

**11TH REPORT OF THE**  
**STRATEGIC PRIORITIES AND POLICY COMMITTEE**

Meeting held on May 5, 2014, commencing at 4:10 PM, in the Council Chambers, Second Floor, London City Hall.

**PRESENT:** Mayor J.F. Fontana (Chair), Councillors B. Polhill, B. Armstrong, J.B. Swan, S. Orser, M. Brown, P. Hubert, D.G. Henderson, P. Van Meerbergen, D.T. Brown, H.L. Usher, J.P. Bryant and S. White and L. Rowe (Secretary).

**ABSENT:** Councillors J.L. Baechler and N. Branscombe.

**ALSO PRESENT:** A. Zuidema, J. Braam, P. Christiaans, C. Colvin, A. Dunbar, S. Datars Bere, S. Giustizia, K. Graham, M. Hayward, G.T. Hopcroft, G. Kotsifas, J. Lucas, S. Mathers, C. Saunders, J. Smout, E. Soldo, L. Stevens and P. Yeoman.

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**I. CALL TO ORDER**

1. Disclosures of Pecuniary Interest

Recommendation: That it BE NOTED that no pecuniary interests were disclosed.

**II. CONSENT ITEMS**

2. Industrial Land Development Strategy Implementation Options

Recommendation: That, on the recommendation of the City Manager, with respect to options for implementing the 2014 Industrial Land Development Strategy, the following actions be taken:

- a) as an interim step, the City Manager BE DIRECTED to identify an internal lead and supporting team of staff resources responsible for the immediate actions associated with implementing the Industrial Land Development Strategy (ILDS); and
- b) the City Manager, in collaboration with the identified internal lead and staff team, BE DIRECTED to develop a business case for the an Industrial Land Development Corporation, which would be responsible for long-term implementation of the Industrial Land Development Strategy (ILDS), and report back to the Strategic Priorities and Policy Committee by September 2014; it being noted that this direction reflects the Municipal Council's support in principle, for an external model for implementing the ILDS;

it being noted that the Corporate Services Committee heard a verbal overview from the City Manager with respect to this matter.

Voting Record:

Motion to Approve part a):

Motion Passed

YEAS: J.F. Fontana, J.B. Swan, D.G. Henderson, J.P. Bryant, S. Orser, M. Brown, P. Hubert, P. Van Meerbergen, D. Brown, S.E. White, B. Armstrong (11)

NAYS: B. Polhill, H.L. Usher (2)

Motion to Approve the balance of clause 2, including part b):

Motion Passed

YEAS: J.F. Fontana, J.B. Swan, D.G. Henderson, J.P. Bryant, B. Polhill, S. Orser, M.

Brown, P. Hubert, D. Brown, H.L. Usher, S.E. White, B. Armstrong (12)

NAYS: P. Van Meerbergen (1)

### III. SCHEDULED ITEMS

3. London Hydro Inc. – 2013 Annual Meeting of the Shareholder – Annual Resolutions

Recommendation: That, on the recommendation of the City Manager, the by-law appended to the staff report dated May 5, 2014 as Attachment “A” BE INTRODUCED at the Municipal Council meeting to be held May 20, 2014 to:

- a) ratify and confirm the Annual Resolutions of the Shareholder of London Hydro Inc. attached as Schedule “1” to the by-law; and
- b) authorize the Mayor and the City Clerk to execute the Annual Resolutions of the Shareholder of London Hydro Inc. attached as Schedule “1” to the by-law;

it being noted that the Strategic Priorities and Policy Committee heard the attached presentation from P. Johnson, Board Chair, London Hydro Inc. and V. Sharma, Chief Executive Officer, London Hydro Inc.

Motion Passed

YEAS: J.F. Fontana, J.B. Swan, D.G. Henderson, J.P. Bryant, B. Polhill, S. Orser, M. Brown, P. Hubert, P. Van Meerbergen, D. Brown, H.L. Usher, S.E. White (12)

4. London & Middlesex Housing Corporation - 2013 Annual Meeting of the Shareholder - Annual Resolutions and Declaration of the Sole Shareholder and Accountability Rules

Recommendation: That, on the recommendation of the City Manager, the following actions be taken with respect to the London & Middlesex Housing Corporation (LMHC):

