

1ST REPORT OF THE
STRATEGIC PRIORITIES AND POLICY COMMITTEE

Meeting held on December 11, 2017, commencing at 4:02 PM, in the Council Chambers, Second Floor, London City Hall.

PRESENT: Mayor M. Brown and Councillors M. van Holst, B. Armstrong, M. Salih, J. Helmer, M. Cassidy, P. Squire, J. Morgan, P. Hubert, A. Hopkins, V. Ridley, S. Turner, H.L. Usher, T. Park and J. Zaifman and L. Rowe (Secretary).

ALSO PRESENT: M. Hayward, A.L. Barbon, G. Barrett, B. Card, I. Collins, B. Coxhead, S. Datars Bere, A. Hagan, G. Kotsifas, L. Livingstone, M. Marcellin, P. McKague, J. Smout, S. Spring, S. Stafford, B. Warner, R. Wilcox and P. Yeoman.

I. CALL TO ORDER

1. Disclosures of Pecuniary Interest

That it BE NOTED that no pecuniary interests were disclosed.

II. CONSENT ITEMS

2. Financial and Other Resources Required to Host International Plowing Match 2020

That the following actions be taken with respect to the 2020 International Plowing Match:

- a) the staff report dated December 11, 2017, entitled "Financial and Other Resources Required to Host International Plowing Match 2020", BE RECEIVED; and
- b) the communication dated December 4, 2017, from Councillor B. Armstrong, providing additional letters of support for hosting the 2020 International Plowing Match, BE RECEIVED.

Voting Record:

Motion to Approve parts a) and b).

Motion Passed

YEAS: M. Brown, M. van Holst, B. Armstrong, J. Helmer, M. Cassidy, P. Squire, J. Morgan, P. Hubert, A. Hopkins, V. Ridley, S. Turner, H.L. Usher, T. Park, J. Zaifman (14)

NAYS: M. Salih (1)

Motion to Approve a new part c) that states "No further action be taken by the City of London to pursue hosting the 2020 International Plowing Match."

Motion Failed

YEAS: M. Salih, J. Helmer, J. Morgan, P. Hubert, T. Park, J. Zaifman (6)

NAYS: M. Brown, M. van Holst, B. Armstrong, M. Cassidy, P. Squire, A. Hopkins, V. Ridley, S. Turner, H.L. Usher (9)

III. SCHEDULED ITEMS

3. Proposed Casino Expansion

That the following actions be taken with respect to the proposed Casino expansion in London:

- a) the attached presentation by K. Andrews, Senior Vice President and Managing Director, Ontario for Gateway Casinos and Entertainment Limited and the verbal delegation from P. Pellizzari, Executive Director of Social Responsibility for the Ontario Lottery and Gaming Corporation (OLG), outlining the OLG's role in the expansion project, BE RECEIVED; and
- b) the information provided in a), above, BE REFERRED to the Civic Administration for consideration in developing options for seeking public input into this matter, as part of its report back on the steps that are required to be taken by the Municipal Council, under O.Reg. 81/12 under the Ontario Lottery and Gaming Corporation Act, 1999, for the proposed expansion of a gaming site in London.

Motion Passed

YEAS: M. Brown, M. van Holst, B. Armstrong, M. Salih, J. Helmer, P. Squire, P. Hubert, A. Hopkins, V. Ridley, S. Turner, H.L. Usher, T. Park, J. Zaifman (13)

IV. ITEMS FOR DIRECTION

4. 2019 Development Charges (DC) Study - Growth Projections

That the following actions be taken with respect to the 2019 Development Charges (DC) Study – Growth Projections:

- a) the staff report dated December 11, 2017, entitled “2019 Development Charges (DC) Study – Growth Projections” BE REFERRED back to the Civic Administration to provide a sensitivity analysis of DC revenue impacts through various housing ratio projections (e.g. higher, lower and as projected in the Watson report); and
- b) the attached presentation from K. Edwards, Manager III, Development Finance and J. Cook, Watson & Associates BE RECEIVED.

Motion to Approve part a).

Motion Passed

YEAS: M. van Holst, B. Armstrong, M. Salih, V. Ridley, S. Turner, H.L. Usher, T. Park (7)

NAYS: M. Brown, J. Helmer, M. Cassidy, P. Squire, P. Hubert, A. Hopkins (6)

Motion to Approve part b).

