction is anticipated to continue over the medium to long term, notwithstanding a general cooling in the housing market in the near term.



As previous discussed, the City of London is anticipated to accommodate a growing share of young adults and new families seeking competitively priced home ownership and rental opportunities. It is also important to recognize that the population base of the City is getting older on average and aging at a similar rate to the Province as a whole. More specifically, the percentage of City's population in the 65+ age group is forecast to increase over the forecast period from 18% in 2021 to 21% in 2051 (refer to section 4.3 for further details). The aging of the population and declining population growth associated with natural increase (i.e., births less deaths) is anticipated to place downward pressure on the rate of population and labour force growth within the region and, subsequently, the regional labour force participation rate. These demographic trends are anticipated to place potential constraints on the rate of population and economic growth expected across the City over the longer term.

The existing housing stock within the City of London is weighted towards low-density housing forms (i.e., singles and semi-detached). In recent decades, however, the City has experienced a steady shift toward a higher share of medium-density and high-density housing types. This shift has been largely driven by declining housing affordability associated with low-density housing options as well as increased demand for medium and high-density housing forms driven by demographic and socio-economics factors associated with the aging population base, high-density housing demand associated with non-permanent residents, as well as lifestyle choices of existing and new residents. Between 2008 and 2021 medium and high-density housing types accounted 62% of all new residential construction. Looking forward, a broad mix of future housing options across a range of density types will be required to accommodate both younger and older adults across varying income levels, including affordable housing options, throughout the City.

In summary, the demographic and socio-economic trends explored in this chapter will continue to have broad implications on the amount, type and density of future housing needs, municipal service needs and public infrastructure requirements for the City over the long term. Chapter 4 provides a detailed discussion with respect to forecast near-term and longer-term population, housing and employment growth for the City as a whole, as well as by planning policy area.



4. City of London Population, Housing and Employment Forecast, 2021 to 2051

In accordance with the recent demographic, economic and socio-economic trends discussed in Chapters 1 to 3 of this summary report, as well as the anticipated growth drivers/disruptors discussed in this chapter, three long-term population, housing and employment growth scenarios have been prepared for the City to the year 2051. In developing the City's long-term population forecasts, consideration has been given to the long-term population, housing and employment growth outlook for the surrounding market area.

4.1 Key Growth Assumptions

The following provides a summary of the key growth assumptions which inform the Low, Medium and High Growth Scenarios the City of London from 2021 to 2051. These assumptions are presented below.

4.1.1 *Macro-Economic Trends*

As previously discussed, the COVID-19 pandemic had a significant economic impact on the national and provincial economies in 2020 and 2021, as measured in terms of G.D.P. COVID-19 is anticipated to continue to influence the global and national macro-economic outlook over the next several years. It is noted that the near-term macro-economic outlook is changing associated with persistently high inflation levels, rising interest rates, and slowing global economic growth. These factors are anticipated to moderate regional economic and population growth and continue to cool the provincial and regional housing markets relative to trends experienced in recent years since the onset of the COVID-19 pandemic under all long-term growth scenarios explored for the City. Section 2.2 provides a detailed discussion regarding forecast G.D.P. annual growth rates for Canada and Ontario. Under the Low Scenario, it is assumed that the provincial economy will underperform, on average, relative to near-term forecasts, while the Medium and High Scenarios, respectively, assume that the provincial G.D.P. growth will generally meet and exceed near-term provincial G.D.P. forecasts over the 2021 to 2051 planning horizon.



4.1.2 National Immigration Trends

Subsection 2.1.3 of this report provides a discussion regarding federal immigration targets for Canada and Ontario. Under the Low Scenario, it is assumed that national immigration will underperform relative to federal targets over the 2021 to 2051 planning horizon. The Medium Scenario assumes national immigration targets will be met, while the High Scenario assumes that immigration targets will be exceeded. Under each of the long-term growth scenarios, it is assumed that the share of total immigration allocated to the City of London will increase.

4.1.3 London-Middlesex Area Population and Economic Trends

The following key economic assumptions have been made in developing the City of London long-term population and employment growth scenarios:

- As previously discussed, the M.O.F. has consistently projected higher population growth for the London-Middlesex Area with each release from 2017 to 2021 (refer to section 2.1 for further details).
- As identified in section 2.2, the City of London comprised 84% of population growth in the London-Middlesex Area from 2001 to 2021. This trend is anticipated to continue in slightly varying degrees over the forecast period under each of the long-term growth scenarios.
- Under the Low Growth Scenario, it is anticipated that the London-Middlesex Area population growth will underperform relative to the M.O.F. 2022 projections and subsequent M.O.F. population projection updates. Under the Medium Scenario, the London-Middlesex Area is anticipated to slightly outperform M.O.F. 2022 projections, while under the High Scenario the London-Middlesex Area is projected to outperform the 2021 M.O.F. projections as well as subsequent provincial projection updates for the Area.
- The regional economy and labour force has strongly rebounded from the impacts of COVID-19 (refer to section 2.3 for additional details) and is anticipated to steadily expand over the long-term.
- The industrial market has also been steadily recovering since the 2008/2009 economic downturn. Historically low province-wide industrial vacancy rates and competitively priced industrial lands are attracting demand to the London-Middlesex Area for industrial and export-based development.



- Employment growth in the regional area also drives population growth to the City of London. With respect to the most recent commuting trends, 88% of City of London residents work within the City, while 12% work outside the City.
- Given the competitive position of existing and planned Employment Areas in the City of London (as measured in terms of location/access to major North American employment markets and large population centres, parcel size, price per acre, and competitive development costs, etc.), the City is anticipated to achieve a relatively stronger rate of industrial absorption over the long-term planning horizon under all three growth scenarios, relative to historical trends observed over the past decade.
- It is important to note that the regional and local economy and industrial sector has been steadily recovering since approximately 2015. The London-Middlesex Area has key local infrastructure supporting growth which includes, but is not limited to the following:
 - Strategic location within Ontario’s industrial heartland in southern Ontario, offers proximity to eastern and western U.S. markets;
 - Access to infrastructure assets such as Highway 401 and Highway 402, and the London International Airport; and
 - Proximity to a growing skilled regional labour force base.
- Employment growth comprised two major categories, export-related and community-related employment, as summarized below:
 - Community-related job growth is tied to population growth. These jobs provide services such as retail, entertainment, and hospitality to the community. Under the Low Scenario, lower population growth relative to the other scenarios requires less community-based employment to service the needs of the population. As the population forecast increases under the Medium and High Scenarios, more community-based jobs are required to provide services to the increased population.
 - Export-related jobs are largely industrial based and consist of industries such as manufacturing and logistics. Local factors which can influence export-related employment growth within the City include, but are not limited to, price of industrial lands, availability of shovel-ready industrial lands with a broad range of sizes, access to labour force and localized supply-chain opportunities. These local factors are anticipated to influence the share of industrial employment accommodated within the City and within the broader region under each long-term growth scenario.



4.1.4 Demographic Trends

The following key demographic assumptions have been made in developing the City of London long-term population and employment growth scenarios:

- The City of London's population is aging, driven by the Baby Boomer age group; (refer to section 4.3 for additional details).
- The City's mortality rate is forecast to increase from 2021 to 2051 due to the aging of the population. Additionally, there is downward pressure on births as the population ages. These factors result in a progressively declining natural increase (i.e., births less deaths) from 2021 to 2051.
- From 2001 to 2021, the City of London experienced an average net migration of 3,490 people annually. Forecast net migration shares by age group from 2021 to 2051 are comparable to historical trends from 2001 to 2021; however, a higher share of young adults aged 35 to 44 is anticipated, driven by the relative affordability of housing options within the City of London relative to the G.G.H. region, which represents the largest share of intra-provincial migration to the City.
- Between 2016 and 2021, net migration data for the London-Middlesex Area showed an increase in the share of net migration in the 35 to 44 age group relative to the 2001 to 2016 period. Overall, the share of net-migration the 0 to 44 age group is forecast to comprise 85% of net migration from 2021 to 2051, which is comparable to 84% from 2001 to 2021.
- Under all growth scenarios, annual net migration is forecast to be considerably higher relative to 2001 to 2021 levels for all age groups. Progressively higher net migration levels are assumed for the Medium and High Growth Scenarios, relative to the Low Growth Scenario.
- Net migration impacts the population age structure. As the existing population ages, the City of London will become increasingly dependent on net-migration to maintain its existing share of younger age groups. Under the Low Growth Scenario, the population will be older by 2051 due to lower levels of net-migration in younger age groups. Under the Medium and High Growth Scenarios, the population age structure is forecast to remain younger due to relatively higher net-migration levels associated with working-age residents and their families.



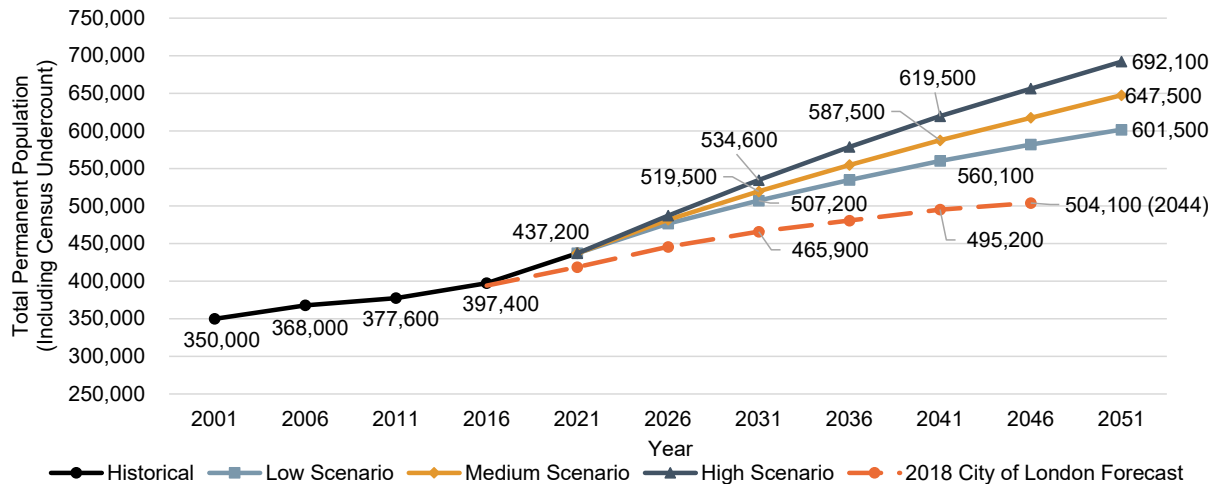
4.2 City-Wide Permanent Population Forecast Scenarios, 2021 to 2051

Building on the Key Growth Assumptions identified in section 4.1, three long-term permanent population forecasts have been prepared for the City of London. Figure 4-1 summarizes the three long-term City-wide population growth scenarios to the year 2051 including Low, Medium, and High Growth Scenarios. Key observations include:

- Under the Low Growth Scenario, the City of London's permanent population base is forecast to grow at an average annual rate of 1.1% per year. The population is forecast to increase moderately between 2021 and 2051 by 164,300, from 437,200 to 601,500, respectively.
- The City of London's permanent population is forecast to grow at an annual rate of approximately 1.3% under the Medium Growth Scenario. This represents an average annual growth rate that is above the historical growth rate of 1.1% achieved 2001 to 2021. The population is expected to reach 647,500 by 2051, representing an increase of approximately 210,300 from 2021 to 2051.
- Under the High Growth Scenario, the City of London's permanent population base will grow at an average annual rate of 1.5% per year. The population is anticipated to grow by approximately 254,900 persons, increasing from 437,200 in 2021 to 692,100 in 2051.



Figure 4-1
City of London
Long-Term Population Growth Scenarios, 2021 to 2051



Note: Population includes net Census undercount.
Source: Historical derived from Statistics Canada Census data, 2001 to 2021. 2018 City of London Forecast from City of London Population, Housing and Employment Growth Forecast, 2016 to 2044, Final Report, February 1, 2018, Low, Medium and High Scenarios by Watson & Associates Economists Ltd.

4.3 City-Wide Reference Permanent Population Forecast, 2021 to 2051

Based on our review, the Medium (Reference) Scenario represents the “recommended” growth forecast scenario for the City of London for the following reasons:

1. The level of population growth in the 15 to 64 population age group is reasonable given forecast job growth in the local and regional economies.
2. Forecast net migration levels are higher, but appropriate, relative to historical trends experienced over the past 20 years, particularly during the post-2016 period. Forecast net migration trends are reflective of steady growth anticipated in the local and regional economies, forecast work at home opportunities, as well as the attractiveness of the City to empty nesters and seniors as a retirement/ semi-retirement destination.
3. The forecast level of permanent annual housing growth required to accommodate the Reference Growth Scenario is reasonable in relation to historical trends observed based on residential building permit data and Statistics Canada Census data.



4. It represents a reasonable future ratio of population relative to the surrounding municipalities in comparison to historical and forecast trends.

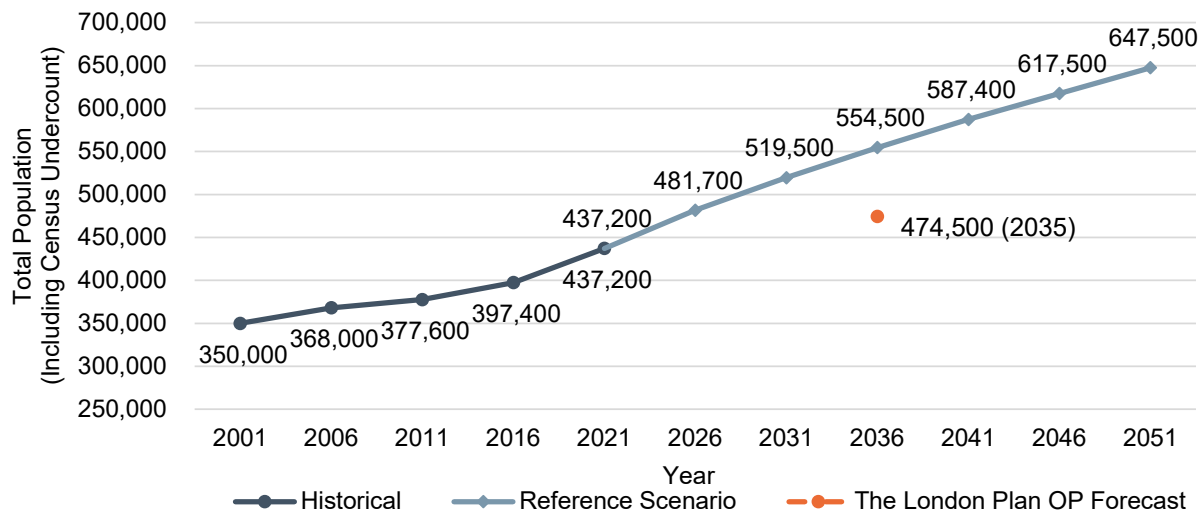
Figure 4-2 summarizes the Medium (Reference) Growth Scenario to the City of London. Relative to the City's current O.P. population forecast the following observations can be made:

- The most recent Statistics Canada Census results indicate that the City of London's permanent population was 422,300 as of 2021. Accounting for an estimated net Census undercount adjustment of approximately 3.5%, the City's 2021 permanent population was estimated at 437,200.^[1] Comparably, the City's 2021 population is approximately 17,600 persons higher than the 2021 population estimate, according to the City of London O.P.
- According to the City of London O.P., the City's population is forecast to reach 458,400 by the year 2035, excluding the net Census undercount. Including an upward adjustment of approximately 3.5% for the net Census undercount, the City's population is projected to reach 474,500 in accordance with the City of London O.P. In comparison, the City is forecast to reach 547,800 persons by the year 2035 under the Reference Growth Scenario, which represents an increase of approximately 73,300 persons.

^[1] The Statistics Canada population is adjusted to account for the net number of persons who are missed (i.e., over-coverage less under-coverage) during enumeration. For the City of London, the net under-coverage is approximately 3.5%.



Figure 4-2
City of London
Reference Growth Scenario, 2001 to 2051



Note: Population includes net Census undercount.

Source: Historical derived from Statistics Canada Census data, 2001 to 2021. The London Plan OP forecast from the The London Plan (2016). Forecast by Watson & Associates Economists Ltd.

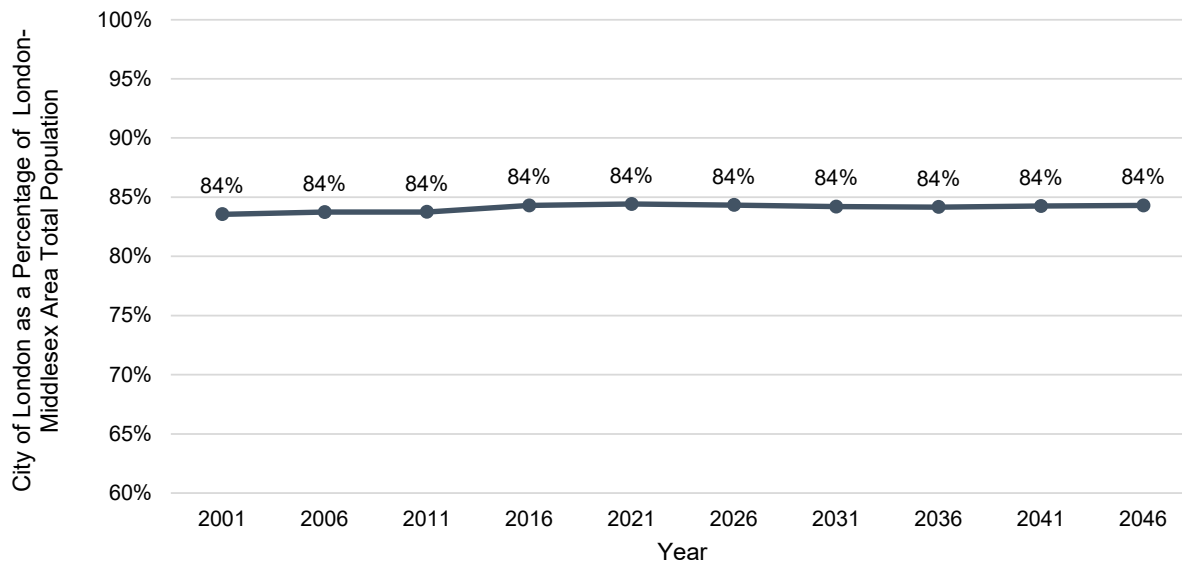
4.3.1 City of London Reference Population Forecast Share of the London-Middlesex Area Total Population to 2046

Figure 4-3 summarizes the share of the City of London's population as a proportion of the London-Middlesex Area total population. Historically, the share of London's population has been relatively steady at 84% from 2001 to 2021. Over the 2021 to 2046 forecast period, this share is projected to remain relatively constant at 84%.^[1]

[1] A 2046 forecast horizon is used for the purposes of Section 4.3.1 and Figure 4-3 because the Middlesex County forecast has a 2046 long-term forecast horizon.



Figure 4-3
City of London
Share of London-Middlesex Population, Medium Scenario, 2001 to 2046



Note: Population includes net Census undercount.
Source: 2001 to 2021 derived from Statistics Canada Census data. Forecasts for City of London and Middlesex County High Scenario by Watson & Associates Economists Ltd.

4.3.2 City-Wide Reference Population Forecast by Age Group, 2021 to 2051

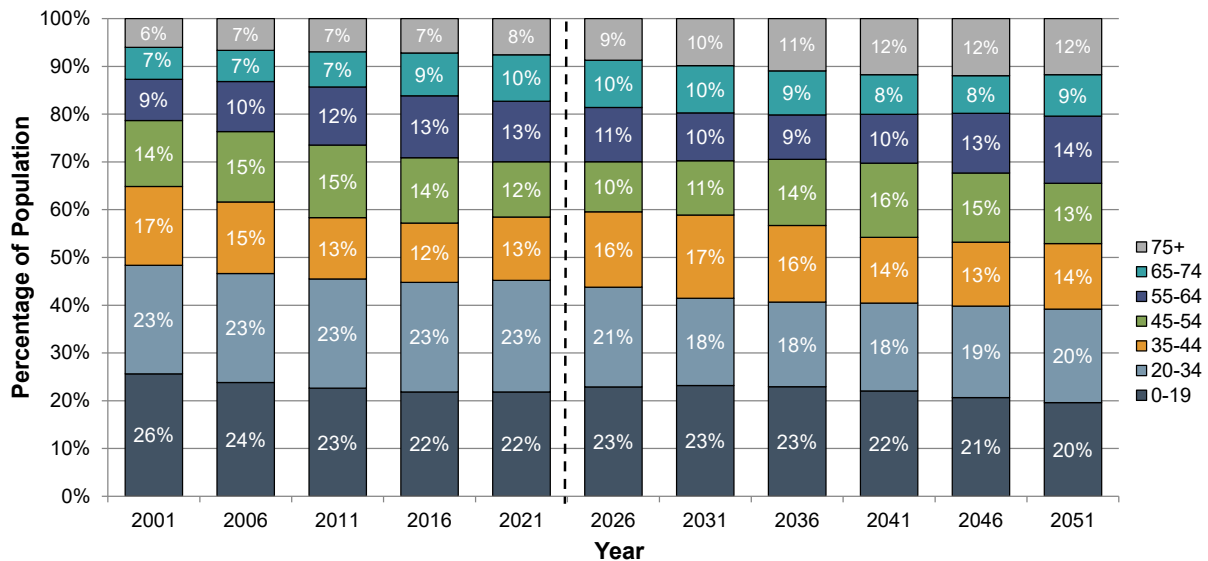
Figure 4-4 summarizes the Reference population forecast by major age group from 2021 to 2051, with additional details provided in Appendix A. Key observations include:

- The population is expected to age, with the proportion of the 75+ age group expected to increase from 9% to 12% between 2021 and 2051.
- The percentage of population in the 0 to 19 age cohort (youth population) is expected to decline from 23% to 20% between 2021 and 2051.
- London's young adult/adult population (20 to 54 years of age) is the largest age cohort group; this population cohort is forecast to decline from 48% to 47% between 2021 and 2051.
- The share of the youth and young adult/adult population (0 to 54 years of age) is forecast to comprise the majority (92%) of future net migration in the City of London from 2021 to 2051, which is comparable to 91% from 2001 to 2021.



- Relative to Middlesex County, the 2021 population base for the City of London is slightly younger. The City of London has a larger share of people under the age of 65. In particular, the City's population share of adults between the age of 20 and 54 is 47% compared to 41% in Middlesex County.^[1]

Figure 4-4
City of London
Forecast Population by Age Structure, Reference Scenario,
2021 to 2051



Note: Population includes net Census undercount.
Source: Population forecast by age derived from 2006 to 2021 Statistics Canada Census by Watson & Associates Economists Ltd. 2021 to 2051 population forecast by age prepared by Watson & Associates Economists Ltd.

4.3.3 City-Wide Total Permanent Housing Forecast (Reference Growth Scenario), 2021 to 2051

Figure 4-5 and Figure 4-6 summarize the City-wide total permanent housing forecast and the city-wide annual incremental housing forecast from 2021 to 2051, respectively. Historical Census housing trends are provided for historical context. Further details regarding the City's housing forecast under the Reference Growth Scenario are provided in Appendix B, C and D.

Total housing needs are determined by the rate of household formation by population age group within a municipality over a specific time period. Household formation rates,

^[1] The 20 to 54 age group shares for the City of London and Middlesex County exclude the net Census undercount and may vary slightly from the age group shares including the net Census undercount.



also known as household headship rates, are defined as the ratio of primary household maintainers, or heads of households, by major population age group (i.e., cohort).^[1] Between 2006 and 2016, the City of London's total headship rate remained relatively stable from 40% to 41%; refer to Appendix B for additional details. Forecast trends in population age structure provide important insights into future headship rates and average persons per unit (P.P.U.) trends for the City of London. It is important to note that headship rates by major age group are anticipated to remain relatively stable over the long-term forecast period.

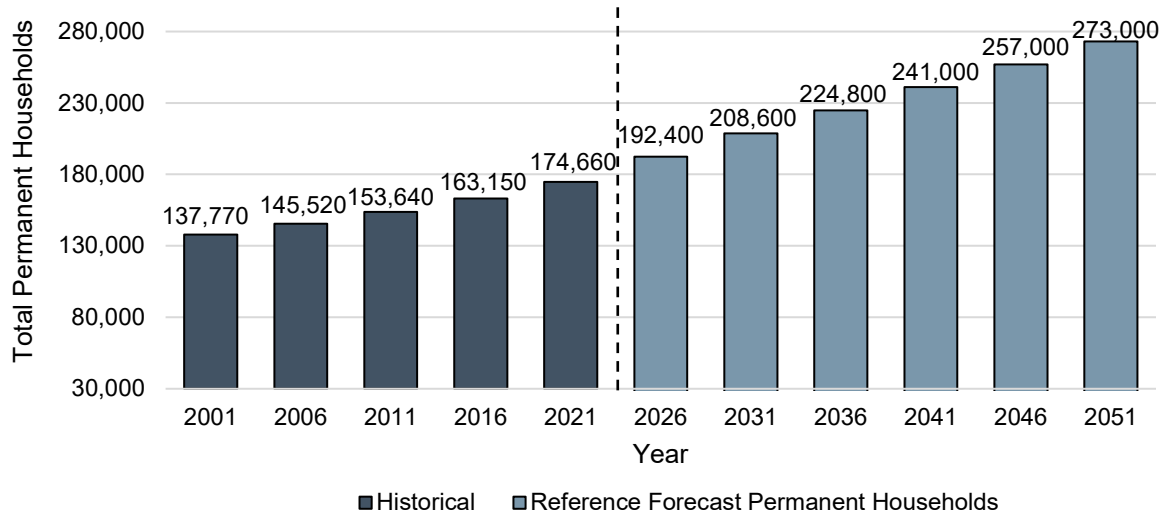
Key observations for the City of London housing forecast include the following:

- Over the 2021 to 2051 period, permanent households are expected to increase from 174,660 to 273,025, growing at a rate of 1.5% annually.
- Annual housing demand over the long term is anticipated to remain well above historical levels during the past 20 years. More specifically, household growth is forecast to average 3,280 per year from 2021 to 2051, compared to 2,390 new households annually between 2006 and 2021.
- A review of September 2022 year-to-date building permit data suggests that housing activity from building permits is consistent relative to the recent two years during the pandemic. Over the 2021 to 2051 forecast period, annual housing growth is anticipated to be highest between 2021 and 2026, averaging approximately 3,540 new households annually, driven by strong residential building permit activity between 2020 and 2022.

^[1] It is noted that each household is represented by one primary household maintainer.

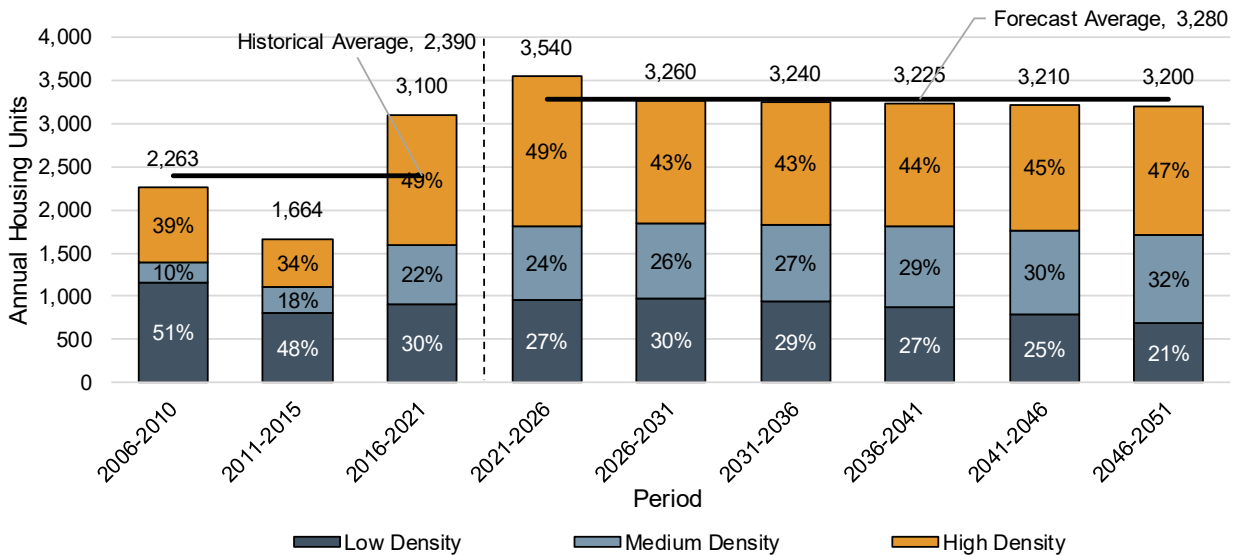


Figure 4-5
City of London
Permanent Households Forecast (Reference Scenario), 2021 to 2051



Note: Figures have been rounded.
Source: Historical data from Statistics Canada Census, 2001 to 2021. 2021 to 2051 forecast by Watson & Associates Economists Ltd.

