



**Committee of the Whole
September 20, 2011**

**Growth Management Implementation
Strategy
(GMIS)**

**2012+ Annual Update
City of London**

Presentation Agenda

GMIS Principles and Process

Inventory- How much and where?

Inventory- How Much are we adding?

Financials: What are the costs and what are they for?

What are the options?

GMIS Principles and Process

Council Approved Principles

Council adopted 8 principles for the GMIS:

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 population growth & economic development objectives

GMIS Principles and Process

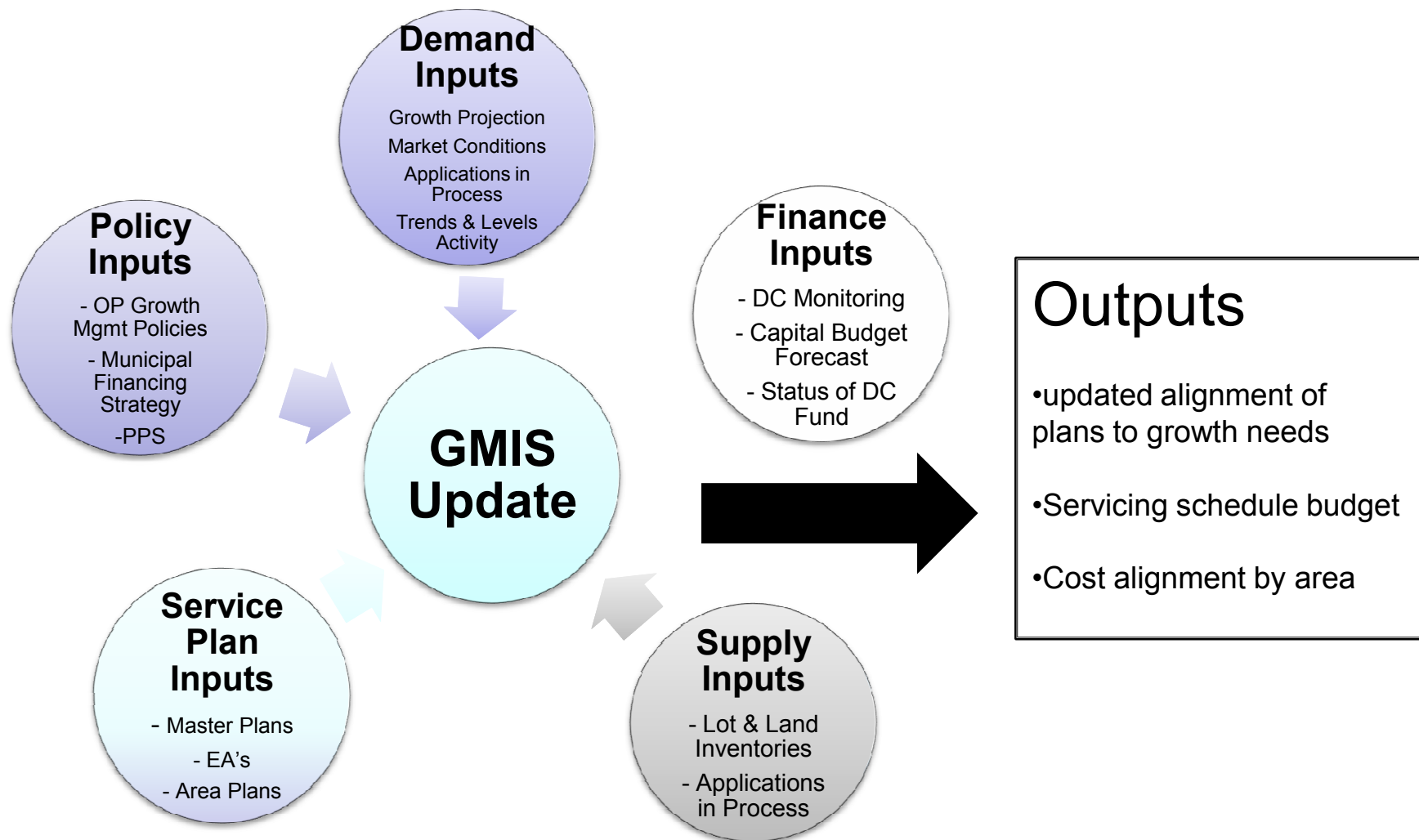
Council Approved Principles

Council adopted 8 principles for the GMIS:

