

An aerial photograph of a city skyline, likely London, Ontario, featuring a mix of modern high-rise buildings and older structures. The city is surrounded by lush green trees and a river flows through the foreground. The sky is blue with scattered white clouds.

**LONDON**

**Strategic Priorities and Policy  
Committee**

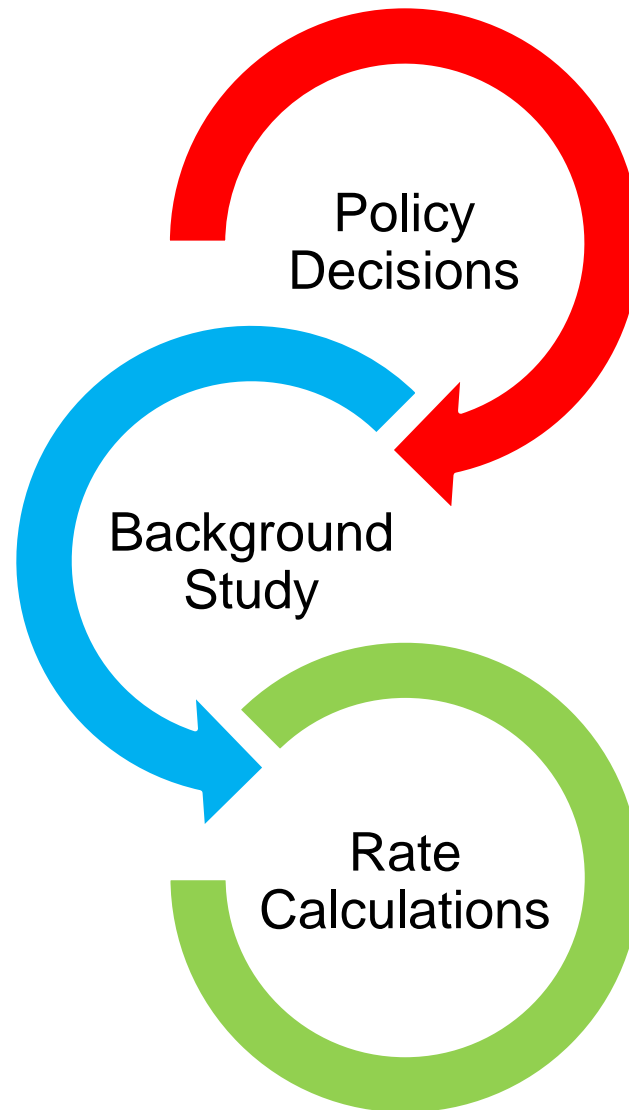
*2014 Development Charges  
Background Study and By-law*