Figure 4-6
City of London
Incremental Annual Housing Forecast, 2021 to 2051



Note:
Low Density includes singles and semis.
Medium density includes townhouses and apartments in duplexes.
High Density includes bachelor, 1-bedroom and 2-bedroom + apartments.

Source: 2006 to 2021 derived from City of London building permit data. 2021 to 2051 forecasted by Watson & Associates Economist Ltd.



4.3.4 Population and Housing Growth Forecast Scenarios by Planning Policy Area, 2021 to 2051

Building on the Reference Growth Scenario (Medium Growth Scenario), three draft long-term population and housing growth options by planning policy area (i.e., B.A.B., D.G.A and Rural Area) have been developed. Each of the long-term growth options by planning policy area have been developed to facilitate the key directions and broad city building policies of the City of London O.P., while also accurately reflecting anticipated housing market trends by structure type and tenure to the year 2051. The long-term growth options have been developed in accordance with the following key assumptions:

Growth Option 1: 40% Housing Intensification

- Growth Option 1 is premised on an annual housing intensification target of 40%, which is slightly lower than the City of London O.P.^[1] It is noted that the City of London O.P. establishes an intensification target of 45% over the long-term planning horizon (2016 to 2035).

Growth Option 2: 45% Housing Intensification

- Growth Option 2 is premised on an annual housing intensification target of 45%, consistent with the City of London O.P.

Growth Option 3: 50% Housing Intensification

- Under Growth Option 3, the City's long-term housing intensification target has been increased to 50% over the forecast period between 2021 and 2051.
- Similar to Growth Option 2, the City's housing intensification target between 2015 and 2031 has been held consistent with the current City of London O.P. intensification target of 45%.

[1] Excludes students not captured by the Census.



Defining Housing by Structure Type

The forecast refers to several types of housing categories. The definition of these categories are as follows:

- Low-density housing: Includes all single and semi-detached houses as per Statistics Canada.
- Medium-density housing: Includes townhouses and apartments in duplexes.
- High-density housing: Includes bachelor, 1-bedroom, and 2 bedroom+ apartments.
- Secondary Units: A secondary unit represents a self-contained unit within an existing home/primary dwelling unit. Statistics Canada does not implicitly identify accessory apartments in the Census housing categories. They are embedded within the Census housing categories but are not reported based on the amount or in which categories they are embedded. Secondary units have high-density occupancy but a grade-related built form. For the purposes of this report, they have been forecast from 2021 to 2051 and are included in the high-density housing category.

Please refer the Appendix D, Figure D-10 for information on new unit P.P.U.'s by structure type.

Assessing Local Housing Demand and Supply

Each of the three long-term growth options have been developed based on an assessment of regional demographic and economic trends, which are anticipated to influence the amount, type and location of development within the City of London over the long term. In developing the three long-term growth options for the City by planning policy area, consideration was given to the following key regional/local supply and demand factors:

Demand Factors

- City-wide historical housing trends by structure-type based on Statistics Canada Census Housing data from 2001 to 2021.
- Historical City-wide housing activity based on building permit from 2006 to 2021, as well as by planning policy area from 2017 to 2021.



- Age-specific City-wide housing propensity trends by structure type and tenure between 2001 and 2021, based on available Statistics Canada Census data.
- Commuting trends and access to surrounding employment markets.
- Estimated migration trends by type (i.e., international, inter-provincial and intra-provincial) for the London Middlesex Area, as well as estimated net migration by population age group for the City of London between 2001 and 2021.
- Anticipated trends in market demand for housing by structure type, by age group.
- Forecast housing market demand by major demographic group (i.e., young adults, families, empty-nesters and seniors) by planning policy area.

Supply Factors

- Supply of potential future housing stock in the development process by housing structure type, approval status, and planning policy area.
- Potential longer-term housing intensification supply opportunities (i.e., infill and redevelopment).
- Current inventory of net vacant designated urban “greenfield” lands not currently in the development approvals process by housing structure type.
- Provincial and local planning policy direction.

A key input in forecast housing by structure type is a housing propensity analysis by population age, housing structure type and housing tenure (i.e., ownership versus rental). There are a multitude of factors that influence housing propensity by structure type which include, but are not limited to, housing affordability, demographics and socio-economics (e.g., housing demand associated with families, aging of the population, cultural diversity), lifestyle choices, the changing nature of work. This approach uses current Census data, in this case 2016 Statistics Canada Census data, as a starting point to derive housing propensity rates by structure type for the City of London by population age group. Based on a review of historical trends over the past 20 years, combined with a review of forward-looking demographic and socio-economic trends, major infrastructure investments and planning policy objectives (which are anticipated to influence future housing demand by density type), and forecast propensity rates by housing structure type and tenure have been prepared for each growth option at the city-wide level. Refer to Appendix C for additional details regarding the approach and results of the housing propensity analysis.



The results of the age-specific housing propensity analysis under each of the three growth options are summarized in Figure 4-7 at the city-wide level. Additional details are provided in Appendix C. Figure 4-8 summarizes the forecast rate of housing growth by structure type over the 2021 to 2051 forecast period relative to historical trends from 1991 to 2001, based on Statistics Canada Census data. The results of this analysis identify the following:

- The rate of housing growth within the City of London associated with low-density households has been gradually slowing over the past 30 years from 1.6% annually between 1991 to 2001 to 0.9% annually from 2011 to 2021.
- The rate of housing growth within the City of London associated with medium-density households increased modestly between 2001 and 2011 relative to the previous 10-year period, from 1.6% to 1.7%. The annual growth rate associated with medium-density housing continued to steadily increase over the 2011 to 2021 period to 1.9%.
- The rate of housing growth within the City of London associated with high-density households moderately decreased between 2001 and 2011 relative to the previous historical 10-year period. Between 2011 and 2021, however, the rate of annual housing growth within the City of London steadily increased to an annual rate of 1.7%.

Under each of the growth options, housing demand is anticipated to continue to gradually shift away from low-density housing forms towards medium- and high-density housing forms over the long term. This trend is anticipated to be largely driven by declining housing affordability associated with low-density housing options as well as increased demand for medium- and high-density housing forms driven by demographic and socio-economic factors associated with the aging population base, high-density housing demand associated with non-permanent residents, as well as lifestyle choices of existing and new residents.

As a result of the continued shift anticipated in housing demand from low- to medium- and high-density housing forms across the City, it is projected that the rate of annual housing growth associated with low-density housing will continue to gradually decline. Conversely, this trend is anticipated to be off-set by a steady increase in relative growth rate for a broad range of medium- and high-density housing forms.



Consistent with historical trends, this shift in housing forms is projected be most pronounced in younger population age groups between 25 and 34 years of age, as well as older age groups (i.e., 65+). Geographically, this shift in the share of forecast housing demand by structure type is anticipated to be concentrated within the strategic growth areas of the City’s B.A.B. (i.e., Downtown, Transit Villages and Rapid Transit Corridors), as these areas are planned to accommodate transformative change enabled by transportation infrastructure which is supportive of more compact development forms.

Figure 4-7
City of London
Population and Housing Forecast by Structure Type for Growth Option 1 to 3,
2021 to 2051

	2001	2011	2021	2051		
				Option 1 - 40% Intensification	Option 2 - 45% Intensification	Option 3 - 50% Intensification
Population ¹	350,000	377,600	437,200	647,500	647,500	647,500
Housing Total						
Low Density	75,085	84,030	91,535	121,005	117,315	113,685
Medium Density	19,570	23,050	27,775	54,690	55,445	56,475
High Density	43,110	46,555	55,350	97,010	99,945	102,545
Total	137,765	153,635	174,660	273,025	273,025	273,025
Housing Mix by Structure Type						
Low Density	55%	55%	52%	44%	43%	42%
Medium Density	14%	15%	16%	20%	20%	21%
High Density	31%	30%	32%	36%	37%	38%
Total	100%	100%	100%	100%	100%	100%
Persons Per Unit (P.P.U.)						
Total P.P.U.	2.54	2.46	2.50	2.37	2.37	2.37

¹ Population includes net Census undercount.

Notes: Figures may not sum precisely due to rounding.

Source: Historical (2001 to 202) derived from Statistics Canada Census data, and forecast (2051) derived by Watson & Associates Economists Ltd.



Figure 4-8
City of London
Annual Housing Growth Rate by Structure Type Population for Growth Option 1 to 3,
2021 to 2051

	1991-2001	2001-2011	2011-2021	2021-2051		
				Option 1 - 40% Intensification	Option 2 - 45% Intensification	Option 3 - 50% Intensification
Low Density	1.6%	1.1%	0.9%	0.9%	0.8%	0.7%
Medium Density	1.6%	1.7%	1.9%	2.3%	2.3%	2.4%
High Density	1.1%	0.8%	1.7%	1.9%	2.0%	2.1%
Total	1.4%	1.1%	1.3%	1.5%	1.5%	1.5%

Source: Historical (2001 to 2021) derived from Statistics Canada Census data, and forecast (2051) derived by Watson & Associates Economists Ltd.

Local housing supply and demand factors, as previously discussed above, have been assessed to further direct the allocation of forecast population growth and housing demand by structure type by planning policy area between 2021 and 2051 under each of the three long-term growth options, as summarized in Figure 4-9 (additional details are provided in Appendix D). Key observations include:

- Under Growth Option 1, new housing development comprises 30% low-density (i.e., singles and semi-detached), 27% medium-density (i.e., townhouses) and 42% high-density (i.e., apartments) units.
- Growth Option 1 maximizes low-density housing development potential in the B.A.B., with increased intensification under Growth Options 2, and 3.
- Under each of the growth options, the City’s housing mix by structure type is forecast to gradually shift further from low-density to medium-density housing forms. Under Option 3, new housing development comprises 23% low-density (i.e., singles and semi-detached), 29% medium-density (i.e., townhouses) and 48% high-density (i.e., apartment) units.
- Forecast housing demand in the D.G.A. is oriented towards grade-related (low and medium-density) housing forms under all three growth options, with increasing shares and absolute housing levels directed towards medium-density forms (“missing middle” housing) between Growth Option 1 to 3 on a City-wide basis.^[1]

[1] “Missing middle” housing describes a range of medium-density and low-rise, high-density housing types between single detached houses and apartment buildings that



- Under all three options, forecast housing demand in the Rural Area is oriented towards low-density housing. All three growth options forecast the same amount of housing demand in the Rural Area.

have gone “missing” from many of our cities in the last 60 to 70 years. This includes a range of multi-unit or clustered housing types compatible in scale with single-family homes that help meet the growing demand for walkable urban living, such as duplexes, triplexes, fourplexes, rowhouses, and townhouses.



Figure 4-9
City of London
Housing Growth Options by Planning Policy Area, 2021 to 2051

Housing Forecast Scenario	City of London Total Housing Unit Growth (2021 to 2051)				Built-Area Boundary Housing Unit Growth (2021 to 2051)				Designated Greenfield Area Housing Unit Growth (2021 to 2051)				Rural Area Housing Unit Growth (2021 to 2051)			
	Low Density Housing	Medium Density Housing	High Density Housing	Total Housing	Low Density Housing	Medium Density Housing	High Density Housing	Total Housing	Low Density Housing	Medium Density Housing	High Density Housing	Total Housing	Low Density Housing	Medium Density Housing	High Density Housing	Total Housing
Total Housing Unit Growth (2021 to 2051)																
Growth Option 1 - 40% Intensification	29,790	26,910	41,660	98,370	2,150	9,810	27,290	39,250	27,490	17,100	14,380	58,970	150	0	0	150
Growth Option 2 - 45% Intensification	26,100	27,670	44,600	98,370	2,150	10,290	32,300	44,740	23,800	17,380	12,300	53,480	150	0	0	150
Growth Option 3 - 50% Intensification	22,470	28,700	47,200	98,370	2,150	11,050	37,020	50,220	20,170	17,650	10,180	48,000	150	0	0	150
Housing Growth Shares by Density Type (2021 to 2051)																
Growth Option 1 - 40% Intensification	30%	27%	42%	100%	5%	25%	70%	100%	47%	29%	24%	100%	100%	0%	0%	100%
Growth Option 2 - 45% Intensification	27%	28%	45%	100%	5%	23%	72%	100%	45%	33%	23%	100%	100%	0%	0%	100%
Growth Option 3 - 50% Intensification	23%	29%	48%	100%	4%	22%	74%	100%	42%	37%	21%	100%	100%	0%	0%	100%

Notes:

Low density housing includes singles and semi-detached.

Medium density includes townhouses.

High density housing includes bachelor, 1-bedroom, and 2-bedroom+ apartments, and accessory units.

Figures may not add precisely due to rounding.

Source: Watson & Associates Economists Ltd.



4.4 City of London Student Enrolment and Corresponding Population Growth Forecast, 2021 to 2051

4.4.1 Approach to Student Population Growth Forecast

Post-secondary students are an important part of the City of London as they contribute to the vibrancy, diversity and economic strength of this area. As previously noted, it is recognized that there are approximately 56,900 full-time students attending local post-secondary institutions within the City of London. This includes students who are permanent residents within the City, permanent residents outside the city and international students who are captured as non-permanent residents in the city. A portion of this population is not recognized in the Census population base as reported by the Statistics Canada Census.^[1] As part of this analysis, population growth associated with post-secondary students not captured in the Census population has been forecast to the year 2051. The approach and methodology utilized to complete this analysis are discussed below.

The geographic origin of current (2021) full-time students was assessed with respect to the domestic and international students. This was completed through a review of available enrolment data from the two post-secondary schools and a review of Council of Ontario Universities Application statistics, and enrolment data from the Ministry of Colleges and Universities. The analysis also considered the current (2021) residency of London's post-secondary student population including students who live on campus, off campus with parents or commute from outside the city, as well as those residing off campus in rental housing. This was assessed through available housing data available from the post-secondary institutions and Census data.

The post-secondary student population not captured in the Census data was estimated to total 24,400 in 2021. This includes a share of students living off campus in student rental housing and students residing in on-campus residences. Full-time post-secondary enrolment forecasts were prepared the City of London's two post-secondary institutions which involved the following:

[1] Reflects full-time enrolment at the University of Western Ontario and Fanshawe College campuses located within the City of London.



- Review of current and historical full-time enrolment growth trends by geographic location of student origin (i.e., domestic and international);
- Review of comparator post-secondary institution growth forecasts in Ontario prepared by Watson for the University of Waterloo, Wilfrid Laurier University, University of Guelph, Conestoga College and Queens University;
- Potential growth in international students based on recent and anticipated enrolment growth trends as well as the future outlook for macro-level growth in international students globally; and
- In the development of the short- to medium-term forecast (i.e., 2021 to 2031), the analysis also considers planned student growth targets identified through discussions with City of London staff.

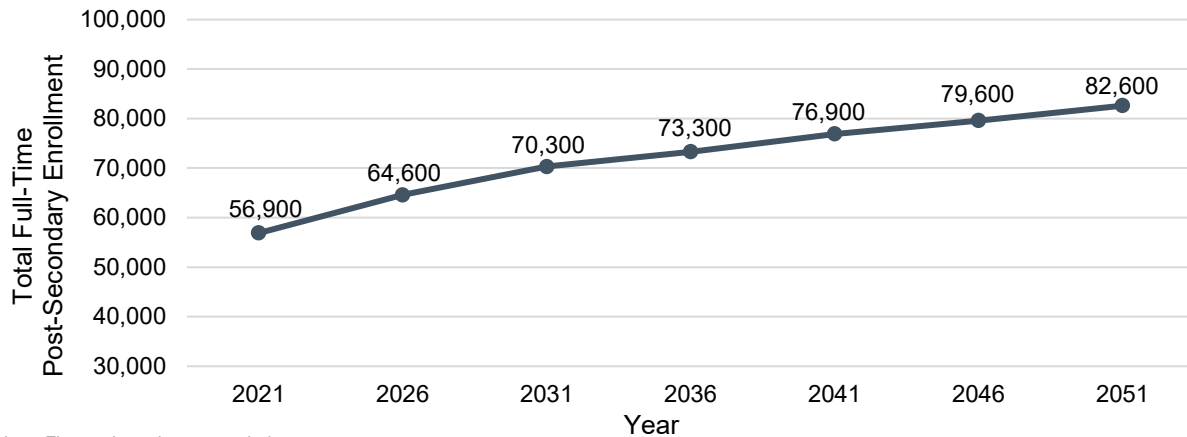
4.4.2 Student Enrolment Forecast

Based on the methodology presented in section 4.4.1, a long-term (2021 to 2051) aggregate post-secondary student enrolment forecast for the City of London was prepared reflecting growth potential within the City's two post-secondary institutions. As illustrated in Figure 4-10, full-time enrolment is forecast to increase from 56,900 in 2021 to 82,600 by 2051, an increase of 45% (25,700 students) over the forecast period (1.3% annual growth rate).

Recent full-time post-secondary student enrolment growth in London has been relatively stable. Over the short term (i.e., 2021 to 2026), full-time enrolment growth is expected to be the strongest with an annual growth rate of 2.6%, coinciding with growth in the non-permanent resident population which includes international students. Post-2026, full-time enrolment is forecast to moderate to an annual growth rate of approximately 1.0%, as summarized in Figure 4-11. The moderation of the long-term post-secondary student forecast is anticipated to be driven by the slowing of population growth related to domestic students and the increased global competition related to post-secondary international student attraction.

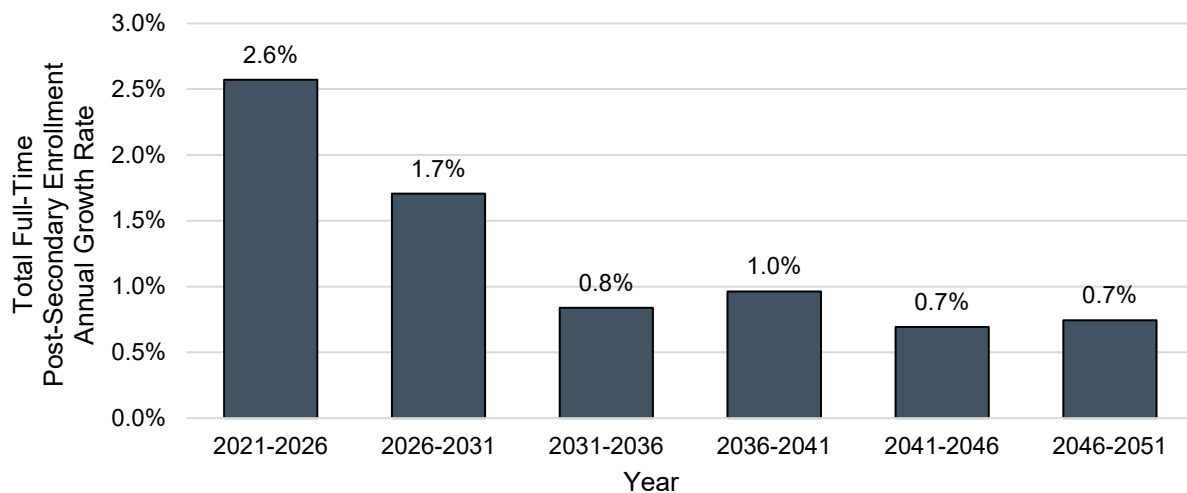


Figure 4-10
City of London
Full-Time Post-Secondary Student Enrolment, 2021 to 2051



Note: Figures have been rounded.
Source: Watson & Associates Economists Ltd.

Figure 4-11
City of London
Full-Time Post-Secondary Student Enrolment Average Annual Growth Rate, 2021 to 2051

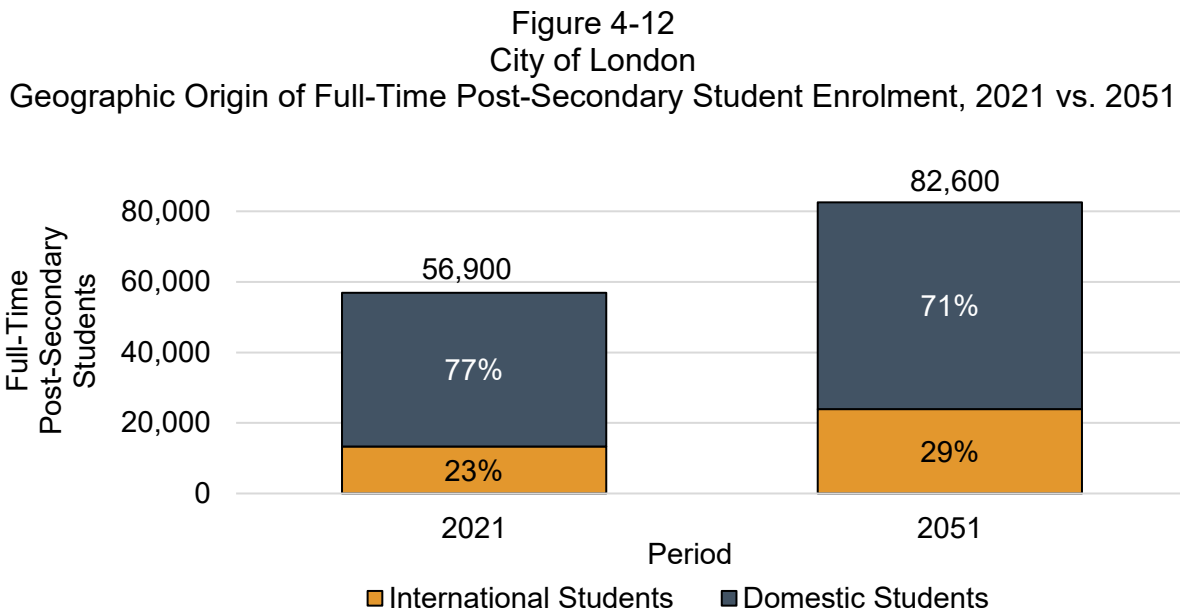


Note: Actual future student population may be impacted by a number of factors that affect student enrolment at post-secondary institutions, including changes in government policy related to enrolment and funding.

In accordance with domestic demographic trends, combined with demand from international students, the share of total full-time enrolment associated with international students is expected to increase from 23% in 2021 to 29% in 2051, as illustrated in



Figure 4-12. Conversely, the share of domestic students is expected to decrease from 77% to 71% during the same period.

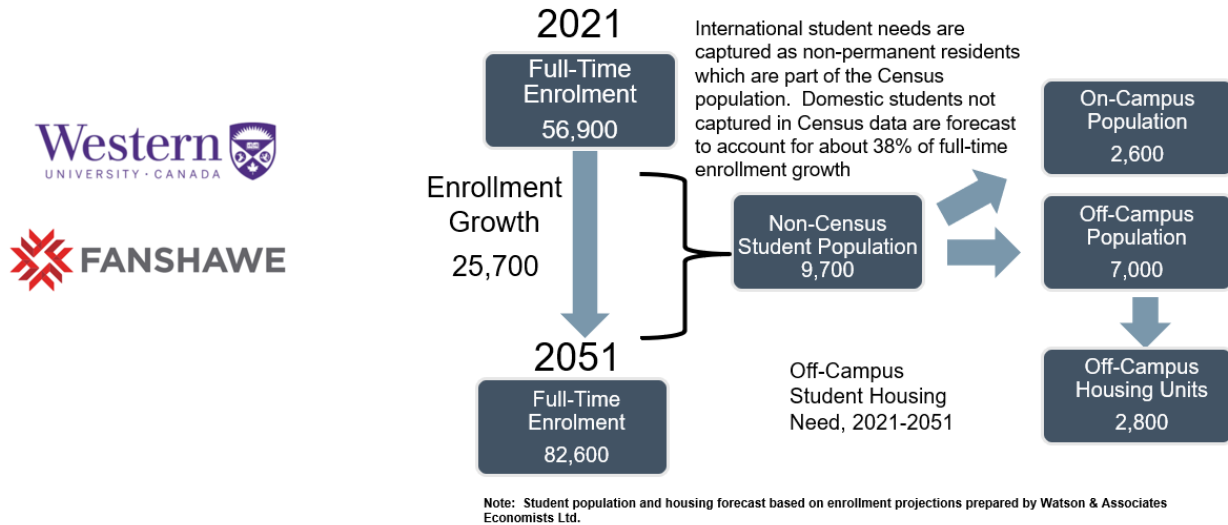


Source: Watson & Associates Economists Ltd.

Based on anticipated growth trends in enrolment by geographic location and local residency patterns, it is anticipated that 38% (9,700 of 56,900 students) of forecast full-time post-secondary enrolment growth over the 2021 to 2051 period, will reflect students not captured in the Census (i.e., those who are counted elsewhere in Canada but require housing locally while they are studying at one of the post-secondary institutions in the City of London). It is important to note that international students are part of the non-permanent resident population and are already captured in the Census. Based on current occupancy trends, it is anticipated that approximately 2,600 of the students not captured in the Census (27% of total) will be accommodated in on-campus residences, as illustrated in Figure 4-13. The residual (73% or 7,000 students) is anticipated to be accommodated in off-campus housing. Assuming an average P.P.U. of 2.5, this will generate the need for approximately 2,800 off-campus dwelling units to accommodate post-secondary students not captured in the Census over the 2021 to 2051 period.



Figure 4-13
City of London
Student Population Forecast, 2021 to 2051



4.5 City-Wide Employment Forecast Scenarios, 2021 to 2051

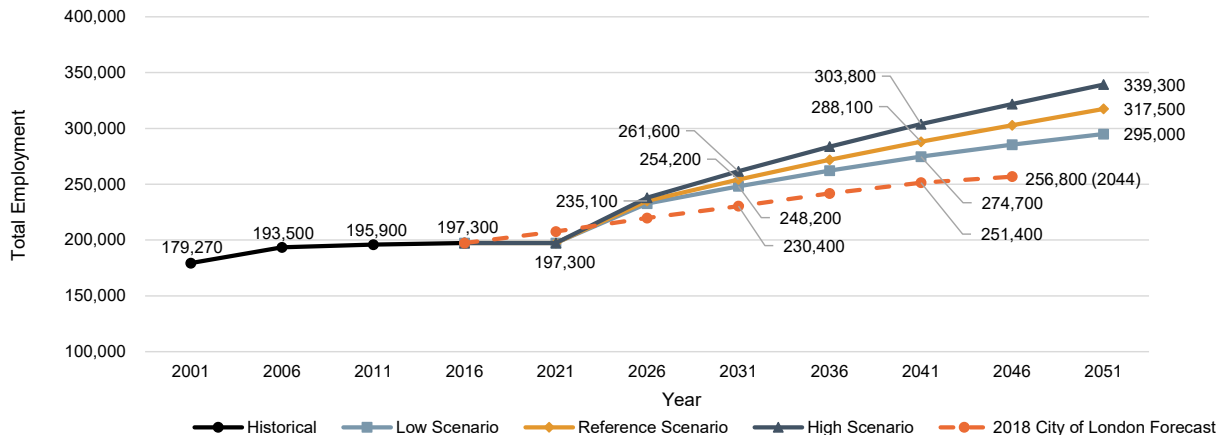
Building on the key growth assumptions identified in Section 4.1, three long-term employment growth scenarios have been developed for the City of London, including a Low Scenario, Medium (Reference) and High Growth Scenario as summarized in Figure 4-14.

- The Low Growth Scenario assumes that the City of London employment will grow at an average annual rate of 1.3% per year. Under the Low Growth Scenario the employment base is forecast to increase by approximately 97,700 jobs, from 197,300 in 2021 to 295,000 in 2051.
- The Reference Growth Scenario assumes an annual growth rate of approximately 1.6% for the City of London between 2021 and 2051. Under the Reference Growth Scenario, the employment base is expected to increase by approximately 120,200 jobs by 2051, increasing from 197,300 in 2021 to 317,500 by 2051.
- Under the High Growth Scenario, the City of London employment is forecast to grow at an average annual rate of roughly 1.8% per year. Under the High



Growth Scenario, the City of London is anticipated to add approximately 142,000 jobs, increasing from 197,300 in 2021 to 339,300 by 2051.

Figure 4-14
City of London
Permanent Employment Forecast, 2001 to 2051



Note: Total employment includes no fixed place of work and work at home employment.
Source: Historical derived from Statistics Canada Census data, 2001 to 2016. 2018 City of London Forecast from City of London Population, Housing and Employment Growth Forecast, 2016 to 2044, Final Report, February 1, 2018. Low, Reference and High Scenarios by Watson & Associates Economists Ltd.

