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**2016 Growth Management
Implementation Strategy (GMIS)
Update**

***Milestone 6: Strategic Priorities and
Policy Committee***

May 11, 2015



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2016 Growth Management Implementation Strategy Update:

- Brief overview of GMIS
- GMIS context: Growth analysis and Reserve Fund analysis
- Project Deferral Criteria (new for 2016 GMIS Update)
- Recommended 2016 GMIS project adjustments

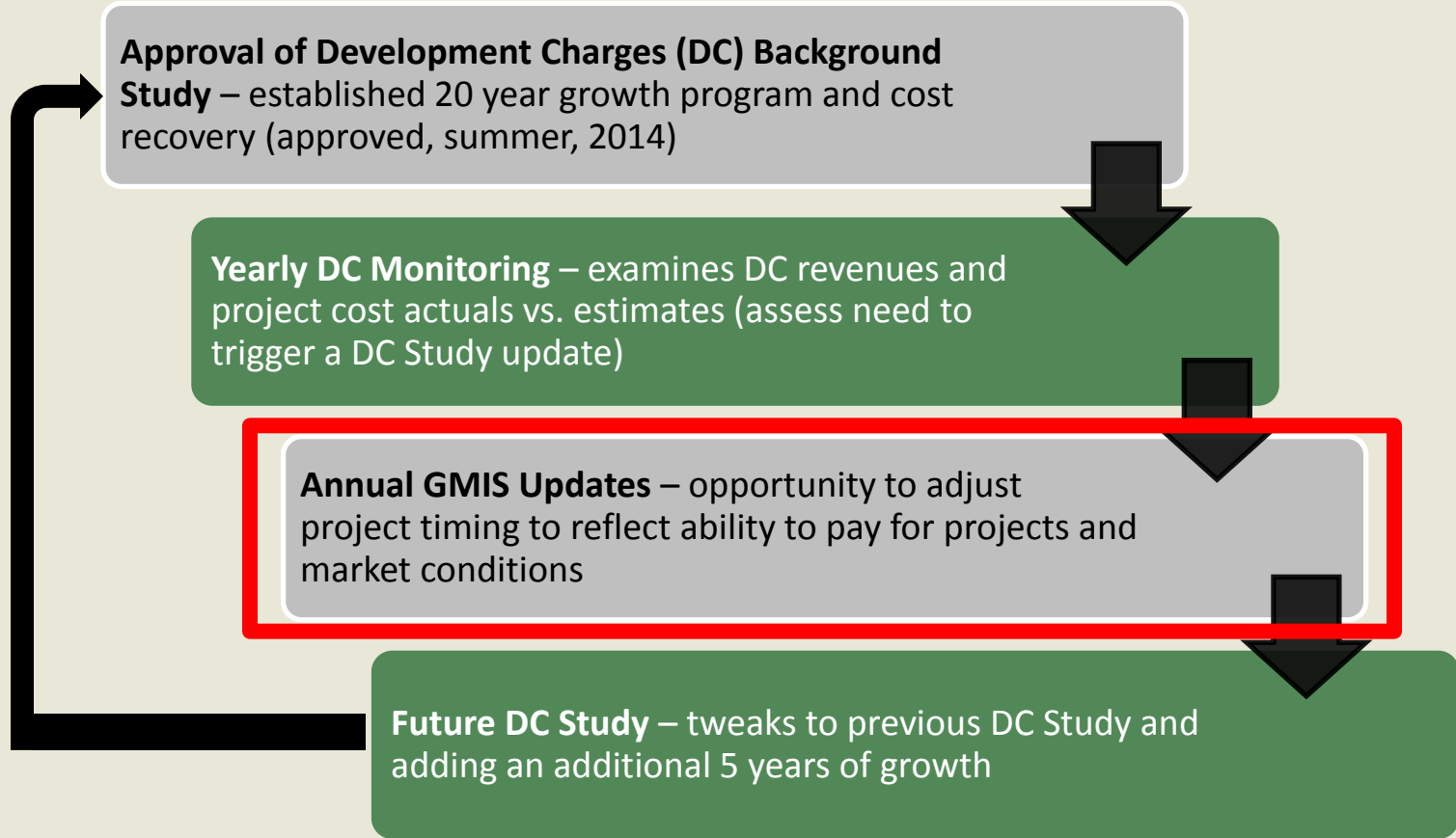
Council Role in DC-Related Items

Approval of Development Charges (DC) Background Study – established 20 year growth program and cost recovery (approved, summer, 2014)

Yearly DC Monitoring – examines DC revenues and project cost actuals vs. estimates (assess need to trigger a DC Study update)

Annual GMIS Updates – opportunity to adjust project timing to reflect ability to pay for projects and market conditions

Future DC Study – tweaks to previous DC Study and adding an additional 5 years of growth



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Why GMIS?:

- The GMIS was created as a guideline to integrate development plans with infrastructure servicing.
- Meets the objectives and policies of the Official Plan over the 20-year period.
- Progresses the orderly development of various private land interests.
- Provides flexibility to recognize the varying pace of growth.



