

London Development Institute

December 12, 2011

City of London
300 Dufferin Avenue
London, ON
N6A 4L9

Attn.: Bud Polhill, Chair and Members of the Planning and Environment
Committee

**Re: Agenda Item #23, Storm Sewer to Accommodate Intensification
on Richmond Street, \$1.5 million**

Mr. Polhill and Committee Members,

The above referenced Item #23 is a companion report relating to an application by the City of London for rezoning of property located at 1607 to 1653 Richmond Street, Agenda Item #17. The subject storm sewer project is not included in the recently updated Growth Management Implementation Strategy (GMIS) October 2011, and there are no requirements for the developer or the City to enter into a Municipal Servicing Financing Agreement (MSFA) to advance the storm sewer work.

A commitment was needed from Council to approve construction of an upgrade in the storm sewer system in the Richmond Street corridor for this development to proceed. The construction of the storm sewer is to be coordinated with the development proposal.

The LDI has been working with City staff to develop a (MSFA) to advance the construction of municipal infrastructure projects that have been identified in the (GMIS). The MSFA will allow funding of projects to be advanced in the City's capital budget.

The Development Industry in the City has been acting in good faith with staff to develop the MSFA and would like it to be applied equally for all projects. The City's Finance Officer has advised the MSFA Working Group of the City's concern for the current capital debt load and future CSRF project timing.

The development proposal that is initiating the construction of the storm sewer is for only a portion of the lands subject to the rezoning and the DC revenue projection on Page 340 is for the full build out of these lands. There are no additional applications to build on the other lands subject to the rezoning and the timing of the collection of the DC monies cannot be confirmed.

Our issue is that with the current City/CSRF debt capacity concerns other projects that have been identified in the GMIS will not be able to proceed because DC monies will have been allocated to this project. A further review of

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the project funding for this proposal should be required before the project can proceed.

All projects should be reviewed on the same merits for changes to timing in the GMIS and they should be subject to the same rules on advancing funding for infrastructure works.

Sincerely,
London Development Institute



Jim Kennedy
President, LDI