Motion Passed

YEAS: M. Brown, M. van Holst, B. Armstrong, M. Salih, J. Helmer, M. Cassidy, P. Squire, P. Hubert, A. Hopkins, V. Ridley, S. Turner, H.L. Usher, T. Park (13)

5. Appointment to the London Police Services Board

That Councillor J. Helmer BE APPOINTED to serve on the London Police Services Board for the term ending November 30, 2018; it being noted that the appointment was made in accordance with the attached ranked ballot.

Motion Passed

YEAS: M. Brown, M. van Holst, B. Armstrong, M. Salih, J. Helmer, M. Cassidy, P. Squire, J. Morgan, P. Hubert, A. Hopkins, V. Ridley, S. Turner, H.L. Usher, T. Park, J. Zaifman (15)

6. London Convention Centre Corporation Board Appointment

That Jennifer Diplock BE APPOINTED to the London Convention Centre Board of Directors as the Business Sector Representative, effective December 15, 2017 to November 30, 2018.

Motion Passed

YEAS: M. Brown, M. van Holst, B. Armstrong, M. Salih, J. Helmer, M. Cassidy, P. Squire, J. Morgan, P. Hubert, A. Hopkins, V. Ridley, S. Turner, H.L. Usher, T. Park, J. Zaifman (15)

V. DEFERRED MATTERS/ADDITIONAL BUSINESS

None.

VI. CONFIDENTIAL

(See Confidential Appendix to the 1st Report of the Strategic Priorities and Policy Committee enclosed for Members only.)

The Strategic Priorities and Policy Committee convened in camera from 9:31 PM to 9:42 PM after having passed a motion to do so, with respect to the following matter:

C-1 A matter pertaining to reports, advice and recommendations of officers and employees of the Corporation concerning labour relations and employee negotiations in regard to the Corporation's associations or unions and advice that is subject to solicitor-client privilege, including communications necessary for that purpose.

VII. ADJOURNMENT

The meeting adjourned at 9:43 PM.

WELCOME TO GATEWAY CASINOS & ENTERTAINMENT



CELEBRATING 25 YEARS IN THE BUSINESS OF ENTERTAINMENT



Gateway by the Numbers



61,50 employees
across Canada



26 properties



282 table games



68 restaurants



272 hotel rooms



9,593 slots

Gateway Casinos

Redevelopment & Growth Strategy

- Fundamental shift in business model
- From “Slots in a box” to entertainment destinations
- Brand development – both property and food and beverage
- Investing capital, driving economic development and job creation
- Strategic acquisitions
- Delivering quality customer experiences
- Since 2013, Gateway has invested \$325 M and created an additional 1,500 jobs through this strategy

Recent Redevelopment Projects



Grand Villa Edmonton - Summer 2016



Cascades Casino Penticton - Spring 2017



Starlight Casino Edmonton - Winter 2017



Starlight Casino Point Edward - 2018

Casino Property Brands



Some of Our Exciting Restaurant Brands



Langley



New Westminster



Squamish



Vernon

Kamloops



Edmonton



STAKEHOLDERS



Community Issues and Stakeholders

- Municipalities
- First Nations
- Horse racing
- Responsible gambling



- Strive to be a good neighbour in the communities where we operate
- Our team members are important ambassadors for our Gateway Gives program
- Supporting local charities and community initiatives
- Give our time, resources and properties to help pitch in

Celebrating 25 Days of Giving

The 25 Days of Giving campaign will contribute **\$5,000** to a worthy local charity selected by employees, in each of our communities. Through GatewayGIVES deserving, employee-selected, charities across Canada will receive

\$125,000 in Charitable Support



Congratulations

**RONALD
McDONALD
HOUSE**

Southwestern Ontario

An Exciting New Chapter

With over 20 years of Canadian gaming experience, Gateway Casinos & Entertainment understands what it takes to be a successful, trusted operator in Canadian communities. Gateway Ontario marks an exciting new chapter in the continued growth of one of Canada's premier gaming and entertainment operators.