*April 14, 2014*

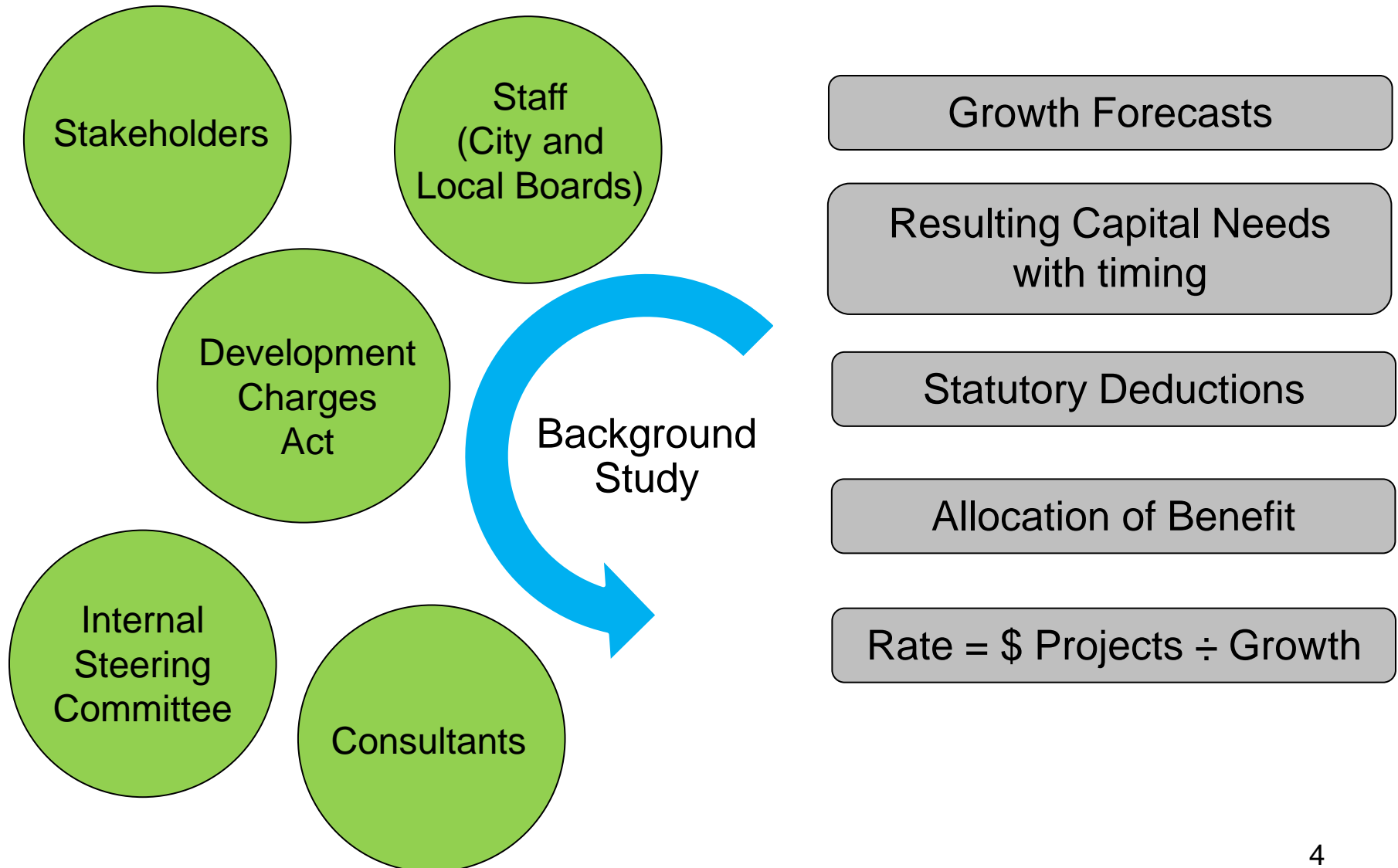
# Introduction

- Purpose:
  - Tabling of the 2014 Development Charges Background Study and Draft By-law required prior to public meeting
  - Information on :
    - DC rate setting process,
    - stakeholder involvement and
    - calculated rates
  - Highlight rate reductions and info gathered since February 20<sup>th</sup> SPPC meeting
  - Public meeting on May 5<sup>th</sup>, 2014

