



LONDON



Strategic Priorities and Policy
Committee

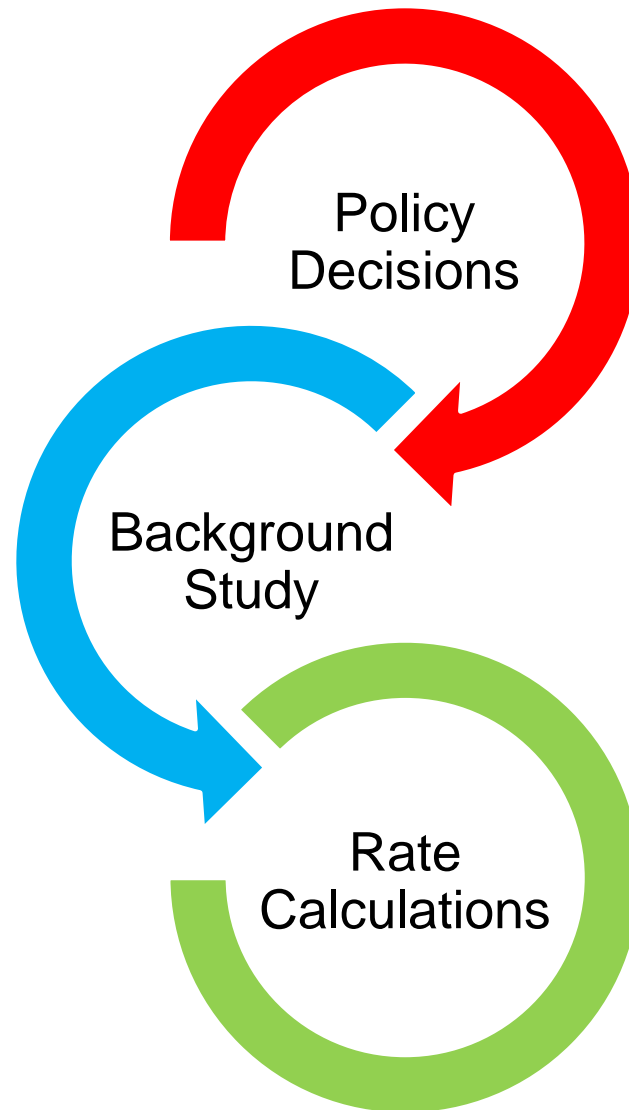
Draft DC Rate Calculation

February 20, 2014

Introduction

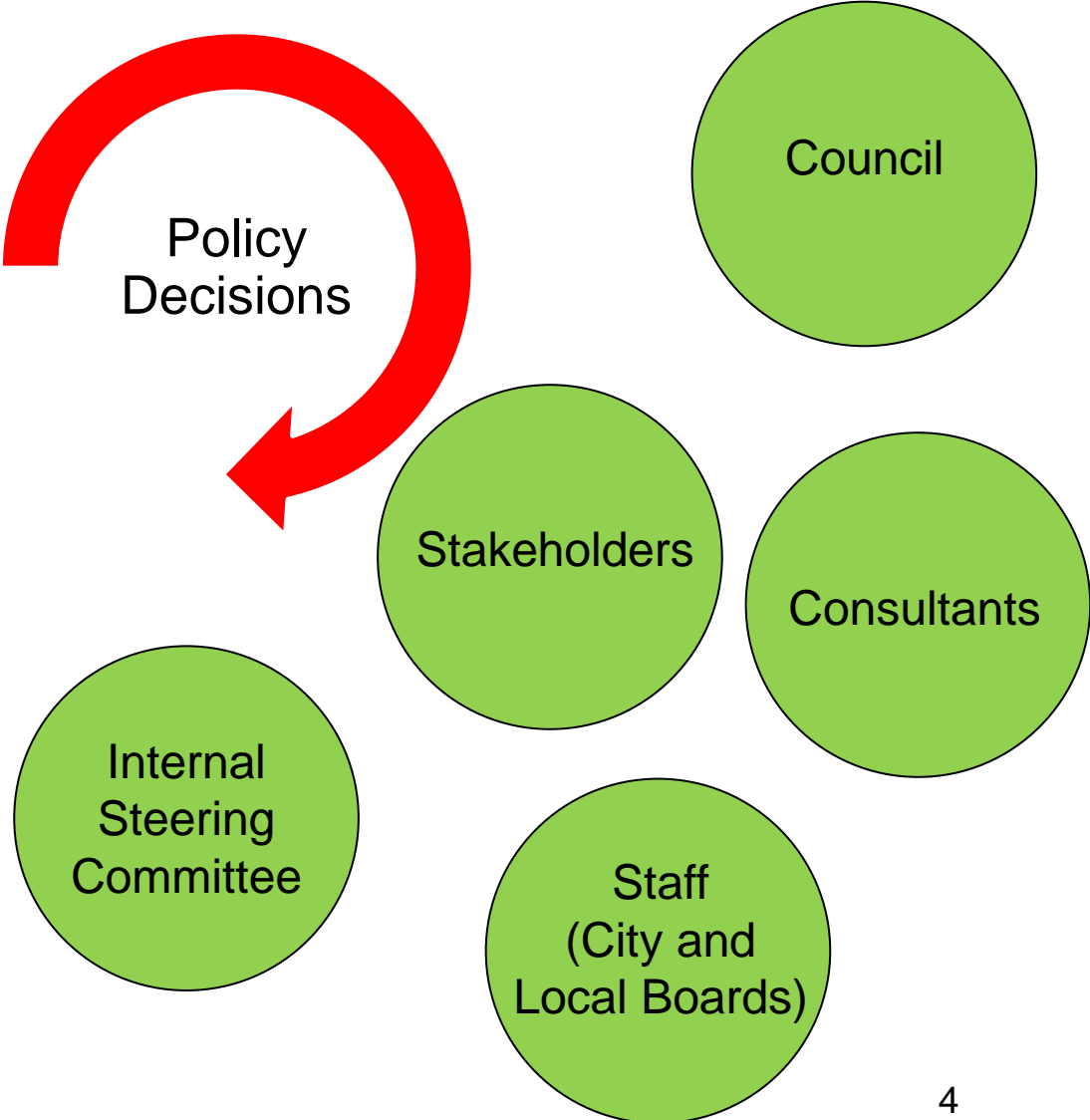
- Purpose:
 - To report back, and obtain direction from Council, with respect to three rate components:
 - Water Supply rate component (additional \$589/sfu)
 - North London Operations Centre rate component (additional \$234/sfu)
 - TMP-approved roads projects (reduction of approximately \$1,000/sfu)