5. Support implementation of OP 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.

GMS Principles and Process

GMS – Inputs & Outputs



GMIS Principles and Process

Residential Inventory

- The PPS two year registered lot inventory guideline.
- The capital status of servicing funding.
- GMIS identified hard infrastructure needs, soft needs are additional only estimated.

Residential Housing Market: Demand

- Economy is uncertain, ups and downs can change quickly.
- London market is sensitive enough that demands can change in a year.
- Developers are fiercely competitive between each other.
- Market traditionally has demanded 60%+ for singles- it's changing to a lower cost demand.

Residential Housing Market: Supply

- The City is only a part of the approvals process.
- There are many other determining factors to growth moving ahead.
- The City needs a “contingency” of files to ensure that demand is met and no one developer has a monopoly.

Inventory- How much and where?

Official Plan/DC By-law Growth Projection

Population Growth

Year	2001	2006	2011	2016	2021	2026	2031
Population	336,350	352,400	368,400	385,300	402,600	419,700	435,000

• current annual projected growth rate is 1%

Employment Growth

Year	2001	2006	2011	2016	2021	2026	2031
Employment	179,345	192,900	202,600	210,800	216,000	221,900	226,200

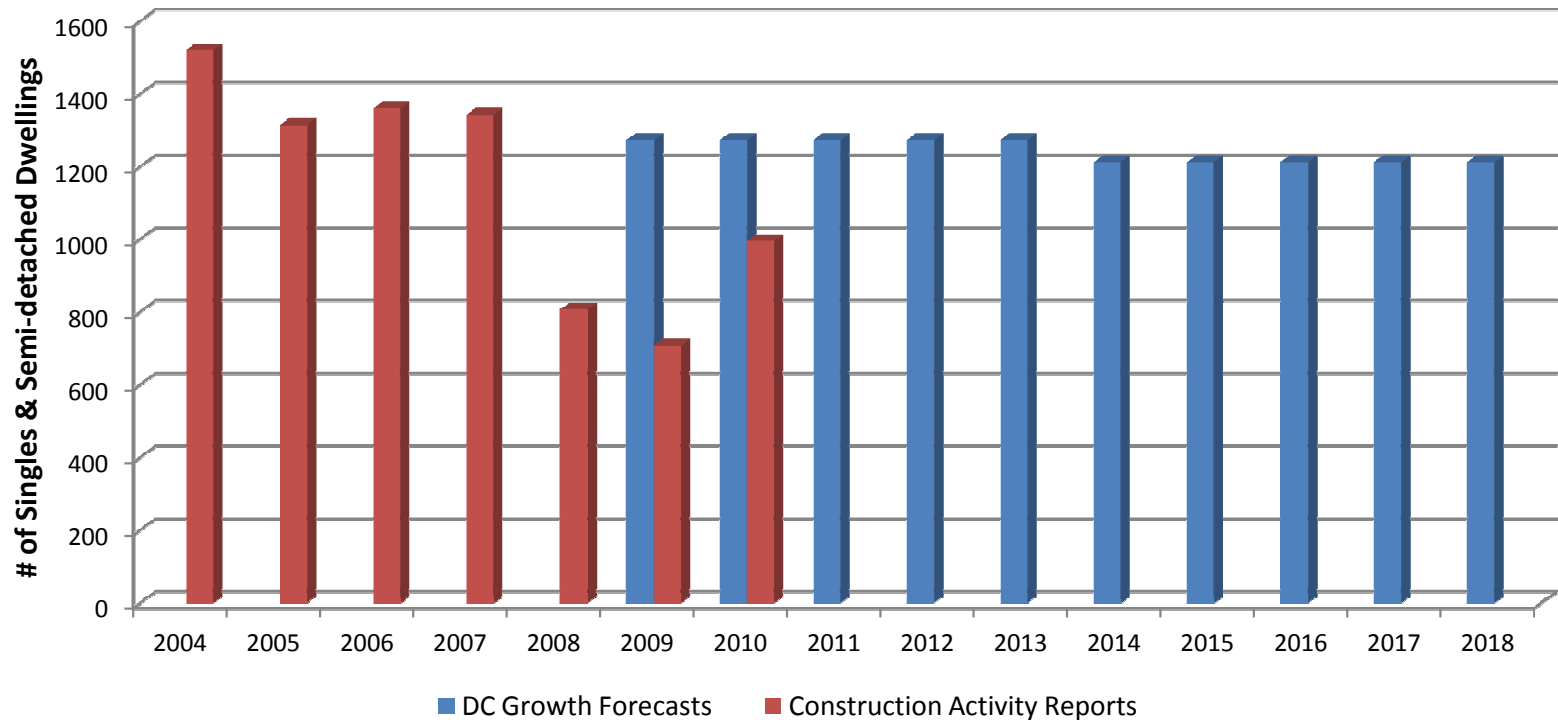
• current annual projected growth rate is .8%