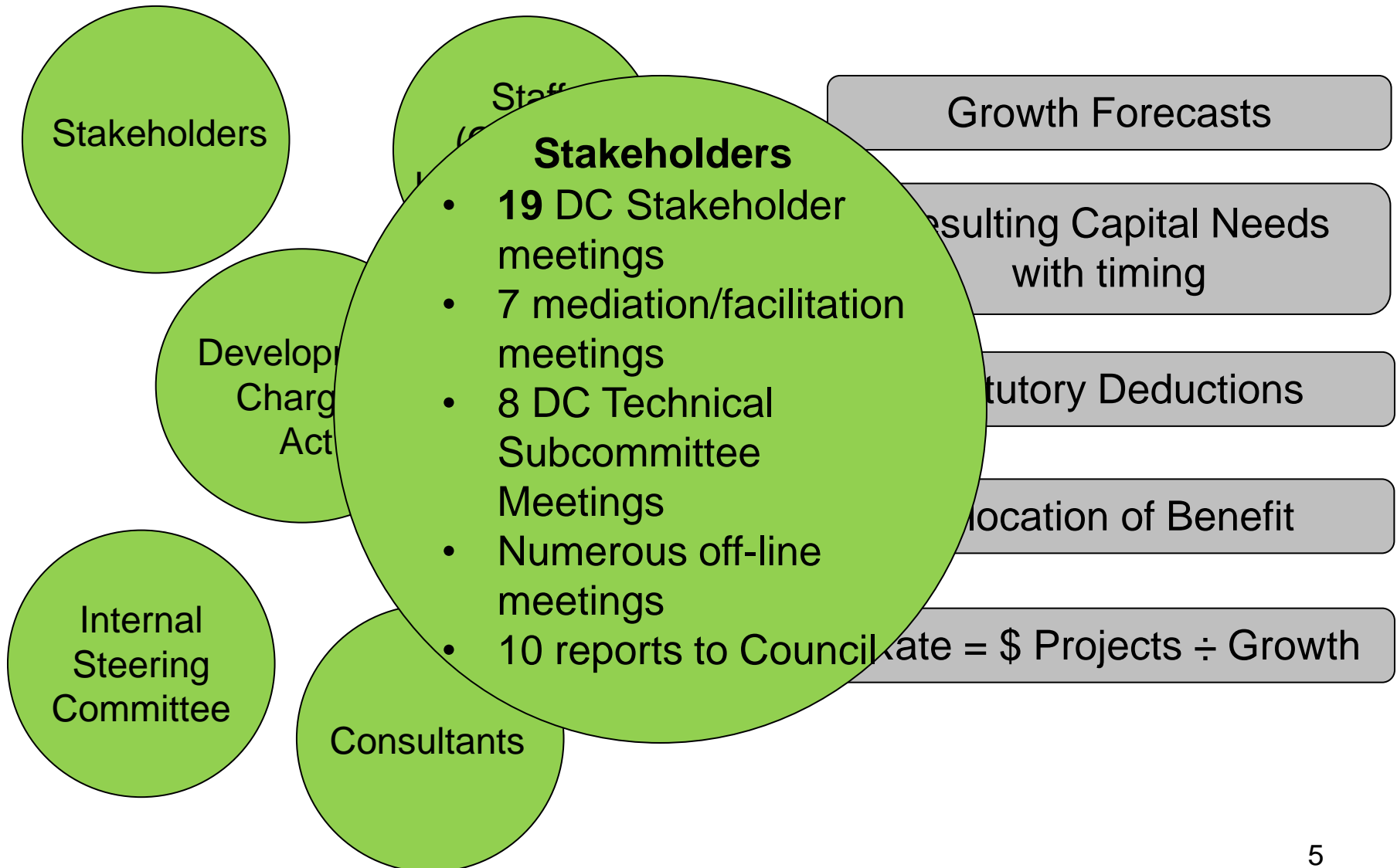
# DC Process - Overview



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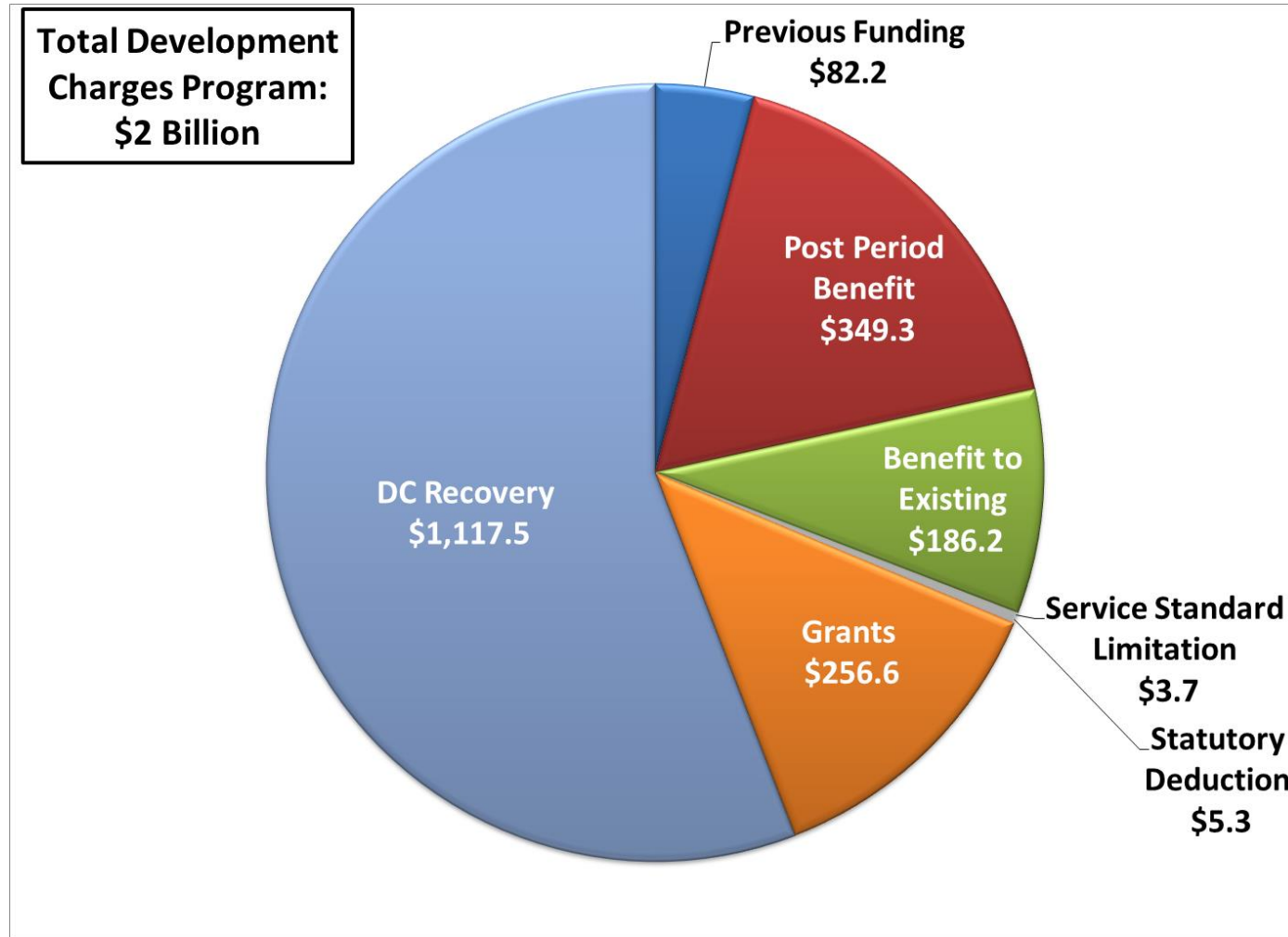