DC Process - Overview

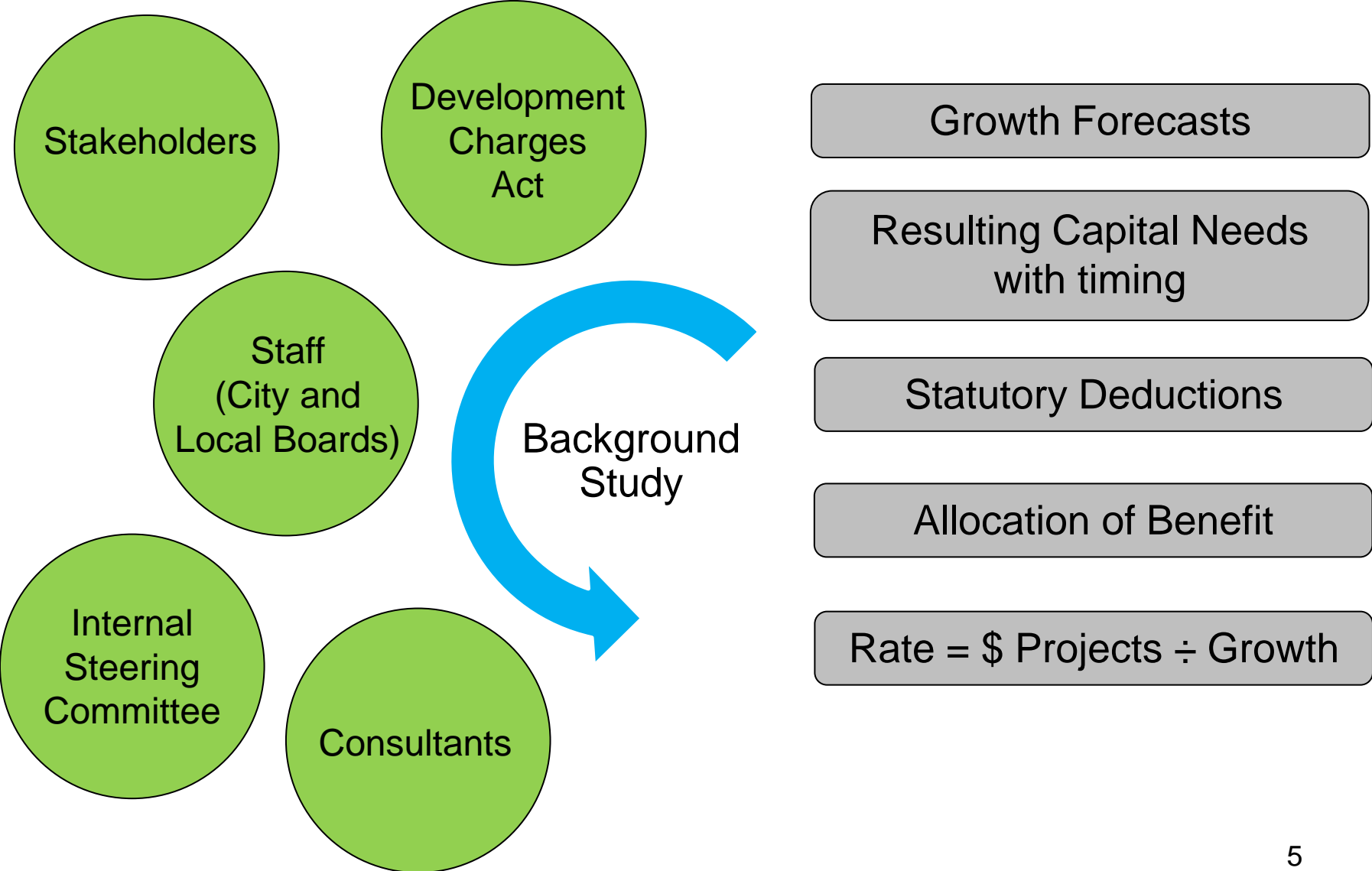


DC Process - Overview

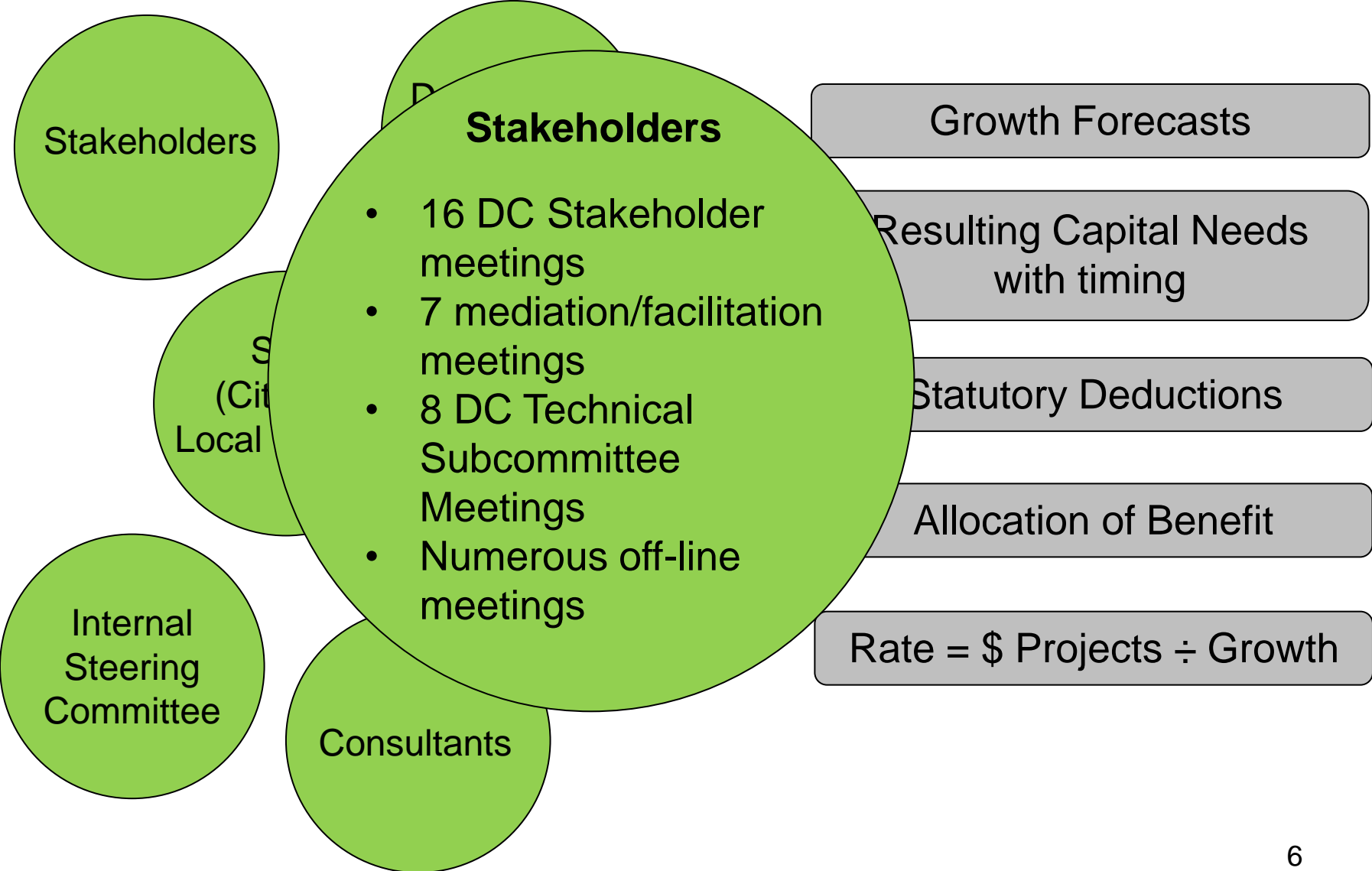
- UWRF Framework
- Local Service Policy
- SWM “Just in Time” Process
- Conversions/Demolitions
- CIP Grants for DCs Payable
- MSFA Policy
- Enhanced GMIS Process