[Read More](#)

GATEWAY ONTARIO

LONDON HEAD OFFICE –PALL MALL

'HUB AND SPOKE' SOUTHWEST

GATEWAY AND MODERNIZATION

RFP PROCESS

SELECTED PROPONENT DECEMBER 2016

TWO BUNDLES – 11 FACILITIES THROUGHOUT ONTARIO

ASSUMED OPERATIONS MAY 9, 2016

BEGAN MEETINGS WITH WFA AND CITY IN FEBRUARY 2017

GATEWAY AND MODERNIZATION

LONDON DEVELOPMENT:

\$142 MILLION TOTAL CAPITAL

NEW GAMING FLOOR

FOUR RESTAURANTS

125 ROOM HOTEL

APPROXIMATELY 700 INCREMENTAL JOBS



Proposed Development Option - RFP



Proposed Development Option -RFP



GATEWAY CASINOS WESTERN FAIR OPTION DECEMBER 11, 2017



Suite 412, 160 Pears Avenue
Toronto, ON, M5R 3P8
t. (416) 539-0763 | w. cumulusarch.com



Suite 200, 99 Blue Jays Way
Toronto, ON, M5V 3G9
t. (416) 341-2348 | w. makaywong.com



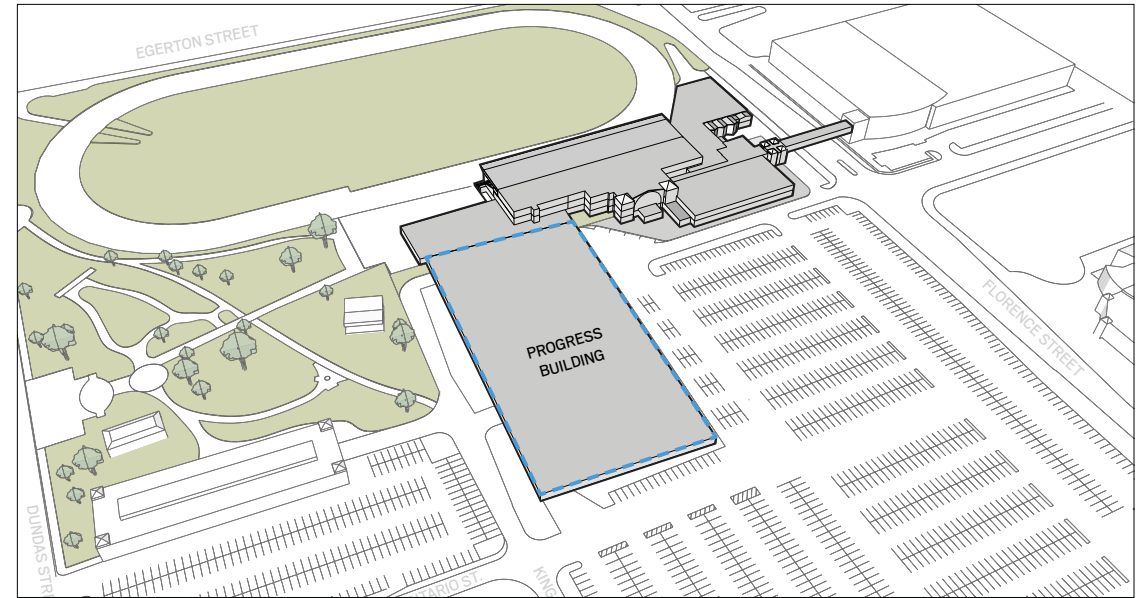
Suite 303, 256 Pall Mall Street
London, ON, N6A 5P5
w. gatewaycasinos.com



EXISTING WESTERN FAIR CONDITION

GATEWAY CASINO WESTERN FAIR OPTION

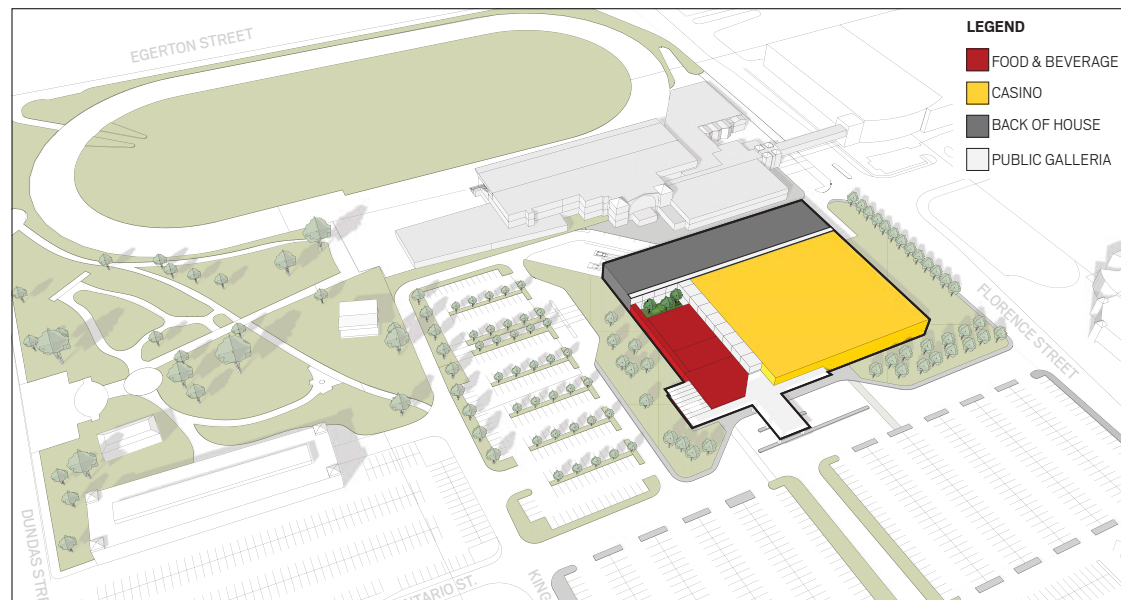
London Council Meeting
December 11th, 2017