# DC External Stakeholder Committee

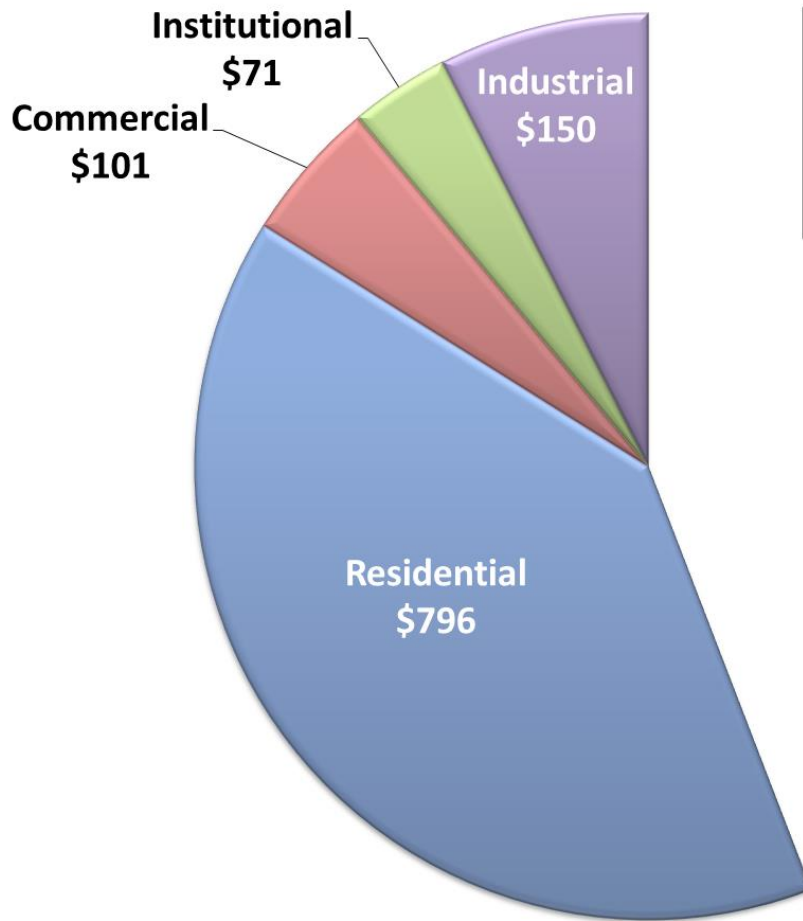
## – Our Thanks!

- London Homebuilders Association
  - Toby Stolee
  - Lois Langdon
- Urban League of London
  - Sandy Levin
  - Gloria McGinn-McTeer
- London Development Institute
  - Jim Kennedy
  - Craig Linton
- Independent Developer
  - Dick Brouwer