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Council adopted GMIS principles (2008):

1. Provide direction for timely, cost effective extension of municipal services.
2. Support growth costs that are affordable.
3. Allocate growth in a manner that optimizes existing services.
4. Support development of sufficient land to meet City's growth & economic development objectives.



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Council adopted GMIS principles (2008):

5. Support Official Plan Growth Management Policies.
6. Support the completion of existing development approvals.
7. Maintain lot and land supply in a manner conducive to a healthy housing market.
8. Coordinate the phasing of development approvals with scheduling of works through capital budget.



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GMIS 2016 Schedule

Timing	Milestone
February 12, 2015	Milestone 1 <i>GMIS Update Kickoff Meeting</i>
February 23, 2015 (All week)	Milestone 2 <i>Development Community Rep Interviews</i>
March 6, 2015	Milestone 3 <i>Internal Divisions Project Managers Meeting</i>
March 10, 2015	Milestone 4 <i>Internal City Development Management Team Meeting</i>
April 8, 2015	Milestone 5 <i>Development Community Stakeholder Session Meeting</i>
May 11, 2015 SP&P Committee Meeting	Milestone 6 <i>City Staff GMIS Update Presentation to the Strategic Priorities and Policy Committee Public Meeting</i>

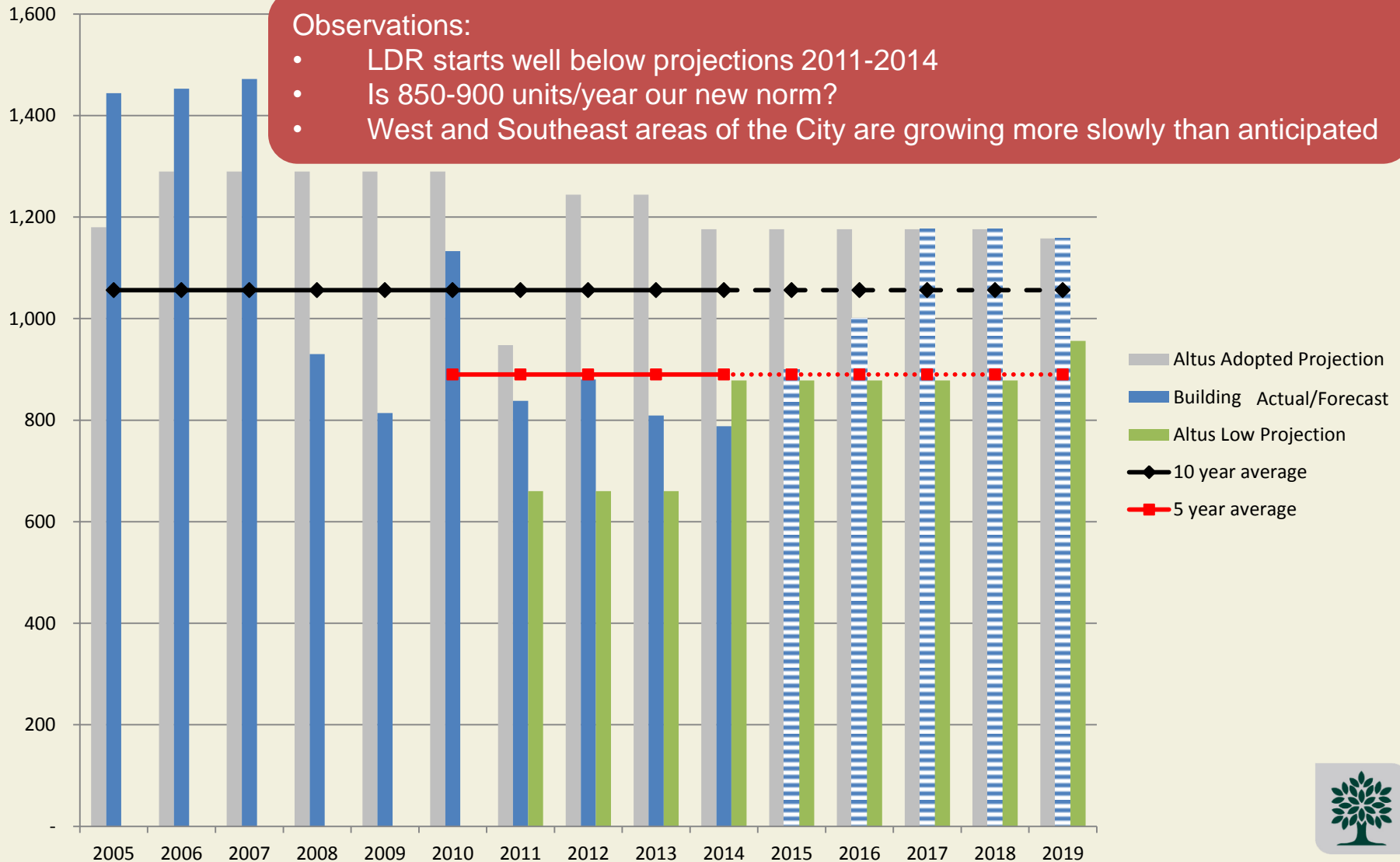