DC Process - Overview

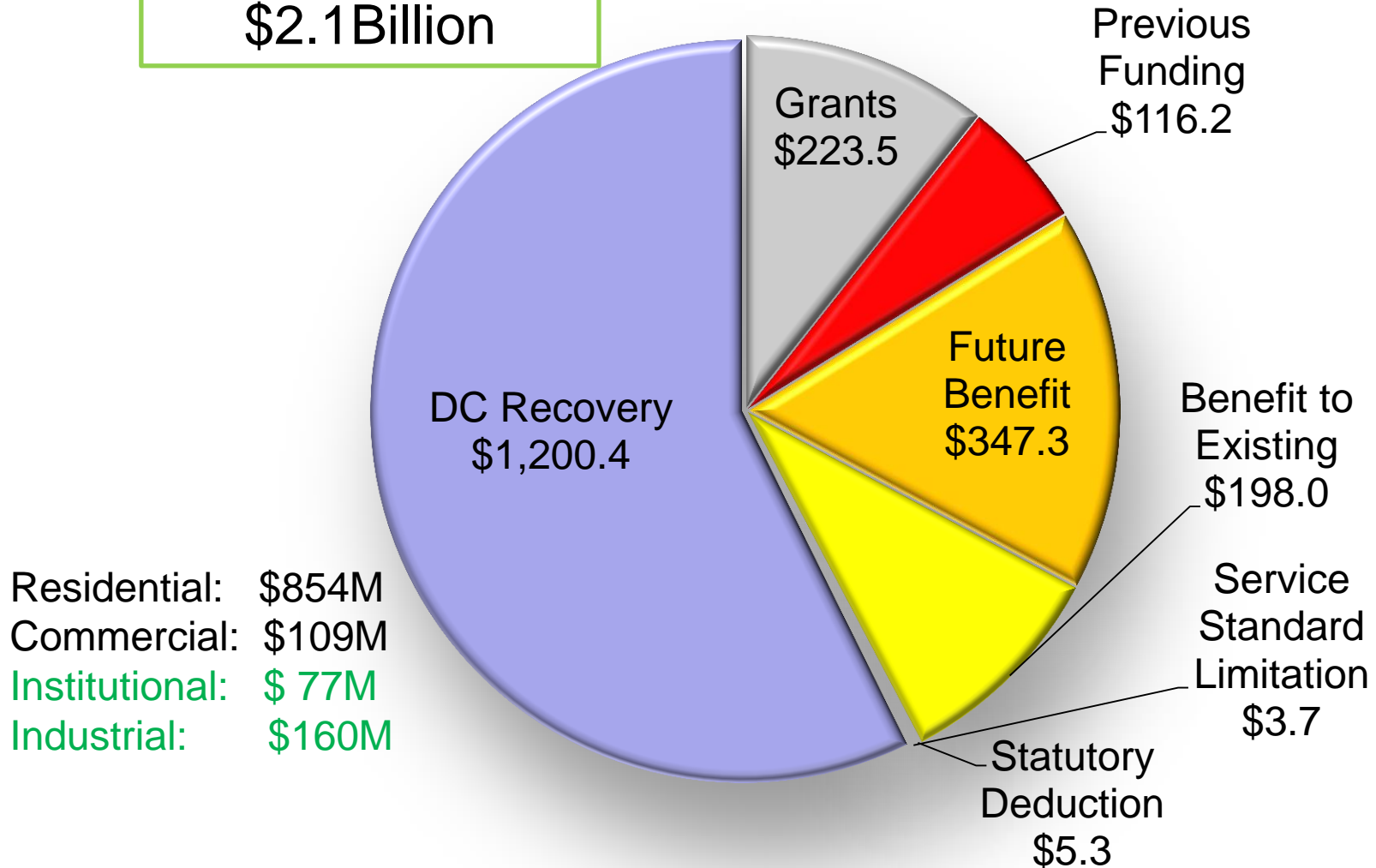


DC Process - Overview

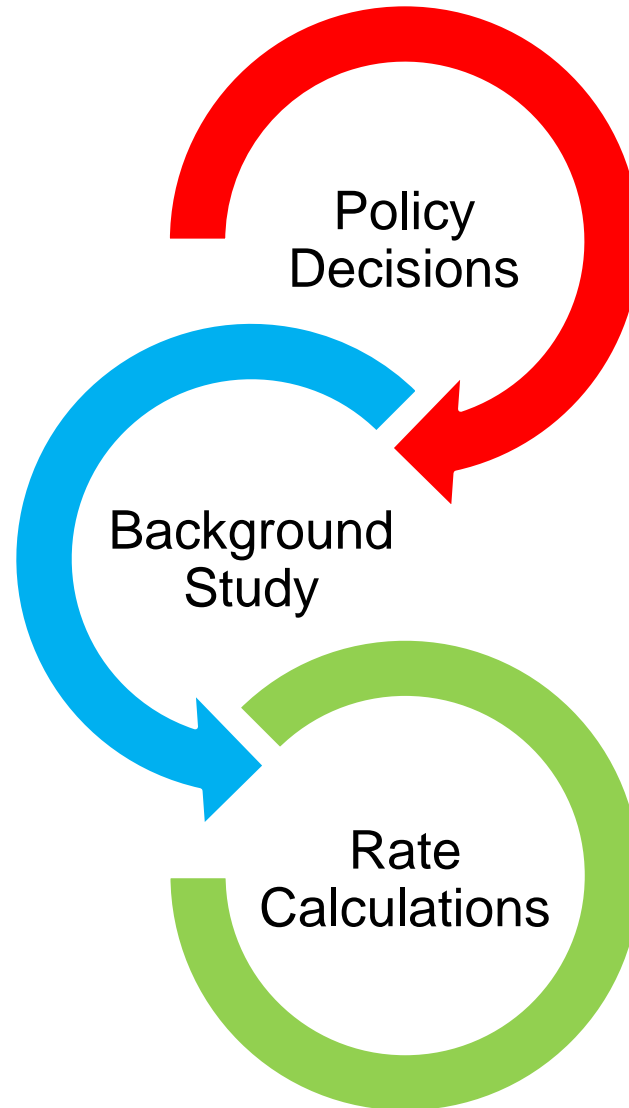


Total DC Capital Plan Breakdown (\$millions)