4.5.1 City-Wide Reference Employment Forecast, 2021 to 2051

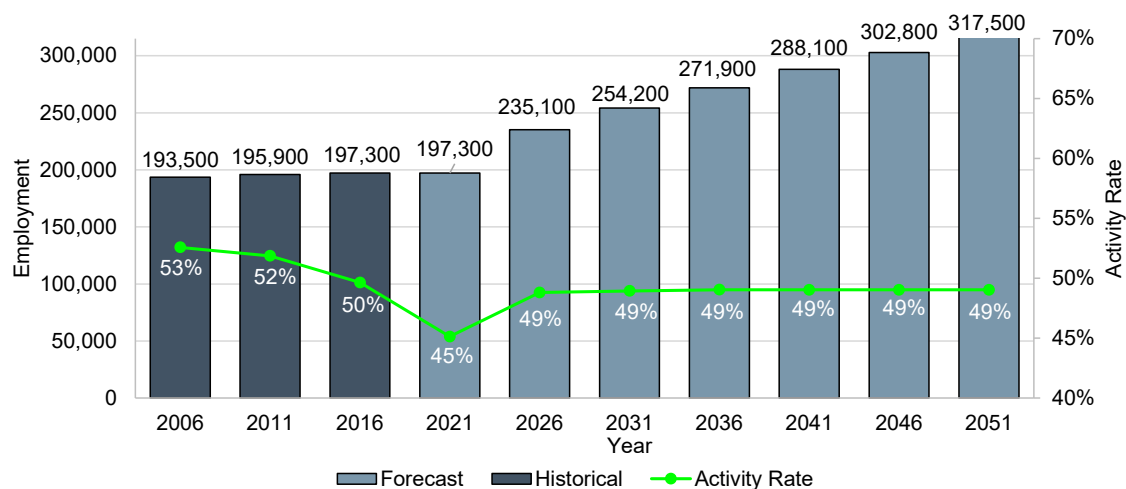
In accordance with historical employment trends and the key macro and regional economic trends identified in Section 4-1, the Medium Scenario represents the “recommended” (Reference) long-term employment growth scenario for the City of London. Figure 4-15 summarizes the City of London Reference Scenario employment forecast and employment activity rate forecast (ratio of jobs to population) from 2021 to 2051. Key observations include:

- The City of London’s employment base is forecast to reach 317,500 jobs by 2051. This represents an increase of approximately 120,100 jobs between 2021 and 2051, representing an average annual growth rate of 1.6%.
- The City of London’s employment activity rate has declined from 53% in 2006 to 45% in 2021. This decline in the City’s employment activity rate between 2006 and 2021 can be largely attributed to the following:
 - Structural changes in the macro-economy resulting in wide-spread provincial jobs losses in the manufacturing sector. It is noted that the



- global financial crisis of 2008/2009, further accelerated these jobs losses between 2010 and 2015; and
- Negative economic impacts associated with COVID-19 between 2020 and 2021.
 - Over the 2021 to 2026 forecast period, the City's employment activity rate is forecast to rebound to 49% and remain relatively stable between 2021 and 2051.
 - The increase to the City's employment activity rate is anticipated to be driven by local employment opportunities associated with the City's export-based employment sectors (e.g., transportation and warehousing, wholesale trade, construction, energy and manufacturing). Population-related employment (including retail, accommodation and food services and range of knowledge-based sectors) is also anticipated to experience steady growth fueled by relatively higher levels population growth within the City and surrounding economic region. A large percentage of forecast job growth is also anticipated to be accommodated through home occupations, home-based businesses, and off-site employment.

Figure 4-15
City of London
Permanent Employment Forecast Reference Scenario, 2006 to 2051



Note: Figures have been rounded. Activity rate uses population including the net Census undercount.

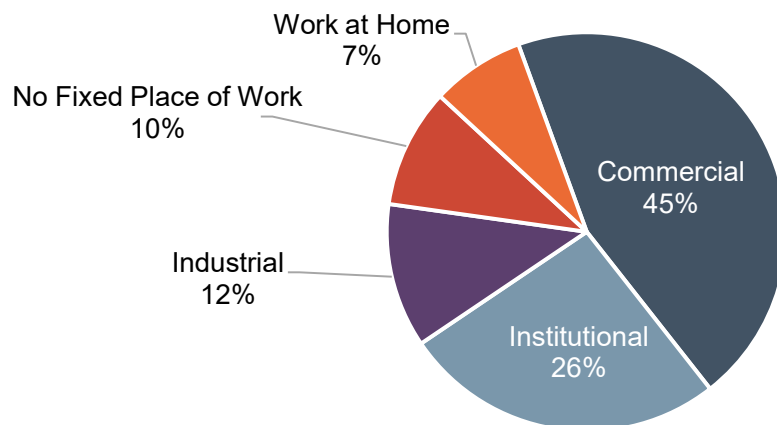
Source: 2006 to 2016 derived from Statistics Canada Census data, and forecast by Watson & Associates Economists Ltd.



4.5.1.1 Reference Forecast Employment by Major Sector, 2021 to 2051

Employment growth within the City of London is expected across a range of sectors driven by the continued development of the regional and local economic base and local population growth. Figure 4-16 summarizes the 2021 to 2051 employment growth forecast by major employment sector for the City of London. As summarized, the majority of employment growth in the City is anticipated in commercial and institutional categories. These two sectors are expected to account for 71% of job growth between 2021 and 2051, followed by industrial with 12% of job growth, no fixed place of work with 10% and work at home employment with 7%.^[1] Additional details regarding employment growth in 5-year increments from 2021 to 2051 are provided in Appendix E.

Figure 4-16
City of London
Share of Employment Growth by Sector, 2021 to 2051



Source: Watson & Associates Economists Ltd.

^[1] Work from home employment reflects people who work from home on a full-time basis. This does not include people with a physical place of work outside their home who partially work from home in a hybrid working environment.



4.5.1.2 *Reference Forecast Gross Floor Area Forecast by Major Sector, 2021 to 2051*

Figure 4-17 summarizes the average floor space per worker (F.S.W.) assumptions by major employment sector and forecast growth in non-residential space by major sector from 2021 to 2051. Total non-residential space needs were developed by multiplying total employment by average assumptions by major sector. F.S.W. assumptions consider forecast sub-sectors anticipated to drive employment growth within each of the major employment categories, as well as recent non-residential density trends observed across London and Ontario. Key observations regarding F.S.W. trends by major sector include:

Industrial

- There are several macro-economic trends that are influencing density levels and trend in the average floor space per worker (F.S.W.) on employment lands (industrial lands) across the City of London, and more broadly across the City of London. Generally, industrial density levels on employment lands are declining while average F.S.W. levels are gradually rising in the manufacturing sector, as domestic manufacturers focus efforts on increased efficiency and competitiveness through automation. This trend is coupled with increasing demand for increasingly larger, more land-extensive warehousing and logistics facilities to support distribution and transportation of goods throughout the City's growing urban population base.
- In recent years, retail warehousing and third-party logistics has represented the fastest growing segment within the goods movement sector, driven by steady growth in e-commerce. The pace of growth in e-commerce accelerated between March 2020 and January 2022 driven by government induced lockdowns and social distancing measures in response to COVID-19. It is noted that the pace of national growth in e-commerce sales recently peaked in January 2022 following the ease of government restrictions related to COVID-19. Based on current data, e-commerce sales have increased at approximately three times the pace of in-store sales since 2016; however, this pace of growth is anticipated to level off as



increasingly more retailers are recognizing that a physical store helps to drive growth and create brand awareness.^{[1] [2]}

- Generally, the above-noted trends have resulted in a steady increase in average industrial F.S.W. levels across most southern Ontario municipalities over the past decade, particularly those that have experienced economic growth and notable construction related to the goods movement sector. Over the 2016 to 2021 period, the employment base in the transportation and warehousing sector grew at an annual rate of 1.7% during this period.^[3]
- In accordance with the national, provincial and local trends discussed above, the long-term industrial F.S.W. for the City of London has been estimated at 1,150 square feet per employee (sq.ft./employee). This represents an increase of 15% compared to the average long-term industrial F.S.W. assumed in City's 2018 Population, Housing and Employment Growth Study.

Retail Sector

- As previously discussed, e-commerce, automation and increased urbanization is anticipated to have an impact on the function of “bricks and mortar” retail stores, by blurring the lines between warehousing and retail (i.e., retail stores with micro-fulfillment centres) and influencing the format of retail. Notwithstanding the rapid pace of e-commerce growth experienced over the past decade, demand for “bricks and mortar” retail is anticipated to be here to stay. Retailers continue to focus on the retail store model, as it is still considered the most profitable model for many retailers.
- Anticipated population growth in the City of London and surrounding retail trade area will continue to drive demand for new local and regional serving retail products. Since the early 2000's, retail growth in urban centres across southern Ontario has primarily focused on infilling of existing retail sites through “baby-box” retail pads (smaller retailers with a similar building design to big-box retailers) in power centres, expansions of regional shopping centres and retail growth oriented towards serving the local needs of a neighbourhood. National

[1] Statistics Canada Monthly Retail Trade Survey Data.

[2] Making an impact in retail: Why Bricks & Mortar is here to stay. Cushman & Wakefield. June 16, 2022.

[3] Economic Modelling Specialist International (EMSI) 2021 Q3 Dataset, Self Employed & Employees. April 2022.



and local retail trends suggest that retail growth will continue efforts on infilling of existing retail sites with an emphasis on retail uses focused on local serving uses, experiences, services and “bargain hunting” retail destinations with no e-commerce platforms.

- These retail uses tend to have a smaller retail footprint which provides more flexibility in accommodating mixed-use or intensification environments. These trends are anticipated to place a downward impact on the average retail F.S.W. as retail operations with smaller building footprints typically generate a lower average F.S.W. when compared to “big-box” retail operations. Under the 2018 Population, Housing and Employment Growth Study an average commercial F.S.W. of 425 was assumed, including a blend of retail and office uses. This assumption has been reduced under the current City of London growth analysis update to an average of 370 sq.ft. per commercial employee reflecting this downward trend in both retail and office space needs per employee.

Office Sector

- The average floor space per worker in the office sector across Ontario’s larger urban centres have steady declined over the past decade primarily influenced by rising real estate costs and the changing nature of work (i.e., rise in hot desking, sharing of office space and increased growth in remote/hybrid work). In addition to its broader impacts on the economy, COVID-19 has accelerated changes in the nature of work as a result of technological disruptions which were already taking place prior to the pandemic.
- While some employers, typically those in the technology sector may move to a fully distributed work operation this does not appear to be the norm, as most employers are adopting a hybrid (at home/at office) work model. This approach emphasized a greater need to repurpose existing or new office space to provide more collaboration rooms, private meeting rooms and shared-office space with less emphasis on private office space. Looking forward, these trends are anticipated to generate increasingly higher average office F.S.W. levels and less office space needs over the long term. Under the 2018 City of London Population, Housing and Employment Growth Study an average commercial F.S.W. of 425 was assumed, including a blend of retail and office uses. This assumption has been reduced under the current City of London growth analysis update to an average of 370 sq.ft. per commercial employee.



Key observations regarding the City’s non-residential G.F.A. forecast are as follows:

- The employment forecast assumes that employment growth will be accommodated within new construction G.F.A. space (new buildings and expansions). Recent vacancy rate trends suggest that rates have stabilized, in particular the industrial market which has absorbed a large portion of the vacant G.F.A. space since 2010. Industrial vacancy rates have fallen from a high of 11.5% in 2010 to 0.7% in 2022;^[1]
- It is expected that the commercial sector will experience strong G.F.A. growth to service the needs of the increasing population over the forecast period with an average of 529,700 sq.ft. of commercial development annually;
- The institutional sector is also anticipated to experience strong G.F.A. growth, with an average of 732,400 sq.ft. of development annually; and
- The industrial sector is forecast to experience steady G.F.A. growth, averaging approximately 538,600 sq.ft. per year.

Figure 4-17
City of London
Gross Floor Area Forecast by Major Sector, 2021 to 2051

Sector	Total Employment Growth (2021 to 2051)	Employment Losses Due to COVID-19	Total Employment Growth Net Vacant Space due to COVID-19 Job Losses (2021 to 2051)	Gross Floor Area Forecast Per Worker (F.S.W.) Assumptions (sq.ft.)	Non-Residential Gross Floor Area Forecast (sq.ft.)	Annual Average Gross Floor Area (sq.ft.)
Industrial	14,050		14,050	1,150	16,157,500	538,600
Commercial/ Population- Related	54,020	-11,040	42,980	370	15,890,283	529,700
Institutional	31,390		31,390	700	21,973,000	732,400
Total	99,460	-11,040	88,420	-	54,020,783	1,800,700

Note: Figures have been rounded. Employment losses due to COVID-19 derived from EMSI data.

Source: Watson & Associates Economists Ltd.

4.6 Observations

By 2051, the City of London permanent population base is forecast to grow to a range of approximately 601,500 to 692,100 persons. This represents an increase of

^[1] CBRE London Industrial Report, Q2, 2022.



approximately 164,300 to 254,900 residents between 2021 and 2051, or an average annual population growth rate between 1.1% to 1.5% during this time period. Comparatively, the population of the Province as a whole is forecast to increase at a rate of 1.3% over the 2021 to 2046 period.^[1]

It is important to recognize that while the City's population base is growing, it is also getting older. Between 2021 and 2051, the 75+ age group is forecast to represent the fastest growing population age group with an average annual population growth rate of 3.4%. With an aging population, the County will be more reliant on net migration as a source of population as opposed to natural increase. With respect to future housing needs, strong population growth in the 75+ age group is anticipated to place increasing demand on medium- and high-density forms including senior citizens' housing and affordable housing options. The City of London is also anticipated to accommodate a growing share of young adults and new families seeking competitively priced home ownership and rental opportunities. Population growth associated with young adults is anticipated to be primarily driven by net migration, while population growth associated with seniors will be largely driven by the aging of the City's existing Baby Boomer residents.

Accommodating the forecast range in population growth across the City will require approximately 83,800 to 112,800 new households, or approximately 2,795 to 3,760 new households annually. For historical context, the City averaged approximately 2,390 new households annually between 2006 and 2021. To adequately accommodate future housing demand across a diverse selection of demographic and socio-economic groups, a range of new housing typologies will be required with respect to built-form, location and affordability across the City.

The County's total employment base is forecast to steadily increase by between approximately 295,000 to 339,300 jobs by the year 2051. This represents an increase of approximately 97,700 to 142,000 new jobs between 2021 and 2051, or an average annual employment growth rate between 1.3% and 1.8% during this time period. Employment growth is anticipated across variety of export-based employment sectors (e.g. transportation, wholesale trade, construction, utilities and manufacturing). Population-related employment (including retail, accommodation and food services and

[1] Ministry of Finance Summer 2022 Population Projections, Reference Scenario for the Province of Ontario.



range of knowledge-based sectors) is also anticipated to experience steady growth fueled by relatively higher levels population growth within the City and surrounding economic region. An increasing percentage of forecast job growth is anticipated to be accommodated through home occupations, home-based businesses and off-site employment.

Based on the review of the City's long-term growth outlook provided herein, the Medium Growth Scenario is recommended as the Reference long-term growth scenario for the City of London to the year 2051. The Reference growth scenario:

- Represents a reasonable absolute increase in long-term population and employment growth relative to historical trends;
- Accurately identifies the anticipated influence of identified regional and local growth drivers on future development trends for the City; and
- Represents a reasonable share of total population and employment growth for the City of London relative to the London-Middlesex Area and more broadly southwestern Ontario, as set out in the summer 2022 population projections prepared by the M.O.F.



5. Conclusion

This report provides a summary of the key findings associated with the City-wide long-term population and employment growth scenarios and growth options by planning policy area for the City of London to the year 2051. These forecasts have been provided within the context of regional economic conditions and key growth assumptions as well as region-wide and local development trends. These findings identify the following:

- The City of London 2018 Growth Forecast housing is tracking closely to Census housing growth from 2016 to 2021, being approximately 2% above Census housing growth.^[1] It is important to note that high-density housing unit growth comprised a greater share of growth than anticipated. Between 2016 and 2021, high-density units comprised 50% of new residential units from building permit activity and 39% of Census housing growth compared to 30% in the 2018 Population, Housing and Employment Growth Study.
- Active housing supply has also become significantly more oriented to high-density developments with the high-density share of active developments increasing from 26% in 2016 to 47% in 2022 of the total active housing development inventory. This shift suggests that the City's housing forecast will likely continue to be more weighted toward high-density housing relative to the results of the 2018 Growth Forecast Study.
- Non-residential growth from building permits issued from 2016 to 2021 is generally comparable to the 2018 Growth Forecast Study, tracking 12% lower than anticipated. However, industrial building permit activity has shown a relatively strong rebound, with gross floor area (G.F.A.) from building permit data 23% higher than previously forecast in the 2018 Growth Forecast Study. The industrial employment sector has also been steadily recovering since the 2008/2009 economic downturn. Historically low province-wide industrial vacancy rates and competitively priced industrial lands continue to attract demand to the City of London for industrial and export-based development.
- Residential and non-residential development activity is anticipated to be particularly strong over the next 10 to 15 years relative to historical growth, driven

[1] City of London Population, Housing and Employment Growth Forecast, 2016 to 2044 Final Report, February 1, 2018, Watson & Associates Economists Ltd.



by steady immigration, intra-provincial migration, particularly from within the Greater Golden Horseshoe (G.G.H.), and to a lesser degree inter-provincial migration.

- The Medium (Reference) Scenario represents the “recommended” growth forecast scenario for the City of London. Under the Reference Scenario the permanent population is forecast to grow from 437,200 to 647,500 during the 2021 to 2051 period, increasing at a rate of 1.3% annually. This represents a slightly higher population growth rate relative to the historical annual growth rate of 1.1% achieved from 2001 to 2021.
- Historically, the share of London’s population has been 84% of the London-Middlesex Area population from 2001 to 2021. Over the 2021 to 2046 forecast period, this share is forecast to remain relatively constant at 84% by 2046.
- The City’s population is aging. By 2051, 12% of the City’s population will be 75+ years of age or older, up from 8% in 2021.
- Over the 2021 to 2051 period, permanent households are expected to increase from 174,700 to 273,000, growing at a rate of 1.5% annually. This translates to an annual average of 3,280 housing units over the 30-year period, an increase of 37% above historical housing growth from 2006 to 2021.
- Under all growth options by planning policy area, which range from a 40% to 50% intensification target, strong housing demand is anticipated for medium- and high-density housing forms i.e., duplexes, townhouses, apartments (including purpose-built rentals and condos) and senior citizens’ housing, largely driven by demand for more affordable housing types and the aging of the population. Medium and high-density housing types are forecast to comprise approximately 70% to 77% of forecast households under Growth Options 1 and 3, respectively.
- The City of London’s employment base is forecast to reach 317,500 jobs by 2051 under the Reference Scenario. This represents an increase of approximately 120,200 jobs between 2021 and 2051, representing an average annual employment growth rate of 1.6%. This is notably higher relative to the historical annual growth rate of 0.5% achieved from 2001 to 2021.
- Employment growth is expected across a range of sectors driven by the continued development of the regional and local economic base. The majority of employment growth in the City is anticipated in the commercial and institutional categories which are expected to account for 71% of job growth between 2021

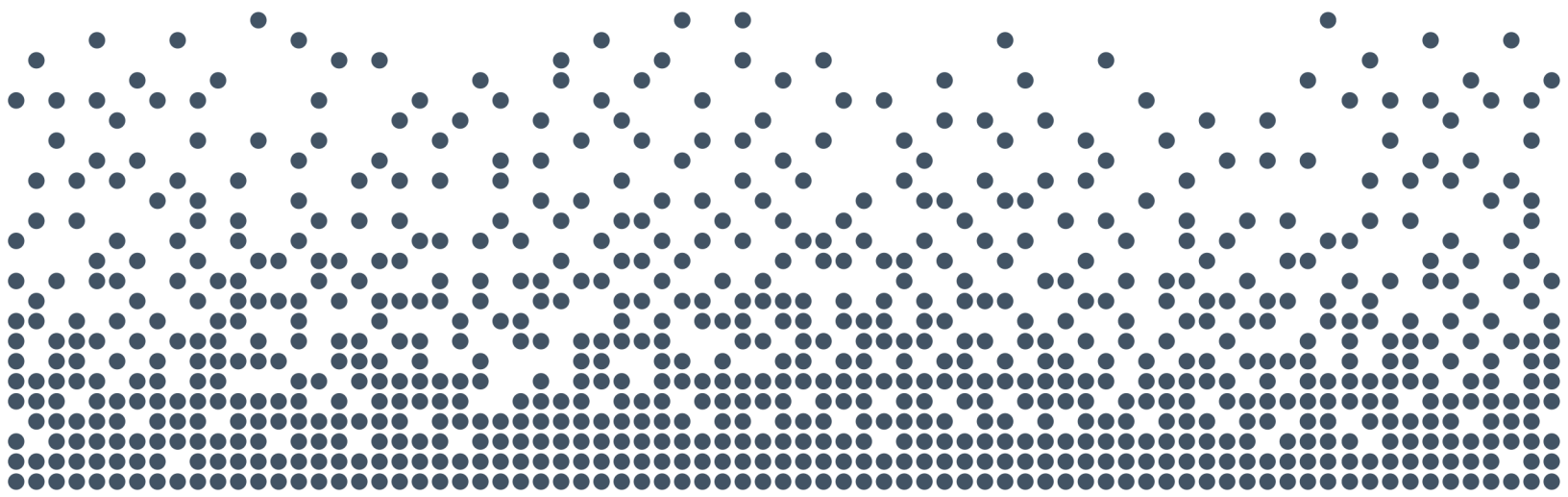


and 2051, followed by industrial with 12% of job growth, no fixed place of work (N.F.P.O.W.) employment at 10% and work at home employment at 7%.^[1] ^[2]

- Over the 2021 to 2051 forecast period, the City of London is forecast to add 54.0 million sq.ft. of non-residential G.F.A. to its non-residential building space inventory under the Medium Growth Scenario. The non-residential building space forecast comprises 25% industrial and 75% commercial/institutional development.

^[1] Statistics Canada defines no fixed place of work (N.F.P.O.W.) employees as “persons who do not go from home to the same workplace location at the beginning of each shift. Such persons include building and landscape contractors, travelling salespersons, independent truck drivers, etc.”

^[2] Work from home employment reflects people who work from home on a full-time basis. This does not include people with a physical place of work outside their home who partially work from home in a hybrid working environment.



Appendices



Appendix A

City of London Population Forecast, 2021 to 2051



Low Scenario

Figure A-1: City of London, Low Scenario, Total Population Forecast by Major Age Group, 2021 to 2051

Cohort	2001	2006	2011	2016	2021	2026	2031	2036	2041	2046	2051
0-19	89,700	87,700	85,500	86,800	95,400	108,400	115,700	119,600	119,400	115,200	112,100
20-34	79,600	83,900	86,300	91,200	102,300	98,800	91,300	92,900	101,000	108,800	113,900
35-44	57,800	55,100	48,500	49,400	57,900	75,100	87,800	84,300	74,800	75,000	79,300
45-54	48,200	54,200	57,500	54,300	50,600	50,300	58,600	75,400	88,100	84,700	75,400
55-64	30,300	38,600	46,000	51,500	55,500	54,700	51,600	51,000	59,100	75,400	87,700
65-74	23,400	24,100	27,700	35,600	42,500	47,600	51,300	50,800	48,200	47,800	55,600
75+	21,100	24,400	26,300	28,600	33,000	41,800	50,900	60,700	69,400	74,800	77,500
Total	350,000	368,000	377,600	397,400	437,200	476,700	507,200	534,700	560,100	581,900	601,500
Annual Growth Rate (5-year increment)		1.0%	0.5%	1.0%	1.9%	1.7%	1.2%	1.1%	0.9%	0.8%	0.7%

Note: Population includes net Census undercount. Figures may not add precisely due to rounding.

Source: 2001 to 2021 from Statistics Canada Census and 2021 to 2051 forecast by Watson & Associates Economists Ltd.



Figure A-2: City of London, Low Scenario, Total Population Forecast Shares by Major Age Group, 2021 to 2051

Cohort	2001	2006	2011	2016	2021	2026	2031	2036	2041	2046	2051
0-19	89,700	87,700	85,500	86,800	95,400	108,400	115,700	119,600	119,400	115,200	112,100
20-34	79,600	83,900	86,300	91,200	102,300	98,800	91,300	92,900	101,000	108,800	113,900
35-44	57,800	55,100	48,500	49,400	57,900	75,100	87,800	84,300	74,800	75,000	79,300
45-54	48,200	54,200	57,500	54,300	50,600	50,300	58,600	75,400	88,100	84,700	75,400
55-64	30,300	38,600	46,000	51,500	55,500	54,700	51,600	51,000	59,100	75,400	87,700
65-74	23,400	24,100	27,700	35,600	42,500	47,600	51,300	50,800	48,200	47,800	55,600
75+	21,100	24,400	26,300	28,600	33,000	41,800	50,900	60,700	69,400	74,800	77,500
Total	350,000	368,000	377,600	397,400	437,200	476,700	507,200	534,700	560,100	581,900	601,500

Note: Population includes net Census undercount. Figures may not add precisely due to rounding.

Source: 2001 to 2021 from Statistics Canada Census and 2021 to 2051 forecast by Watson & Associates Economists Ltd.



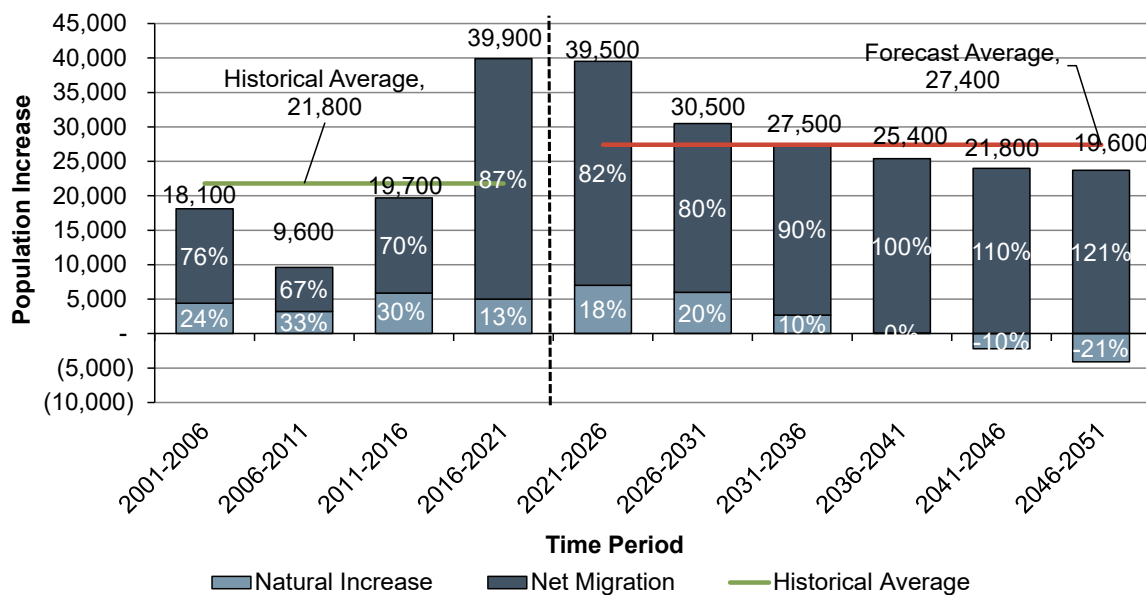
Figure A-3: City of London, Low Scenario, Total Population Forecast Growth Rates by Major Age Group, 2011 to 2051

Age Cohort	2001-2011	2011-2021	2021-2051
Under 25	-0.1%	0.6%	0.6%
25-34	0.6%	3.0%	0.2%
35-44	-1.7%	1.8%	1.1%
45-54	1.8%	-1.3%	1.3%
54-64	4.3%	1.9%	1.5%
65-74	1.7%	4.4%	0.9%
75+	2.2%	2.3%	2.9%
Total	0.8%	1.5%	1.1%

Note: Population includes net Census undercount. Figures may not add precisely due to rounding.

Source: 2001 to 2021 from Statistics Canada Census and 2021 to 2051 forecast by Watson & Associates Economists Ltd.

Figure A-4: City of London, Low Scenario, Components of Population Growth, 2021 to 2051



Note: Population includes net Census undercount. Figures have been rounded.

Source: Historical (2001 to 2021) derived from Statistics Canada Demography Division and forecast (2021 to 2051) by Watson & Associates Economists Ltd.



Figure A-5: City of London, Low Scenario, Historical and Forecast Net Migration Shares by Age Cohort, Low Scenario, 2021 to 2051

Age Group	2001-2011	2011-2021	2021-2051
0-19	39%	39%	39%
20-34	44%	45%	34%
35-44	-8%	4%	13%
45-54	4%	7%	6%
55-74	8%	2%	4%
75+	13%	2%	4%
Total	100%	100%	100%

Source: 2001 to 2021 derived from Statistics Canada Census and Demography Division data, and 2021 to 2051 forecast by Watson & Associates Economists Ltd.