- a) the proposed by-law appended to the staff report dated May 5, 2014 as Attachment “A” BE INTRODUCED at the Municipal Council Meeting to be held on May 20, 2014 to:
  - i) ratify and confirm the Annual Resolutions of the Shareholder of the London & Middlesex Housing Corporation, attached as Schedule “1” to the by-law; and,
  - ii) authorize the Mayor and the City Clerk to execute the Annual Resolutions of the Shareholder of London & Middlesex Housing Corporation, attached as Schedule “1” to the by-law; and
- b) the following changes to the “Declaration of the Sole Shareholder” by the City of London to the London & Middlesex Housing Corporation (LMHC), including Appendix “A” - “Accountability Rules” BE ENDORSED IN PRINCIPLE; and the Civic Administration BE DIRECTED to bring forward the necessary by-law at the May 20, 2014 meeting of the Municipal Council to implement the following proposed changes:
  - i) amend the Board composition (Section 6.2(c)), as follows:
    - 1 City Council representative
    - 1 Council Council-recommended representative
    - 7 Citizens-at-Large;
  - ii) provide for staggered Board terms (Section 6.2(f)), which may require a one-time extension of a current appointment(s) in order to provide continuity, with the transition process to be implemented in consultation with the LMHC;

- iii) provide for the LMHC to advise the Municipal Council of desired competencies when seeking applicants for vacancies on the Board (Section 6.2(b)), and to have the ability to put forward the names of applicants they would like to have considered for those vacancies;
- iv) amend the attendance requirements for the Board (Section 4.5) to reflect removal in the event of absence from three (3) meetings, consecutive or non-consecutive, in any 12 month period, without prior written approval of the Board; and
- v) other minor housekeeping changes to reflect current legislative references and position titles and to better reflect the ongoing work of the LMHC Board and Administration;

it being noted that the Strategic Priorities and Policy Committee heard the attached presentation from D. Reycraft, LMHC Board Chair, and S. Matthew, Executive Director, LMHC, with respect to this matter.

#### Motion Passed

YEAS: J.F. Fontana, J.B. Swan, D.G. Henderson, J.P. Bryant, B. Polhill, S. Orser, M. Brown, P. Hubert, P. Van Meerbergen, D. Brown, H.L. Usher, S.E. White (12)

#### 5. 2014 Development Charges

Recommendation: That the following actions be taken with respect to the 2014 Development Charges (DC) Background Study, and the 2014 Draft DC By-law:

- a) the revised Commercial growth projections, as described in Appendix H.5 of the staff report dated April 14, 2014, BE ADOPTED; it being noted that the revised projections arose out of a review by Altus of the commercial space factors used in the previous forecasts;
- b) in accordance with the DC legislation, the intention to meet the capital project needs of growth, as listed in the rate calculations contained in Appendices "B" through "M" of the 2014 DC Background Study - March, 2014 BE CONFIRMED SUBJECT TO ongoing reviews afforded by the annual Growth Management Implementation Strategy process, changes through the Capital Budget approval process, and collection of sufficient DC revenues;
- c) the draft DC By-law (attached as Appendix J to the staff report dated April 14, 2014) BE AMENDED as follows:
  - i) the definition of "development" being amended from "'development' means...as per section 10 of the Ontario Building Code..." to "'development' means...as per Section C.1.3.1.4 of the Ontario Building Code...";
  - ii) section 15 of the 2014 Draft DC By-law (Appendix J of the staff report dated April 14, 2014) being amended to the wording identified for section 15 identified in Appendix A of the staff report dated May 5, 2014;
  - iii) Schedule 1 being the proposed DC rates identified in the 2014 Draft DC By-law (Appendix J of the staff report dated April 14, 2014) being amended to reflect a revised Schedule 1 as identified in Appendix A of the staff report dated May 5, 2014; it being noted that the changes include minor revisions to the recommended DC rates as well as the addition of text at the bottom of the schedule;

it being noted that By-law C.P.-1473-212 (as amended), being the City's existing Development Charges By-law will expire coincidental with the coming into force of the new by-law which incorporates the new DC rates identified in Appendix D of the staff report dated April 14, 2014;

- d) the staff report dated May 5, 2014, regarding the impact of the water

supply development charge on the water rate, BE RECEIVED for information;