2011+ are projections, not targets – OP (Section 2.5.4) indicates that “The City through its Economic Development Strategy, and in conjunction with the LEDC, hopes to achieve a rate of employment growth that exceeds this projection.

Inventory- How much and where?

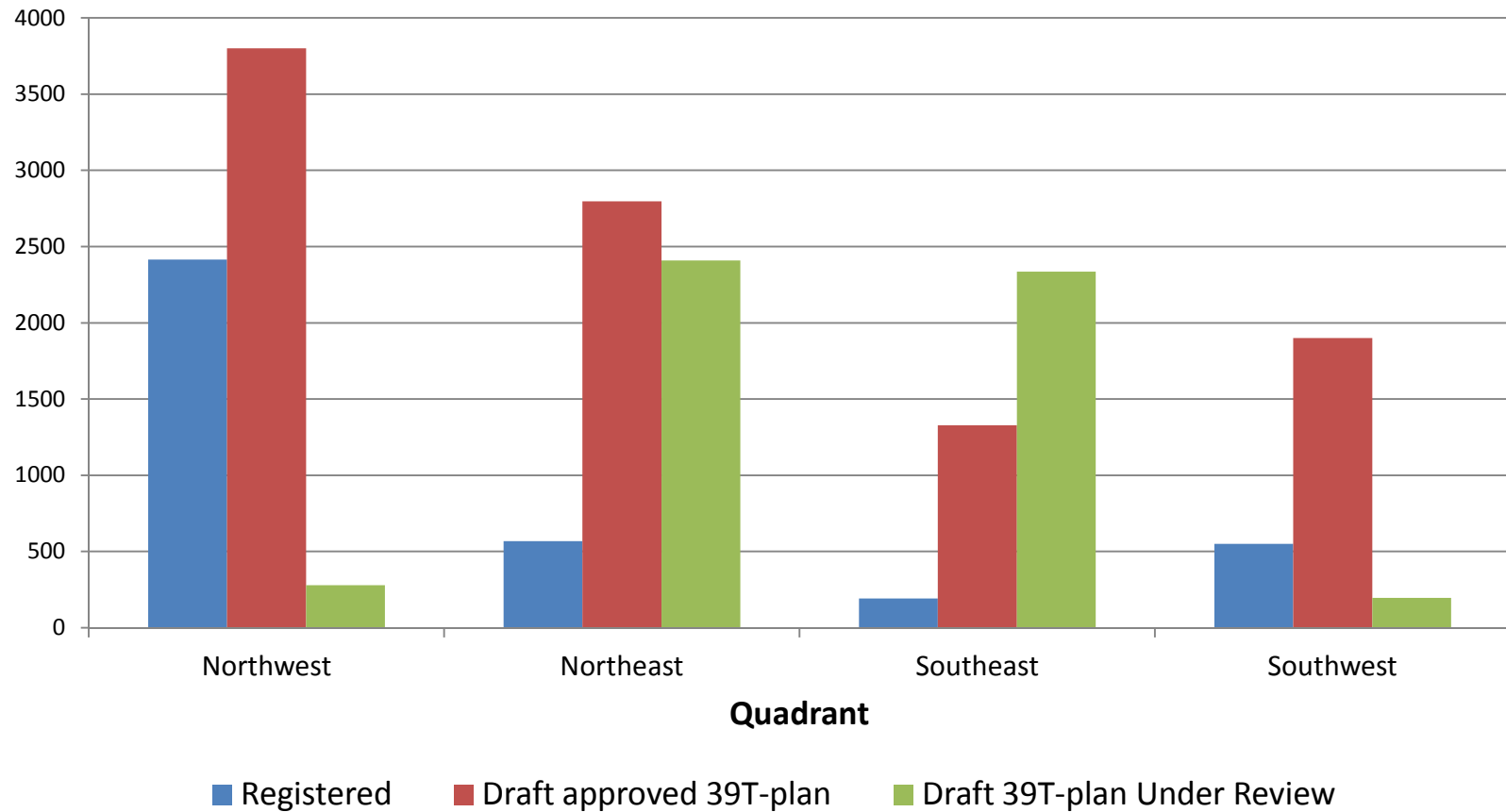
DC Monitoring – Building Activity

Comparison of DC Growth Forecasts Versus Actual Construction Activity
Singles & Semi-detached Dwellings