Medium Scenario

Figure A-6: City of London, Medium Scenario, Total Population Forecast by Major Age Group, 2021 to 2051

Cohort	2001	2006	2011	2016	2021	2026	2031	2036	2041	2046	2051
0-19	89,700	87,700	85,500	86,800	95,400	110,300	120,300	127,100	129,500	127,500	127,100
20-34	79,600	83,900	86,300	91,200	102,300	100,400	95,000	98,400	108,200	118,300	126,500
35-44	57,800	55,100	48,500	49,400	57,900	76,100	90,600	88,800	80,900	82,600	88,800
45-54	48,200	54,200	57,500	54,300	50,600	50,400	58,900	76,800	91,300	89,600	81,900
55-64	30,300	38,600	46,000	51,500	55,500	54,900	52,200	51,700	59,900	77,300	91,200
65-74	23,400	24,100	27,700	35,600	42,500	47,600	51,300	51,000	48,700	48,400	56,100
75+	21,100	24,400	26,300	28,600	33,000	41,900	51,100	60,800	69,000	73,900	75,900
Total	350,000	368,000	377,600	397,400	437,200	481,700	519,500	554,500	587,500	617,500	647,500
Annual Growth Rate (5-year increment)		1.0%	0.5%	1.0%	1.9%	2.0%	1.5%	1.3%	1.2%	1.0%	1.0%

Note: Population includes net Census undercount. Figures may not add precisely due to rounding.

Source: 2001 to 2021 from Statistics Canada Census and 2021 to 2051 forecast by Watson & Associates Economists Ltd.



Figure A-7: City of London, Medium Scenario, Total Population Forecast Shares by Major Age Group, 2021 to 2051

Cohort	2001	2006	2011	2016	2021	2026	2031	2036	2041	2046	2051
0-19	26%	24%	23%	22%	22%	23%	23%	23%	22%	21%	20%
20-34	23%	23%	23%	23%	23%	21%	18%	18%	18%	19%	20%
35-44	17%	15%	13%	12%	13%	16%	17%	16%	14%	13%	14%
45-54	14%	15%	15%	14%	12%	10%	11%	14%	16%	15%	13%
55-64	9%	10%	12%	13%	13%	11%	10%	9%	10%	13%	14%
65-74	7%	7%	7%	9%	10%	10%	10%	9%	8%	8%	9%
75+	6%	7%	7%	7%	8%	9%	10%	11%	12%	12%	12%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Note: Population includes net Census undercount. Figures may not add precisely due to rounding.

Source: 2001 to 2021 from Statistics Canada Census and 2021 to 2051 forecast by Watson & Associates Economists Ltd.



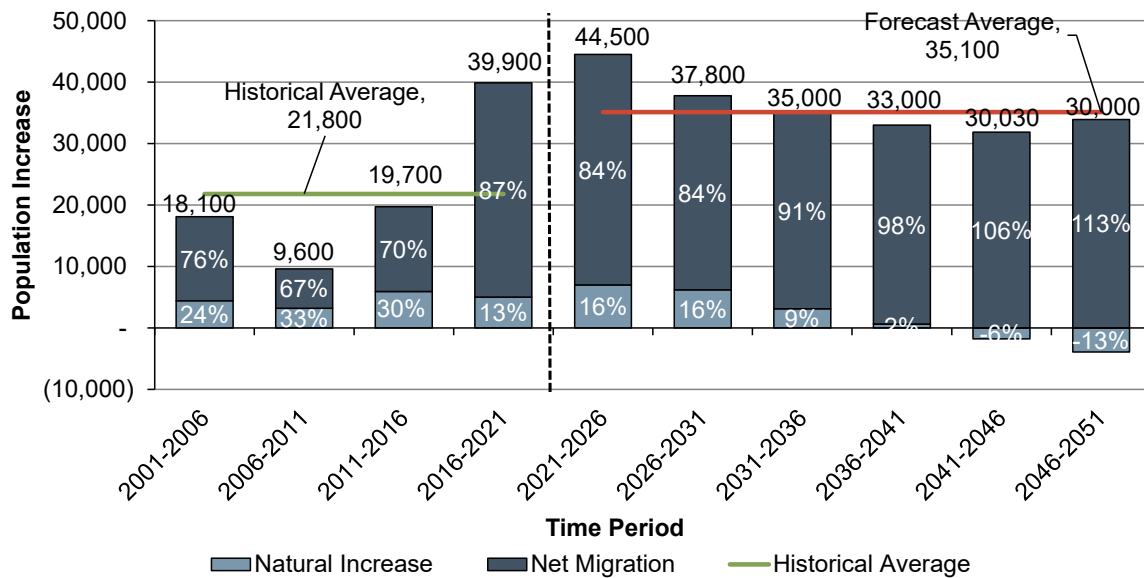
Figure A-8: City of London, Medium Scenario, Total Population Forecast Growth Rates by Major Age Group, 2001 to 2051

Age Cohort	2001-2011	2011-2021	2021-2051
Under 25	-0.1%	0.6%	1.0%
25-34	0.6%	3.0%	0.5%
35-44	-1.7%	1.8%	1.4%
45-54	1.8%	-1.3%	1.6%
54-64	4.3%	1.9%	1.7%
65-74	1.7%	4.4%	0.9%
75+	2.2%	2.3%	2.8%
Total	0.8%	1.5%	1.3%

Note: Population includes net Census undercount. Figures may not add precisely due to rounding.

Source: 2001 to 2021 from Statistics Canada Census and 2021 to 2051 forecast by Watson & Associates Economists Ltd.

Figure A-9: City of London, Medium Scenario, Components of Population Growth, 2021 to 2051



Note: Population includes net Census undercount. Figures have been rounded.

Source: Historical (2001 to 2021) derived from Statistics Canada Demography Division and forecast (2021 to 2051) by Watson & Associates Economists Ltd.



Figure A-10: City of London, Medium Scenario, Historical and Forecast Net Migration Shares by Age Cohort, Low Scenario, 2001 to 2051

Age Group	2001-2011	2011-2021	2021-2051
0-19	39%	39%	39%
20-34	44%	45%	34%
35-44	-8%	4%	13%
45-54	4%	7%	6%
55-74	8%	2%	4%
75+	13%	2%	4%
Total	100%	100%	100%

Note: Figures have been rounded.

Source: 2001 to 2021 derived from Statistics Canada Census and Demography Division data, and 2021 to 2051 forecast by Watson & Associates Economists Ltd.



High Scenario

Figure A-11: City of London, High Scenario, Total Population Forecast by Major Age Group, 2021 to 2051

Cohort	2001	2006	2011	2016	2021	2026	2031	2036	2041	2046	2051
0-19	89,700	87,700	85,500	86,800	95,400	112,500	126,100	136,200	141,300	140,700	141,000
20-34	79,600	83,900	86,300	91,200	102,300	102,200	99,500	105,100	116,500	128,400	138,500
35-44	57,800	55,100	48,500	49,400	57,900	77,200	94,000	94,400	88,000	90,800	97,700
45-54	48,200	54,200	57,500	54,300	50,600	50,500	59,300	78,300	95,000	95,400	89,100
55-64	30,300	38,600	46,000	51,500	55,500	55,100	52,800	52,600	60,900	79,200	95,100
65-74	23,400	24,100	27,700	35,600	42,500	47,700	51,400	51,200	49,200	49,100	56,800
75+	21,100	24,400	26,300	28,600	33,000	42,000	51,400	60,900	68,600	72,700	73,900
Total	350,000	368,000	377,600	397,400	437,200	487,300	534,600	578,600	619,500	656,300	692,100
Annual Growth Rate (5-year increment)		1.0%	0.5%	1.0%	1.9%	2.2%	1.9%	1.6%	1.4%	1.2%	1.1%

Note: Population includes net Census undercount. Figures may not add precisely due to rounding.

Source: 2001 to 2021 from Statistics Canada Census and 2021 to 2051 forecast by Watson & Associates Economists Ltd.



Figure A-12: City of London, High Scenario, Total Population Forecast Shares by Major Age Group, 2021 to 2051

Cohort	2001	2006	2011	2016	2021	2026	2031	2036	2041	2046	2051
0-19	26%	24%	23%	22%	22%	23%	24%	24%	23%	21%	20%
20-34	23%	23%	23%	23%	23%	21%	19%	18%	19%	20%	20%
35-44	17%	15%	13%	12%	13%	16%	18%	16%	14%	14%	14%
45-54	14%	15%	15%	14%	12%	10%	11%	14%	15%	15%	13%
55-64	9%	10%	12%	13%	13%	11%	10%	9%	10%	12%	14%
65-74	7%	7%	7%	9%	10%	10%	10%	9%	8%	7%	8%
75+	6%	7%	7%	7%	8%	9%	10%	11%	11%	11%	11%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Note: Population includes net Census undercount. Figures may not add precisely due to rounding.

Source: 2001 to 2021 from Statistics Canada Census and 2021 to 2051 forecast by Watson & Associates Economists Ltd.



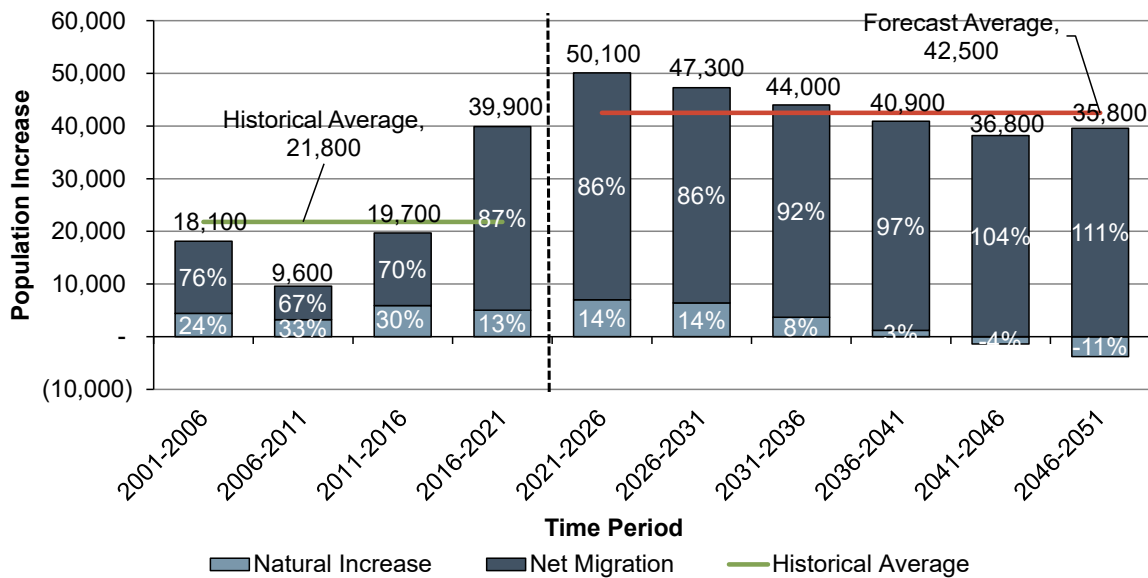
Figure A-13: City of London, High Scenario, Total Population Forecast Growth Rates by Major Age Group, 2001 to 2051

Age Cohort	2001-2011	2011-2021	2021-2051
Under 25	-0.1%	0.6%	1.4%
25-34	0.6%	3.0%	0.8%
35-44	-1.7%	1.8%	1.8%
45-54	1.8%	-1.3%	1.9%
54-64	4.3%	1.9%	1.8%
65-74	1.7%	4.4%	1.0%
75+	2.2%	2.3%	2.7%
Total	0.8%	1.5%	1.5%

Note: Population includes net Census undercount. Figures may not add precisely due to rounding.

Source: 2001 to 2021 from Statistics Canada Census and 2021 to 2051 forecast by Watson & Associates Economists Ltd.

Figure A-14: City of London, High Scenario, Components of Population Growth, 2021 to 2051



Note: Population includes net Census undercount. Figures have been rounded.

Source: Historical (2001 to 2021) derived from Statistics Canada Demography Division and forecast (2021 to 2051) by Watson & Associates Economists Ltd.



Figure A-15: City of London, High Scenario, Historical and Forecast Net Migration by Age Cohort, Low Scenario, 2021 to 2051

Age Group	2001-2011	2011-2021	2021-2051
0-19	39%	39%	39%
20-34	44%	45%	34%
35-44	-8%	4%	13%
45-54	4%	7%	6%
55-74	8%	2%	4%
75+	13%	2%	4%
Total	100%	100%	100%

Note: Figures have been rounded.

Source: 2001 to 2021 derived from Statistics Canada Census and Demography Division data, and 2021 to 2051 forecast by Watson & Associates Economists Ltd.



Appendix B

City of London Housing Headship Rates, 2006 to 2051



Figure B-1: City of London, Low Scenario, Housing Headship Rates, 2006 to 2051

Age Cohort	Household Headship Rates									
	2006	2011	2016	2021	2026	2031	2036	2041	2046	2051
0-14	-	-	-	-	-	-	-	-	-	-
15-24	0.1465	0.1455	0.1519	0.1443	0.1443	0.1443	0.1443	0.1443	0.1443	0.1443
25-34	0.4408	0.4514	0.4448	0.3852	0.3852	0.3852	0.3852	0.3852	0.3852	0.3852
35-44	0.5297	0.5387	0.5261	0.5144	0.5144	0.5144	0.5144	0.5144	0.5144	0.5144
45-54	0.5759	0.5776	0.5821	0.5771	0.5771	0.5771	0.5771	0.5771	0.5771	0.5771
55-64	0.5879	0.5988	0.5982	0.5918	0.5918	0.5918	0.5918	0.5918	0.5918	0.5918
65-74	0.6247	0.6252	0.6179	0.6201	0.6201	0.6201	0.6201	0.6201	0.6201	0.6201
75+	0.6445	0.6220	0.6302	0.6192	0.6192	0.6192	0.6192	0.6192	0.6192	0.6192
Total	0.3954	0.4068	0.4106	0.3995	0.4007	0.4046	0.4099	0.4158	0.4229	0.4298

Source: 2006 to 2016 derived from Statistics Canada Census of Population data. 2021 to 2051 forecast prepared by Watson & Associates Economists Ltd.

Figure B-2: City of London, Low Scenario, Housing Forecast by Age of Primary Household Maintainer, 2006 to 2051

Age Cohort	Total Household by Age of Primary Maintainer									
	2006	2011	2016	2021	2026	2031	2036	2041	2046	2051
0-14	-	-	-	-	-	-	-	-	-	-
15-24	8,270	8,245	8,465	7,345	7,520	8,125	8,900	9,820	10,055	9,695
25-34	23,395	24,920	26,255	28,655	28,055	24,225	24,160	25,875	27,920	30,155
35-44	29,170	26,100	25,985	29,800	38,635	45,185	43,360	38,485	38,585	40,790
45-54	31,230	33,190	31,615	29,220	29,040	33,815	43,535	50,865	48,900	43,525
55-64	22,690	27,540	30,835	32,830	32,375	30,545	30,155	34,955	44,650	51,890
65-74	15,035	17,300	21,995	26,350	29,510	31,805	31,510	29,910	29,655	34,465
75+	15,730	16,340	17,995	20,460	25,865	31,530	37,575	42,985	46,345	48,005
Total	145,520	153,635	163,145	174,660	191,000	205,230	219,195	232,895	246,110	258,525

Source: 2006 to 2016 derived from Statistics Canada Census of Population data. 2021 to 2051 forecast prepared by Watson & Associates Economists Ltd.



Figure B-3: City of London, Medium Scenario, Housing Headship Rates, 2006 to 2051

Age Cohort	Household Headship Rates									
	2006	2011	2016	2021	2026	2031	2036	2041	2046	2051
0-14	-	-	-	-	-	-	-	-	-	-
15-24	0.1465	0.1455	0.1519	0.1443	0.1443	0.1443	0.1443	0.1443	0.1443	0.1443
25-34	0.4408	0.4514	0.4448	0.3852	0.3852	0.3852	0.3852	0.3852	0.3852	0.3852
35-44	0.5297	0.5387	0.5261	0.5144	0.5144	0.5144	0.5144	0.5144	0.5144	0.5144
45-54	0.5759	0.5776	0.5821	0.5771	0.5771	0.5771	0.5771	0.5771	0.5771	0.5771
55-64	0.5879	0.5988	0.5982	0.5918	0.5918	0.5918	0.5918	0.5918	0.5918	0.5918
65-74	0.6247	0.6252	0.6179	0.6201	0.6201	0.6201	0.6201	0.6201	0.6201	0.6201
75+	0.6445	0.6220	0.6302	0.6192	0.6192	0.6192	0.6192	0.6192	0.6192	0.6192
Total	0.3954	0.4068	0.4106	0.3995	0.3993	0.4016	0.4055	0.4102	0.4162	0.4217

Source: 2006 to 2016 derived from Statistics Canada Census of Population data. 2021 to 2051 forecast prepared by Watson & Associates Economists Ltd.

Figure B-4: City of London, Medium Scenario, Housing Forecast by Age of Primary Household Maintainer, 2006 to 2051

Age Cohort	Total Household by Age of Primary Maintainer									
	2006	2011	2016	2021	2026	2031	2036	2041	2046	2051
0-14	-	-	-	-	-	-	-	-	-	-
15-24	8,270	8,245	8,465	7,345	7,645	8,405	9,345	10,480	10,955	10,860
25-34	23,395	24,920	26,255	28,655	28,490	25,245	25,665	27,810	30,375	33,445
35-44	29,170	26,100	25,985	29,800	39,145	46,630	45,690	41,600	42,505	45,695
45-54	31,230	33,190	31,615	29,220	29,100	33,990	44,310	52,665	51,700	47,245
55-64	22,690	27,540	30,835	32,830	32,485	30,870	30,590	35,465	45,725	53,985
65-74	15,035	17,300	21,995	26,350	29,545	31,840	31,610	30,185	30,005	34,820
75+	15,730	16,340	17,995	20,460	25,940	31,665	37,625	42,750	45,750	46,975
Total	145,520	153,635	163,145	174,660	192,350	208,645	224,835	240,955	257,015	273,025

Source: 2006 to 2016 derived from Statistics Canada Census of Population data. 2021 to 2051 forecast prepared by Watson & Associates Economists Ltd.



Figure B-5: City of London, High Scenario, Housing Headship Rates, 2006 to 2051

Age Cohort	Household Headship Rates									
	2006	2011	2016	2021	2026	2031	2036	2041	2046	2051
0-14	-	-	-	-	-	-	-	-	-	-
15-24	0.1465	0.1455	0.1519	0.1443	0.1443	0.1443	0.1443	0.1443	0.1443	0.1443
25-34	0.4408	0.4514	0.4448	0.3852	0.3852	0.3852	0.3852	0.3852	0.3852	0.3852
35-44	0.5297	0.5387	0.5261	0.5144	0.5144	0.5144	0.5144	0.5144	0.5144	0.5144
45-54	0.5759	0.5776	0.5821	0.5771	0.5771	0.5771	0.5771	0.5771	0.5771	0.5771
55-64	0.5879	0.5988	0.5982	0.5918	0.5918	0.5918	0.5918	0.5918	0.5918	0.5918
65-74	0.6247	0.6252	0.6179	0.6201	0.6201	0.6201	0.6201	0.6201	0.6201	0.6201
75+	0.6445	0.6220	0.6302	0.6192	0.6192	0.6192	0.6192	0.6192	0.6192	0.6192
Total	0.3954	0.4068	0.4106	0.3995	0.3978	0.3981	0.4004	0.4042	0.4099	0.4154

Source: 2006 to 2016 derived from Statistics Canada Census of Population data. 2021 to 2051 forecast prepared by Watson & Associates Economists Ltd.

Figure B-6: City of London, High Scenario, Housing Forecast by Age of Primary Household Maintainer, 2006 to 2051

Age Cohort	Total Household by Age of Primary Maintainer									
	2006	2011	2016	2021	2026	2031	2036	2041	2046	2051
0-14	-	-	-	-	-	-	-	-	-	-
15-24	8,270	8,245	8,465	7,345	7,780	8,755	9,880	11,245	11,955	12,020
25-34	23,395	24,920	26,255	28,655	28,985	26,500	27,505	30,060	32,960	36,485
35-44	29,170	26,100	25,985	29,800	39,715	48,380	48,545	45,255	46,735	50,275
45-54	31,230	33,190	31,615	29,220	29,170	34,205	45,205	54,830	55,050	51,450
55-64	22,690	27,540	30,835	32,830	32,605	31,265	31,130	36,055	46,885	56,290
65-74	15,035	17,300	21,995	26,350	29,580	31,885	31,725	30,510	30,425	35,200
75+	15,730	16,340	17,995	20,460	26,025	31,840	37,690	42,460	45,020	45,770
Total	145,520	153,635	163,145	174,660	193,860	212,830	231,680	250,415	269,030	287,490

Source: 2006 to 2016 derived from Statistics Canada Census of Population data. 2021 to 2051 forecast prepared by Watson & Associates Economists Ltd.



Appendix C

City of London Housing Propensity Analysis



Appendix C: City of London Housing Propensity Analysis – Medium Scenario

C-1 City of London Long-Term Housing Growth Outlook by Structure Type

C-1.1 Approach

The City of London housing forecast by structure type has been further examined using a customized housing forecast modelling framework, which assesses future trends in age structure and housing structure type (i.e., single and semi-detached, townhouses and apartments) over the 2021 to 2051 planning horizon. The approach encompasses the following steps and is summarized in Figure C-1.

Figure C-1: City of London, Housing Forecast Modelling Framework





C-1.2 Housing Forecast by Population Major Age Group, 2021 to 2051

As discussed in Chapter 4, the City of London is anticipated to experience strong housing growth over the long term. The 2021 to 2051 Medium (Reference) Scenario housing forecast by age group (age of primary household maintainer) is summarized in Figure B-4. Over the 2021 to 2051 planning horizon, the City of London housing stock is forecast to increase by approximately 98,400 households. The largest share of housing growth is anticipated to be generated from the 75+ age group (27% of total housing growth), largely driven by the aging the City’s Baby Boomer population base. Further details regarding the City’s housing forecast by structure type and tenure are provided in Appendix C, Section C-2. Key observations from this analysis are summarized below:

Figure C-2: City of London, 2021 to 2051 Housing Forecast by Age Group and Housing Type

Age Cohort	Households	
	Total	Share (%)
Under 25	3,500	4%
25-34	4,800	5%
35-44	15,900	16%
45-54	18,000	18%
55-64	21,200	22%
65-74	8,500	9%
75+	26,500	27%
Total	98,400	100%

Note: Figures may not add precisely due to rounding.

Source: Watson & Associates Economists Ltd.

C-1.3 City of London Housing Forecast by Structure Type, 2021 to 2051

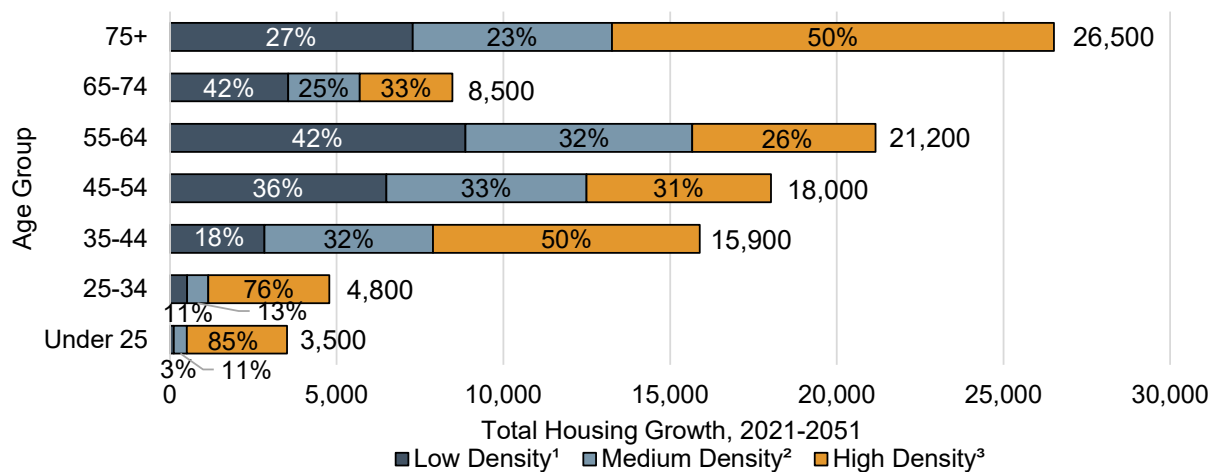
Figures C-3 to C-5 summarize the Medium Scenario housing forecast for the City of London from 2021 to 2051 by population age group and structure type for Options 1, 2, and 3, respectively (refer to section C-2 in Appendix C for further details). Under each of the Options, trends in housing demand by age a household maintainer are similar. Between Options 1 to 3, demand for medium- and high-density housing is anticipated to moderately increase across all age groups. Key observations include:

- Young adults (34 years of age and under) are anticipated to comprise a large share of the relative demand for high-density housing forms;



- Low-density housing demand is anticipated to be strongest across all housing options for adults between 45 and 75+ years of age;
- The aging of the City’s population is anticipated to place increasing demand on the need for a range of new housing options by type and built form, largely geared towards condominiums, rental apartments, senior citizens’ housing, affordable housing and social housing products.

Figure C-3: City of London, Medium Scenario, Option 1 – 40% Intensification
Housing Forecast by Structure Type by Age Group, 2021 to 2051



¹ Low density represents singles and semi-detached.

² Medium density includes townhouses and apartments in duplexes.

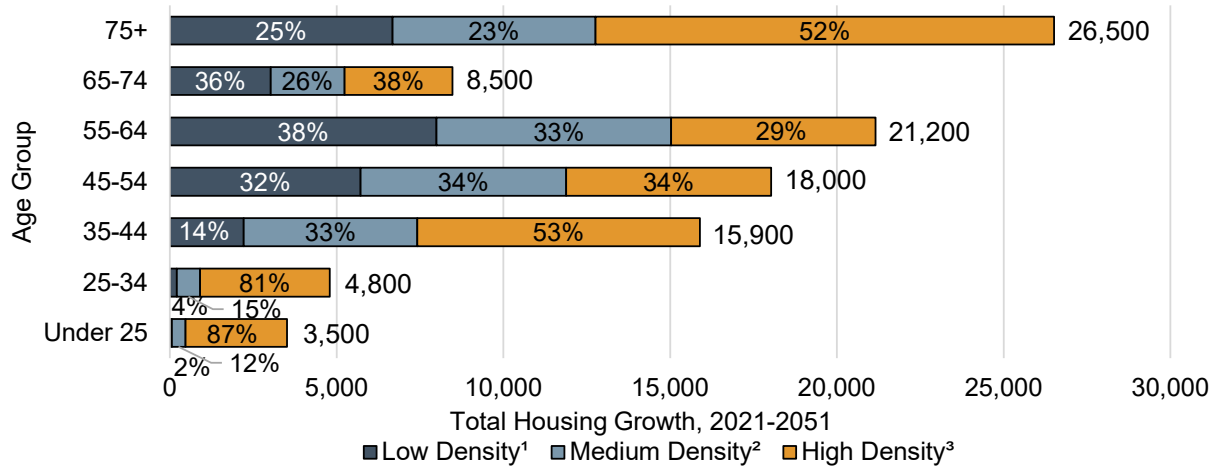
³ High density includes includes bachelor, 1-bedroom, and 2-bedroom+ apartments.

Secondary units are embedded within the categories above.

Source: Watson & Associates Economists Ltd.

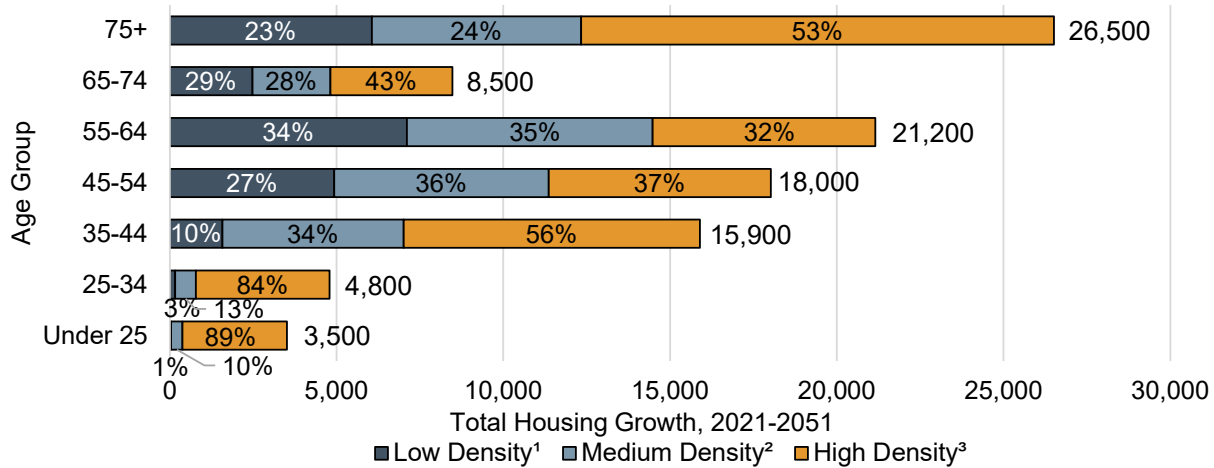


Figure C-4: City of London, Medium Scenario, Option 2 – 45% Intensification
Housing Forecast by Structure Type by Age Group, 2021 to 2051



¹ Low density represents singles and semi-detached.
² Medium density includes townhouses and apartments in duplexes.
³ High density includes bachelor, 1-bedroom, and 2-bedroom+ apartments.
 Secondary units are embedded within the categories above.
 Source: Watson & Associates Economists Ltd.