EXISTING WESTERN FAIR CONDITION

GATEWAY CASINO WESTERN FAIR OPTION

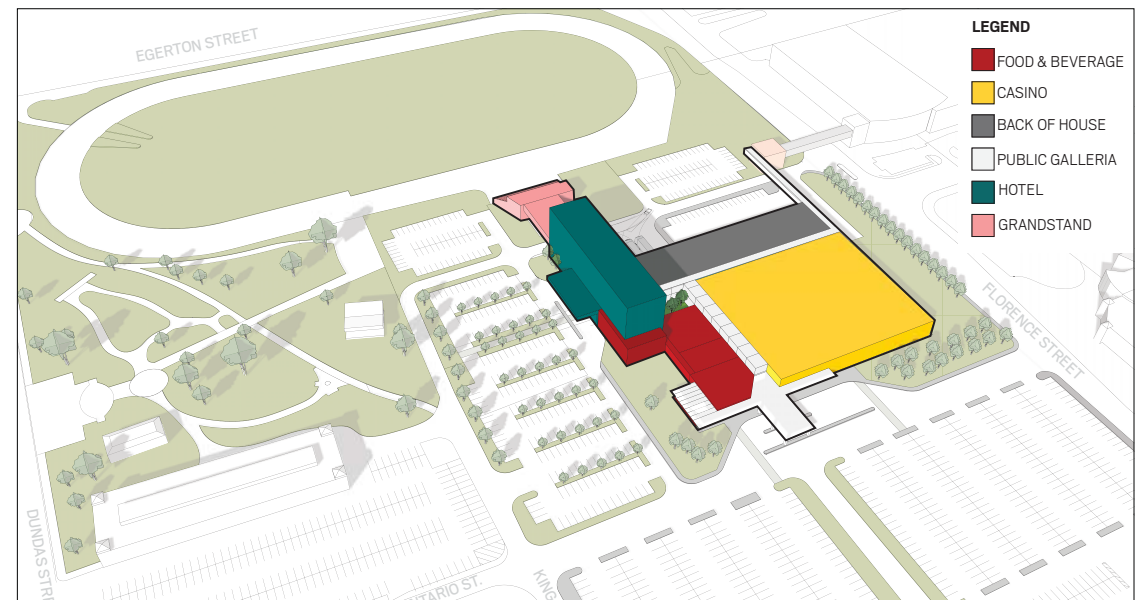
London Council Meeting
December 11th, 2017