- e) the staff report dated May 5, 2014, including the study by Watson & Associates entitled "City of London: Economic Impact of Proposed Development Charges", BE RECEIVED for information;
- f) the draft DC By-law and Background Study BE REFERRED back to staff to:
  - i) further refine the recommendations, giving consideration to:
    - A) the input to date, including the comments provided at the public participation meeting held on May 5, 2014, as well as input received through further consultation with the External Stakeholders Committee;
    - B) the incorporation of the recommendations contained in the staff report dated May 5, 2014 entitled "Revisions to the Draft 2014 Development Charges By-law and Background Study";
    - C) inclusion of two additional recommendations as follows:
      - "a) in accordance with the Development Charges Act, 1997, it BE CONFIRMED that Municipal Council has expressed its intention that excess capacity of the works identified in the Development Charges Background Study be collected from development charges; and,
      - b) it BE CONFIRMED that the Municipal Council has determined that no further notice or public meetings are required pursuant to Section 12 of the Development Charges Act, 1997";
  - ii) further refine the DC Background Study dated April, 2014, giving consideration to the amendments outlined in Appendix B to the staff report dated May 5, 2014, in order to reflect comments provided by members of the Strategic Priorities and Policy Committee on April 14, 2014, and comments received from the Development Charges External Stakeholders Committee members;
  - iii) report back at a special meeting of the Strategic Priorities and Policy Committee, to be held immediately following the Investment and Economic Prosperity Committee scheduled for June 9, 2014, in order to accommodate final adoption at the Council meeting to be held on June 24, 2014, with:
    - A) revised recommendations as noted in f)i) and f)ii), above, subject to any further refinements that may arise from B) and C) below;
    - B) details of options and implications of removing the water supply charge from the proposed 2014 DC By-law; and
    - C) details of options and implications of placing a cap of 25% on the calculated commercial DC rate, as identified in the proposed 2014 DC By-law;

it being noted that:

- the Municipal Council received an earlier report which contained the proposed schedule of DC rates contained in the proposed 2014 DC By-law, which included a Water Supply Component (Appendix D of the staff report dated April 14, 2014 and Schedule 1 of the proposed 2014 DC By-law);

- the exemptions identified in By-law CP-1473-212, as amended (i.e. the 50% institutional exemption, industrial development exemption and the Downtown residential exemption) are contained in the proposed 2014 DC By-law, but will expire upon passage of CIP by-laws to amend and replace the same, consistent with Municipal Council's decision on August 27, 2013;
- in accordance with the Municipal Council's direction, the Civic Administration has responded to comments and concerns raised in relation to the report on draft DC rate calculations (submitted at the Strategic Priorities and Policy Committee meeting of February 20, 2014, as Appendix H); and
- the proposed 2014 DC By-law (included as Appendix J to the staff report dated April 14, 2014), includes amendments to the DC Policy considered and approved in the preceding two years, as well as technical amendments intended to add clarity to the By-law (summarized in Appendix I to the staff report dated April 14, 2014);

it being further noted that the Strategic Priorities and Policy Committee heard the attached presentation from P. Christiaans, Director, Development Finance and S. Mathers, Manager, Development Finance with respect to this matter; it being further noted that the SPPC received the following communications on its Added Agenda, with respect to this matter:

- a) a staff information report dated May 5, 2014 from the Managing Director, Environmental and Engineering Services and City Engineer, with respect to the impact of the water supply development charge on the water rate;
- b) a staff information report dated May 5, 2014 from the Director, Development Finance, with respect to Watson & Associates' study entitled "City of London" Economic Impact of Proposed Development Charges";
- c) commentary from Dr. G. Arku, Western University, Department of Geography, on Watson & Associates' Report entitled "City of London's Economic Impact of Proposed Development Charges";
- d) a staff report detailing proposed revisions to the draft 2014 Development Charges By-law and Background Study;
- e) a communication from A. Soufan, President, York Developments Inc., regarding the proposed development charges rates;
- f) a communication from M. Noskiewicz, Goodmans LLP, representing Smartcentres Inc., Calloway REIT and Greenhills Shopping Centres Limited regarding the development charges review;
- g) a communication from D. Wastell, President, London Homebuilders' Association, with respect to the 2014 Development Charges By-law;
- h) a communication from J. Kennedy, President, London Development Institute, regarding the Development Charge Review 2014, Water Supply Charge; and
- i) a communication from J. Kennedy, President, London Development Institute, regarding delegation status for the 2014 Development Charges By-law Update;

it being pointed out that at the public participation meeting associated with this matter, the individuals indicated on the attached public participation meeting record made oral submissions in connection therewith.

Voting Record:

Motion to open the PPM:

Motion Passed

YEAS: J.F. Fontana, J.B. Swan, D.G. Henderson, J.P. Bryant, B. Polhill, S. Orser, M.

Brown, P. Hubert, P. Van Meerbergen, D. Brown, H.L. Usher, S.E. White (12)

Motion to close the PPM

Motion Passed

YEAS: J.F. Fontana, J.B. Swan, D.G. Henderson, J.P. Bryant, B. Polhill, S. Orser, M. Brown, P. Hubert, P. Van Meerbergen, D. Brown, H.L. Usher, S.E. White (12)

Motion to Approve clause 5.