Inventory- How much and where? **Where?**

Total Residential Units by Quadrant

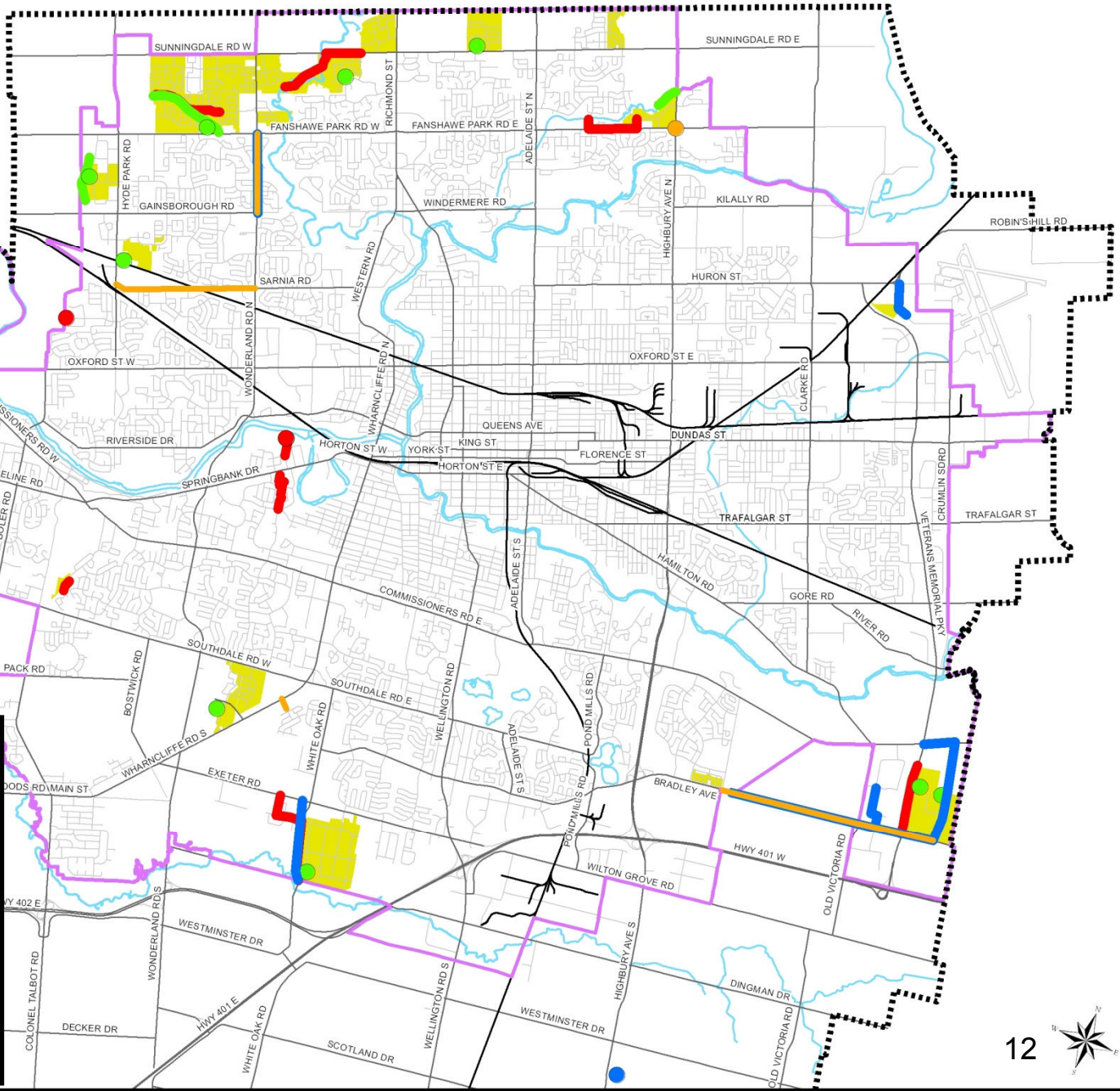


**2009 - 2011
GROWTH SERVICING
DELIVERY**

**AREAS OPENED FOR
DEVELOPMENT**

Legend

- CITY BOUNDARY
- ROAD PROJECTS
- ROAD PROJECTS
- WATER PROJECTS
- WATER PROJECTS
- STORM PROJECTS
- STORM PROJECTS
- SANITARY PROJECTS
- SANITARY PROJECTS
- URBAN GROWTH BOUNDARY
- RAILWAYS
- MAJOR ROADS
- ROADS
- WATER
- AREAS OPENED FOR DEVELOPMENT