Figure C-5: City of London, Medium Scenario, Option 3 – 50% Intensification
Housing Forecast by Structure Type by Age Group, 2021 to 2051



¹ Low density represents singles and semi-detached.
² Medium density includes townhouses and apartments in duplexes.
³ High density includes bachelor, 1-bedroom, and 2-bedroom+ apartments.
 Secondary units are embedded within the categories above.
 Source: Watson & Associates Economists Ltd.



C-1.4 Rental Housing Outlook

The availability of rental housing is a key factor in attracting and retaining people and businesses to a community. As previously noted, steady market demand for rental housing in the City of London across all age groups will continue to be driven by a number of factors, including population growth driven by immigration (including non-permanent residents (NPR)), the erosion in housing ownership affordability, changing demographics (e.g., aging population) and lifestyle preferences. Between 2021 and 2051, rental housing is anticipated to represent 46% of the City's total housing growth. The City's current rental housing stock is highly concentrated by high-density households. This trend is anticipated to remain over the 2021 to 2051 planning horizon. Given the significant share of forecast rental to total housing growth and the strong propensity of rental housing towards high-density households, the influence of rental housing demand is important to consider when determining total housing demand by structure type over the forecast period.

This section provides a 30-year (2021 to 2051) total rental housing needs forecast for the City of London within the context of historical trends between 1996 and 2001. The City of London rental housing needs analysis has been informed by historical regional housing propensity (demand) rates, anticipated growth by age cohort, household formation patterns, and anticipated trends in household income.

C-1.5 Overview of the City of London Rental Market

The City of London has approximately 73,100 renter households as of 2021. The housing rental market can be characterized by both a primary and secondary market as follows:

- **Primary rental market** – Canadian Mortgage and Housing Corporation (CMHC) identifies the primary rental market as structures that have at least three rental units. These properties are typically operated by an owner, manager, or building superintendent.
- **Secondary rental market** – CMHC identifies rented condominiums, subsidized rental housing, and rentals in structures of less than three units as part of the secondary rental market. In fact, all rentals – except privately initiated, purpose-built rental structures of three units or more – are included in the secondary rental market.



As of 2021, the City of London rental market has approximately 65,070 units, which comprise approximately 47,640 (65%) units in the primary rental market and 25,460 (35%) units in the secondary rental market.^[1] For comparison, approximately 43% of renter households are accommodated in primary rental units at the province-wide level.

The rental vacancy rate for purpose-built rental housing in the City of London is currently at 1.9% (compared to the provincial average of 3.4%), indicative of a very tight market in purpose-built rentals.

Over the 2006 to 2021 period, renter household growth was accommodated in a range of building typologies including 54% in high-density units, 20% in medium-density units and 26% in low-density units. Both purpose-built and condominium units in the City being rented to tenants are anticipated to continue to be an important contributor to the rental market.

Achieving a stronger rate of rental housing growth in the City of London to meet anticipated needs will require that a steady supply of new rental housing opportunities is provided across both the primary and secondary rental markets. While the secondary market continues to be an important supplier of rental housing, it is recognized that increasing the supply of rental housing in the market will likely require greater participation by the private-sector development community and non-profit organizations to construct purpose-built rental housing.

Purpose-built rentals offer key advantages over units in the secondary market. Unlike the secondary rental market, the primary rental market is not subject to broader market fluctuations and variability in housing tenure. This provides for greater housing security as individual tenants have guarantees on longer-term rental accommodation. Purpose-built units also tend to have lower market rents than comparable secondary market units and offer opportunities to incorporate non-market units in the housing mix. Finally, purpose-built developments are often designed with amenities oriented to renter households.

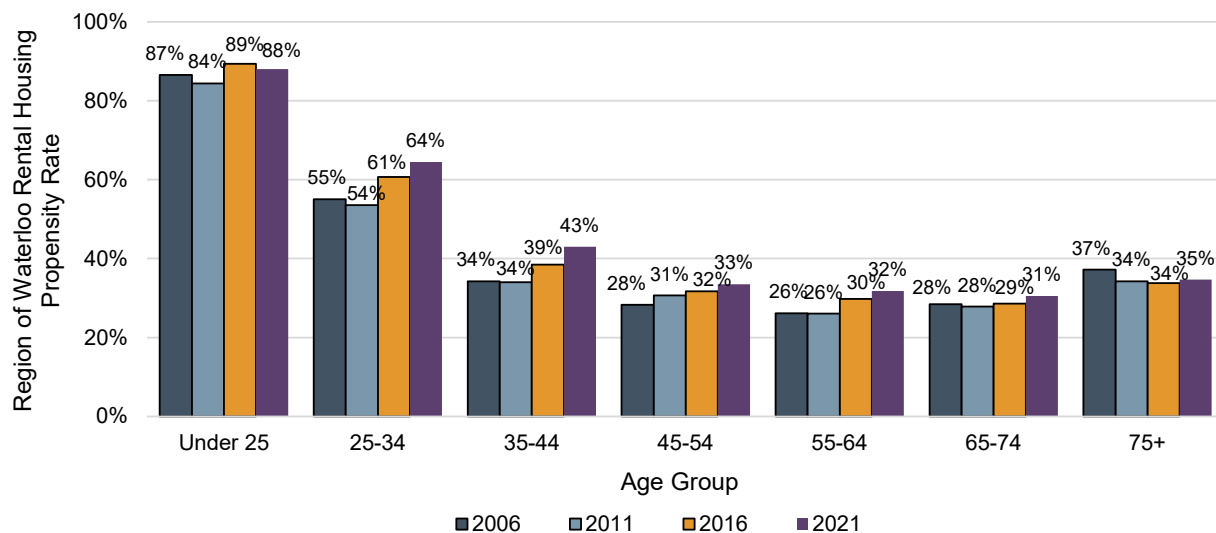
^[1] The total rental housing supply includes primary rental market of 47,640 units (based on the rental universe from CMHC data for City of London. The secondary market is estimated based on the remaining units (renter households less CMHC primary rental total).



C-1.6 How is the Rental Market Evolving?

As illustrated in Figure C-7, between 2006 and 2021, propensity rates for rental housing in the City of London increased for every age group except the 75+ cohort. Propensity rates in 2021 for rental housing are highest for households maintained by those under the age of 25 (88%) and are generally lowest for households maintained by those between 55 and 74 years of age (31% to 32%).

Figure C-7: City of London, Rental Housing Propensity Rates, 2006 to 2021

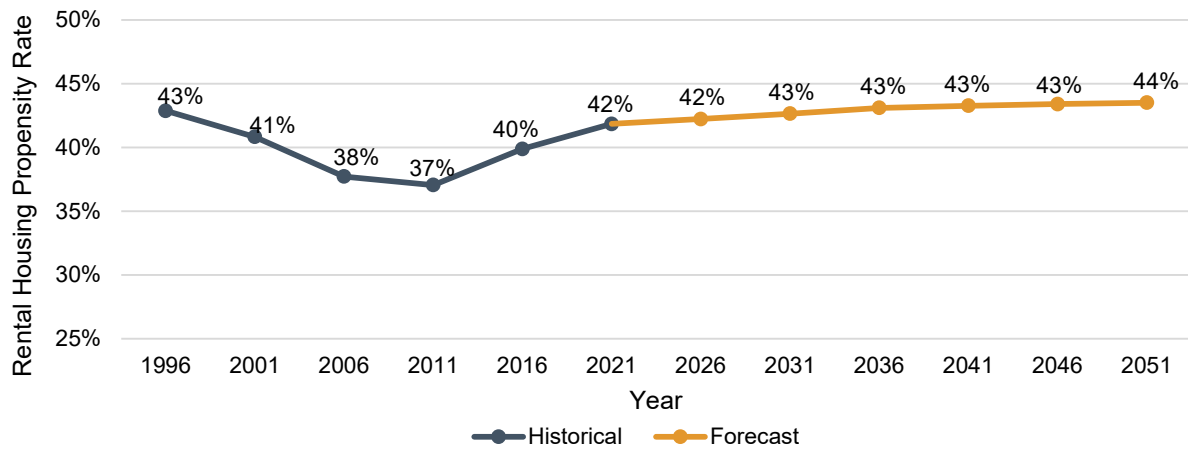


Source: Derived from Statistics Canada Census data, 2006 to 2021, Watson & Associates Economists Ltd.

As illustrated in Figure C-8, rental housing propensity rates in the City of London are expected to moderately increase over the forecast period from 42% in 2021 to 44% in 2051. This assumption builds on broader regional growth trends in the rental market as well as the demographic and socio-economic trends previously discussed for the City of London in Chapter 4 of this summary report.



Figure C-8: City of London, Rental Housing Propensity Rates, 1996 to 2051



Source: 1996 to 2021 derived from Statistics Canada Census data, and 2021 to 2051 forecast by Watson & Associates Economists Ltd.



C-2 Detailed Propensity Analysis: Total, Total Housing from 1996 to 2051 by Age-Group and Housing Structure Type

Tables C-9 through C-11 provide a summary of age-specific housing propensity by structure type building on the Medium Scenario analysis provided in Appendix C-1.



Table C-9: Medium Scenario, Option 1 – 40% Intensification
City of London, Housing Forecast by Age Group and Housing Type, 1996 to 2051

Total

Age Cohort	Year						
	1996	2001	2006	2011	2016	2021	2051
Under 25	7,330	8,305	8,270	8,245	8,465	7,345	10,860
25-34	28,155	23,785	23,395	24,920	26,255	28,655	33,445
35-44	29,705	30,975	29,170	26,100	25,985	29,800	45,695
45-54	23,140	28,230	31,230	33,190	31,615	29,220	47,245
55-64	15,380	17,940	22,690	27,540	30,835	32,830	53,985
65-74	14,835	14,610	15,035	17,300	21,995	26,350	34,820
75+	11,195	13,920	15,730	16,340	17,995	20,460	46,975
Total	129,740	137,765	145,520	153,635	163,145	174,660	273,025

Low Density

Age Cohort	Year						
	1996	2001	2006	2011	2016	2021	2051
Under 25	915	1,185	1,120	1,310	1,195	1,455	1,575
25-34	11,195	9,580	9,075	10,185	9,975	10,015	10,530
35-44	17,840	18,585	17,525	15,760	15,295	16,615	19,455
45-54	15,100	18,145	19,745	20,890	19,890	18,260	24,750
55-64	10,275	11,710	14,040	17,260	18,920	19,950	28,810
65-74	9,030	8,865	8,875	10,145	12,770	15,160	18,710
75+	5,365	7,010	7,790	8,505	9,325	10,205	17,490
Total	69,720	75,080	78,170	84,055	87,370	91,660	121,325

Medium Density

Age Cohort	Year						
	1996	2001	2006	2011	2016	2021	2051
Under 25	1,330	1,260	1,550	1,320	1,250	1,115	1,505
25-34	5,655	4,350	4,570	4,510	4,735	5,175	5,810
35-44	5,535	5,215	4,855	4,180	4,650	5,250	10,305
45-54	3,295	4,090	4,760	4,800	4,575	4,680	10,680
55-64	1,645	2,150	3,380	4,030	4,365	4,640	11,445
65-74	1,335	1,460	1,900	2,320	3,035	3,725	5,870
75+	665	1,040	1,810	1,925	2,215	3,100	9,070
Total	19,460	19,565	22,825	23,085	24,825	27,685	54,690

High Density

Age Cohort	Year						
	1996	2001	2006	2011	2016	2021	2051
Under 25	5,085	5,860	5,600	5,615	6,020	4,775	7,780
25-34	11,305	9,855	9,750	10,225	11,545	13,465	17,100
35-44	6,330	7,175	6,790	6,160	6,040	7,935	15,930
45-54	4,745	5,995	6,725	7,500	7,150	6,280	11,815
55-64	3,460	4,080	5,270	6,250	7,550	8,240	13,735
65-74	4,470	4,285	4,260	4,835	6,190	7,465	10,240
75+	5,165	5,870	6,130	5,910	6,455	7,155	20,415
Total	40,560	43,120	44,525	46,495	50,950	55,315	97,010

Source: 1996 to 2021 derived from Statistics Canada Census data and 2021 to 2051 forecast by Watson & Associates Economists Ltd.



Table C-10: Medium Scenario, Option 1 – 40% Intensification
City of London, Annual Housing Forecast Growth Rate by Age Group and
Housing Type, 1996 to 2051

Total

Age Cohort	Period			
	1996-2021	1996-2011	2011-2021	2021-2051
Under 25	0.0%	0.8%	-1.1%	1.3%
25-34	0.1%	-0.8%	1.4%	0.5%
35-44	0.0%	-0.9%	1.3%	1.4%
45-54	0.9%	2.4%	-1.3%	1.6%
55-64	3.1%	4.0%	1.8%	1.7%
65-74	2.3%	1.0%	4.3%	0.9%
75+	2.4%	2.6%	2.3%	2.8%
Total	1.2%	1.1%	1.3%	1.5%

Low Density

Age Cohort	Period			
	1996-2021	1996-2011	2011-2021	2021-2051
Under 25	1.9%	2.4%	1.1%	0.3%
25-34	-0.4%	-0.6%	-0.2%	0.2%
35-44	-0.3%	-0.8%	0.5%	0.5%
45-54	0.8%	2.2%	-1.3%	1.0%
55-64	2.7%	3.5%	1.5%	1.2%
65-74	2.1%	0.8%	4.1%	0.7%
75+	2.6%	3.1%	1.8%	1.8%
Total	1.1%	1.3%	0.9%	0.9%

Medium Density

Age Cohort	Period			
	1996-2021	1996-2011	2011-2021	2021-2051
Under 25	-0.7%	-0.1%	-1.7%	1.0%
25-34	-0.4%	-1.5%	1.4%	0.4%
35-44	-0.2%	-1.9%	2.3%	2.3%
45-54	1.4%	2.5%	-0.3%	2.8%
55-64	4.2%	6.2%	1.4%	3.1%
65-74	4.2%	3.8%	4.8%	1.5%
75+	6.4%	7.3%	4.9%	3.6%
Total	1.4%	1.1%	1.8%	2.3%

High Density

Age Cohort	Period			
	1996-2021	1996-2011	2011-2021	2021-2051
Under 25	-0.3%	0.7%	-1.6%	1.6%
25-34	0.7%	-0.7%	2.8%	0.8%
35-44	0.9%	-0.2%	2.6%	2.4%
45-54	1.1%	3.1%	-1.8%	2.1%
55-64	3.5%	4.0%	2.8%	1.7%
65-74	2.1%	0.5%	4.4%	1.1%
75+	1.3%	0.9%	1.9%	3.6%
Total	1.2%	0.9%	1.8%	1.9%

Source: 1996 to 2021 derived from Statistics Canada Census data and 2021 to 2051 forecast by Watson & Associates Economists Ltd.



Table C-11: Medium Scenario, Option 1 – 40% Intensification
City of London, Housing Propensity Forecast by Age Group and Housing Type,
1996 to 2051

Low Density Propensity (Low Density Households / Total Households)

Age Cohort	Year						
	1996	2001	2006	2011	2016	2021	2051
Under 25	12%	14%	14%	16%	14%	20%	15%
25-34	40%	40%	39%	41%	38%	35%	31%
35-44	60%	60%	60%	60%	59%	56%	43%
45-54	65%	64%	63%	63%	63%	62%	52%
55-64	67%	65%	62%	63%	61%	61%	53%
65-74	61%	61%	59%	59%	58%	58%	54%
75+	48%	50%	50%	52%	52%	50%	37%
Total	54%	54%	54%	55%	54%	52%	44%

Medium Density Propensity (Medium Density Households / Total Households)

Age Cohort	Year						
	1996	2001	2006	2011	2016	2021	2051
Under 25	18%	15%	19%	16%	15%	15%	14%
25-34	20%	18%	20%	18%	18%	18%	17%
35-44	19%	17%	17%	16%	18%	18%	23%
45-54	14%	14%	15%	14%	14%	16%	23%
55-64	11%	12%	15%	15%	14%	14%	21%
65-74	9%	10%	13%	13%	14%	14%	17%
75+	6%	7%	12%	12%	12%	15%	19%
Total	15%	14%	16%	15%	15%	16%	20%

High Density Propensity (High Density Households / Total Households)

Age Cohort	Year						
	1996	2001	2006	2011	2016	2021	2051
Under 25	69%	71%	68%	68%	71%	65%	72%
25-34	40%	41%	42%	41%	44%	47%	51%
35-44	21%	23%	23%	24%	23%	27%	35%
45-54	21%	21%	22%	23%	23%	21%	25%
55-64	22%	23%	23%	23%	24%	25%	25%
65-74	30%	29%	28%	28%	28%	28%	29%
75+	46%	42%	39%	36%	36%	35%	43%
Total	31%	31%	31%	30%	31%	32%	36%



Table C-12: Medium Scenario, Option 1 – 40% Intensification
City of London, Housing Propensity Forecast by Age Group and Housing Type,
Annual Percent Point Change 1996 to 2051

Low Density Propensity

Age Cohort	Period			
	1996-2021	1996-2011	2011-2021	2021-2051
Under 25	0.3%	0.2%	0.4%	-0.2%
25-34	-0.2%	0.1%	-0.6%	-0.1%
35-44	-0.2%	0.0%	-0.5%	-0.4%
45-54	-0.1%	-0.2%	0.0%	-0.3%
55-64	-0.2%	-0.3%	-0.2%	-0.2%
65-74	-0.1%	-0.1%	-0.1%	-0.1%
75+	0.1%	0.3%	-0.2%	-0.4%
Total	-0.1%	0.1%	-0.2%	-0.3%

Medium Density Propensity

Age Cohort	Period			
	1996-2021	1996-2011	2011-2021	2021-2051
Under 25	-0.1%	-0.1%	-0.1%	0.0%
25-34	-0.1%	-0.1%	0.0%	0.0%
35-44	0.0%	-0.2%	0.2%	0.2%
45-54	0.1%	0.0%	0.2%	0.2%
55-64	0.1%	0.3%	0.0%	0.2%
65-74	0.2%	0.3%	0.1%	0.1%
75+	0.4%	0.4%	0.3%	0.1%
Total	0.0%	0.0%	0.1%	0.1%

High Density Propensity

Age Cohort	Period			
	1996-2021	1996-2011	2011-2021	2021-2051
Under 25	-0.2%	-0.1%	-0.3%	0.2%
25-34	0.3%	0.1%	0.6%	0.1%
35-44	0.2%	0.2%	0.3%	0.3%
45-54	0.0%	0.1%	-0.1%	0.1%
55-64	0.1%	0.0%	0.2%	0.0%
65-74	-0.1%	-0.1%	0.0%	0.0%
75+	-0.4%	-0.7%	-0.1%	0.3%
Total	0.0%	-0.1%	0.1%	0.1%

Source: 1996 to 2021 derived from Statistics Canada Census data and 2021 to 2051 forecast by Watson & Associates Economists Ltd.



Table C-13: Medium Scenario, Option 2 – 45% Intensification
City of London, Housing Forecast by Age Group and Housing Type, 1996 to 2051

Total

Age Cohort	Year						
	1996	2001	2006	2011	2016	2021	2051
Under 25	7,330	8,305	8,270	8,245	8,465	7,345	10,860
25-34	28,155	23,785	23,395	24,920	26,255	28,655	33,445
35-44	29,705	30,975	29,170	26,100	25,985	29,800	45,695
45-54	23,140	28,230	31,230	33,190	31,615	29,220	47,245
55-64	15,380	17,940	22,690	27,540	30,835	32,830	53,985
65-74	14,835	14,610	15,035	17,300	21,995	26,350	34,820
75+	11,195	13,920	15,730	16,340	17,995	20,460	46,975
Total	129,740	137,765	145,520	153,635	163,145	174,660	273,025

Low Density

Age Cohort	Year						
	1996	2001	2006	2011	2016	2021	2051
Under 25	915	1,185	1,120	1,310	1,195	1,455	1,515
25-34	11,195	9,580	9,075	10,185	9,975	10,015	10,225
35-44	17,840	18,585	17,525	15,760	15,295	16,615	18,830
45-54	15,100	18,145	19,745	20,890	19,890	18,260	23,975
55-64	10,275	11,710	14,040	17,260	18,920	19,950	27,940
65-74	9,030	8,865	8,875	10,145	12,770	15,160	18,180
75+	5,365	7,010	7,790	8,505	9,325	10,205	16,880
Total	69,720	75,080	78,170	84,055	87,370	91,660	117,545

Medium Density

Age Cohort	Year						
	1996	2001	2006	2011	2016	2021	2051
Under 25	1,330	1,260	1,550	1,320	1,250	1,115	1,520
25-34	5,655	4,350	4,570	4,510	4,735	5,175	5,870
35-44	5,535	5,215	4,855	4,180	4,650	5,250	10,450
45-54	3,295	4,090	4,760	4,800	4,575	4,680	10,850
55-64	1,645	2,150	3,380	4,030	4,365	4,640	11,675
65-74	1,335	1,460	1,900	2,320	3,035	3,725	5,940
75+	665	1,040	1,810	1,925	2,215	3,100	9,185
Total	19,460	19,565	22,825	23,085	24,825	27,685	55,495

High Density

Age Cohort	Year						
	1996	2001	2006	2011	2016	2021	2051
Under 25	5,085	5,860	5,600	5,615	6,020	4,775	7,825
25-34	11,305	9,855	9,750	10,225	11,545	13,465	17,350
35-44	6,330	7,175	6,790	6,160	6,040	7,935	16,415
45-54	4,745	5,995	6,725	7,500	7,150	6,280	12,420
55-64	3,460	4,080	5,270	6,250	7,550	8,240	14,370
65-74	4,470	4,285	4,260	4,835	6,190	7,465	10,700
75+	5,165	5,870	6,130	5,910	6,455	7,155	20,910
Total	40,560	43,120	44,525	46,495	50,950	55,315	99,985

Source: 1996 to 2021 derived from Statistics Canada Census data and 2021 to 2051 forecast by Watson & Associates Economists Ltd.



Table C-14: Medium Scenario, Option 2 – 45% Intensification
City of London, Annual Housing Forecast Growth Rate by Age Group and
Housing Type, 1996 to 2051

Total

Age Cohort	Period			
	1996-2021	1996-2011	2011-2021	2021-2051
Under 25	0.0%	0.8%	-1.1%	1.3%
25-34	0.1%	-0.8%	1.4%	0.5%
35-44	0.0%	-0.9%	1.3%	1.4%
45-54	0.9%	2.4%	-1.3%	1.6%
55-64	3.1%	4.0%	1.8%	1.7%
65-74	2.3%	1.0%	4.3%	0.9%
75+	2.4%	2.6%	2.3%	2.8%
Total	1.2%	1.1%	1.3%	1.5%

Low Density

Age Cohort	Period			
	1996-2021	1996-2011	2011-2021	2021-2051
Under 25	1.9%	2.4%	1.1%	0.1%
25-34	-0.4%	-0.6%	-0.2%	0.1%
35-44	-0.3%	-0.8%	0.5%	0.4%
45-54	0.8%	2.2%	-1.3%	0.9%
55-64	2.7%	3.5%	1.5%	1.1%
65-74	2.1%	0.8%	4.1%	0.6%
75+	2.6%	3.1%	1.8%	1.7%
Total	1.1%	1.3%	0.9%	0.8%

Medium Density

Age Cohort	Period			
	1996-2021	1996-2011	2011-2021	2021-2051
Under 25	-0.7%	-0.1%	-1.7%	1.0%
25-34	-0.4%	-1.5%	1.4%	0.4%
35-44	-0.2%	-1.9%	2.3%	2.3%
45-54	1.4%	2.5%	-0.3%	2.8%
55-64	4.2%	6.2%	1.4%	3.1%
65-74	4.2%	3.8%	4.8%	1.6%
75+	6.4%	7.3%	4.9%	3.7%
Total	1.4%	1.1%	1.8%	2.3%

High Density

Age Cohort	Period			
	1996-2021	1996-2011	2011-2021	2021-2051
Under 25	-0.3%	0.7%	-1.6%	1.7%
25-34	0.7%	-0.7%	2.8%	0.8%
35-44	0.9%	-0.2%	2.6%	2.5%
45-54	1.1%	3.1%	-1.8%	2.3%
55-64	3.5%	4.0%	2.8%	1.9%
65-74	2.1%	0.5%	4.4%	1.2%
75+	1.3%	0.9%	1.9%	3.6%
Total	1.2%	0.9%	1.8%	2.0%

Source: 1996 to 2021 derived from Statistics Canada Census data and 2021 to 2051 forecast by Watson & Associates Economists Ltd.



Table C-15: Medium Scenario, Option 2 – 45% Intensification
City of London, Housing Propensity Forecast by Age Group and Housing Type,
1996 to 2051

Low Density Propensity (Low Density Households / Total Households)

Age Cohort	Year						
	1996	2001	2006	2011	2016	2021	2051
Under 25	12%	14%	14%	16%	14%	20%	14%
25-34	40%	40%	39%	41%	38%	35%	31%
35-44	60%	60%	60%	60%	59%	56%	41%
45-54	65%	64%	63%	63%	63%	62%	51%
55-64	67%	65%	62%	63%	61%	61%	52%
65-74	61%	61%	59%	59%	58%	58%	52%
75+	48%	50%	50%	52%	52%	50%	36%
Total	54%	54%	54%	55%	54%	52%	43%

Medium Density Propensity (Medium Density Households / Total Households)

Age Cohort	Year						
	1996	2001	2006	2011	2016	2021	2051
Under 25	18%	15%	19%	16%	15%	15%	14%
25-34	20%	18%	20%	18%	18%	18%	18%
35-44	19%	17%	17%	16%	18%	18%	23%
45-54	14%	14%	15%	14%	14%	16%	23%
55-64	11%	12%	15%	15%	14%	14%	22%
65-74	9%	10%	13%	13%	14%	14%	17%
75+	6%	7%	12%	12%	12%	15%	20%
Total	15%	14%	16%	15%	15%	16%	20%

High Density Propensity (High Density Households / Total Households)

Age Cohort	Year						
	1996	2001	2006	2011	2016	2021	2051
Under 25	69%	71%	68%	68%	71%	65%	72%
25-34	40%	41%	42%	41%	44%	47%	52%
35-44	21%	23%	23%	24%	23%	27%	36%
45-54	21%	21%	22%	23%	23%	21%	26%
55-64	22%	23%	23%	23%	24%	25%	27%
65-74	30%	29%	28%	28%	28%	28%	31%
75+	46%	42%	39%	36%	36%	35%	45%
Total	31%	31%	31%	30%	31%	32%	37%

Source: 1996 to 2021 derived from Statistics Canada Census data and 2021 to 2051 forecast by Watson & Associates Economists Ltd.



Table C-16: Medium Scenario, Option 2 – 45% Intensification
City of London, Housing Propensity Forecast by Age Group and Housing Type,
Annual Percent Point Change 1996 to 2051

Age Cohort	Period			
	1996-2021	1996-2011	2011-2021	2021-2051
Under 25	0.3%	0.2%	0.4%	-0.2%
25-34	-0.2%	0.1%	-0.6%	-0.1%
35-44	-0.2%	0.0%	-0.5%	-0.5%
45-54	-0.1%	-0.2%	0.0%	-0.4%
55-64	-0.2%	-0.3%	-0.2%	-0.3%
65-74	-0.1%	-0.1%	-0.1%	-0.2%
75+	0.1%	0.3%	-0.2%	-0.5%
Total	-0.1%	0.1%	-0.2%	-0.3%

Medium Density Propensity

Age Cohort	Period			
	1996-2021	1996-2011	2011-2021	2021-2051
Under 25	-0.1%	-0.1%	-0.1%	0.0%
25-34	-0.1%	-0.1%	0.0%	0.0%
35-44	0.0%	-0.2%	0.2%	0.2%
45-54	0.1%	0.0%	0.2%	0.2%
55-64	0.1%	0.3%	0.0%	0.2%
65-74	0.2%	0.3%	0.1%	0.1%
75+	0.4%	0.4%	0.3%	0.1%
Total	0.0%	0.0%	0.1%	0.1%

High Density Propensity

Age Cohort	Period			
	1996-2021	1996-2011	2011-2021	2021-2051
Under 25	-0.2%	-0.1%	-0.3%	0.2%
25-34	0.3%	0.1%	0.6%	0.2%
35-44	0.2%	0.2%	0.3%	0.3%
45-54	0.0%	0.1%	-0.1%	0.2%
55-64	0.1%	0.0%	0.2%	0.1%
65-74	-0.1%	-0.1%	0.0%	0.1%
75+	-0.4%	-0.7%	-0.1%	0.3%
Total	0.0%	-0.1%	0.1%	0.2%

Source: 1996 to 2021 derived from Statistics Canada Census data and 2021 to 2051 forecast by Watson & Associates Economists Ltd.