Total Gross Cost:
\$2.1 Billion



DC Process - Overview



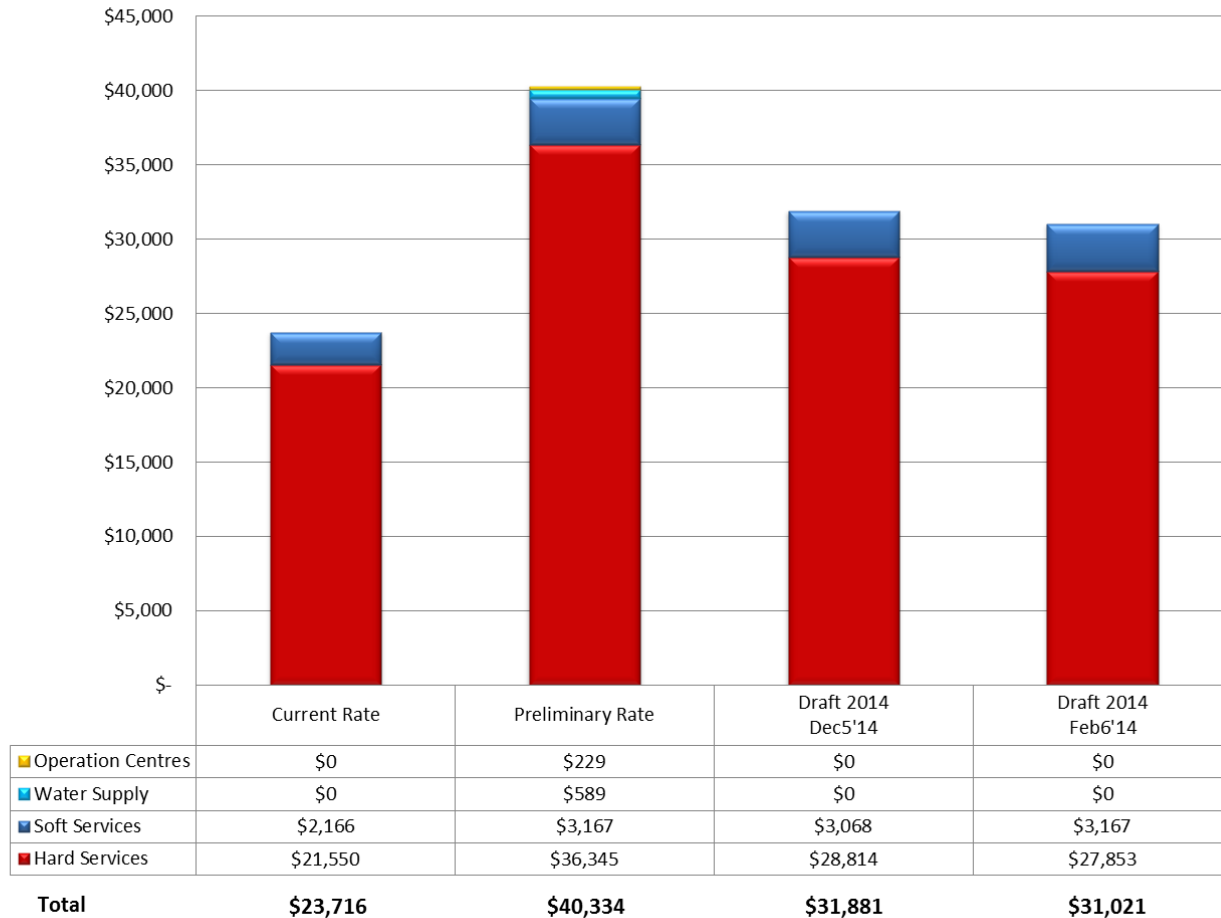
DC Rates – Jan 1st, 2014

| Single Family Rate | Per Unit |
|---------------------------|-----------------|
| Hard Services | \$21,550 |
| Soft Services | \$2,166 |
| Total | \$23,716 |

| Non-Residential | Commercial (per m²) | Institutional (per m²) |
|------------------------|---|--|
| Hard Services | \$166 | \$108 |
| Soft Services | \$9 | \$4 |
| Total | \$174 | \$112 |

