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June 7, 2016

The Corporation of the City of London
Strategic Priorities and Policy Committee
300 Dufferin Ave.
London, Ontario
N6A 4L9

Attention: Mayor Matt Brown (Chair)

**RE: Growth Management Implementation Strategy – 2017 Annual Review and Update
Strategic Priorities and Policy Committee**

The market is the most active since the last housing market boom in 2006/2007. Major investments have already been made in the City that's allows for growth to occur – including a major pumping station at Wonderland Road and Dingman Drive and a number of other Wonderland Road improvements. So it is somewhat surprising to us to see the largest extent of project deferrals with the greatest impact on supply of new lands the development and building industry has seen since GMIS was created in 2010 is recommended in this report.

We have concerns with accepting the report as is, and **request that all current GMIS dates in the 2017-2020 period being maintained, and further questions below be referred back to staff to allow for policy development and industry dialog.**

Our concern lies with the following 6 POINTS - **PRIOR COMMITMENTS OF COUNCIL, COMMITMENTS OF GMIS and GMIS RULES NEEDED, INVESTMENT - NOT COSTS, GROWTH ALLOCATIONS, AND THE RESULT OF ACCEPTING THIS REPORT AS IS.**

PRIOR COMMITMENTS OF COUNCIL;

In 2012-2014 –council made major commitments to Southwest London and advancing new opportunities for growth.

An estimated \$90 million in investments were pledged to advance SW London – 2800 HA of new designated lands - Almost **50 percent of London's Future Growth Opportunity.**

Sifton was the only company at the time identifying to Council the \$90 million was a major investment and we recommended the costs and direction of growth be reviewed. Including a recommendation on phasing.

Council made the bold decision to open up the SW corridor, specifically the Wonderland Road corridor, notwithstanding the \$90 million cost. The Investment would be made and development and the benefits would return in the future. A sanitary sewer exists today to service our lands, right at the doorstep of our lands opposite Dingman Drive (see Plan attached).



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Based on the clear direction of Council, Sifton used the new adopted SW London Plans and invested in the vision. We looked at **FIVE** development areas of SW London, and chose the SW corner of Hamlyn and Wonderland as our focus.

Sifton has made investments in this area based on the Council commitments – now Lambeth SWM Facility P6 is planned to be moved from initially planned 2019 to 2026 – a 7 year deferral – a recommendation AFTER our investments have been made.

City 2017 Updates

	Item	2014 GMIS	2015 GMIS	2016 GMIS	SPL Request	2017 GMIS	Notes
	SWMF P6	2019	2020	2020	2018	2026	Moved out 7 years
	Watermain A21 - Wonderland Road	2024	2024	2024	2018	2024	No change
	Pincombe SWMF 4	2017	2017	2017	2017	2020	Moved out 3 years

COMMITMENTS OF GMIS AND GMIS RULES NEEDED;

As a major industry stakeholder, we are concerned with the extent of deferrals recommended by staff. Changes of construction dates from 1 to 10 year out should be a major concern to all stakeholders.

When GMIS is set, the industry relies on these dates – MILLIONS of dollars of private sector investment have been made by the industry.

We believe GMIS projects within a 5 year period should not be moved unless the deferral is agreed to by the landowner/stakeholder. A system does not work if only a few years after the SW London decision has been made, major changes to the plan are made.

We do believe projects in the 6-20 year time period are much more easily moved with less implications.

We ask that GMIS rules be developed that provide guidance to the industry of rules to accelerate AND defer GMIS eligible projects. And if a deferral is needed, alternatives to the deferral are sought first.

INVESTMENT - NOT COSTS;

While other levels of Government are investing more in infrastructure, this recommendation pulls that investment back. Not a single project has been accelerated. No request to advance any projects made by Sifton, or anyone else was accepted. It is a hot market out there and we would like to advance our project.

The \$90 million in SWAP investments were known when the decision to open up the corridor was made by Council.

Many governments believe and accept that investment, up front, is needed to bring stability and investment back to our economy.



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The federal government has committed to the largest infrastructure program in the history of Canada. When other levels of government, including this Council, have invested a significant amount in infrastructure, **why is this recommendation the only answer?**

Housing and Growth is Cyclical – not straight lined. It is true the last few years growth has been below the DC bylaw estimates. London's unemployment rate has been recovering since the low of 2010.

But now London has a lower unemployment rate than the Ontario and Canadian average – people are buying homes – **Q1 2016 Single Family building permits were up 58% over last year. DC Revenue is coming back.**

This current building boom means upfront investments are needed. Southwest London is a Major upfront investment. Monies need to be spent. When the economy is growing, now is not the appropriate time to cut back.

There is no sign of a slow down – In fact, provincial policy requires a 3 year supply of readily available building supply – With about 500 lots available in London by industry estimates, London may have only 6 month supply of lots – about 1/6 the provincial requirement.

GROWTH ALLOCATIONS;

Staff have developed a growth allocation of 20 percent to SW London – Meaning they estimate 20 percent of London's DC revenues will come from SW London.

We have run our own estimates and believe SW London can support a much higher allocation. A 30 percent allocation growing to 40 percent over time.

We ask how the 20 percent was developed? Was there a market study to determine that allocation?

If the 20 percent is not correct, what are the implications?

We know it takes up to 5 years to bring new projects to market. When projects are deferred in the GMIS, Planning staff typically identify the project is premature and the application does not process.

This means that if SW London Growth is higher than 20 percent, and new supply is needed, it will take years to come online.

If the SW London growth is 25 or 30 percent, SWM Facility P6 will be needed as currently identified.