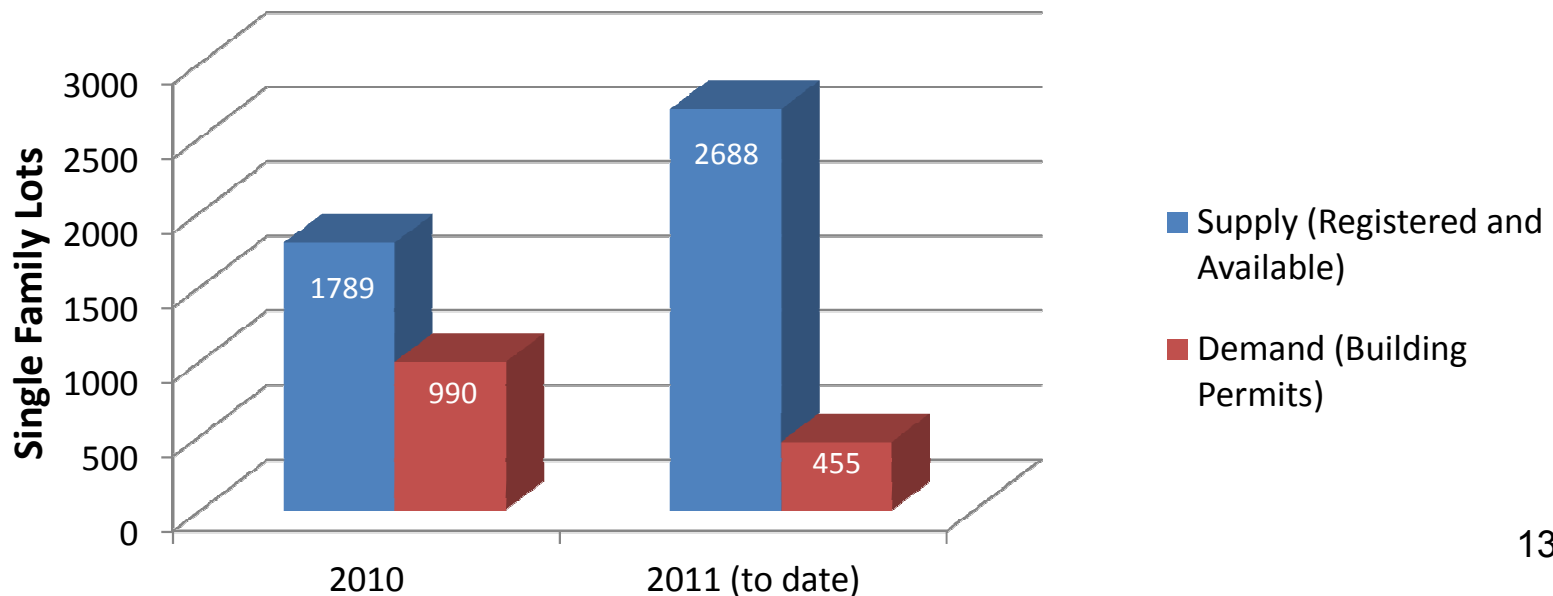


Inventory- How much are we adding?

Unit Supply

- Demand has taken up a portion of the existing inventory; however, net inventory levels have increased.
- Meets 2 year inventory target.

Single Family Lot Supply and Demand



Inventory- How much we adding?

Is it Enough?

- The markets has changed and adding to the supply will not increase demand.
- The City and developers must ensure that the “products” (starter, mid size and executive lots) are available.