# Total DC Capital Plan Breakdown (\$millions)



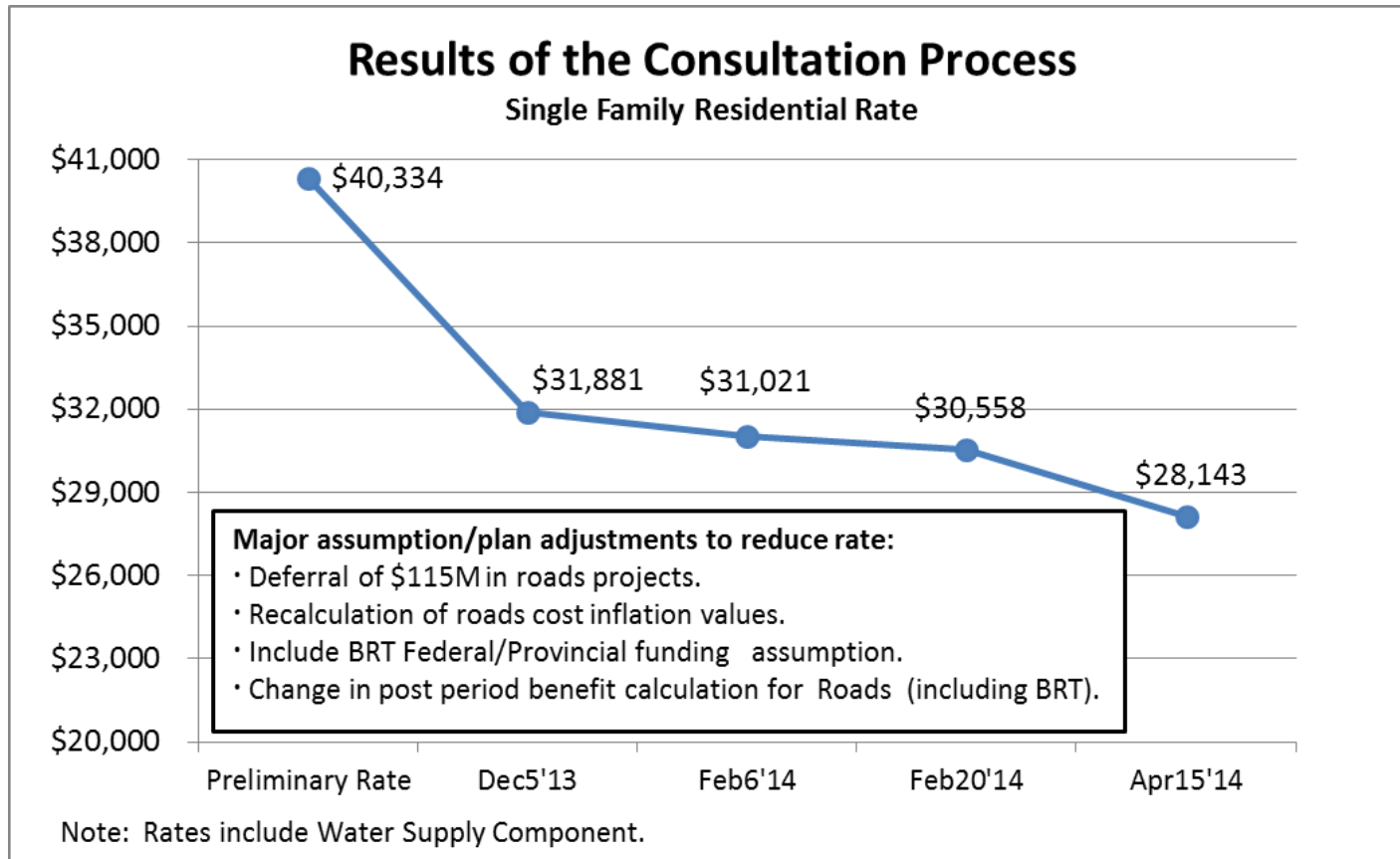
# Total DC Capital Plan Breakdown (\$millions)