Motion Passed

YEAS: J.F. Fontana, J.B. Swan, D.G. Henderson, J.P. Bryant, B. Polhill, S. Orser, M. Brown, P. Hubert, P. Van Meerbergen, D. Brown, H.L. Usher, S.E. White (12)

#### **IV. ITEMS FOR DIRECTION**

6. Consideration of Nominees for Appointment to the Board of Directors of the Greater London International Airport Authority

Recommendation: That the names and applications of the following nominees BE FORWARDED to the Greater London International Airport Authority Board of Directors for consideration for appointment to the Greater London International Airport Authority (GLIAA) Board of Directors, for the term August 1, 2014 to July 31, 2017; it being noted that there is only one vacancy on the GLIAA Board of Directors to fill at this time:

- Bill Graham
- Gus Kotsiornitis

Voting Record:

Motion to nominate Bill Graham:

Motion Passed

YEAS: J.F. Fontana, J.B. Swan, D.G. Henderson, J.P. Bryant, B. Polhill, S. Orser, P. Hubert, P. Van Meerbergen, D. Brown, H.L. Usher, S.E. White (11)

NAYS: M. Brown (1)

Motion to nominate Murray Faulkner:

Motion Failed

YEAS: J.B. Swan, D.G. Henderson, P. Van Meerbergen, H.L. Usher (4)

NAYS: J.F. Fontana, J.P. Bryant, B. Polhill, S. Orser, M. Brown, P. Hubert, D. Brown, S.E. White (8)

Motion to nominate Wayne Dunn:

Motion Failed

YEAS: J.F. Fontana, D. Brown (2)

NAYS: J.B. Swan, D.G. Henderson, J.P. Bryant, B. Polhill, S. Orser, M. Brown, P. Hubert, P. Van Meerbergen, H.L. Usher, S.E. White (10)

Motion to nominate Heather Broadhead:

Motion Failed

YEAS: D.G. Henderson, J.P. Bryant, P. Van Meerbergen, D. Brown (4)

NAYS: J.F. Fontana, J.B. Swan, B. Polhill, S. Orser, M. Brown, P. Hubert, H.L. Usher, S.E. White (8)

Motion to nominate Trevor Hunter:

Motion Failed

YEAS: S. Orser, P. Hubert, P. Van Meerbergen, S.E. White (4)

NAYS: J.F. Fontana, J.B. Swan, D.G. Henderson, J.P. Bryant, B. Polhill, M. Brown, D. Brown, H.L. Usher (8)

Motion to nominate Gus Kotsiomititis:

Motion Passed

YEAS: J.F. Fontana, J.B. Swan, J.P. Bryant, B. Polhill, S. Orser, M. Brown, P. Hubert, P. Van Meerbergen, D. Brown (9)

NAYS: D.G. Henderson, H.L. Usher, S.E. White (3)

**V. DEFERRED MATTERS/ADDITIONAL BUSINESS**

None.

**VI. CONFIDENTIAL**

C-1. A matter pertaining to advice that is subject to solicitor-client privilege, including communications necessary for that purpose, as it relates to the Western Fair Association.

Recommendation: That consideration of the confidential matter pertaining to advice that is subject to solicitor-client privilege, including communications necessary for that purpose, as it relates to the Western Fair Association BE POSTPONED until a future date when the relevant parties can be in attendance.

Motion Passed

**VII. ADJOURNMENT**

The meeting adjourned at 9:50 PM.