PHASE 1 PROGRAM

GATEWAY CASINO WESTERN FAIR OPTION

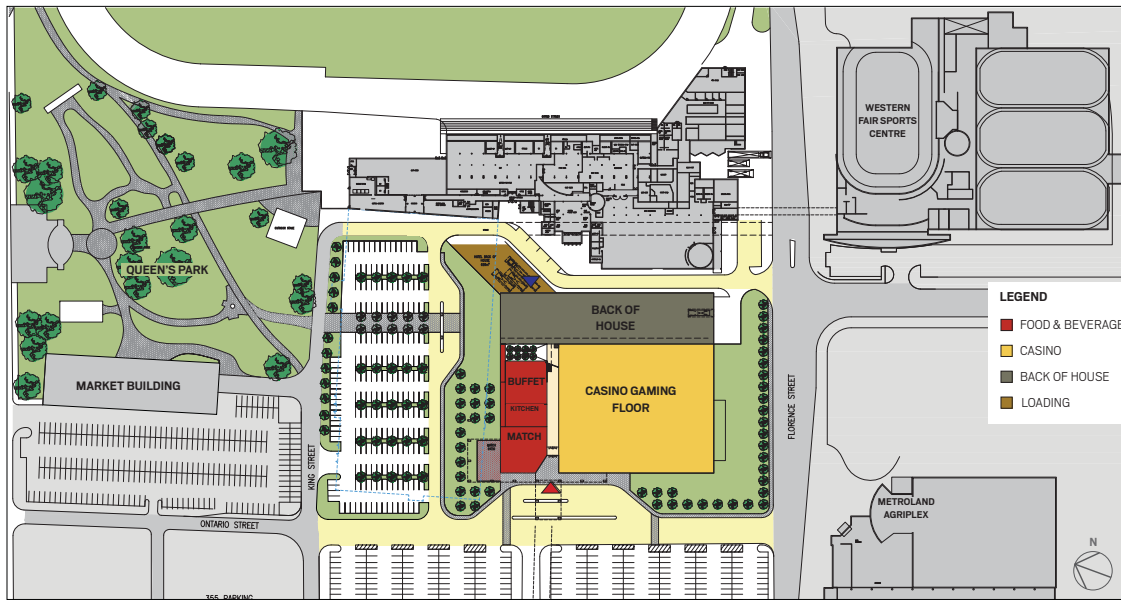
London Council Meeting
December 11th, 2017



PHASE 2 PROGRAM

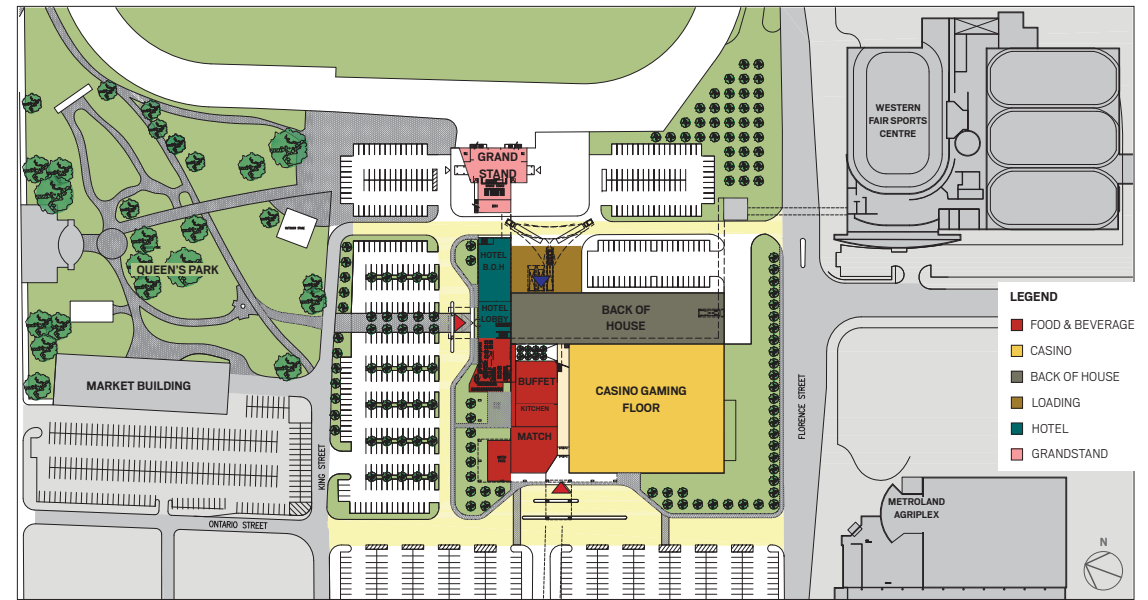
GATEWAY CASINO WESTERN FAIR OPTION

London Council Meeting
December 11th, 2017



PHASE 1 SITE CONDITION

GATEWAY CASINO WESTERN FAIR OPTION
 London Council Meeting
 December 11th, 2017



PHASE 2 SITE CONDITION

GATEWAY CASINO WESTERN FAIR OPTION
 London Council Meeting
 December 11th, 2017



FINAL SITE CONDITION

GATEWAY CASINO WESTERN FAIR OPTION
 London Council Meeting
 December 11th, 2017



GATEWAY CASINO WESTERN FAIR OPTION
 London Council Meeting
 December 11th, 2017





London
CANADA

2019 Development Charges Growth Forecasts



Strategic Priorities and Policy Committee
December 11, 2017



London
CANADA

Overview

- Development Charge By-laws are permitted to a maximum of 5 years; current by-law expires in August 2019.
- New By-law project initiated in 2016. The process is directed by the *Development Charges Act*.