Where We've Been

Draft DC Rate Calculations - Feb 19 14

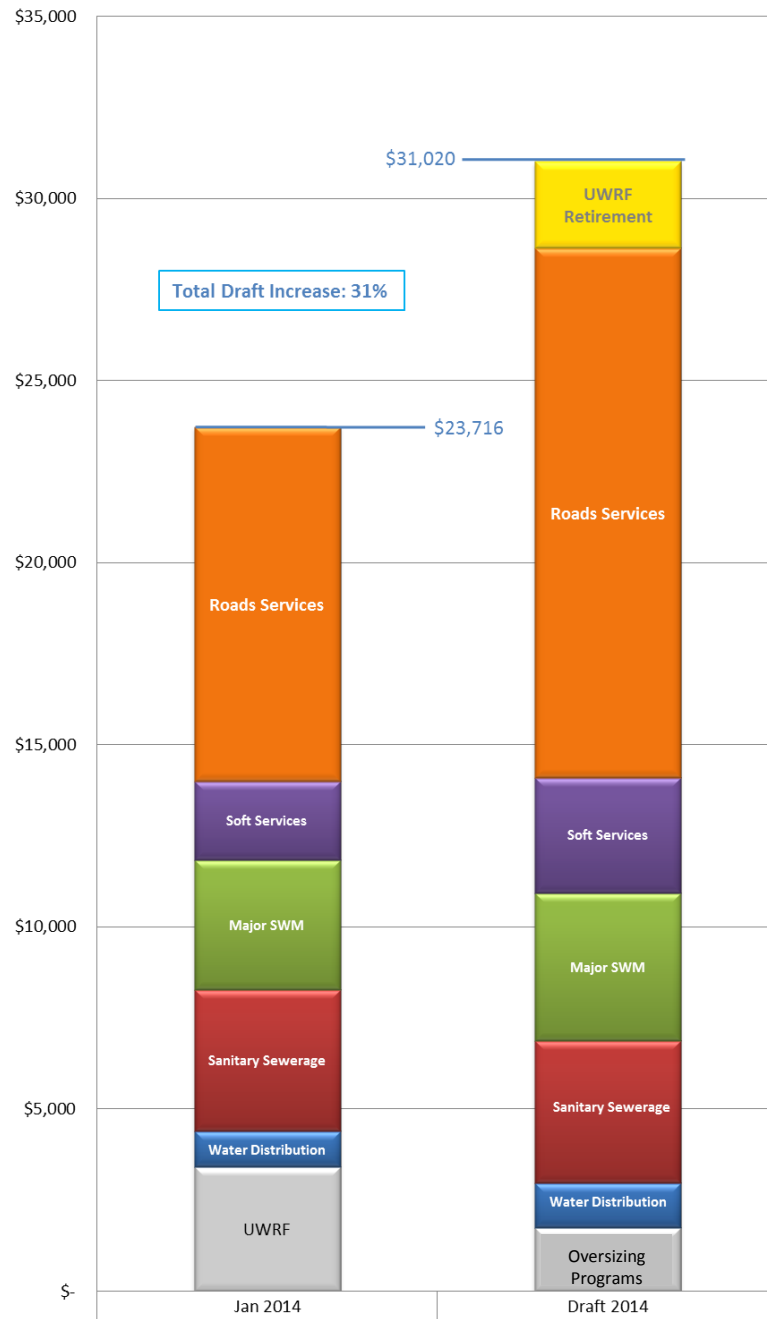


Current Draft 2014 DC Rates

| Single Family Rate | Per Unit |
|---------------------------|-----------------|
| Hard Services | \$27,853 |
| Soft Services | \$3,167 |
| Total | \$31,021 |

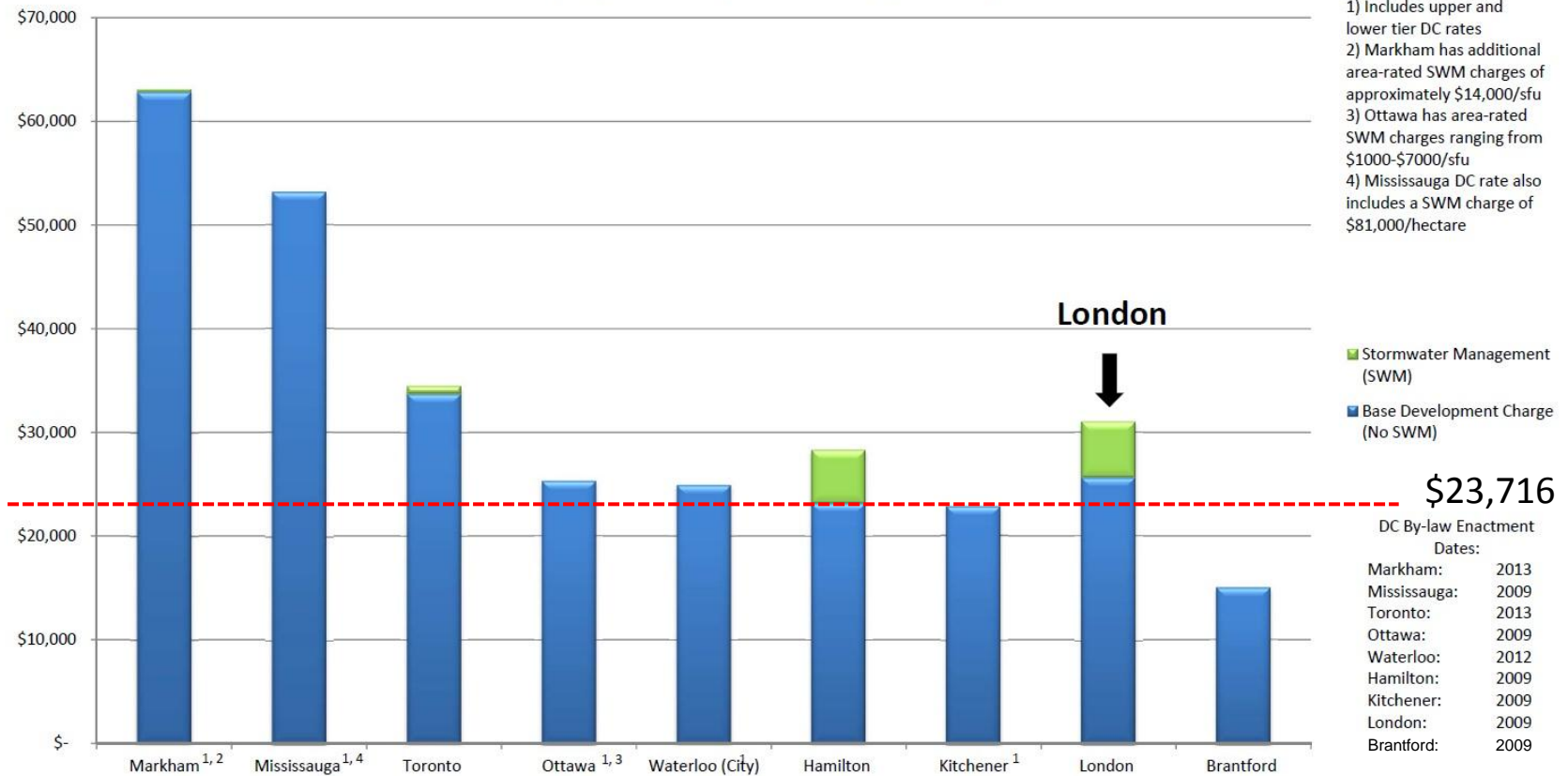
| Non-Residential | Commercial (per m²) | Institutional (per m²) |
|------------------------|---|--|
| Hard Services | \$359 | \$148 |
| Soft Services | \$15 | \$6 |
| Total | \$374 | \$154 |

Draft DC Rate Calculation - Single Family (E&OE)