- Strategically the industry can adjust the inventory on major servicing rapidly.

Inventory- How much we adding? **GMIS Servicing Investment**

Table 3: GMIS Total Servicing Investment by Year for Hard Servicing.

GMIS Year	Total Servicing Project Value¹
2009	\$59,189,005
2010	\$86,493,883
2011	\$68,822,657
2012	\$26,977,678²

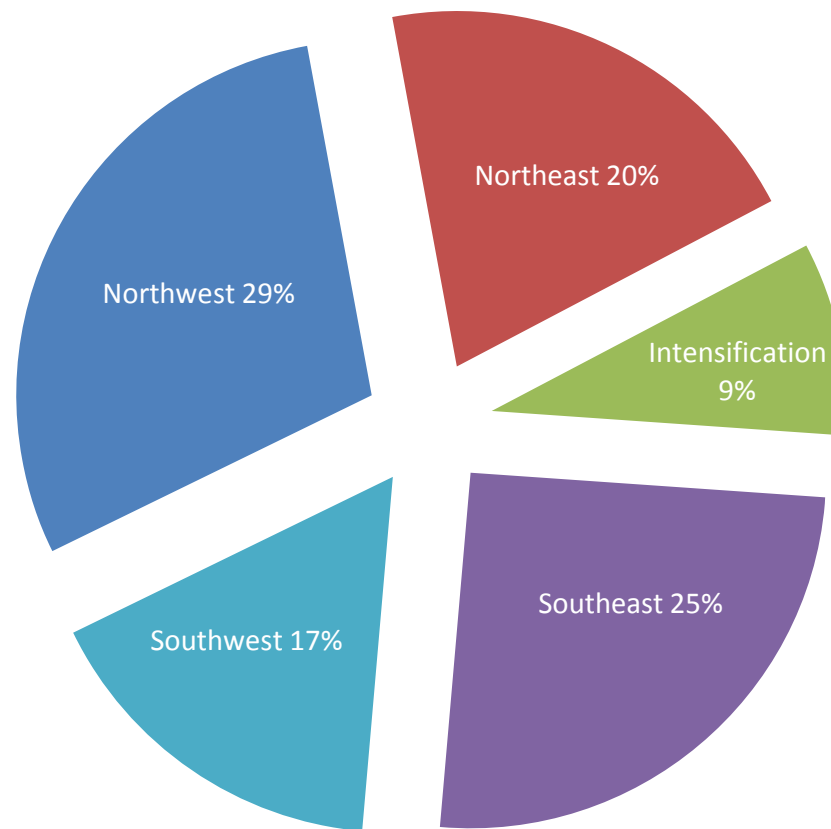
¹ Values include growth and non-growth costs.