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Thinking About Demand:

BUILDING CONSTRUCTION

Comparison of Low Density Residential (LDR) Projected Growth and Actual Growth: 2005 - 2019





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Thinking About Supply:

VACANT LANDS AND BUILT SUPPLY

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Provincial Policy Statement: 3 Years Serviced Units in Draft and Registered Plans

Category	Altus 3 Year LDR Demand (Units)	Built Area Serviced Supply (Units)	Greenfield Serviced Supply (Units)	Total Serviced Supply (Units)	Years of LDR Supply (Units)
Intensification	-	60	-	60	-
Registered Plans	-	294	877	1171	-
Draft Approved Plans	-	89	2541	2630	-
Total	3528	443	3418	3861	3.3
"Under Review"	-	46	335	381	3.6

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Provincial Policy Statement: 3 Years Serviced Units in Draft and Registered Plans

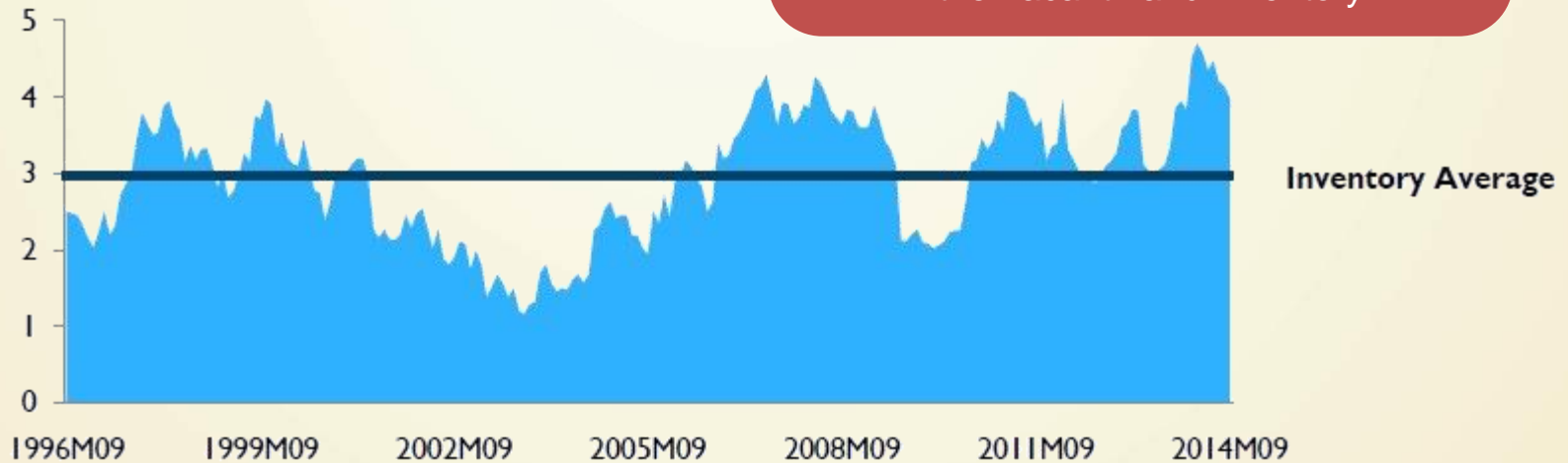
Category	Altus 3 Year LDR Demand (Units)	Built Area Serviced Supply (Units)	Greenfield Serviced Supply (Units)	Total Serviced Supply (Units)	Years of LDR Supply (Units)
Intensification					-
Registered Plans					-
Draft Approved Plans					-
Total	3				3.3
"Under Review"					3.6

- Does not include Vacant Land Condominium houses
- An additional 1092 units are Draft Approved with approved and pending stormwater management facility construction
- Ability to achieve projected LDR growth in the future?