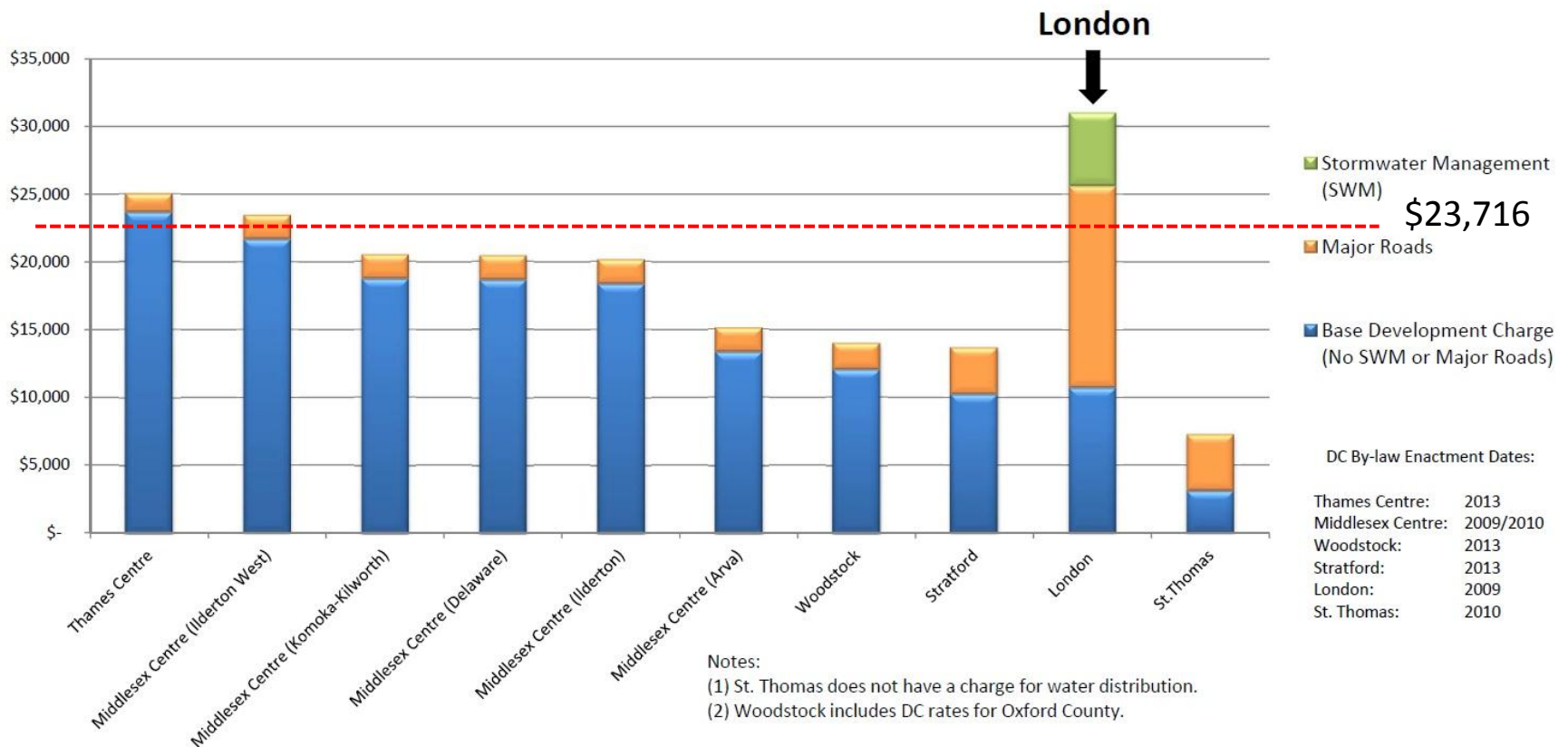
Draft Rate Comparison (Large Municipalities)

**Figure C1 - Development Charges Inter-Municipal Comparison
(Single Family Units -- Large Cities)**



Draft Rate Comparison (Local Municipalities)

Figure C2 - Development Charges Inter-Municipal Comparison
(Single Family Units -- Small Local Municipalities)



Water Supply Rate

- Provides for growth-related works for the Lake Huron Primary Water Supply System and Elgin Area Primary Water Supply System
- E.g., Transmission mains, pump stations, water treatment plant

**Rate Per Single
Family**

↑ \$589

- Would provide \$1.4M annually vs. \$45M in total water user fees (3%)