Table C-17: Medium Scenario, Option 3 – 50% Intensification
City of London, Housing Forecast by Age Group and Housing Type, 1996 to 2051

Total

Age Cohort	Year						
	1996	2001	2006	2011	2016	2021	2051
Under 25	7,330	8,305	8,270	8,245	8,465	7,345	10,860
25-34	28,155	23,785	23,395	24,920	26,255	28,655	33,445
35-44	29,705	30,975	29,170	26,100	25,985	29,800	45,695
45-54	23,140	28,230	31,230	33,190	31,615	29,220	47,245
55-64	15,380	17,940	22,690	27,540	30,835	32,830	53,985
65-74	14,835	14,610	15,035	17,300	21,995	26,350	34,820
75+	11,195	13,920	15,730	16,340	17,995	20,460	46,975
Total	129,740	137,765	145,520	153,635	163,145	174,660	273,025

Low Density

Age Cohort	Year						
	1996	2001	2006	2011	2016	2021	2051
Under 25	915	1,185	1,120	1,310	1,195	1,455	1,495
25-34	11,195	9,580	9,075	10,185	9,975	10,015	10,175
35-44	17,840	18,585	17,525	15,760	15,295	16,615	18,190
45-54	15,100	18,145	19,745	20,890	19,890	18,260	23,185
55-64	10,275	11,710	14,040	17,260	18,920	19,950	27,060
65-74	9,030	8,865	8,875	10,145	12,770	15,160	17,635
75+	5,365	7,010	7,790	8,505	9,325	10,205	16,260
Total	69,720	75,080	78,170	84,055	87,370	91,660	114,005

Medium Density

Age Cohort	Year						
	1996	2001	2006	2011	2016	2021	2051
Under 25	1,330	1,260	1,550	1,320	1,250	1,115	1,450
25-34	5,655	4,350	4,570	4,510	4,735	5,175	5,795
35-44	5,535	5,215	4,855	4,180	4,650	5,250	10,685
45-54	3,295	4,090	4,760	4,800	4,575	4,680	11,115
55-64	1,645	2,150	3,380	4,030	4,365	4,640	12,010
65-74	1,335	1,460	1,900	2,320	3,035	3,725	6,065
75+	665	1,040	1,810	1,925	2,215	3,100	9,375
Total	19,460	19,565	22,825	23,085	24,825	27,685	56,475

High Density

Age Cohort	Year						
	1996	2001	2006	2011	2016	2021	2051
Under 25	5,085	5,860	5,600	5,615	6,020	4,775	7,910
25-34	11,305	9,855	9,750	10,225	11,545	13,465	17,475
35-44	6,330	7,175	6,790	6,160	6,040	7,935	16,820
45-54	4,745	5,995	6,725	7,500	7,150	6,280	12,945
55-64	3,460	4,080	5,270	6,250	7,550	8,240	14,915
65-74	4,470	4,285	4,260	4,835	6,190	7,465	11,120
75+	5,165	5,870	6,130	5,910	6,455	7,155	21,340
Total	40,560	43,120	44,525	46,495	50,950	55,315	102,545

Source: 1996 to 2021 derived from Statistics Canada Census data and 2021 to 2051 forecast by Watson & Associates Economists Ltd.



Table C-18: Medium Scenario, Option 3 – 50% Intensification
City of London, Annual Housing Forecast Growth Rate by Age Group and
Housing Type, 1996 to 2051

Total

Age Cohort	Period			
	1996-2021	1996-2011	2011-2021	2021-2051
Under 25	0.0%	0.8%	-1.1%	1.3%
25-34	0.1%	-0.8%	1.4%	0.5%
35-44	0.0%	-0.9%	1.3%	1.4%
45-54	0.9%	2.4%	-1.3%	1.6%
55-64	3.1%	4.0%	1.8%	1.7%
65-74	2.3%	1.0%	4.3%	0.9%
75+	2.4%	2.6%	2.3%	2.8%
Total	1.2%	1.1%	1.3%	1.5%

Low Density

Age Cohort	Period			
	1996-2021	1996-2011	2011-2021	2021-2051
Under 25	1.9%	2.4%	1.1%	0.1%
25-34	-0.4%	-0.6%	-0.2%	0.1%
35-44	-0.3%	-0.8%	0.5%	0.3%
45-54	0.8%	2.2%	-1.3%	0.8%
55-64	2.7%	3.5%	1.5%	1.0%
65-74	2.1%	0.8%	4.1%	0.5%
75+	2.6%	3.1%	1.8%	1.6%
Total	1.1%	1.3%	0.9%	0.7%

Medium Density

Age Cohort	Period			
	1996-2021	1996-2011	2011-2021	2021-2051
Under 25	-0.7%	-0.1%	-1.7%	0.9%
25-34	-0.4%	-1.5%	1.4%	0.4%
35-44	-0.2%	-1.9%	2.3%	2.4%
45-54	1.4%	2.5%	-0.3%	2.9%
55-64	4.2%	6.2%	1.4%	3.2%
65-74	4.2%	3.8%	4.8%	1.6%
75+	6.4%	7.3%	4.9%	3.8%
Total	1.4%	1.1%	1.8%	2.4%

High Density

Age Cohort	Period			
	1996-2021	1996-2011	2011-2021	2021-2051
Under 25	-0.3%	0.7%	-1.6%	1.7%
25-34	0.7%	-0.7%	2.8%	0.9%
35-44	0.9%	-0.2%	2.6%	2.5%
45-54	1.1%	3.1%	-1.8%	2.4%
55-64	3.5%	4.0%	2.8%	2.0%
65-74	2.1%	0.5%	4.4%	1.3%
75+	1.3%	0.9%	1.9%	3.7%
Total	1.2%	0.9%	1.8%	2.1%

Source: 1996 to 2021 derived from Statistics Canada Census data and 2021 to 2051 forecast by Watson & Associates Economists Ltd.



Table-C-19: Medium Scenario, Option 3 – 50% Intensification
City of London, Housing Propensity Forecast by Age Group and Housing Type,
1996 to 2051

Low Density Propensity (Low Density Households / Total Households)

Age Cohort	Year						
	1996	2001	2006	2011	2016	2021	2051
Under 25	12%	14%	14%	16%	14%	20%	14%
25-34	40%	40%	39%	41%	38%	35%	30%
35-44	60%	60%	60%	60%	59%	56%	40%
45-54	65%	64%	63%	63%	63%	62%	49%
55-64	67%	65%	62%	63%	61%	61%	50%
65-74	61%	61%	59%	59%	58%	58%	51%
75+	48%	50%	50%	52%	52%	50%	35%
Total	54%	54%	54%	55%	54%	52%	42%

Medium Density Propensity (Medium Density Households / Total Households)

Age Cohort	Year						
	1996	2001	2006	2011	2016	2021	2051
Under 25	18%	15%	19%	16%	15%	15%	13%
25-34	20%	18%	20%	18%	18%	18%	17%
35-44	19%	17%	17%	16%	18%	18%	23%
45-54	14%	14%	15%	14%	14%	16%	24%
55-64	11%	12%	15%	15%	14%	14%	22%
65-74	9%	10%	13%	13%	14%	14%	17%
75+	6%	7%	12%	12%	12%	15%	20%
Total	15%	14%	16%	15%	15%	16%	21%

High Density Propensity (High Density Households / Total Households)

Age Cohort	Year						
	1996	2001	2006	2011	2016	2021	2051
Under 25	69%	71%	68%	68%	71%	65%	73%
25-34	40%	41%	42%	41%	44%	47%	52%
35-44	21%	23%	23%	24%	23%	27%	37%
45-54	21%	21%	22%	23%	23%	21%	27%
55-64	22%	23%	23%	23%	24%	25%	28%
65-74	30%	29%	28%	28%	28%	28%	32%
75+	46%	42%	39%	36%	36%	35%	45%
Total	31%	31%	31%	30%	31%	32%	38%

Source: 1996 to 2021 derived from Statistics Canada Census data and 2021 to 2051 forecast by Watson & Associates Economists Ltd.



Table C-20: Medium Scenario, Option 3 – 50% Intensification
City of London, Housing Propensity Forecast by Age Group and
Housing Type, Annual Percent Point Change 1996 to 2051

Low Density Propensity

Age Cohort	Period			
	1996-2021	1996-2011	2011-2021	2021-2051
Under 25	0.3%	0.2%	0.4%	-0.2%
25-34	-0.2%	0.1%	-0.6%	-0.2%
35-44	-0.2%	0.0%	-0.5%	-0.5%
45-54	-0.1%	-0.2%	0.0%	-0.4%
55-64	-0.2%	-0.3%	-0.2%	-0.4%
65-74	-0.1%	-0.1%	-0.1%	-0.2%
75+	0.1%	0.3%	-0.2%	-0.5%
Total	-0.1%	0.1%	-0.2%	-0.4%

Medium Density Propensity

Age Cohort	Period			
	1996-2021	1996-2011	2011-2021	2021-2051
Under 25	-0.1%	-0.1%	-0.1%	-0.1%
25-34	-0.1%	-0.1%	0.0%	0.0%
35-44	0.0%	-0.2%	0.2%	0.2%
45-54	0.1%	0.0%	0.2%	0.3%
55-64	0.1%	0.3%	0.0%	0.3%
65-74	0.2%	0.3%	0.1%	0.1%
75+	0.4%	0.4%	0.3%	0.2%
Total	0.0%	0.0%	0.1%	0.2%

High Density Propensity

Age Cohort	Period			
	1996-2021	1996-2011	2011-2021	2021-2051
Under 25	-0.2%	-0.1%	-0.3%	0.3%
25-34	0.3%	0.1%	0.6%	0.2%
35-44	0.2%	0.2%	0.3%	0.3%
45-54	0.0%	0.1%	-0.1%	0.2%
55-64	0.1%	0.0%	0.2%	0.1%
65-74	-0.1%	-0.1%	0.0%	0.1%
75+	-0.4%	-0.7%	-0.1%	0.3%
Total	0.0%	-0.1%	0.1%	0.2%

Source: 1996 to 2021 derived from Statistics Canada Census data and 2021 to 2051 forecast by Watson & Associates Economists Ltd.



Appendix D

City of London Residential Forecast



Figures D-1 through D-3 summarize the City's long-term population and housing forecast at the City-wide level for the Medium Scenario under Growth Options 1 to 3.

Figure D-1: City of London, Population and Census Housing Forecast, 2021 to 2051
Medium Scenario, Option 1: 40% Intensification.

Year	Population (Including Census undercount) ¹	Population (Excluding Census undercount)	Housing Units				Persons Per Unit (P.P.U.) with undercount	Person Per Units (P.P.U.): without undercount		
			Singles & Semi-Detached	Multiple Dwellings ²	Apartments ³	Other			Total Households	
Historical	Mid-2001	350,000	336,500	74,720	19,570	43,110	370	137,770	2.54	2.44
	Mid-2006	368,000	352,400	77,820	22,820	44,520	370	145,520	2.53	2.42
	Mid-2011	377,600	366,200	83,720	23,050	46,560	310	153,640	2.46	2.38
	Mid-2016	397,400	383,800	87,090	24,820	50,920	320	163,150	2.44	2.35
Forecast	Mid-2021	437,200	422,300	91,220	27,780	55,350	320	174,660	2.50	2.42
	Mid-2026	481,700	465,300	96,400	31,950	63,680	320	192,350	2.50	2.42
	Mid-2031	519,500	501,800	101,930	36,180	70,220	320	208,650	2.49	2.40
	Mid-2036	554,500	535,600	107,190	40,550	76,770	320	224,840	2.47	2.38
	Mid-2041	587,500	567,400	112,150	45,070	83,410	320	240,960	2.44	2.35
	Mid-2046	617,500	596,400	116,780	49,770	90,140	320	257,020	2.40	2.32
	Mid-2051	647,500	625,400	121,010	54,690	97,010	320	273,030	2.37	2.29
Incremental	2001-2006	18,000	15,900	3,100	3,250	1,410	0	7,750		
	2006-2011	9,600	13,800	5,900	230	2,040	-60	8,120		
	2011-2016	19,800	17,600	3,370	1,770	4,360	10	9,510		
	2016-2021	39,800	38,500	4,130	2,960	4,430	0	11,510		
	2021-2026	44,500	43,000	5,180	4,170	8,330	0	17,690		
	2026-2031	37,800	36,500	5,530	4,230	6,540	0	16,300		
	2031-2036	35,000	33,800	5,260	4,370	6,550	0	16,190		
	2036-2041	33,000	31,800	4,960	4,520	6,640	0	16,120		
	2041-2046	30,000	29,000	4,630	4,700	6,730	0	16,060		
	2046-2051	30,000	29,000	4,230	4,920	6,870	0	16,010		
	2001-2021	87,200	85,800	16,500	8,210	12,240	-50	36,890		
2021-2051	210,300	203,100	29,790	26,910	41,660	0	98,370			
2001-2021 Housing Mix			45%	22%	33%	0%	100%			
2021-2051 Housing Mix			30%	27%	42%	0%	100%			
2021 Housing Mix			54%	15%	30%	0%	100%			
2051 Housing Mix			47%	19%	35%	0%	100%			

¹ Census undercount estimated at approximately 3.5%. Note population including the undercount has been rounded. Secondary units in 2016 are embedded in the Census housing categories, and 2016 to 2051 secondary unit growth is captured as high density for the purposes of this table.

² Includes townhouses.

³ Includes bachelor, 1-bedroom and 2-bedroom+ apartments.

Note: Figures may not add precisely due to rounding.

Source: Watson & Associates Economists Ltd.



Figure D-2: City of London, Population and Census Housing Forecast, 2021 to 2051
Medium Scenario, Option 2: 45% Intensification

	Year	Population (Including Census undercount) ¹	Population (Excluding Census undercount)	Housing Units				Persons Per Unit (P.P.U.) with undercount	Persons Per Unit (P.P.U.): without undercount	
				Singles & Semi-Detached	Multiple Dwellings ²	Apartments ³	Other			Total Households
Historical	Mid-2001	350,000	336,500	74,720	19,570	43,110	370	137,770	2.54	2.44
	Mid-2006	368,000	352,400	77,820	22,820	44,520	370	145,520	2.53	2.42
	Mid-2011	377,600	366,200	83,720	23,050	46,560	310	153,640	2.46	2.38
	Mid-2016	397,400	383,800	87,090	24,820	50,920	320	163,150	2.44	2.35
Forecast	Mid-2021	437,200	422,300	91,220	27,780	55,350	320	174,660	2.50	2.42
	Mid-2026	481,700	465,300	96,010	32,050	63,980	320	192,350	2.50	2.42
	Mid-2031	519,500	501,800	100,900	36,360	71,070	320	208,640	2.49	2.40
	Mid-2036	554,500	535,600	105,590	40,820	78,110	320	224,830	2.47	2.38
	Mid-2041	587,500	567,400	109,940	45,480	85,210	320	240,950	2.44	2.35
	Mid-2046	617,500	596,400	113,880	50,360	92,460	320	257,010	2.40	2.32
	Mid-2051	647,500	625,400	117,320	55,440	99,940	320	273,030	2.37	2.29
Incremental	2001-2006	18,000	15,900	3,100	3,250	1,410	0	7,750		
	2006-2011	9,600	13,800	5,900	230	2,040	-60	8,120		
	2011-2016	19,800	17,600	3,370	1,770	4,360	10	9,510		
	2016-2021	39,800	38,500	4,130	2,960	4,430	0	11,510		
	2021-2026	44,500	43,000	4,790	4,270	8,630	0	17,690		
	2026-2031	37,800	36,500	4,890	4,310	7,090	0	16,290		
	2031-2036	35,000	33,800	4,690	4,460	7,040	0	16,190		
	2036-2041	33,000	31,800	4,350	4,660	7,100	0	16,120		
	2041-2046	30,000	29,000	3,940	4,880	7,250	0	16,060		
	2046-2051	30,000	29,000	3,440	5,080	7,480	0	16,020		
	2001-2021	87,200	85,800	16,500	8,210	12,240	-50	36,890		
	2021-2051	210,300	203,100	26,100	27,660	44,590	0	98,370		
	2001-2021 Housing Mix			45%	22%	33%	0%	100%		
2021-2051 Housing Mix			27%	28%	45%	0%	100%			
2021 Housing Mix			54%	15%	30%	0%	100%			
2051 Housing Mix			46%	19%	35%	0%	100%			

¹ Census undercount estimated at approximately 3.5%. Note population including the undercount has been rounded. Secondary units in 2016 are embedded in the Census housing categories, and 2016 to 2051 secondary unit growth is captured as high density for the purposes of this table.

² Includes townhouses.

³ Includes bachelor, 1-bedroom and 2-bedroom+ apartments.

Note: Figures may not add precisely due to rounding.

Source: Watson & Associates Economists Ltd.



Figure D-3: City of London, Population and Census Housing Forecast, 2021 to 2051
Medium Scenario, Option 3: 50% Intensification

	Year	Population (Including Census undercount) ¹	Population (Excluding Census undercount)	Housing Units				Persons Per Unit (P.P.U.) with undercount	Persons Per Unit (P.P.U.): without undercount	
				Singles & Semi- Detached	Multiple Dwellings ²	Apartments ³	Other			Total Households
Historical	Mid-2001	350,000	336,500	74,720	19,570	43,110	370	137,770	2.54	2.44
	Mid-2006	368,000	352,400	77,820	22,820	44,520	370	145,520	2.53	2.42
	Mid-2011	377,600	366,200	83,720	23,050	46,560	310	153,640	2.46	2.38
	Mid-2016	397,400	383,800	87,090	24,820	50,920	320	163,150	2.44	2.35
Forecast	Mid-2021	437,200	422,300	91,220	27,780	55,350	320	174,660	2.50	2.42
	Mid-2026	481,700	465,300	95,810	32,050	64,180	320	192,350	2.50	2.42
	Mid-2031	519,500	501,800	100,290	36,440	71,590	320	208,650	2.49	2.40
	Mid-2036	554,500	535,600	104,340	41,060	79,120	320	224,840	2.47	2.38
	Mid-2041	587,500	567,400	107,950	45,890	86,790	320	240,960	2.44	2.35
	Mid-2046	617,500	596,400	111,060	51,020	94,610	320	257,020	2.40	2.32
	Mid-2051	647,500	625,400	113,690	56,470	102,550	320	273,030	2.37	2.29
Incremental	2001-2006	18,000	15,900	3,100	3,250	1,410	0	7,750		
	2006-2011	9,600	13,800	5,900	230	2,040	-60	8,120		
	2011-2016	19,800	17,600	3,370	1,770	4,360	10	9,510		
	2016-2021	39,800	38,500	4,130	2,960	4,430	0	11,510		
	2021-2026	44,500	43,000	4,590	4,270	8,830	0	17,690		
	2026-2031	37,800	36,500	4,480	4,390	7,410	0	16,300		
	2031-2036	35,000	33,800	4,050	4,620	7,530	0	16,190		
	2036-2041	33,000	31,800	3,610	4,830	7,670	0	16,120		
	2041-2046	30,000	29,000	3,110	5,130	7,820	0	16,060		
	2046-2051	30,000	29,000	2,630	5,450	7,940	0	16,010		
	2001-2021	87,200	85,800	16,500	8,210	12,240	-50	36,890		
	2021-2051	210,300	203,100	22,470	28,690	47,200	0	98,370		
	2001-2021 Housing Mix			45%	22%	33%	0%	100%		
2021-2051 Housing Mix			23%	29%	48%	0%	100%			
2021 Housing Mix			54%	15%	30%	0%	100%			
2051 Housing Mix			45%	19%	36%	0%	100%			

¹ Census undercount estimated at approximately 3.5%. Note population including the undercount has been rounded. Secondary units in 2016 are embedded in the Census housing categories, and 2016 to 2051 secondary unit growth is captured as high density for the purposes of this table.

² Includes townhouses.

³ Includes bachelor, 1-bedroom and 2-bedroom+ apartments.

Note: Figures may not add precisely due to rounding.

Source: Watson & Associates Economists Ltd.



Figure D-4 provides compared forecast housing trends under each of the growth options to historical building permit activity between 2017 and 2021. It is recognized that a longer historical time period is required to develop a more accurate understanding of housing demand by planning policy area; however, it is noted that the City's B.A.B., as summarized below, was last delineated in 2016. Accordingly, the historical time period below appropriately aligns with the time period in which the B.A.B. was last updated.

Figure D-4: City of Historical Building Permit Activity (2017 to 2021)
vs. Medium Scenario Forecast Housing Growth (2021 to 2051)

Housing Forecast Scenario	City of London Total Housing Unit Growth				Built-Area Boundary Housing Unit Growth				Designated Greenfield Area Housing Unit Growth				Rural Area Housing Unit Growth			
	Low Density Housing	Medium Density Housing	High Density Housing	Total Housing	Low Density Housing	Medium Density Housing	High Density Housing	Total Housing	Low Density Housing	Medium Density Housing	High Density Housing	Total Housing	Low Density Housing	Medium Density Housing	High Density Housing	Total Housing
Total Housing Unit Growth (2021 to 2051)																
Growth Option 1 - 40% Intensification	29,640	26,910	41,660	98,370	2,150	9,810	27,290	39,250	27,490	17,100	14,380	58,970	150	0	0	150
Growth Option 2 - 45% Intensification	26,100	27,670	44,600	98,370	2,150	10,290	32,300	44,740	23,800	17,380	12,300	53,480	150	0	0	150
Growth Option 3 - 50% Intensification	22,470	28,700	47,200	98,370	2,150	11,050	37,020	50,220	20,170	17,650	10,180	48,000	150	0	0	150
Housing Growth Shares by Density Type (2021 to 2051)																
Growth Option 1 - 40% Intensification	30%	27%	42%	100%	5%	25%	70%	100%	47%	29%	24%	100%	100%	0%	0%	100%
Growth Option 2 - 45% Intensification	27%	28%	45%	100%	5%	23%	72%	100%	45%	33%	23%	100%	100%	0%	0%	100%
Growth Option 3 - 50% Intensification	23%	29%	48%	100%	4%	22%	74%	100%	42%	37%	21%	100%	100%	0%	0%	100%
Total Housing Unit Growth (2017 to 2020)												Intensification % (2017-2051)				
Building Permit Activity (2017 to 2020)				11,310				4,620				6,690				41%
Growth Option 1 - 40% Intensification (2017-2051)				109,670				43,870				65,660				40%
Growth Option 2 - 45% Intensification (2017-2051)				109,670				49,360				60,170				45%
Growth Option 3 - 50% Intensification (2017-2051)				109,670				54,840				54,690				50%

Low density includes singles and semi-detached.

Medium density includes townhouses.

High density includes bachelor, 1-bedroom and 2-bedroom+ apartments.

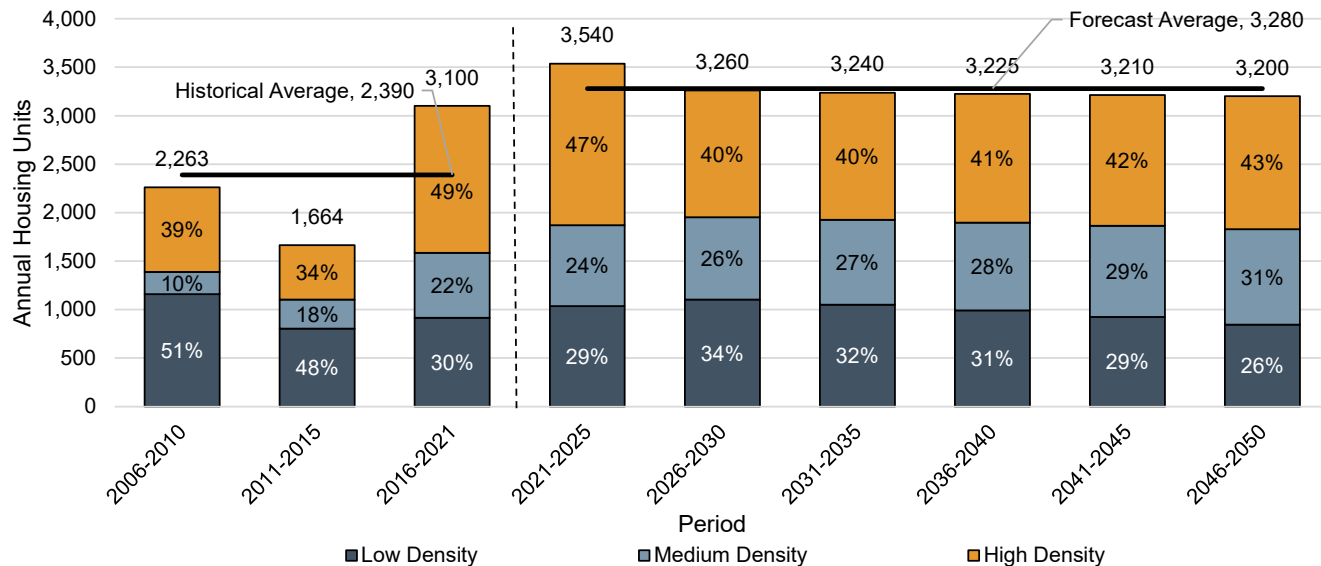
Note: Figures may not add precisely due to rounding.

Source: Watson & Associates Economists Ltd.



Figures D-5 to D-7 provides compared forecast housing trends under each of the growth options to historical building permit activity between 2006 and 2021.

Figure D-5: City of Historical Building Permit Activity (2006 to 2021) vs. Forecast Housing Growth (2021 to 2051)
Medium Scenario, Option 1: 40% Intensification



Annual Average Units	2006-2010	2011-2015	2016-2021	2021-2025	2026-2030	2031-2035	2036-2040	2041-2045	2046-2050
Low	1,160	805	916	1,037	1,105	1,052	993	925	845
Medium	227	300	670	834	847	874	903	941	983
High	875	559	1,514	1,667	1,307	1,311	1,328	1,346	1,374
Total	2,263	1,664	3,100	3,538	3,259	3,238	3,224	3,212	3,202

Low density includes singles and semi-detached.

Medium density includes townhouses.

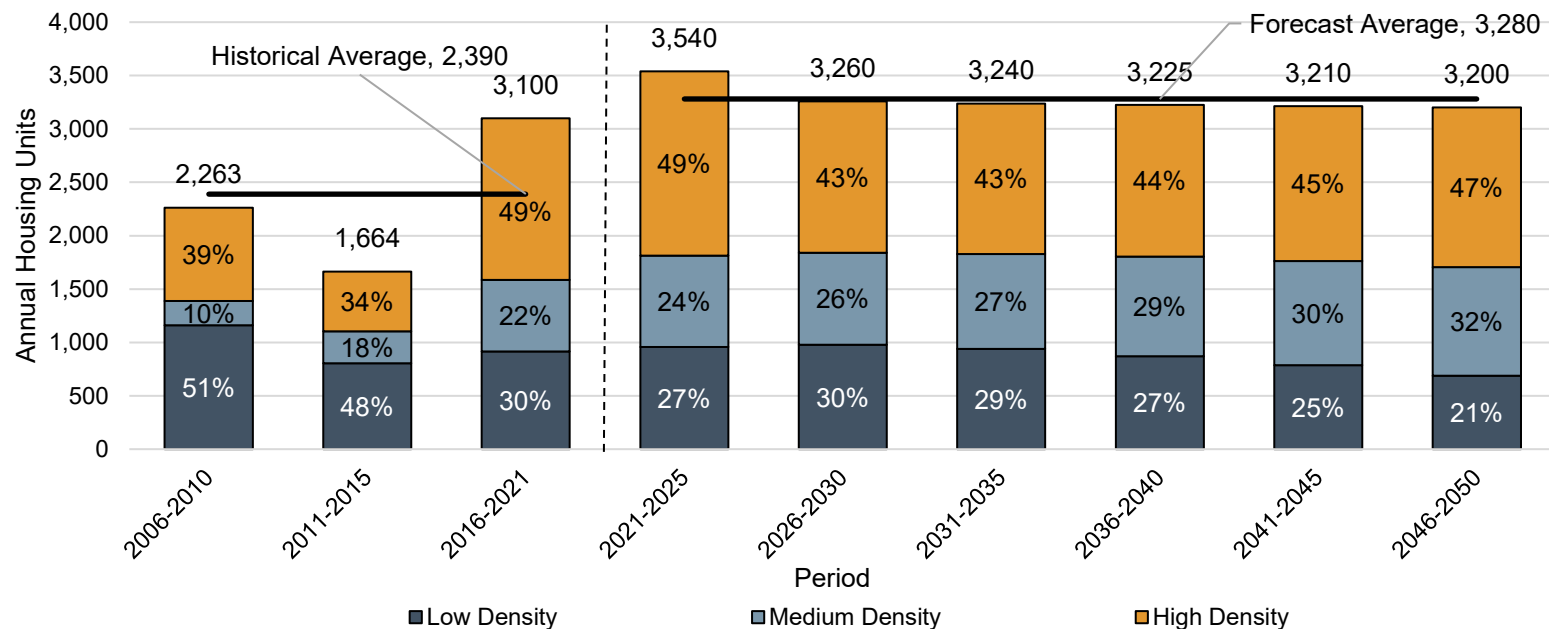
High density includes bachelor, 1-bedroom and 2-bedroom+ apartments.