**Total Development  
Charges Eligible Costs:  
\$1,117  
(values in millions)**



# Where We've Been

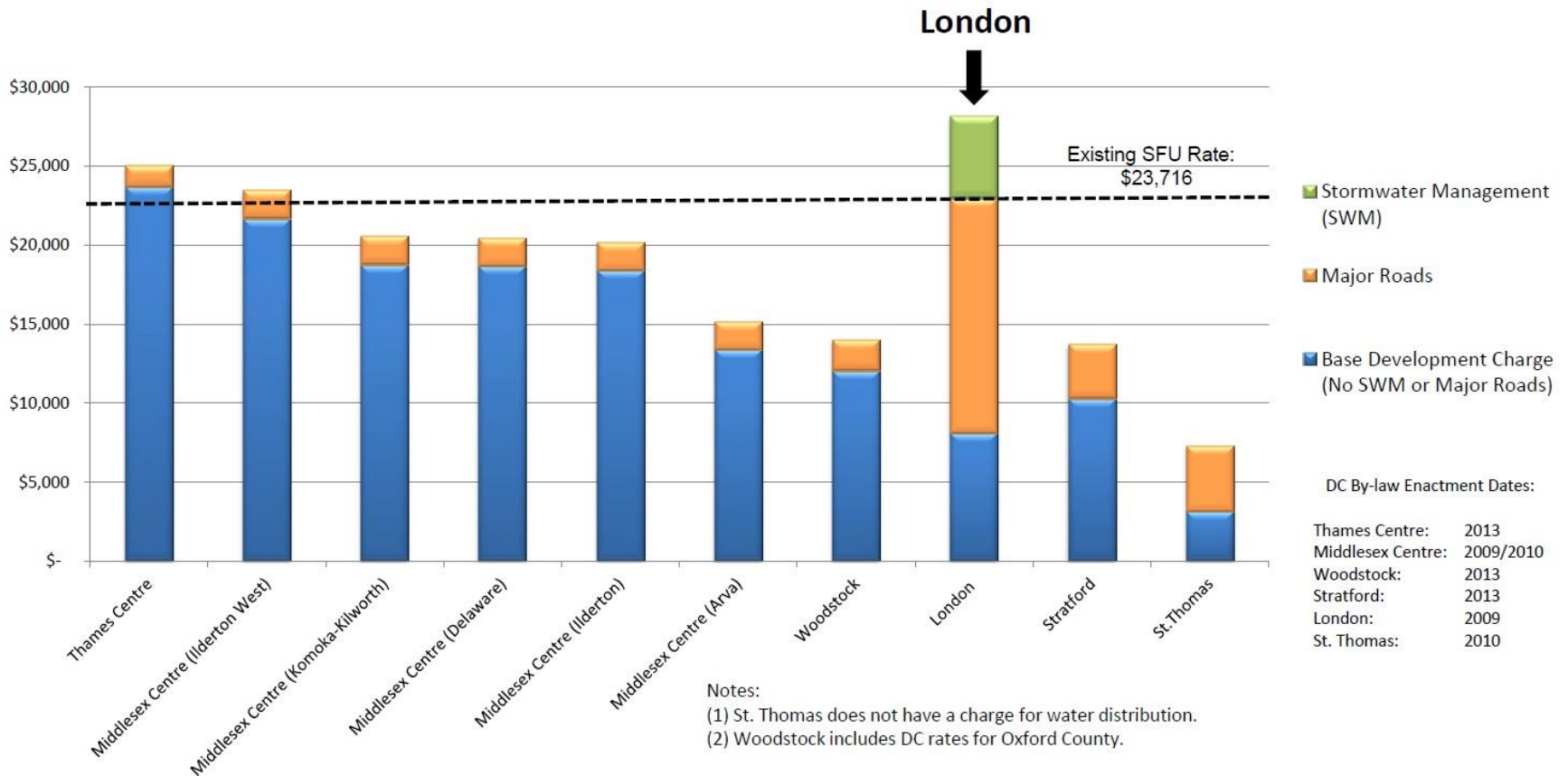


# DC Rates – Calculated and Existing

Type of Growth	Calculated DC rate	Existing rate Jan 1 2014
Residential -Single family unit(sfu) rate	\$28,143 /unit	\$23,716 /unit
Commercial	\$265.94 /sq.m	\$174.44 /sq.m
Institutional	\$138.84 / sq.m.	\$112.41 / sq.m.
Industrial	\$173.28 / sq.m.	-

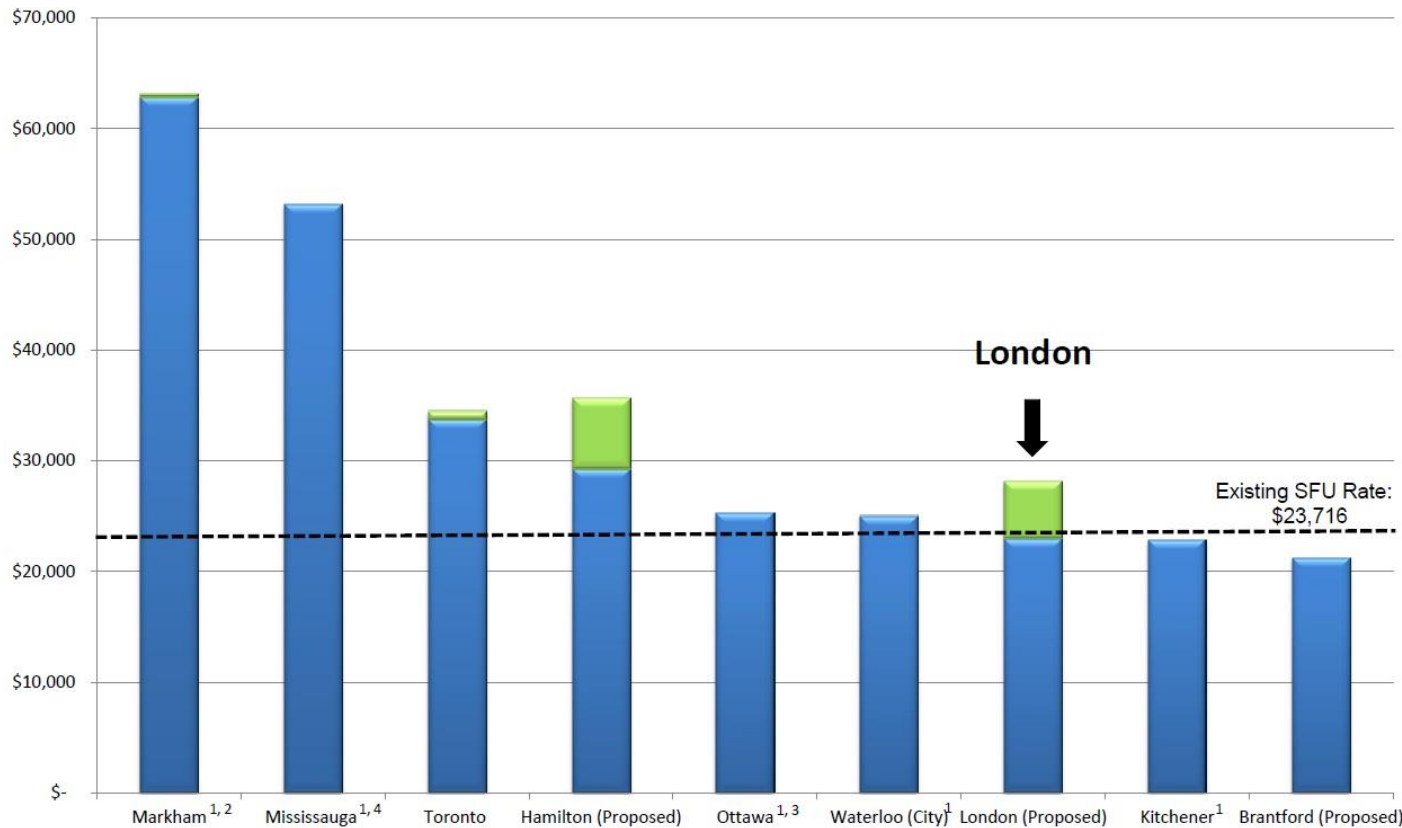
# Single Family Rate Comparison (Local Municipalities)