Determination of development charges

5 (1) The following is the method that must be used, in developing a development charge by-law, to determine the development charges that may be imposed:

1. The anticipated amount, type and location of development, for which development charges can be imposed, must be estimated.

- In late 2016, Watson and Associates retained to undertake forecasts to satisfy *Development Charge Act* requirements.
- Forecasts are used to estimate, at a high level, the type and timing of unit construction to inform DC Study master plans.



London
CANADA

Recommendation

- a. The attached final report prepared by Watson and Associates Economists entitled “City of London Population, Housing and Employment Growth Forecast, 2016 to 2044” (Appendix “A”) **BE RECEIVED** for information; and
- b. The housing and non-residential reference growth scenarios outlined in the Watson report **BE ENDORSED** for use in the 2019 Development Charges Study.

City of London Development Charge (DC) Growth Projections

Presentation to Strategic Priorities and Policy Committee

December 11, 2017

Introduction

- Purpose:
 - Watson & Associates Economists Ltd. (Watson) retained by the City of London to undertake a Growth Projections Study as background to the City's upcoming 2019 Development Charges (DC) Background Study
 - Report represents an update of the City's 2012 growth projections completed by Altus Group

Presentation Outline

- Study Purpose
- Requirements of the Development Charges Act, 1997 regarding DC growth forecast
- Overview of study process
- Summary of growth forecast methodology
- Population, housing and employment growth forecast summary

Introduction (Cont'd)

- Long-Term Growth Forecast (2016 to 2044):
 - Review of macro-economic and demographic trends influencing residential and non-residential development patterns
 - Forecast population growth by age cohort
 - Anticipated housing growth by structure type (low, medium and high density)
 - Forecast employment growth by major employment sector/category (primary, industrial, commercial, institutional, work at home and no fixed place of work)
 - Forecast non-residential space needs by industrial, commercial and institutional employment sector

Overview of Development Charges Act, 1997

- Section 5(1) of the Development Charges Act, 1997 states:

“The anticipated amount, type and location of development, for which development charges can be imposed, must be estimated”

4

Overview of Development Charges Act, 1997 (Cont'd)

- Short, medium and longer-term time horizons (10 years, 20 years and beyond) are required for the DC process
- The DCA limits the planning horizon for certain “soft” services such as parks, recreation and libraries to a 10-year planning horizon; “hard” services such as roads, fire, water, wastewater and stormwater services utilize a longer planning period

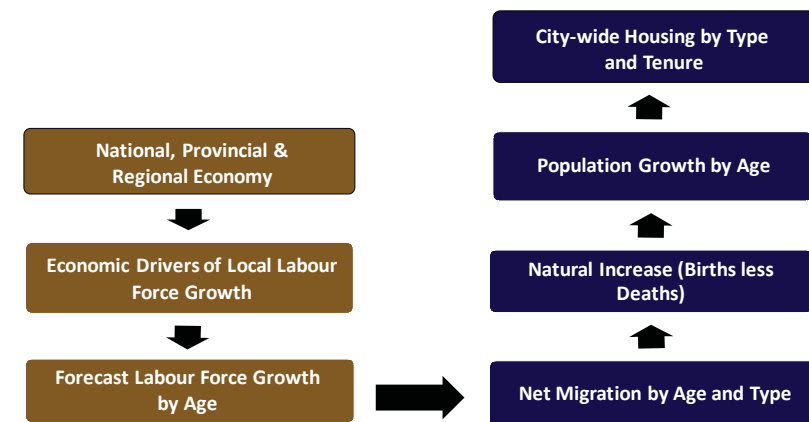
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Overview of Study Process

- During the summer of 2017, discussions were held with the Development Charges External Stakeholder Committee with respect to the draft report findings
- This was followed-up with a presentation of the final study results to the Stakeholder Committee in the fall of 2017 in response to detailed comments and correspondence received by this group on the draft projections