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Starts Constrained by Completed and Unsold Units

Completed And
Unsold New
Detached Homes
per 10,000
Population



Observations:

- Substantial existing built LDR supply exists on the market
- LDR supply to accommodate demand more than what's included in the Vacant Land Inventory

Source: CMHC (Starts and Completions Survey)



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Thinking About Affordability:

DC RESERVE FUND ANALYSIS



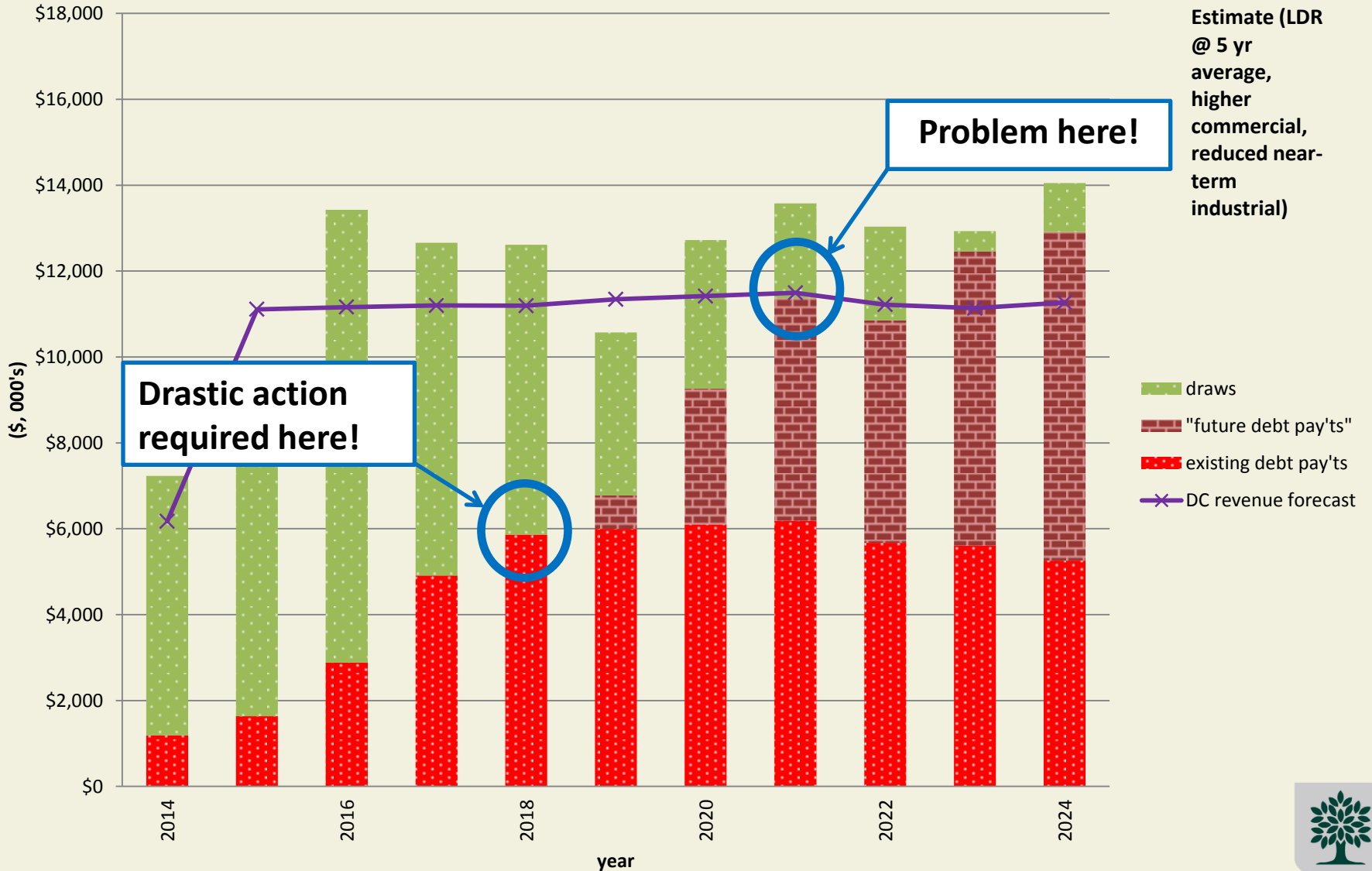
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DC Reserve Fund Analysis