## PUBLIC PARTICIPATION MEETING COMMENTS

## 5. 2014 Development Charges

- Jim Kennedy, President, London Development Institute – reiterating the points made in the two communications included on the Added Agenda, in particular the position that water supply charges should not be included in development charges, but rather should be included in the utility rate; requesting final approval of the Development Charge By-law and background study be postponed to the Strategic Priorities and Policy Committee meeting to be held on June 23, 2014 to allow time for revisions based upon input from the public participation meeting held on May 5, 2014 and for further discussions with staff; noting that the London Development Institute does not represent the entire development community; indicating he would like more time to talk to staff about the policy for private, permanent stormwater systems affecting medium and high density residential, industrial, commercial and institutional as the way the proposed DC By-law is worded, they haven't made reductions in the amount to reflect that developers will have to provide quality and quantity control on site, which will have a cumulative effect; noting they still need a bit more time to speak with staff since the engineering component background studies were only discussed with staff last week and the studies need to be taken back to the consultant for review and revision and we should be able to see those revisions before they come forward; commending staff for their work and collaboration to date; and indicating support for postponing final approval until June 23, 2014 to allow the additional time for final discussions with staff.
- Phil Masschelein, Sifton Properties Limited – advising of one of Sifton's proposed developments called "The Village at Riverbend", which will be approximately 70 acres in size, will have approximately 2,000 residential units, .5 million sq. ft. of commercial, will have a total value of \$500 million once built out, will be leading edge in terms of architecture and design, green building/smart community; noting that the applications for the aforementioned development will be submitted to staff within the next month and will attract provincial and national recognition; noting that the development industry requires "tools" to help them move forward with smart communities, because they ultimately save communities money; noting they have submitted two letters to the City—one to Planning and one to Finance—to discuss implementing a Community Improvement Plan (CIP) designation for the area; and seeking flexibility in the language of the DC By-law for CIP programs for this and other future developments.
- Sandy Levin, Urban League of London – thanking the City for involving the Urban League in the review of the DC By-law and expressing the hope that this continue into the future, providing the attached presentation; indicating concern with delaying final approval to June 23, 2014 when June 24, 2014 is the "drop dead" date for approval; expressing the opinion that water supply should be included in the DC By-law as DC's are one-time charges whereas water rates continue; noting there are two elements to DC's: forecast of demand and forecast of costs; indicating that traditionally the DC study estimates are higher than actuals so the DC rates are too low, resulting in an increase in debt issuance; stating that existing and new residences and businesses are affected by road widenings and consideration of higher construction costs are generally ignored; noting that the private sector knows THAT when infrastructure programs are available, costs for works go up because there is always a limited timeframe for those programs; pointing out that DCs in different municipalities are not always apples to apples as a municipality such as London has roads to widen whereas a smaller municipality does not; reiterating support for water supply to be included in DCs and cautioning to be careful what you wish for.
- Peter Sergautis, President, Extra Realty Ltd. – providing the attached letter and reiterating the position expressed therein.
- Nadio DiPardo – indicating it would be a win-win situation for both the City and also small builders and private citizens to be able to construct in older, completely established neighbourhoods and areas of the City without the substantial development charges imposed; noting this would greatly encourage the development of any empty lots, severing of very large properties into smaller lots, and in turn, "filling up" neighborhoods and areas, which would help reduce sprawl; noting that in order to develop and build a single family home, duplex, triplex or fourplex, etc. all fees and costs attached to the development are paid



for by the owner, at no cost to the City; stating that the City would not have to expand roads, sidewalks, enlarge or enhance services and other requirements for a handful of homes built on any given street, but it would benefit greatly by the additional property taxes generated; indicating that development charges imposed make building in established areas very difficult to justify and seem unfair and must be subsidizing other bigger projects; stating that he is encouraged and hoping that there is Council support for in-fill projects to increase and suggesting that this would happen more quickly if development charges would be exempt for in-fill projects, which would in turn benefit the City through an increase in the tax base and a slow down of urban sprawl.

- Mike Inglis, 147 West Rivertrace Walk – indicating that he and his wife own and operate Gymworld Gymnastics, which has been operating for the last 12 years; stating that the proposed 2014 DC By-law references conversion provisions and he feels that when you locate a commercial use in an industrial area there should not be an expectation of the payment of full commercial development charges as the uses are temporary, but the building is permanent; noting that the full value of paying full commercial development charges can't every be fully realized because of retail uses; expressing the view that a lot of effort has been put into limiting non-industrial uses in industrial areas this past year by both staff and City Council and citing a situation at Wonderland and Southdale Roads that would suggest that the rates don't make sense; also pointing out that some Councillors have suggested that a certain area for small businesses be exempt, but a business such as his, which is still a small business, requires a large area, so that exemption does not assist his situation to any great extent; noting he is trying to build a world class facility, a process which started 5 years ago when he purchased property in the Hyde Park industrial area, behind his current location; stating he has been waiting for services to arrive that are presently being installed and this summer he was successful in working with the Planning staff to rezone the property to allow commercial recreation uses in the light industrial zone; indicating he has been following development charges for years and have been watching them rise over the years to the point where his project would be \$282,000 at the commercial rate; stating that he has been searching for policies that could help reduce that charge, but not only has that search been unsuccessful, they are now faced with charges increasing to \$433,000 which is almost an entire year's gross revenue and 30% of the cost of building the facility; expressing his strong belief that a commercial recreation facility is not the same as a commercial enterprise and noting his business does not generate enough revenue to support these kinds of fees; and summarizing that he and his spouse are not the kind of people that like to ask for things, but in this case they are asking as they need some assistance in order to be able to build this legacy project for the community...a project that is long overdue.