Note: Figures may not add precisely due to rounding. Forecast includes historical 2021 building permits.

Source: Historical building permit data provided by the City of London, forecast by Watson & Associates Economists Ltd.



Figure D-6: City of Historical Building Permit Activity (2006 to 2021) vs. Forecast Housing Growth (2021 to 2051)
Medium Scenario, Option 2: 45% Intensification



Annual Average Units	2006-2010	2011-2015	2016-2021	2021-2025	2026-2030	2031-2035	2036-2040	2041-2045	2046-2050
Low	1,160	805	916	959	978	939	870	787	687
Medium	227	300	670	854	864	890	934	975	1,017
High	875	559	1,514	1,725	1,418	1,409	1,420	1,450	1,498
Total	2,263	1,664	3,100	3,538	3,259	3,238	3,224	3,212	3,202

Low density includes singles and semi-detached.

Medium density includes townhouses.

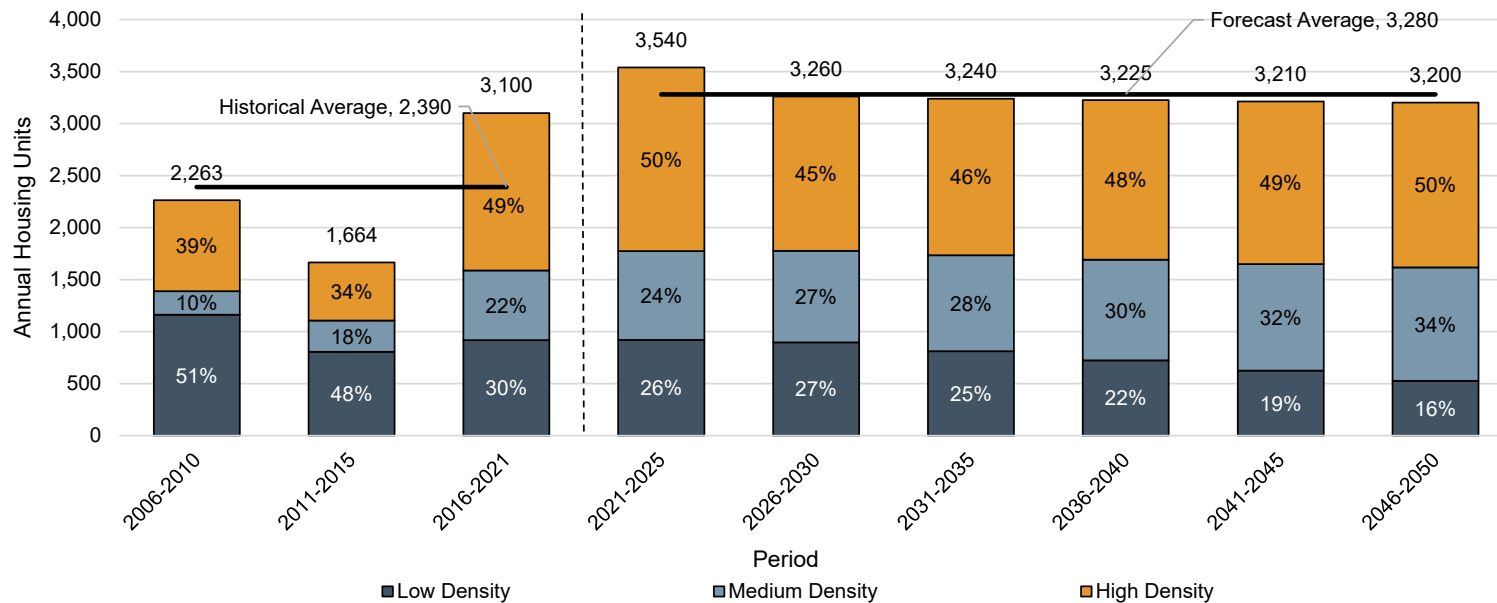
High density includes bachelor, 1-bedroom and 2-bedroom+ apartments.

Note: Figures may not add precisely due to rounding. Forecast includes historical 2021 building permits.

Source: Historical building permit data provided by the City of London, forecast by Watson & Associates Economists Ltd.



Figure D-7: City of Historical Building Permit Activity (2006 to 2021) vs. Forecast Housing Growth (2021 to 2051)
Medium Scenario, Option 3: 50% Intensification



Annual Average Units	2006-2010	2011-2015	2016-2021	2021-2025	2026-2030	2031-2035	2036-2040	2041-2045	2046-2050
Low	1,160	805	916	919	896	810	722	623	525
Medium	227	300	670	854	880	923	967	1,025	1,090
High	875	559	1,514	1,765	1,483	1,506	1,535	1,564	1,587
Total	2,263	1,664	3,100	3,538	3,259	3,238	3,224	3,212	3,202

Low density includes singles and semi-detached.

Medium density includes townhouses.

High density includes bachelor, 1-bedroom and 2-bedroom+ apartments.

Note: Figures may not add precisely due to rounding. Forecast includes historical 2021 building permits.

Source: Historical building permit data provided by the City of London, forecast by Watson & Associates Economists Ltd.



Figures D-8 and D-9 provide compared forecast housing trends for the Low and High Scenarios under each of the growth options to historical building permit activity between 2017 and 2021.

Figure D-8: City of Historical Building Permit Activity (2017 to 2021)
Vs Low Scenario Forecast Housing Growth (2021 to 2051)

Housing Forecast Scenario	City of London Total Housing Unit Growth (2021 to 2051)				Built-Area Boundary Housing Unit Growth (2021 to 2051)				Designated Greenfield Area Housing Unit Growth (2021 to 2051)				Rural Area Housing Unit Growth (2021 to 2051)			
	Low Density Housing	Medium Density Housing	High Density Housing	Total Housing	Low Density Housing	Medium Density Housing	High Density Housing	Total Housing	Low Density Housing	Medium Density Housing	High Density Housing	Total Housing	Low Density Housing	Medium Density Housing	High Density Housing	Total Housing
Total Housing Unit Growth (2021 to 2051)																
Growth Option 1 - 40% Intensification	25,590	22,940	35,180	83,870	2,150	8,360	22,940	33,450	23,440	14,580	12,250	50,270	150	0	0	150
Growth Option 2 - 45% Intensification	22,550	23,580	37,740	83,870	2,150	8,790	27,270	38,210	20,250	14,790	10,470	45,510	150	0	0	150
Growth Option 3 - 50% Intensification	19,420	24,440	40,000	83,870	2,150	9,450	31,370	42,970	17,120	14,990	8,640	40,750	150	0	0	150
Housing Growth Shares by Density Type (2021 to 2051)																
Growth Option 1 - 40% Intensification	31%	27%	42%	100%	6%	25%	69%	100%	47%	29%	24%	100%	100%	0%	0%	100%
Growth Option 2 - 45% Intensification	27%	28%	45%	100%	6%	23%	71%	100%	45%	33%	23%	100%	100%	0%	0%	100%
Growth Option 3 - 50% Intensification	23%	29%	48%	100%	5%	22%	73%	100%	42%	37%	21%	100%	100%	0%	0%	100%
Total Housing Unit Growth (2017 to 2020)																
Building Permit Activity (2017 to 2020)				11,310				4,620				6,690	Intensification % (2017-2051)			
Growth Option 1 - 40% Intensification (2017-2051)				95,170				38,070				56,960	40%			
Growth Option 2 - 45% Intensification (2017-2051)				95,170				42,830				52,200	45%			
Growth Option 3 - 50% Intensification (2017-2051)				95,170				47,590				47,440	50%			

Note: Figures may not sum precisely due to rounding.

Source: Building permit activity derived from City of London building permits data, and 2021 to 2051 forecast by Watson & Associates Economists Ltd.



Figure D-9: City of Historical Building Permit Activity (2017 to 2021)
Vs High Scenario Forecast Housing Growth (2021 to 2051)

Housing Forecast Scenario	City of London Total Housing Unit Growth (2021 to 2051)				Built-Area Boundary Housing Unit Growth (2021 to 2051)				Designated Greenfield Area Housing Unit Growth (2021 to 2051)				Rural Area Housing Unit Growth (2021 to 2051)			
	Low Density Housing	Medium Density Housing	High Density Housing	Total Housing	Low Density Housing	Medium Density Housing	High Density Housing	Total Housing	Low Density Housing	Medium Density Housing	High Density Housing	Total Housing	Low Density Housing	Medium Density Housing	High Density Housing	Total Housing
Total Housing Unit Growth (2021 to 2051)																
Growth Option 1 - 40% Intensification	33,690	30,880	48,110	112,830	2,150	11,260	31,630	45,040	31,540	19,620	16,480	67,640	150	0	0	150
Growth Option 2 - 45% Intensification	29,640	31,760	51,440	112,830	2,150	11,790	37,310	51,240	27,340	19,970	14,130	61,440	150	0	0	150
Growth Option 3 - 50% Intensification	25,510	32,950	54,370	112,830	2,150	12,640	42,660	57,450	23,210	20,310	11,710	55,230	150	0	0	150
Housing Growth Shares by Density Type (2021 to 2051)																
Growth Option 1 - 40% Intensification	30%	27%	43%	100%	5%	25%	70%	100%	47%	29%	24%	100%	100%	0%	0%	100%
Growth Option 2 - 45% Intensification	26%	28%	46%	100%	4%	23%	73%	100%	45%	33%	23%	100%	100%	0%	0%	100%
Growth Option 3 - 50% Intensification	23%	29%	48%	100%	4%	22%	74%	100%	42%	37%	21%	100%	100%	0%	0%	100%
Total Housing Unit Growth (2017 to 2051)													Intensification % (2017-2051)			
Building Permit Activity (2017 to 2020)				11,310				4,620				6,690				41%
Growth Option 1 - 40% Intensification (2017-2051)				124,140				49,660				74,330				40%
Growth Option 2 - 45% Intensification (2017-2051)				124,140				55,860				68,130				45%
Growth Option 3 - 50% Intensification (2017-2051)				124,140				62,070				61,920				50%

Note: Figures may not sum precisely due to rounding.

Source: Building permit activity derived from City of London building permits data, and 2021 to 2051 forecast by Watson & Associates Economists Ltd.



Figure D-10: City of London, New Unit Persons per Unit by Dwelling Type
2021 Census (25-Year Forecast Average)

Structural Type	25-Year Forecast Average New Unit Persons Per Unit ^[1]	
	Excluding net Census Undercount	Including net Census Undercount ^[2]
Singles & Semi Detached	3.22	3.34
Multiples ^[3]	2.35	2.44
Apartments ^[4]	1.90	1.97

[1] Persons per unit based on adjusted Statistics Canada Custom 2021 Census database.

[2] Net Census Undercount estimated at approximately 3.5%.

[3] Includes townhouses and apartments in duplexes.

[4] Includes bachelor, 1 bedroom and 2 bedroom+ apartments.

Source: Derived from Statistics Canada Census data, 2006 to 2021, by Watson & Associates Economists Ltd.



Appendix E

City of London Non-Residential Forecast



Figure E-1: City of London, Employment Forecast, Low Scenario, 2021 to 2051

Period	Population	Activity Rate							Employment						
		Primary	Work at Home	Industrial	Commercial/ Population Related	Institutional	N.F.P.O.W. ¹	Total	Primary	Work at Home	Industrial	Commercial/ Population Related	Institutional	N.F.P.O.W. ¹	Total
Mid-2006	368,000	0.001	0.027	0.118	0.210	0.128	0.043	0.526	400	9,800	43,300	77,100	47,000	15,900	193,500
Mid-2011	377,600	0.001	0.028	0.103	0.198	0.143	0.045	0.519	400	10,500	39,000	74,900	53,900	17,200	195,900
Mid-2016	397,400	0.001	0.028	0.088	0.194	0.136	0.049	0.496	400	11,300	35,100	77,000	54,200	19,300	197,300
Mid-2021	437,200	0.001	0.030	0.081	0.159	0.131	0.049	0.451	400	13,200	35,300	69,600	57,400	21,400	197,300
Mid-2026	476,700	0.001	0.033	0.080	0.188	0.136	0.050	0.488	400	15,900	38,100	89,500	65,000	23,700	232,700
Mid-2031	507,200	0.001	0.034	0.079	0.189	0.137	0.050	0.489	400	17,200	40,200	95,700	69,400	25,400	248,200
Mid-2036	534,700	0.001	0.034	0.078	0.189	0.137	0.050	0.490	400	18,400	41,900	101,300	73,300	26,900	262,200
Mid-2041	560,100	0.001	0.034	0.078	0.190	0.137	0.051	0.490	400	19,300	43,500	106,400	76,800	28,300	274,700
Mid-2046	581,900	0.001	0.034	0.077	0.190	0.137	0.051	0.490	400	20,000	44,800	110,800	79,800	29,600	285,400
Mid-2051	601,500	0.001	0.034	0.076	0.191	0.137	0.051	0.490	400	20,700	45,800	114,900	82,400	30,700	295,000
Incremental Change															
2006-2021	69,200	0.000	0.004	-0.037	-0.050	0.003	0.0060	-0.0744	0	3,400	-8,000	-7,500	10,400	5,500	3,800
2021-2051	164,300	0.000	0.004	-0.005	0.032	0.006	0.0020	0.0390	0	7,500	10,500	45,300	25,000	9,300	97,700

[1] Statistics Canada defines no fixed place of work (N.F.P.O.W.) employees as "persons who do not go from home to the same workplace location at the beginning of each shift. Such persons include building and landscape contractors, travelling salespersons, independent truck drivers, etc."

Source: Watson & Associates Economists Ltd.

Figure E-2: City of London, Gross Floor Area Forecast by Major Sector, Low Scenario, 2021 to 2051

Sector	Total Employment Growth (2021 to 2051)	Employment Losses Due to COVID-19	Total Employment Growth Net Vacant Space due to COVID-19 Job Losses (2021 to 2051)	Gross Floor Area Forecast Per Worker (F.S.W.) Assumptions (sq.ft.)	Non-Residential Gross Floor Area Forecast (sq.ft.)	Annual Average Gross Floor Area (sq.ft.)
Industrial	10,550		10,550	1,150	12,132,500	404,400
Commercial/ Population-Related	45,240	-11,040	34,200	370	12,654,000	421,800
Institutional	25,080		25,080	700	17,556,000	585,200
Total	80,870	-11,040	69,830	-	42,342,500	1,411,400



Figure E-3: City of London, Employment Forecast, Medium Scenario, 2021 to 2051

Period	Population	Activity Rate							Employment						
		Primary	Work at Home	Industrial	Commercial/Population Related	Institutional	N.F.P.O.W. ¹	Total	Primary	Work at Home	Industrial	Commercial/Population Related	Institutional	N.F.P.O.W. ¹	Total
Mid-2006	368,000	0.001	0.027	0.118	0.210	0.128	0.043	0.526	400	9,800	43,300	77,100	47,000	15,900	193,500
Mid-2011	377,600	0.001	0.028	0.103	0.198	0.143	0.045	0.519	400	10,500	39,000	74,900	53,900	17,200	195,900
Mid-2016	397,400	0.001	0.028	0.088	0.194	0.136	0.049	0.496	400	11,300	35,100	77,000	54,200	19,300	197,300
Mid-2021	437,200	0.001	0.030	0.081	0.159	0.131	0.049	0.451	400	13,200	35,300	69,600	57,400	21,400	197,300
Mid-2026	481,700	0.001	0.033	0.080	0.188	0.136	0.050	0.488	400	16,100	38,500	90,500	65,700	24,000	235,100
Mid-2031	519,500	0.001	0.034	0.079	0.189	0.137	0.050	0.489	400	17,600	41,100	98,000	71,100	26,000	254,200
Mid-2036	554,500	0.001	0.034	0.078	0.189	0.137	0.050	0.490	400	19,100	43,500	105,100	76,000	27,900	271,900
Mid-2041	587,500	0.001	0.034	0.078	0.190	0.137	0.051	0.490	400	20,200	45,600	111,600	80,500	29,700	288,100
Mid-2046	617,500	0.001	0.034	0.077	0.190	0.137	0.051	0.490	400	21,300	47,500	117,600	84,600	31,400	302,800
Mid-2051	647,500	0.001	0.034	0.076	0.191	0.137	0.051	0.490	400	22,300	49,300	123,700	88,700	33,100	317,500
Incremental Change															
2006-2021	69,200	0.000	0.004	-0.037	-0.050	0.003	0.0060	-0.0744	0	3,400	-8,000	-7,500	10,400	5,500	3,800
2021-2051	210,300	0.000	0.004	-0.005	0.032	0.006	0.0020	0.0390	0	9,100	14,000	54,100	31,300	11,700	120,200

^[1] Statistics Canada defines no fixed place of work (N.F.P.O.W.) employees as "persons who do not go from home to the same workplace location at the beginning of each shift. Such persons include building and landscape contractors, travelling salespersons, independent truck drivers, etc."

Source: Watson & Associates Economists Ltd.

Figure E-4: City of London, Gross Floor Area Forecast by Major Sector, Medium Scenario, 2021 to 2051

Sector	Total Employment Growth (2021 to 2051)	Employment Losses Due to COVID-19	Total Employment Growth Net Vacant Space due to COVID-19 Job Losses (2021 to 2051)	Gross Floor Area Forecast Per Worker (F.S.W.) Assumptions (sq.ft.)	Non-Residential Gross Floor Area Forecast (sq.ft.)	Annual Average Gross Floor Area (sq.ft.)
Industrial	14,050		14,050	1,150	16,157,500	538,600
Commercial/ Population-Related	54,020	-11,040	42,980	370	15,890,283	529,700
Institutional	31,390		31,390	700	21,973,000	732,400
Total	99,460	-11,040	88,420	-	54,020,783	1,800,700



Figure E-5: City of London, Employment Forecast, High Scenario, 2021 to 2051

Period	Population	Activity Rate							Employment						
		Primary	Work at Home	Industrial	Commercial/ Population Related	Institutional	N.F.P.O.W. ¹	Total	Primary	Work at Home	Industrial	Commercial/ Population Related	Institutional	N.F.P.O.W. ¹	Total
Mid-2006	368,000	0.001	0.027	0.118	0.210	0.128	0.043	0.526	400	9,800	43,300	77,100	47,000	15,900	193,500
Mid-2011	377,600	0.001	0.028	0.103	0.198	0.143	0.045	0.519	400	10,500	39,000	74,900	53,900	17,200	195,900
Mid-2016	397,400	0.001	0.028	0.088	0.194	0.136	0.049	0.496	400	11,300	35,100	77,000	54,200	19,300	197,300
Mid-2021	437,200	0.001	0.030	0.081	0.159	0.131	0.049	0.451	400	13,200	35,300	69,600	57,400	21,400	197,300
Mid-2026	487,300	0.001	0.033	0.080	0.188	0.136	0.050	0.488	400	16,300	39,000	91,500	66,400	24,300	237,900
Mid-2031	534,600	0.001	0.034	0.079	0.189	0.137	0.050	0.489	400	18,100	42,300	100,900	73,100	26,800	261,600
Mid-2036	578,600	0.001	0.034	0.078	0.189	0.137	0.050	0.490	400	19,900	45,400	109,600	79,300	29,100	283,700
Mid-2041	619,500	0.001	0.034	0.078	0.190	0.137	0.051	0.490	400	21,300	48,100	117,700	84,900	31,300	303,800
Mid-2046	656,300	0.001	0.034	0.077	0.190	0.137	0.051	0.490	400	22,600	50,500	125,000	90,000	33,300	321,800
Mid-2051	692,100	0.001	0.034	0.076	0.191	0.137	0.051	0.490	400	23,800	52,700	132,200	94,900	35,300	339,300
Incremental Change															
2006-2021	69,200	0.000	0.004	-0.037	-0.050	0.003	0.0060	-0.0744	0	3,400	-8,000	-7,500	10,400	5,500	3,800
2021-2051	254,900	0.000	0.004	-0.005	0.032	0.006	0.0020	0.0389	0	10,600	17,400	62,600	37,500	13,900	142,000

[1] Statistics Canada defines no fixed place of work (N.F.P.O.W.) employees as "persons who do not go from home to the same workplace location at the beginning of each shift. Such persons include building and landscape contractors, travelling salespersons, independent truck drivers, etc."

Source: Watson & Associates Economists Ltd.

Figure E-6: City of London, Gross Floor Area Forecast by Major Sector, High Scenario, 2021 to 2051

Sector	Total Employment Growth (2021 to 2051)	Employment Losses Due to COVID-19	Total Employment Growth Net Vacant Space due to COVID-19 Job Losses (2021 to 2051)	Gross Floor Area Forecast Per Worker (F.S.W.) Assumptions (sq.ft.)	Non-Residential Gross Floor Area Forecast (sq.ft.)	Annual Average Gross Floor Area (sq.ft.)
Industrial	17,450		17,450	1,150	20,067,500	668,900
Commercial/ Population-Related	62,540	-11,040	51,500	370	19,055,000	635,200
Institutional	37,500		37,500	700	26,250,000	875,000
Total	117,490	-11,040	106,450	-	65,372,500	2,179,100



Slide 1 – Growth Projections 2021-2051



Strategic Priorities and Policy Committee (SPPC)
December 6, 2022



Slide 2 - What are Growth Projections?

- Future employment, population, housing units, and floor space for non-residential land uses (i.e. Industrial, Commercial, and Institutional).
- 30-year time horizon.
- Reference Scenario is the baseline and is recommended for planning purposes.
- Low-growth and high-growth alternative scenarios are prepared for monitoring and to illustrate different outcomes if trends evolve differently than anticipated.



Slide 3 - What are Growth Projections?

- Informed estimate of future conditions.
- Based on past and present economic, demographic, and construction trends.
- Assumptions based on research, technical knowledge, and established projections methods.
 - Provincial Projection Methodology Guideline.
- Updated every 5 years to respond to change.



Slide 4 - How are Projections used by the City?

- Comprehensive Review of London Plan
- Development Charges
- Mobility Master Plan
- Fire Services
- Community Centres and Community Amenities
- Assessment Growth Allocation Business Cases
- Water and Wastewater Budgets



Slide 5 - Projections vs. Targets

- Projections:
 - An informed estimate of future growth – the baseline for estimating future conditions.
 - Based on macro-economic outlook and other methods from Provincial Methodology guidelines.
 - Must follow this defensible methodology.
 - Must be updated ~5 years to “course correct”.
- Growth Targets:
 - Are an aspirational goal.
 - Desired rate of growth.
 - Recent changes to legislation are intended to enable the desired growth.
 - Targets set to encourage actions that can influence growth.



Slide 6 - Selecting a Growth Scenario

- Reference Scenario is prepared as the most likely outcome for future development.
- Reference scenario is key as it is the base line.
- High and low growth scenarios provide ranges to test alternative development.



Slide 7 - Implications of Selecting the High Scenario

- Financial implications:
 - Higher than necessary infrastructure requirements and costs.
 - Inflated debt-levels.
 - Higher than necessary DC rates.
 - Insufficient revenue collected if expected growth does not occur.
 - Challenges in municipal financial planning.
- Land Use Planning:
 - Expectations about when lands will become available.
 - Potential for excessive expansion of urban area.
 - Loss of prime agricultural lands.
- Defensibility of Decision-making:
 - Defending the projections at the Ontario Land Tribunal if challenged.

Slide 8 - Recommendations

- The Staff Report and the Watson & Associates Economists report both **BE RECEIVED** for information;
- The Reference Scenario **BE ENDORSED** as the City of London corporate growth forecast:
 - Use for *Planning Act* and *Development Charges Act* initiatives and other forthcoming City initiatives.
- Staff **BE DIRECTED** to provide a report to PEC outlining an approach for implementing the provincial housing target for London.



City of London Growth Projection Study

Strategic Priorities and Policy Committee

December 6, 2022

Key Findings



- The City of London's population base is expected to grow at a significantly faster rate than what is currently identified in the London Plan.
- The previous 2018 City of London Growth Analysis Study forecasted an annual population growth rate of 0.8%, to a total population of 504,100 by 2044.
- The 2022 City of London Growth Projections Study forecasts that the City will grow at an annual rate between 1.1% to 1.5%, reaching a total population of 601,500 to 692,100 by 2051.
- This higher rate of population growth is driven by an increase in both international and domestic net migration.

What Drives Population and Employment Growth?



Economics

Local and Regional
Economic Outlook



Economic Drivers of
Population and
Employment Growth by
Area



Labour Force Growth
within the Commuter
Shed



Forecast Employment
Growth by Sector

Demographics

Net Migration and
Natural Increase



City of London
Population Growth by
Age, 2021 to 2051



City of London Housing
by Type, 2021 to 2051

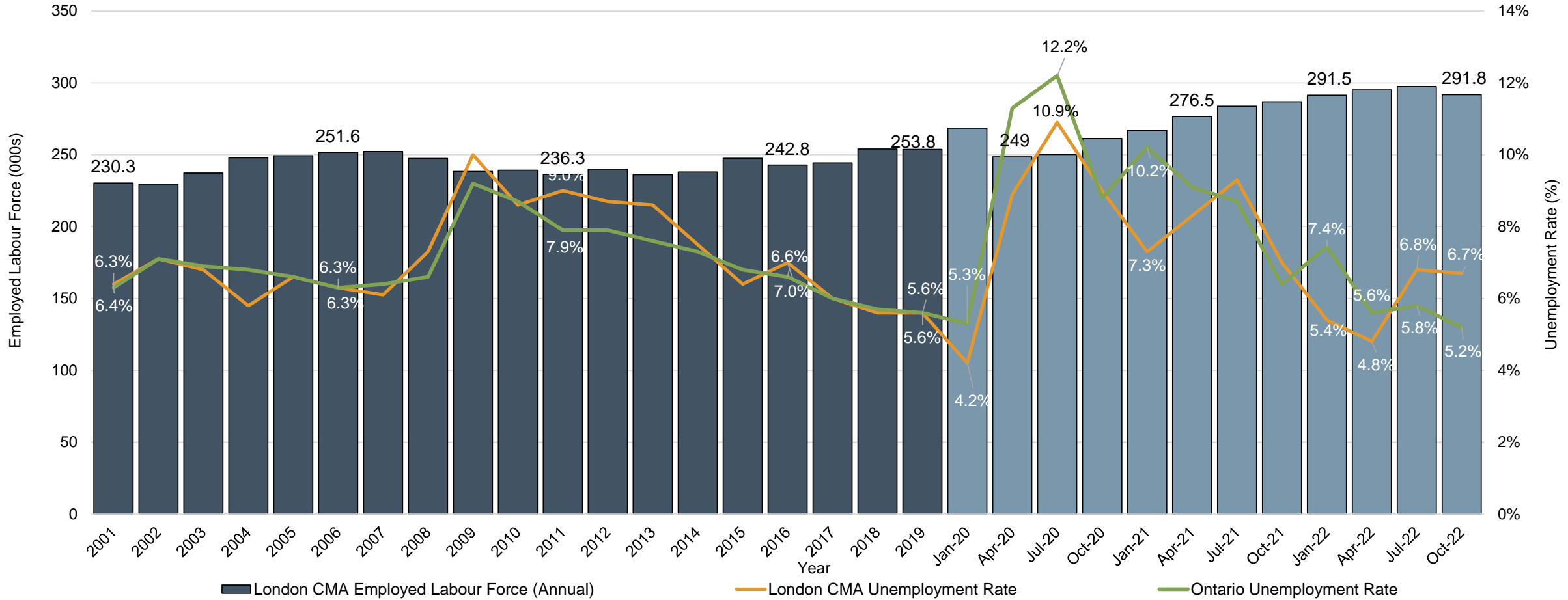


Allocation of City-Wide
Growth Forecast, 2021
to 2051

London-Middlesex Area Growth Trends

City of London Growth Drivers and Disruptors

London Census Metropolitan Area Labour Force Trends, 2001 to Year-to-Date 2022



Note: Statistics Canada Labour Force Survey and Census labour force statistics may differ.
 Source: Statistics Canada Data Tables 14-10-0096-01, 14-10-0385-01, 14-10-0378-01, 14-10-0327-01, and 14-10-0017-01. Data derived by Watson & Associates Economists Ltd., 2022.