- Focus of DC reserve fund analysis has been the Stormwater Management (SWM) and Sanitary reserve funds due to concerns raised in 2015 GMIS
- Reserve fund analysis examines:
 - Existing cash balances in the DC reserve funds
 - Projected DC revenues
 - DCs collected by Building Division
 - Transfers to fund DC incentives (tax/rate-supported)
 - Anticipated project draws (committed and planned)
 - Debt financing (principal and interest)
- Sensitivity analysis using revenue scenarios

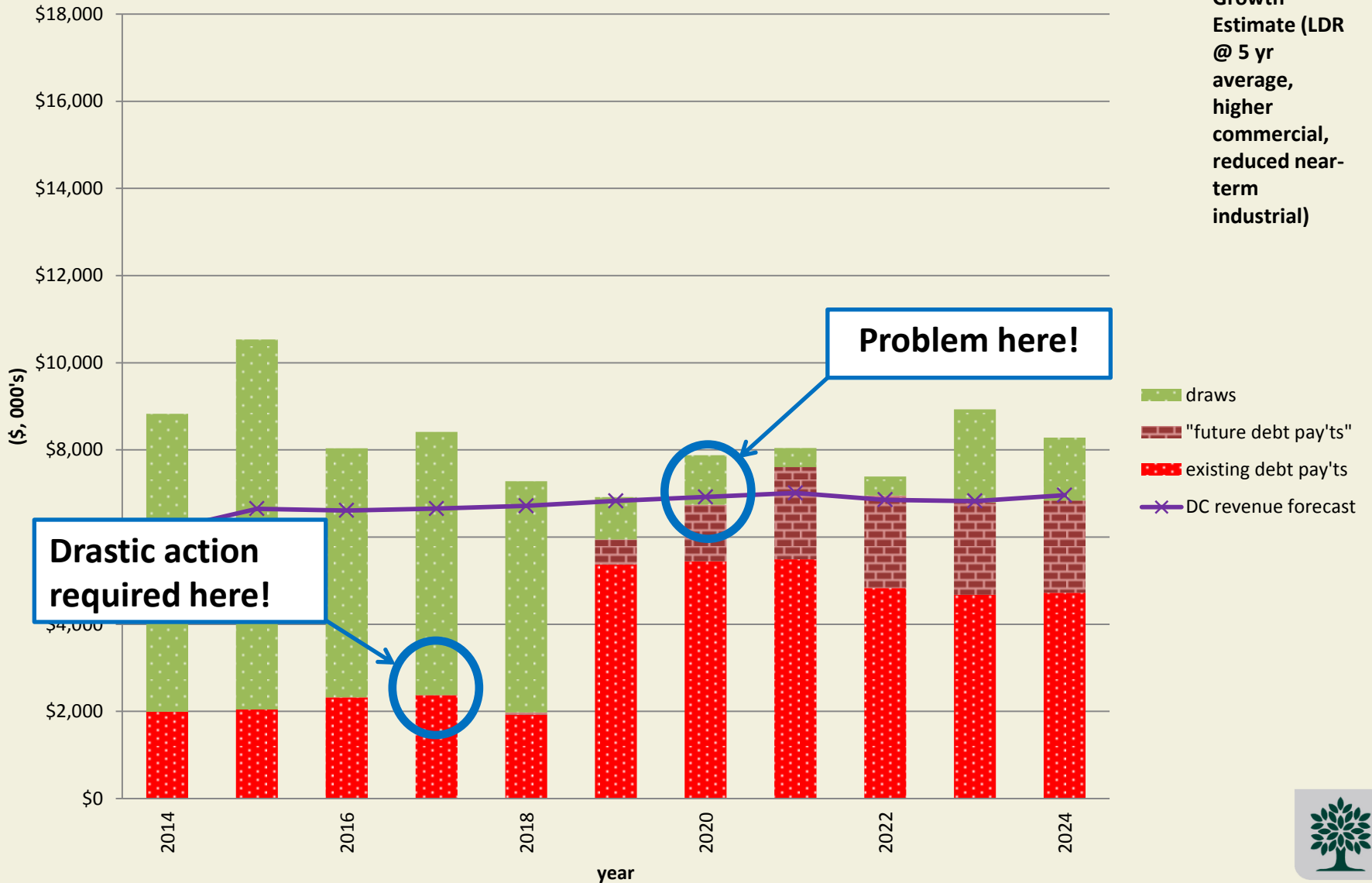
Stormwater Management DC Cash Flows (Pre-Deferrals)

