

# London Development Institute

May 2, 2014

By Email

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

Attn.: Mayor Fontana, Chair and Members of the Strategic Priorities and Policy  
Committee (SPPC)

**Re: 2014 Development Charges (DC) By-Law Update**

**Mayor Fontana, Chair and Members of the Committee,**

LDI requests that the final approval of the DC By-law and Background Study be deferred to a meeting on June 23, 2014 to allow time for revisions based on comments received at the public meeting tonight and those submitted by LDI on the individual Background Servicing reports last week. Staff has received comments from the LDI review of the background reports and the consultant needs time to make the appropriate revisions.

LDI has been an active participant in the External Stakeholder Committee reviewing DC policies and the development of the 2014 Development Charges Background Study. The LDI appreciates the opportunity to be a participant in this very important process and thank staff for their patience and assistance provided to the Stakeholder Committee throughout the development of this by-law. The DC Update has been a long process involving numerous meetings and discussions on DC policies and the formulation of the proposed rates before you tonight.

Much work has been completed to date but further verifications and revisions have been requested to the background studies that should be included in the final document before it is passed by Council.

LDI received the interim Draft Background Servicing Studies between March 21<sup>st</sup> and March 28<sup>th</sup> 2014 and met with City staff on April 22<sup>nd</sup> and April 24<sup>th</sup> to provide our review and comments. Staff committed to providing our comments to the consultants for review and revisions to the final versions of the reports prior to Council's final approval.

**To date, LDI has not received the final revised DC Background Servicing reports.**

The LDI has submitted a separate letter to the Committee on the staff recommendation to add a new charge to the DC By-law for water supply. The existing Single Family DC rate is \$23,716.00 without a charge included for water supply. The proposed new rate without water supply added would be \$27,743.00 to compare the rates on an equal basis. The new rate proposed by Staff at \$28,143.00 includes a \$400.00 charge for water supply and presumes that Council has already accepted adding this new charge to the DC rate.

**LDI does not support the addition of the water supply charge to the Residential DC rate. (see separate letter)**

The Commercial DC Rate is proposed to be increased by 52% over the current rate. This is a substantial increase to be borne by the business community in an industry that is still recovering from the financial crisis of 2008. The proposed commercial DC rate will have a major impact on both small and large businesses looking to locate or to expand existing businesses in the City and may force them to locate in less expensive communities on London's doorstep.

The additional time is required to review the effects of the commercial rate increase on new or existing commercial development in the City. Commercial development can provide new needed jobs in a City with one of the highest unemployment rates in the Country.

The City of London benefits from having competitive DC rates with surrounding municipalities like Ilderton and Komoka to help curb urban sprawl, the loss of future jobs and increased tax assessment. The additional time requested to June 23<sup>rd</sup> is needed to finalize the background studies and to confirm the DC rates as proposed.

Sincerely,

**London Development Institute**



**Jim Kennedy**  
**President, LDI**

cc LDI Members  
cc Peter Christiaans, Development Finance  
cc Martin Hayward, City Treasurer  
cc Scott Mathers, Development Finance  
cc John Braam, City Engineer  
cc John Lucas, Water Engineer