London-Middlesex Area Growth Trends

London-Middlesex Area Share of Total Population, 2001 to 2021



Between 2001 to 2021, the **City of London** accounted for **84%** of total population growth in the London-Middlesex Area.

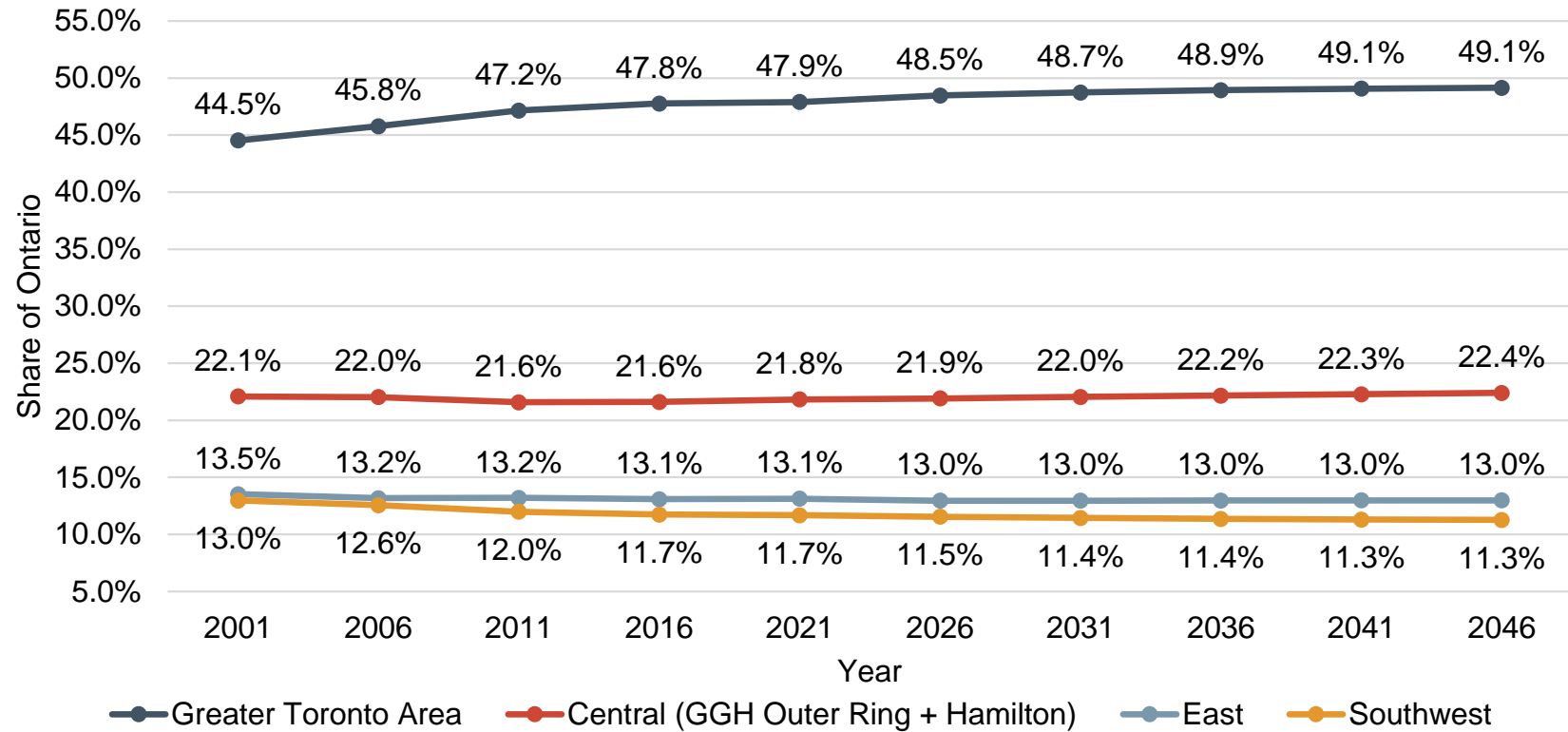
Note: Population includes net Census undercount.

Source: Derived from Statistics Canada Census data, 2001 to 2021, by Watson & Associates Economists Ltd.

- The share of population growth between the City of London and London-Middlesex Area is anticipated to remain generally consistent with historical trends over the forecast period.

Ontario Regional Growth Trends

Regional Share of Total Population, 2001 to 2046



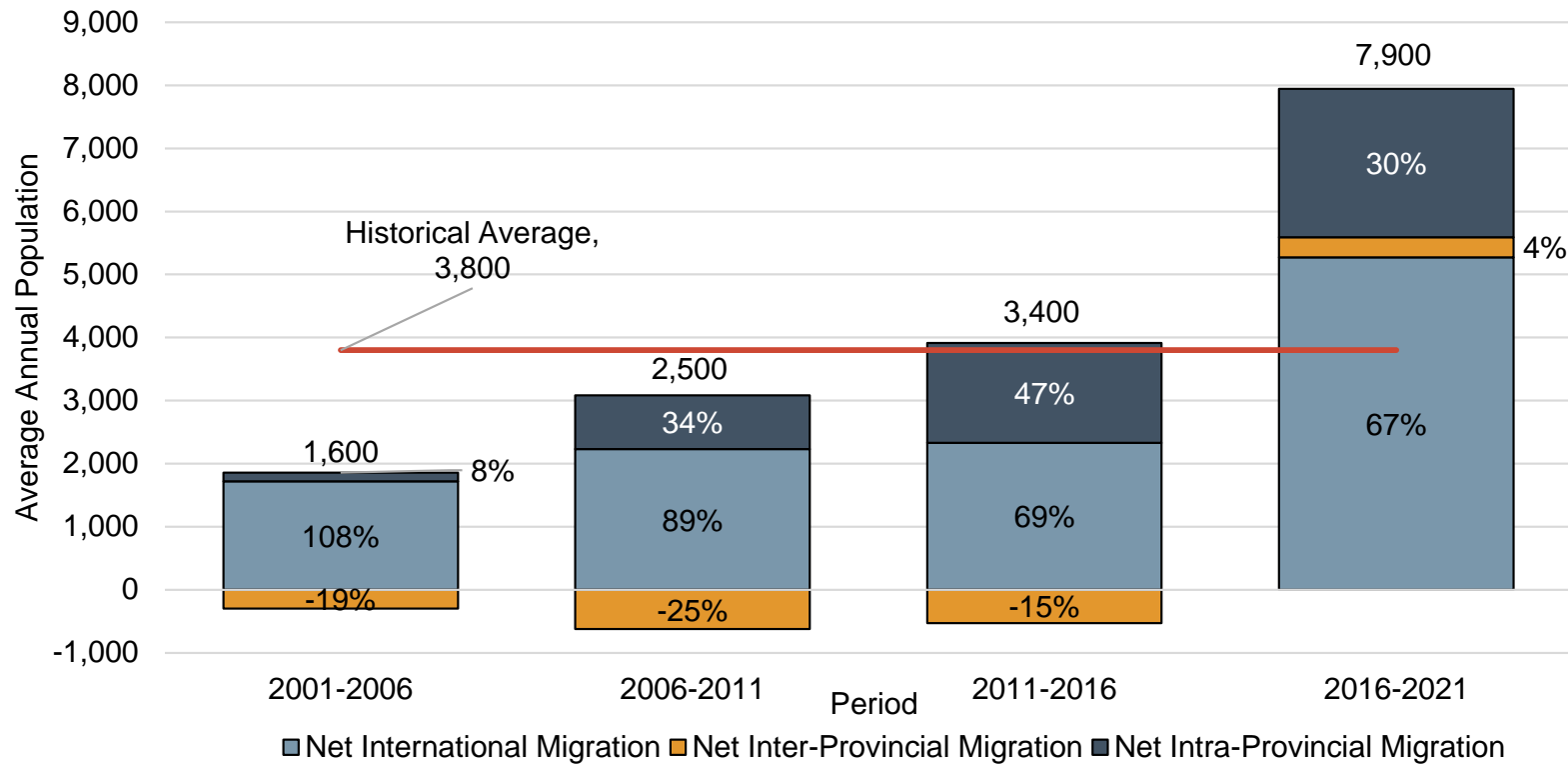
In accordance with the Ministry of Finance, the **GTA** and **GGH Outer Ring** are forecast to **increase** their respective share of Ontario's total population from **2021 to 2046**.

Note: Population includes net Census undercount.

Source: Derived from Statistics Canada Census data, 2001 to 2021, Ministry of Finance Population Projection, Summer 2022 release, by Watson & Associates Economists Ltd.

Middlesex CD Historical Migration Trends by Type

London-Middlesex Area Components of Population Change, 2001 to 2021



International Migration was the largest component of Net Migration for London-Middlesex between 2001 and 2021.

Note: Figures have been rounded. Figures are not adjusted for the residual deviation.

Source: Statistics Canada Table 17-10-0140-01, Components of Population Change by Census Division, 2016 boundaries, by Watson & Associates Economists Ltd.

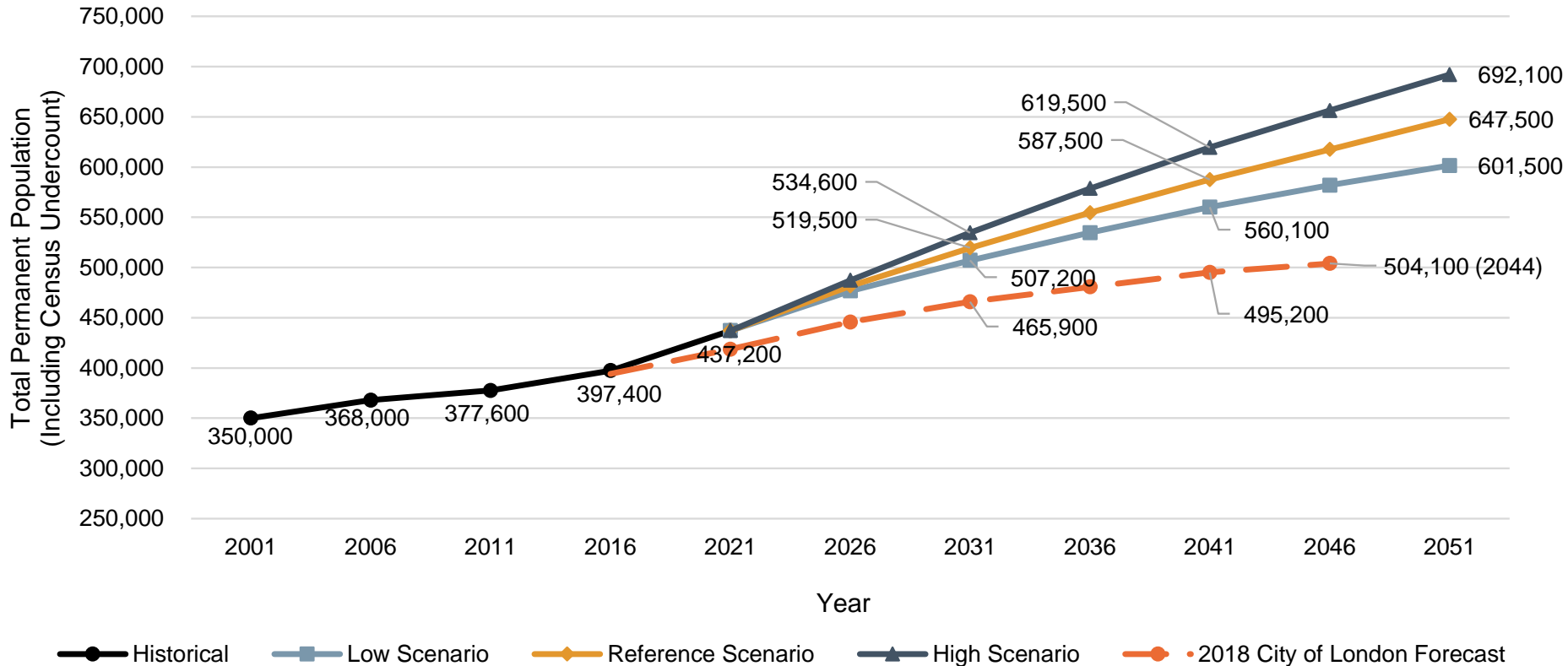
City of London

Long-Term Population and Employment Forecast Scenarios, 2021 to 2051

City of London Forecast Permanent Population Scenarios, 2021 to 2051



2021 to 2051 Annual Growth Rates



Low Scenario:
1.1%

Reference Scenario:
1.3%

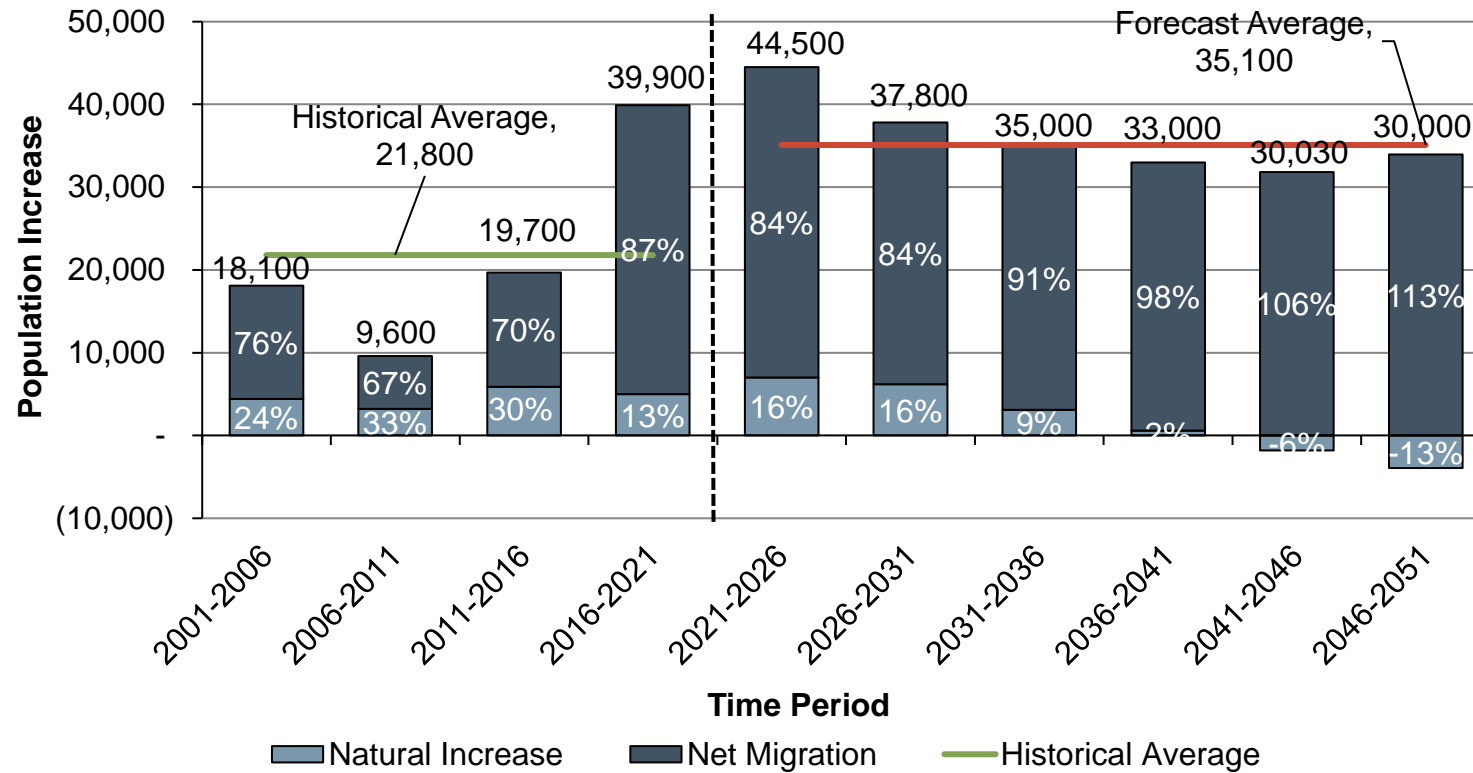
High Scenario:
1.5%

Note: Population includes net Census undercount.

Source: Historical derived from Statistics Canada Census data, 2001 to 2021 Low, Reference, and High Scenarios by Watson & Associates Economists Ltd.

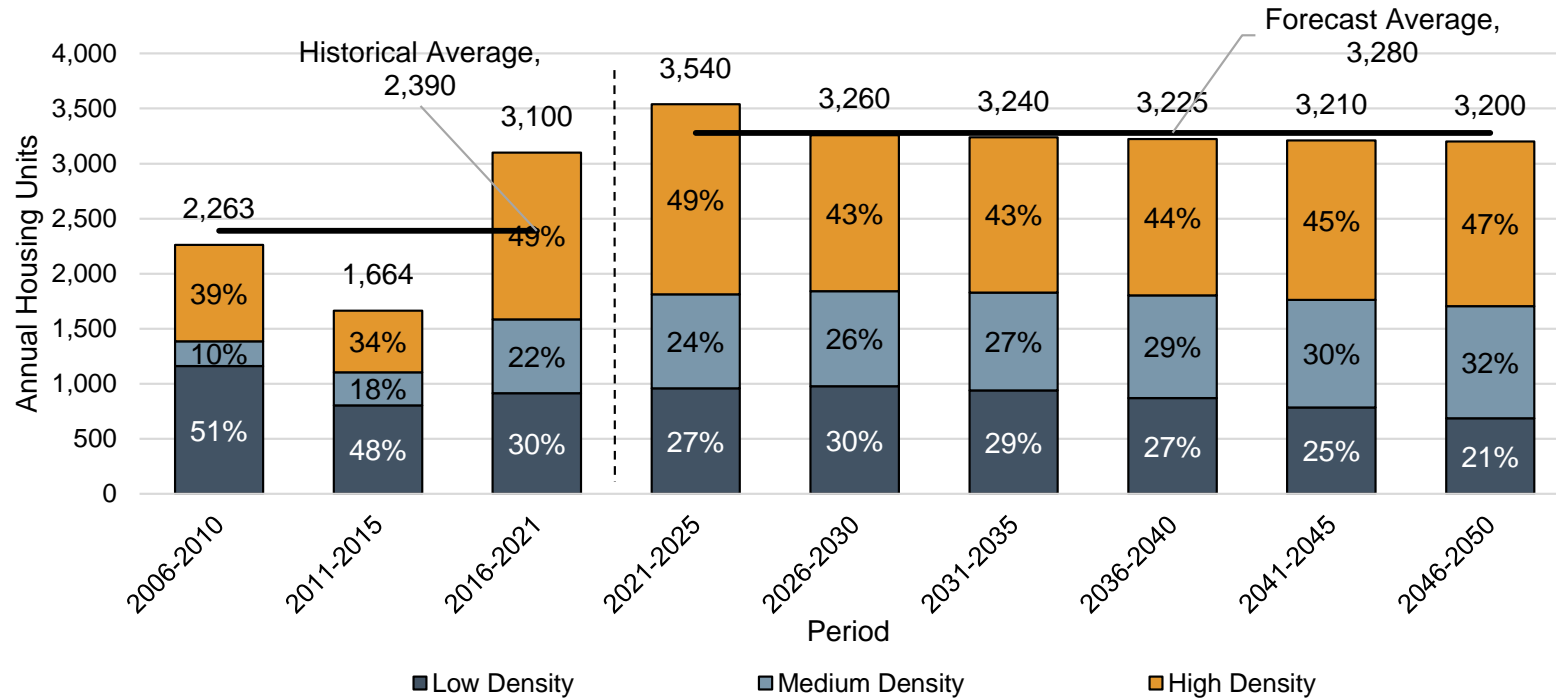


City of London Components of Permanent Population Growth, 2021 to 2051 (Reference Scenario)



- Due to the aging of the population, the City of London will be more dependent on net-migration as a source of population growth as opposed to population growth from natural increase.

City of London Incremental Permanent Housing Growth, 2021 to 2051 – 45% Intensification, London Plan Policy



Note: Low density includes singles and semis.
 Medium density includes townhouses and apartments in duplexes.
 High density includes bachelor, 1-bedroom and 2-bedroom+ apartments.
 Source: 2006 to 2021 derived from City of London building permit data. 2021 to 2051 forecast by Watson & Associates Economists Ltd.

2006 to 2021 housing growth by structure type (res. building permits):

Low: 40%
 Medium: 17%
 High: 43%

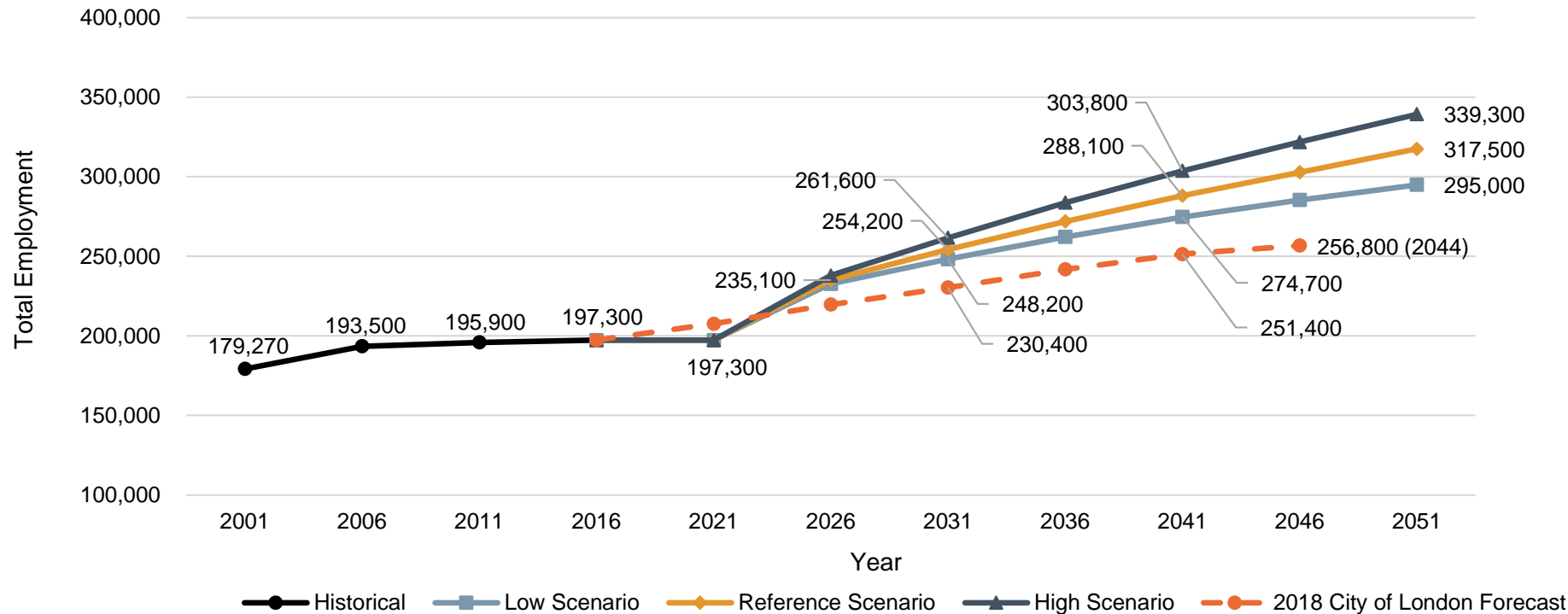
Forecast housing growth by structure type, 2021 to 2051:

Low: 27%
 Medium: 28%
 High: 45%

City of London Forecast Employment Scenarios, 2021 to 2051



2021 to 2051 Annual Growth Rates



Low Scenario: **1.3%**

Reference Scenario: **1.6%**

High Scenario: **1.8%**

Note: Total employment includes no fixed place of work and work at home employment.

Source: Historical derived from Statistics Canada Census data, 2001 to 2016. 2018 City of London Forecast from City of London Population, Housing and Employment Growth Forecast, 2016 to 2044, Final Report, February 1, 2018. Low, Reference and High Scenarios by Watson & Associates Economists Ltd.

Thank You



November 16, 2022

Chair and Members
Strategic Priorities and Policy Committee
City of London
300 Dufferin
By e mail to SPPC@london.ca

Request for Delegate Status to your December 6, 2022 meeting

Dear Chair and Members:

The Urban League of London requests delegation status to the SPPC meeting of December 6, 2022 to present its position and concerns regarding the staff report on the Growth Forecast. We understand from staff that its report on this matter will be on your December 6th agenda. As members of the Development Charges External Stakeholder group that has received, reviewed, and discussed the Growth Forecast, we believe our presentation will be helpful to the Committee's discussion. The undersigned will speak to the Committee if status is granted.

Sincerely

Christine Mettler, Board Member

Sandy Levin

From: londondev@rogers.com <londondev@rogers.com>

Sent: Wednesday, November 30, 2022 1:09 PM

To: SPPC <sppc@london.ca>

Subject: [EXTERNAL] Delegation Status request for Item 4.2 City of London Corporate Growth Projections 2021-2051 - Tuesday Dec. 6

Hello Clerk

I am requesting delegate status to speak to Item # 4.2 City of London Corporate Growth Projections 2021-2051 on the Tuesday December 6th SPPC agenda.

I will appear in person.

Thanks Mike

Mike Wallace

Executive Director

London Development Institute (LDI)

519-854-1455

londondev@rogers.com



From:
To:
Cc: [SPPC](#)
Subject: [EXTERNAL] SPPC requesting delegation statuses
Date: Monday, December 5, 2022 8:38:09 AM

Hello,

I am requesting delegation status for item

4.2

[City of London Corporate Growth Projections 2021-2051](#)

Thank You
AnnaMaria Valastro

From:
To: [SPPC](#)
Subject: [EXTERNAL] please add to agenda
Date: Sunday, December 4, 2022 11:03:28 PM

Please add my letter to the December 6th SPPC public agenda item:

4.2
City of London Corporate Growth Projections 2021-2051

Dear Council Members,

The Population, Housing and Employment Growth Projection Study, 2021-2051 is already obsolete, in part, because it does not consider the impacts of Bill 23, climate change or the the gap between rich and poor which is growing larger and expected to widen going forward. It does not consider the fact that life expectation is declining for future generations from illnesses related to poverty, stress, pollution, lifestyle and new emerging illness released by climate change and environmental degradation. The birth rate is below the death rate and people enrolling into higher education is already declining as the stresses mentioned are global. The report is very generic and while reviewing past trends is reasonable, there is broad acknowledgement of a palpable shift that more profound stresses will dictated growth or the lack of.

Bill 23 if not challenged by municipalities, will plunge more and more residents into poverty because residents cannot absorb infrastructure costs related to new development. Municipalities are not structured or buffered to absorb these costs.

Most importantly Bill 23 is not enforceable by the province or tribunals or the courts, and it is worthwhile to explore all options because breaking the backs of residents will cause chaos going forward. Municipalities can and should reject development applications that are too expensive and burgeoning for residents. If these applications do not meet the housing needs of ALL residents, they should be rejected. This report does not explore the impacts of Bill 23 or climate change or the anticipation of increased poverty. If you haven't looked at those dominate issues, than you are just partial informed.

Sincerely,

AnnaMaria Valastro



300 Dufferin Avenue
P.O. Box 5035
London, ON
N6A 4L9

London
CANADA

December 6, 2022

Chair and Members,
Strategic Priorities and Policy Committee

Re: Application of Equity Lens for Citizen Appointment Process

As you are all aware, the Strategic Priorities and Policy Committee recently completed the recommendations for citizen appointments to the City's Agencies, Boards and Commissions. During this process, some Committee members expressed their concerns related to some of the proposed candidate slates not appearing to be reflective of the broader community.

In September of this year, the Municipal Council received the final version of the staff-developed Anti-Racism and Anti-Oppression Framework. The current Strategic Plan has a Mission for London to be "a responsive and modern public service partner that fosters change to build a better London for all." With the foregoing in mind, and to promote our collective, continued evolution, we respectfully propose consideration of the following motion:

"That the Civic Administration BE DIRECTED to undertake the necessary steps to apply the Equity Tool, under the Anti-Racism and Anti-Oppression Framework, to recruitment and public engagement opportunities for all future Municipal Council appointments to Boards and Commissions."

Respectfully Submitted,

Councillor S. Franke

Councillor C. Rahman