Scenario 3:
2016 GMIS
Growth
Estimate (LDR
@ 5 yr
average,
higher
commercial,
reduced near-
term
industrial)



Sanitary DC Cash Flows (Pre-Deferrals)

Scenario 3:
2016 GMIS
Growth
Estimate (LDR
@ 5 yr
average,
higher
commercial,
reduced near-
term
industrial)





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2016 GMIS Update:

PROPOSED PROJECT DEFERRAL CRITERIA



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GMIS Project Deferral Criteria

“If the application isn’t moving, the project timing will.”

- Rationale for deferral criteria:
 - Predictability – everyone knows “the rules”
 - Transparency – can link recommendation to development status
 - Consistency – criteria applied to all projects and development lands
 - Preventative – avoid idle capital and non-revenue generating investments
 - Proactive – reduce need for future major changes to capital program



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2016 GMIS Update:

RECOMMENDED 2016 GMIS ADJUSTMENTS

Recommended Project Deferrals

Service Area	Project	Geographic Area	2015 GMIS Year	Rationale for Timing Change	2016 GMIS Year
Stormwater	White Oaks SWM 4	Southwest	2016	Criteria	2017
Stormwater	North Lambeth SWM P7	Southwest	2017	Criteria	2018
Stormwater	Sunningdale SWM 6A	North	2017	Criteria	2018
Stormwater	Sunningdale SWM E1	North	2017	Criteria	2018
Stormwater	White Oaks SWM 3	Southwest	2016	Consultation	2017
Stormwater	Stoney Creek SWM 7.1	North	2017	Consultation	2018
Stormwater	Pincombe Drain SWM 4	Southwest	2017	Consultation	2018
Stormwater	Parker SWM	Southeast	2016	Lot supply	2017
Sanitary	San SS12B	Southwest	2016	Sanitary RF	2017
Stormwater	Pincombe Drain SWM 3	Southwest	2016	Stormwater RF	2017

