



June 23, 2014  
Chair and Members  
SPPC – City of London

**Agenda item relating to the staff report regarding the Growth Management Implementation Strategy**

The Urban League of London supports the staff recommendation and wish to point out the following:

1. Table A1 shows that all but \$6 million of the project costs will come from Development Charge revenue. That means the additional taxes from new development will not assist in paying back the debt related costs if the Council decides to add more projects to the 2015 GMIS.
2. The new development that will pay property taxes will only be built over time. The costs you incur are up front. That means doing too much too soon risks increased debt issuance and debt charges.
3. Even if you think that property taxes will cover the costs, you have no estimates from staff as to the amount of new taxes generated. Hence the belief that new taxes will cover the costs is not based on evidence.
4. Staff have saved the most compelling point to the end of their report. The highlighting is mine.

“Staff are satisfied that the projects in the initial few years of the growth forecasts can be accommodated. Beyond those early years however, **debt payments may exceed revenues for a period of time. This is a risky proposition and one to be avoided.**”

“The following factors would affect the need to defer project timing:

- Average **DC revenue performance** that does not exceed current projections in the DC
- rate calculations or adverse variations from the revenue caused by **slower than expected building activity**;
- Expenditure timing that does not improve on the timing in the current DC rate model or adverse variations from expenditure timing in the next few years;
- **Any acceleration of projects**; and/or
- Adverse changes in interest rates affecting financing costs.”

The Urban League appreciates the opportunity given by Council and staff to participate in this process. We believe our years of experience are of help to your decision making.

Sandy Levin

Gloria McGinn-McTeer