Operations Centres Rate

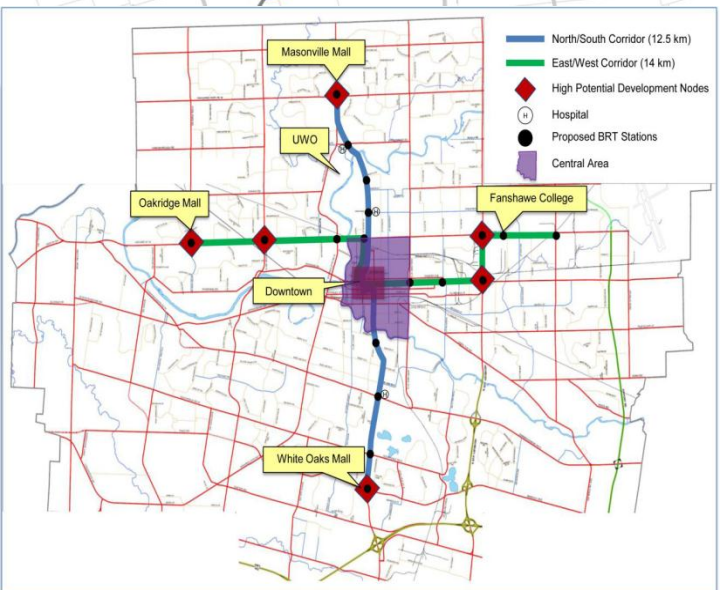
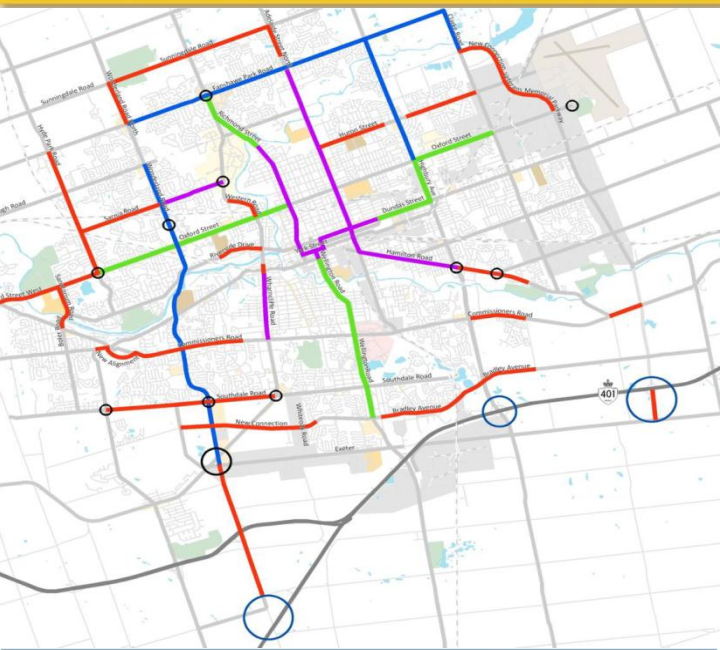
- Provides for a North London Operations Centre to support growth and to address constraints with existing facilities (2020)
- E.g., Administration building, repair garage, salt storage, equipment storage, land

**Rate Per Single
Family**

↑ \$234



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Transportation Master Plan



Implementation Strategy included a number of key deliveries to meet 2030 transportation mobility objectives:

- Roads Plan
- Rapid Transit Plan
- Bike Plan
- Active Transportation Plan
- TDM Plan
- Parking Initiatives
- ReThink OP Policies

\$930 M
Transportation

\$380 M
Transit
BRT

Future
\$ Gap





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Transportation DC Background Study



The DC background study for transportation evaluated the various funding mechanisms, growth/non growth splits, post planning period capacity and reviewed the overall program from a financial affordability and sustainability perspective.



- The 20 year program identifies a number of large projects at the 15 to 20 year timeframe that have large tax implications due to post planning period capacities.
- Civic administration have identified \$115 M in potential project deferrals for Council consideration.
- Results in reduction of DC and a significant reduction in the transportation infrastructure growth gap (\$291 to \$226).

Projects would be reviewed as part of next Master Plan .



Proposed Projects

| Project | Limits | Timing | Cost (\$ Millions) |
|----------------------------|--|-------------|--------------------|
| Fanshawe Park Road | Adelaide Street to Highbury Avenue, 4-6 lanes | 2029 | \$11.6 M |
| Fanshawe Park Road | Phase 2 - Richmond to Wonderland, 4-6 lanes | 2032 | \$17.2 M |
| Wonderland Road | Phase 3 - Sarnia to Fanshawe, 4-6 lanes | 2033 | \$16.9 M |
| Wonderland Road | Phase 2 - Commissioners to Southdale, 4-6 lanes | 2022 | \$8.1 M |
| Wonderland Road | Phase 3 - Southdale to Exeter, 4-6 lanes | 2027 | \$10.3 M |
| Highbury Avenue | Fanshawe Park Road to Oxford Street, 4-6 lanes | 2030 | \$25.1 M |
| Byron Baseline Road | Commissioners Road West to Colonel Talbot (3 to 4 through lanes with centre turn lane) | 2029 | \$2.9M |
| Clarke Road | VMP Extension to Fanshawe Park Road , 4-6 lanes | 2033 | \$11.2 M |
| Gainsborough | 973 Gainsborough to Aldersbrook (Arterial upgrade) | 2023 | \$5.4M |
| Hyde Park | North of Fanshawe Park Road (Arterial upgrade) | 2028 | \$6.4M |
| Total Cost | | | \$115 M |

Transportation Rate Exclusions

- Deferral of \$115M of transportation infrastructure beyond the 20 year period results in a \$1050 decrease in the single family DC rate.
- Staff are continuing to explore other factors that may lead to a further decrease in the roads rate.
- Staff are reviewing current 2013 tenders, may provide a more updated inflation amount

**Rate Per Single
Family**

↓ \$1050

Summary of Alternatives

- Add Operations and Water Supply to base rate

| | |
|-------------------------------|-----------------|
| Rate Per Single Family | \$31,844 |
|-------------------------------|-----------------|

- Retain calculated base rate

| | |
|-------------------------------|-----------------|
| Rate Per Single Family | \$31,021 |
|-------------------------------|-----------------|

- Exclude Operations & Water Supply, omit \$115M TMP projects

| | |
|-------------------------------|-----------------|
| Rate Per Single Family | \$29,971 |
|-------------------------------|-----------------|

Outstanding Items

- Further Stakeholder Input
- Commercial Rate (Report to March SPPC)
- Final Checks re: Figures
- Background Study Completion
 - Includes industrial rate
- By-law Revisions

Next Steps

- Table DC Background Study & Draft By-law:
 - Mid April 2014
- Statutory Public Meeting:
 - May 5 2014
- Final Approval:
 - June 2014 (at the latest)

DC Process - Perspective

“Growth Pays
for Growth”

“Affordability”

Provide
services



The purpose of the DC Study is determine rates that provide recovery of the costs of growth arising from the proposed Growth Plan.

**With an ‘accommodating’ Growth Plan.....
..... comes DC rate increases**