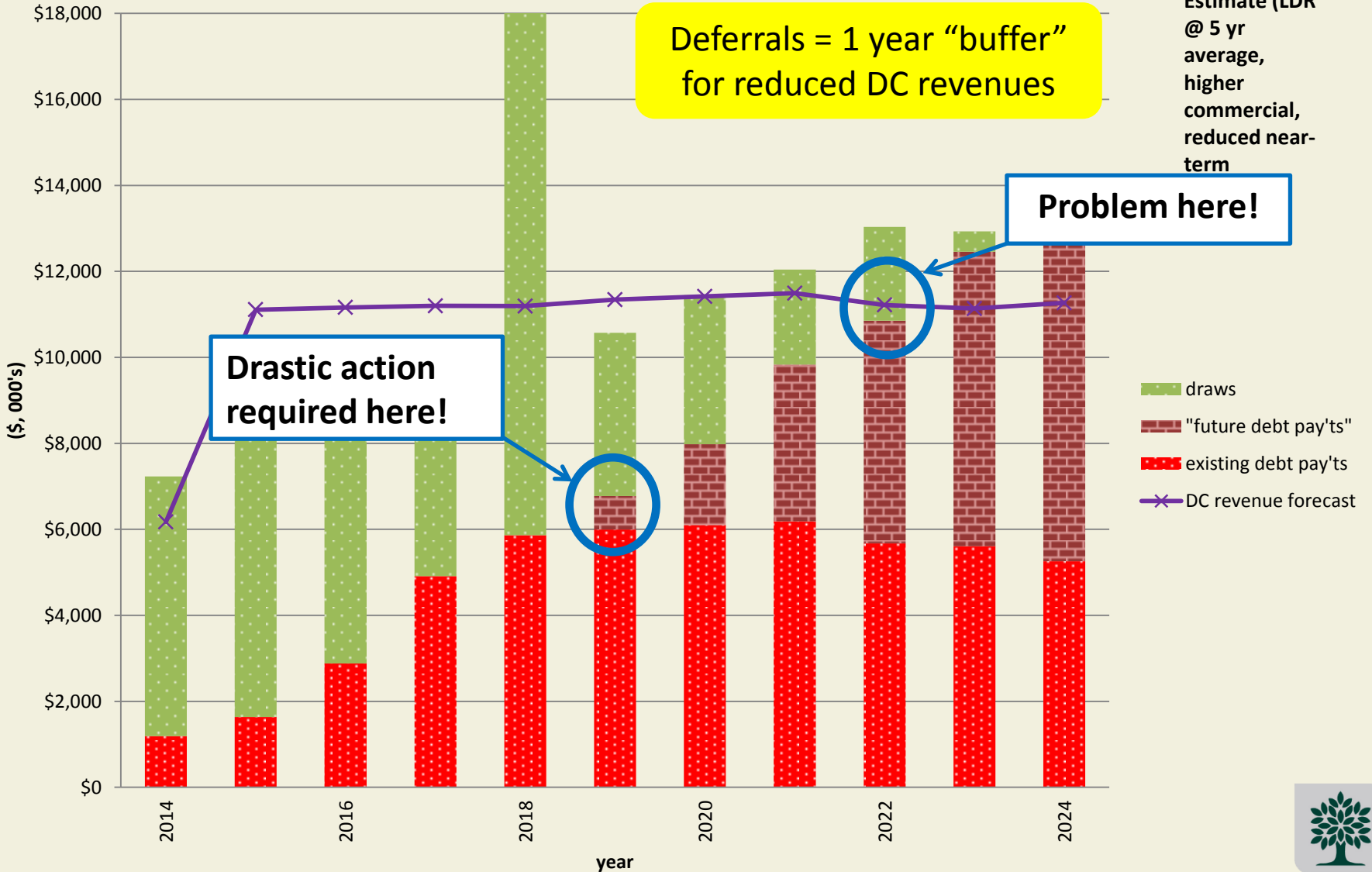
Total SWM Deferrals: \$28.4 million

Total Sanitary Deferrals: \$5.4 million



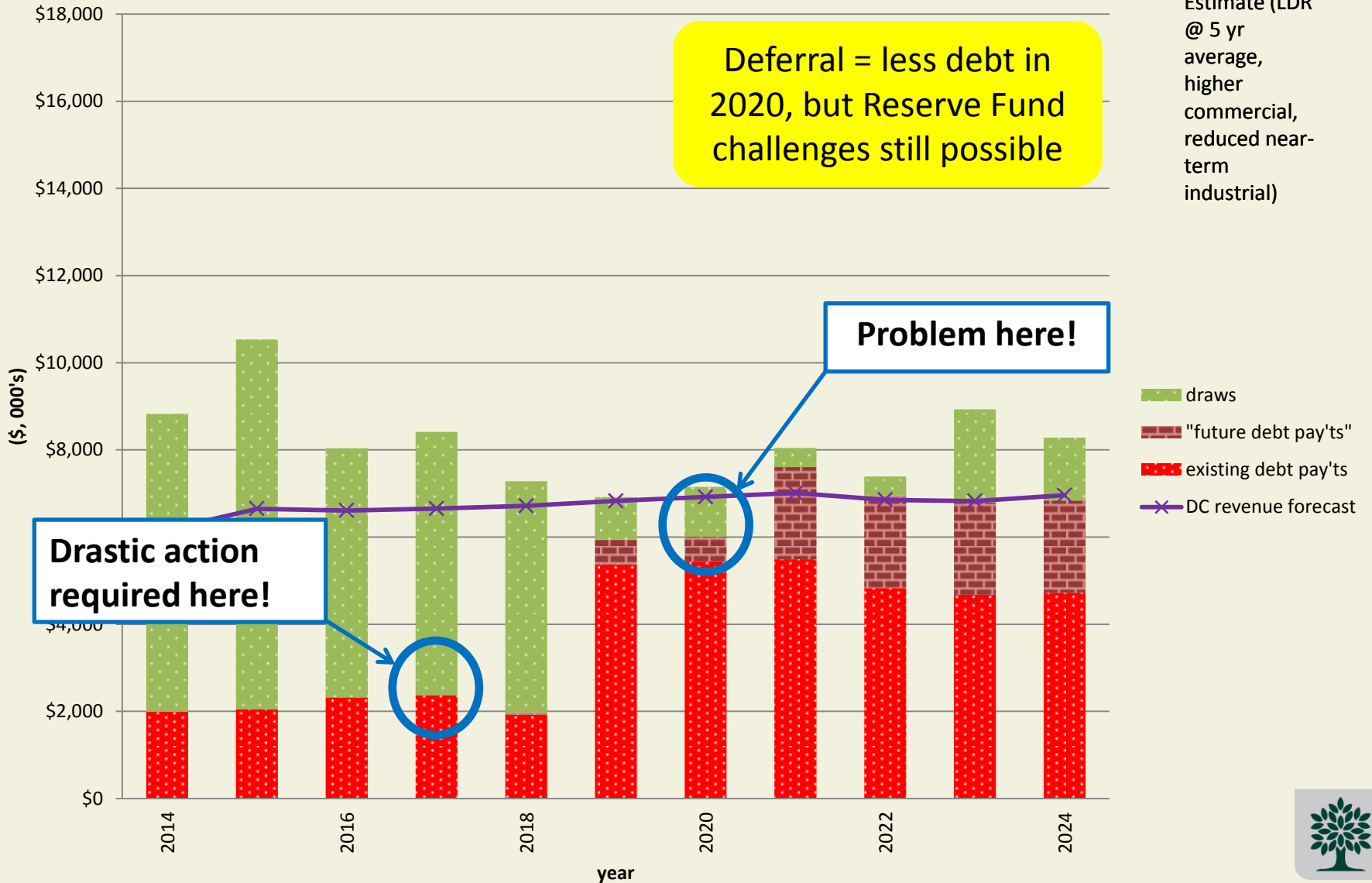
SWM DC Cash Flows (Post-Deferrals)