THE RESULT OF ACCEPTING THIS REPORT AS IS;

We have reviewed the report thoroughly and believe the following will occur if the report is accepted as is;

- By 2020, the quantity of subdivisions in London may reduce from 25 to 16.
- The supply of lots are likely to be consolidated in fewer properties
- The ample choice of subdivision and builder choice will be reduced.
- Supply restrictions will allow for prices to appreciate faster than currently seen.



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- London may be less affordable for new homes.
- More pressure will be on current GMIS projects to maintain their timing and budget

We have met with staff and appreciate their willingness to continue the dialog on these concerns.

We appreciate direction on 2017 GMIS projects are needed now, and as such, **request the 2016 GMIS dates used for projects in the 2017-2020 period be maintained, until new GMIS rules/policies are developed that can provide for more clarity on projects in the future.**

Yours truly,

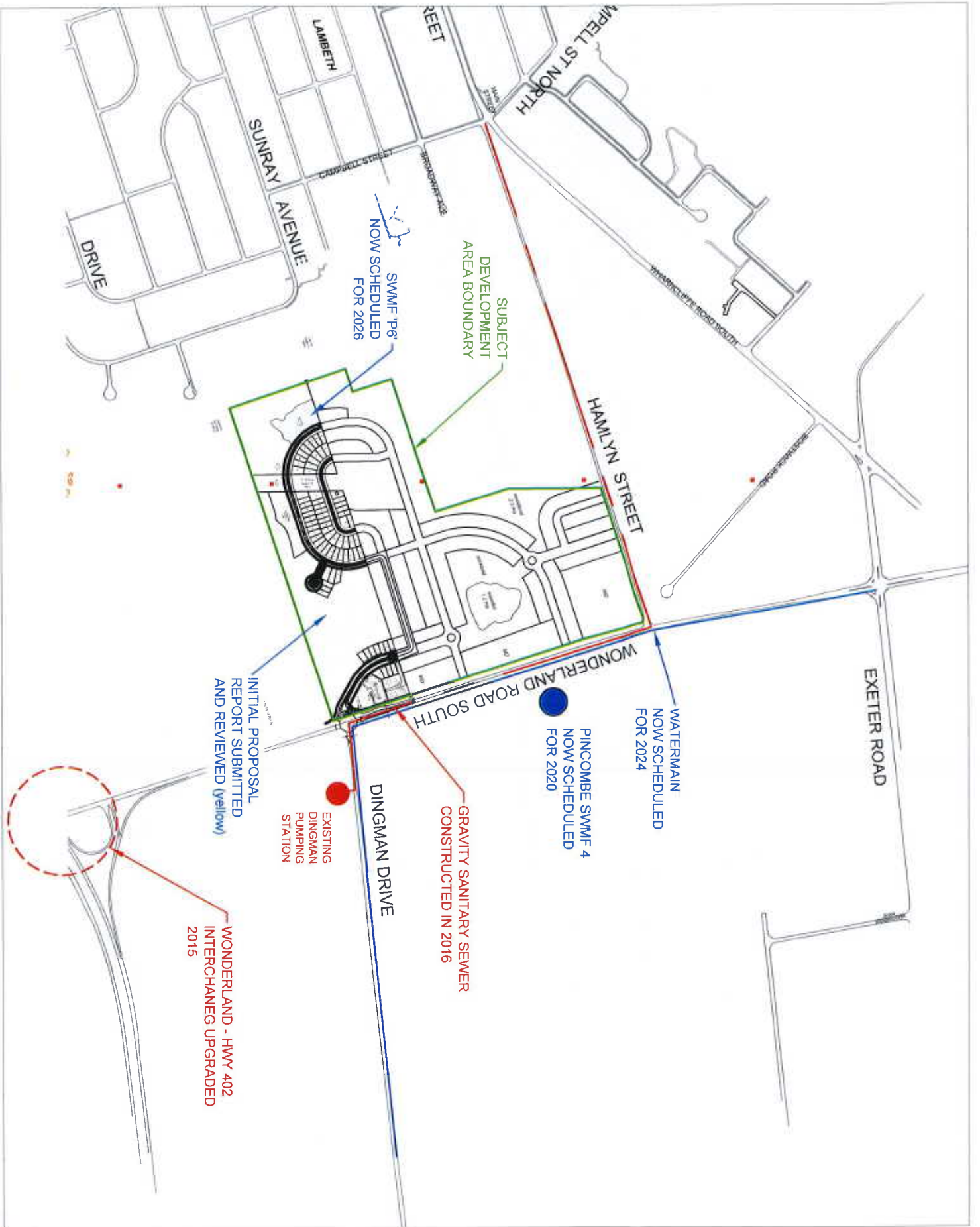


Phillip Masschelein
Vice President, Neighbourhood Developments
Sifton Properties Limited

Cc: Members of the Strategic Priorities and Policy Committee
Mr. J. Kennedy, London Development Institute
Lois Langdon, London Home Builder's Association
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SUBJECT DEVELOPMENT AREA BOUNDARY

SWMF P6 NOW SCHEDULED FOR 2026

WATERMAIN NOW SCHEDULED FOR 2024

PINCOMBE SWMF 4 NOW SCHEDULED FOR 2020

GRAVITY SANITARY SEWER CONSTRUCTED IN 2016

EXISTING DINGMAN PUMPING STATION

WONDERLAND - HWY 402 INTERCHANGEG UPGRADED 2015

INITIAL PROPOSAL REPORT SUBMITTED AND REVIEWED (yellow)

EXETER ROAD

HAMLIN STREET

MPELL ST NORTH

SUNRAY AVENUE

LAMBETH DRIVE

WONDERLAND ROAD SOUTH

DINGMAN DRIVE

LAMBETH

REET

CAMPBELL STREET

WINDMILL LANE

WINDMILL LANE

WINDMILL LANE

WINDMILL LANE