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



# Single Family Rate Comparison (Large Municipalities)

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



Notes:

- 1) Includes upper and lower tier DC rates
- 2) Markham has additional area-rated SWM charges of approximately \$14,000/sfu
- 3) Ottawa has area-rated SWM charges ranging from \$1000-\$7000/sfu
- 4) Mississauga DC rate also includes a SWM charge of \$81,000/hectare

- Stormwater Management (SWM)
- Base Development Charge (No SWM)

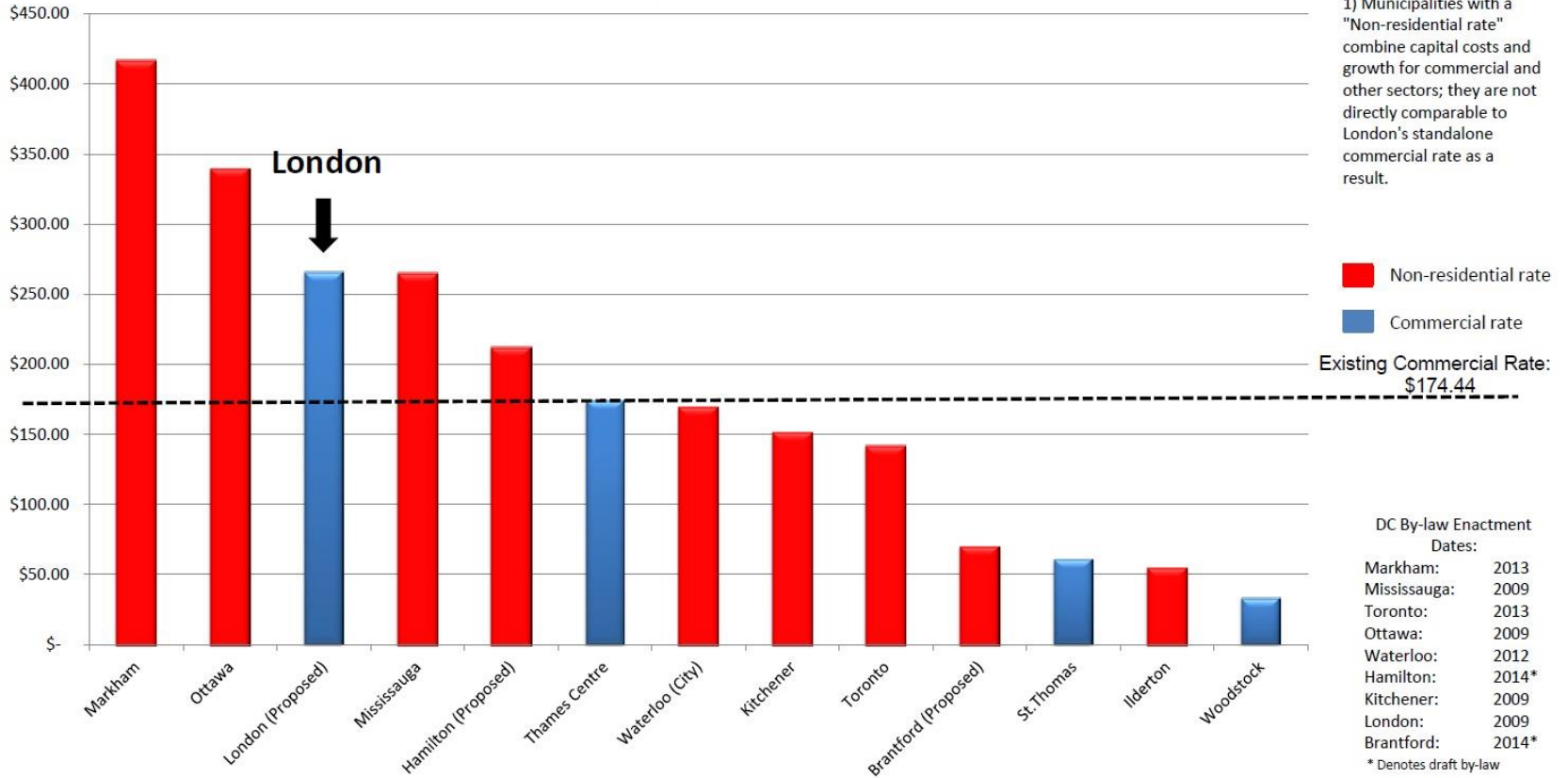
DC By-law Enactment Dates:

Markham:	2013
Mississauga:	2009
Toronto:	2013
Ottawa:	2009
Waterloo:	2012
Hamilton:	2014*
Kitchener:	2009
London:	2009
Brantford:	2014*

\* Denotes draft by-law

# Commercial Rate Comparison

Development Charges Inter-Municipal Comparison  
(Commercial Rate)



# February 20<sup>th</sup> SPPC Requests: Others

- Addressed concerns and comments of the development community (Appendix H & H.1)
- Cost implications of phasing in DC rate increases (App H.2)/subsidizing DC rates(App H.3)
- Impact of DC rate increase on housing prices (App H.4)

# February 20<sup>th</sup> SPPC Requests: Others

- Summary of Taxpayer Contributions to Capital Growth Program (Appendix G)
- Watson & Associates are preparing an economic analysis re: impact of DC rate increases (for May 5<sup>th</sup> SPPC meeting)
  - Consulting with stakeholders

# February 20<sup>th</sup> SPPC Requests: Commercial Rate

- Altus re-examined commercial space projection and provided revised floor space growth (Appendix H.5)
  - Previous square feet/employee (“space factor”) assumptions were conservative
  - Revised projection more consistent with 2007 projection, historic building permit data and “space factors” used by other municipalities

Period	Original Projection	Revised Projection	Change
2014-2034	360,080 m <sup>2</sup>	480,290 m <sup>2</sup>	+120,210 m <sup>2</sup>

- Increase in space results in a lower commercial DC rate
- Recommendation to adopt new space projection



# February 20<sup>th</sup> SPPC Requests: Water Supply

- Provides for future growth-related works for the Lake Huron Primary Water Supply System and Elgin Area Primary Water Supply System
  - Rate calculation excludes costs attributable to other municipalities, to non-growth and to previous debt for expansion of infrastructure to serve growth

**Rate Per Single  
Family**

**↑ \$400**

# DC By-law Changes

- Generally, 2014 DC By-law (Appendix J) similar to the existing DC By-law
- Summary of By-law Changes (Appendix I)
  - Amendments based on Council policy
    - (e.g., demolitions and credits, UWRF retirement, exemptions)
  - Changes based on Building Division feedback
    - e.g., holiday closure, definitions, mixed use development)
  - Technical changes
    - e.g., DC rates schedule, creation of reserve funds, committee for complaints)
- New Schedule 8 for oversizing claims

# DC Exemptions/CIP Grants

- Draft By-law provides provisions for:
  - Industrial DC exemption
  - Downtown/Old East Village residential DC exemption
  - 50% City Services Reserve Fund discount for select institutional buildings
- All existing Exemptions will remain in place
  - More to come on CIP programs

# Next Steps

- 2014 DC Study and By-law Tabled
  - April 16, 2014
- Statutory Public Meeting (SPPC)
  - May 5, 2014
- Council Approval of Study and By-law
  - Possible on May 6, 2014
  - Possible June 23<sup>rd</sup> (Council approval June 24<sup>th</sup>)