Scenario 3:
2016 GMIS
Growth
Estimate (LDR
@ 5 yr
average,
higher
commercial,
reduced near-
term



Sanitary DC Cash Flows (Post-Deferral)

Scenario 3:
2016 GMIS
Growth
Estimate (LDR
@ 5 yr
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Developer Requests Unable to Accommodate

Service Area	Project	Geographic Area	2015 GMIS Year	Requested Timing	Rationale for Maintaining Timing
Roads	Oxford St. W. Phase 2 (2 to 4 lanes)	West	2032	<2025	Construction when warranted
Stormwater	Kilally SWM S/E Basin	Northeast	2024	2017	GMIS 5+ Years/Planning Studies Req'd





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Additional recommendations 2016 GMIS Update:

- Commence Environmental Assessment in 2015 for lands tributary to North Lambeth SWM P7 and North Lambeth SWM P8
- Commence project design for Parker SWM and Pincombe Drain SWM 3 in 2015
- Commence project design for San SS12B in 2015

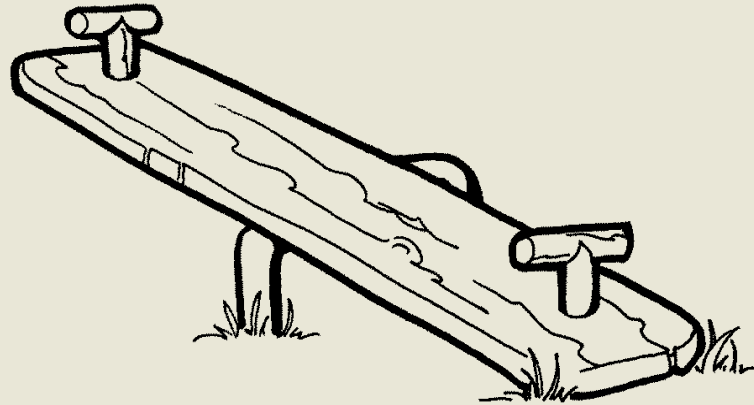


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Maximize new
opportunities for
growth

Less DC
revenues to pay
for projects



**The 2016 GMIS aims to provide
investments in growth infrastructure
that we can afford.**



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Recommendation:

- a) Council endorsement of project deferral criteria for use in 2016 GMIS and subsequent updates
- b) Approval of 2016 GMIS Update (tables in Appendix 'B')
 - i. Environmental Assessment for lands tributary to North Lambeth SWM P7 and P8
 - ii. 2015 project design work for Parker SWM and Pincombe Drain SWM 3
 - iii. 2015 project design work for trunk sanitary sewer SS12B
 - iv. GMIS to be reflected in 2016 capital budget
 - v. DC reserve funds will continue to be monitored