² Subject to 2012 capital works budget approval.

2012 planned expenditure is new and previous funding totaling \$85M.

Inventory- How much we adding? Geographic Cost Distribution

GMIS Servicing Growth Cost per GMIS
Planning Area Region



Financials: What are the costs and what are they for?

City Service Reserve Fund Expenditure

- Costs for hard linear servicing. Soft Service infrastructure like parks, transit, libraries and fire stations is another \$14.7M.

Table 4: Total GMIS servicing infrastructure expenditure. (2009 – July 2011)

Servicing	Total Reserve Fund Drawdown*
Roads Services	\$52,716,000
Sanitary Sewerage	\$22,257,000
Major Stormwater Management	\$9,316,000
Water transmission and facilities	\$12,794,000
Total	\$97,083,000

* Values do not include City's non-growth costs.

An additional \$53M in previously approved budgets is scheduled for construction not yet been spent.

Financials: What are the costs and what are they for?

City Service Reserve Fund Revenue

- OP intensification objective is 22%, higher proportion of revenues.
- Currently a high amount of revenue is coming from intensification reflecting the market shift.
- An improvement in the economy will drive higher costs again.
- Total of \$43M in overall DC debt as of July 2011.

Table 5: Development Charges (Servicing) Revenue 2009-2011.

GMIS Year	Servicing Related Development Charge Revenue
2009	\$14,954,000
2010	\$26,354,000
2011	\$22,285,000*
Total	\$63,593,000

* Forecast to end of 2011.

What are the options?

GMIS 2012

- GMIS has included \$241M worth of projects to support residential growth from 2009-2012.
- Inventories of registered and approved lots have increased.
- Serviced lands have increased.
- Market is soft, less the GMIS objective.
- Market is shifting – plans need to reflect conditions and adapt quickly.
- Proposed 2012 GMIS is a moderate year for expenditure for servicing.

What are the options?
GMIS 2012 Major Projects

Greenway PCC Expansion & Upgrade Phase 1	\$20,775,000 ¹
Dingman On-line facility (Erosion control)	\$9,370,000
Fanshawe Park Road Phase 1 - Fanshawe to Highbury Intersection	\$8,275,000
Hyde Park SWMF 4	\$6,800,000
River Bend SWMF Trib. C	\$3,500,000
Fox Hollow SWMF 1	\$5,777,690
Fox Hollow SWMF 3	\$4,170,000
Residue Management Facility	\$4,168,000
Wonderland Road North Upgrade North of Fanshawe Park Rd	\$2,700,000

¹ Full value of a multi-year project.

What are the options?

2012 Options

- 1) Keep with the forecast – balance a soft market condition with a lower new authority – taking advantage of the servicing provided.
- 2) Slow expenditures – will have no immediate effect on servicing but will delay planned major projects.
- 3) Accelerate expenditures – provide servicing for an advanced residential supply but increases debt.

What are the options?

2012 GMIS Assumptions

- The following areas will influence the GMIS and will have an impact on future growth patterns:
 - Southwest Area Plan (SWAP)
 - Industrial, Commercial, Institutional Strategy
 - London Psychiatric Hospital (LPH) Lands Secondary Plan
 - Transportation Master Plan (TMP)
 - Municipal Servicing and Financing Agreements (MSFA)
 - SoHo Community Improvement Plan

Conclusions

- The City is delivering, over \$120M in direct servicing with more to come!
- Sufficient inventory- industry can adjust to market quickly.
- Debt is concerning, not critical, dependent on future costs/revenue.
- 2012 is a moderate year for expenditures.
- Any application outside of GMIS are recommended to be considered on an exceptional basis.

Next Step

- 2012 GMIS Update report coming shortly through the public consultation process.
- Various options to proceed can be considered.
- Targeting October BNEC Meeting.