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Growth Forecast Methodology

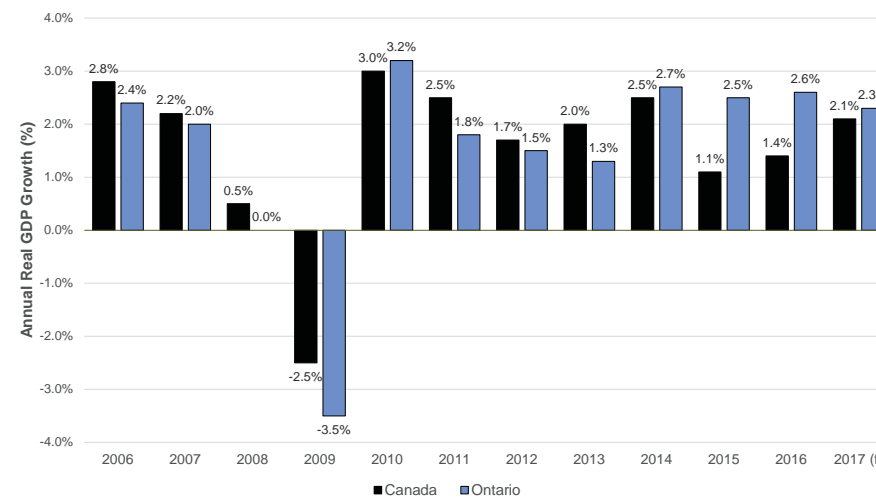


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Overview of Macro-Economic Trends and Growth Drivers

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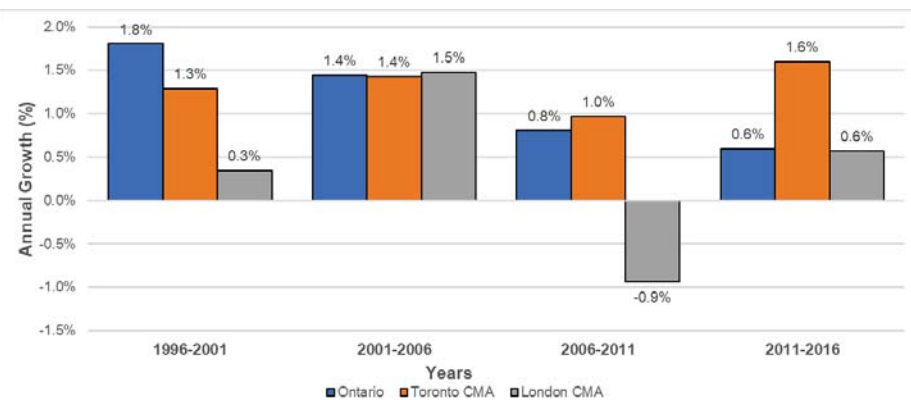
Annual Real GDP Growth, Ontario and Canada



Source: Derived from BMO Capital Markets Economics, Provincial Economic Outlook, July 22, 2016 by Watson & Associates Economists Ltd. Note: 2017 is a forecast.

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Historical Labour Force Growth Trends, 1996 to 2016



Source: Data derived from Statistics Canada CANSIM Table 282-0110, 282-0020, 282-0131.

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Regional/Local Economic Growth Drivers

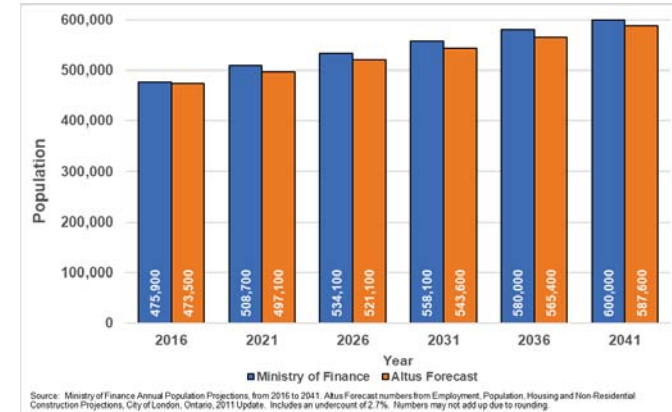
- **Increased Economic Diversity**
 - City of London serves as a regional economic hub
 - Continued employment growth in both traditional and knowledge-based sectors
- **Regional Infrastructure Improvements**
 - City of London rapid transit initiative (Shift)
 - Proposed provincial high-speed rail corridor
- **Cost of Industrial Development**
- **Quality of Life**

11

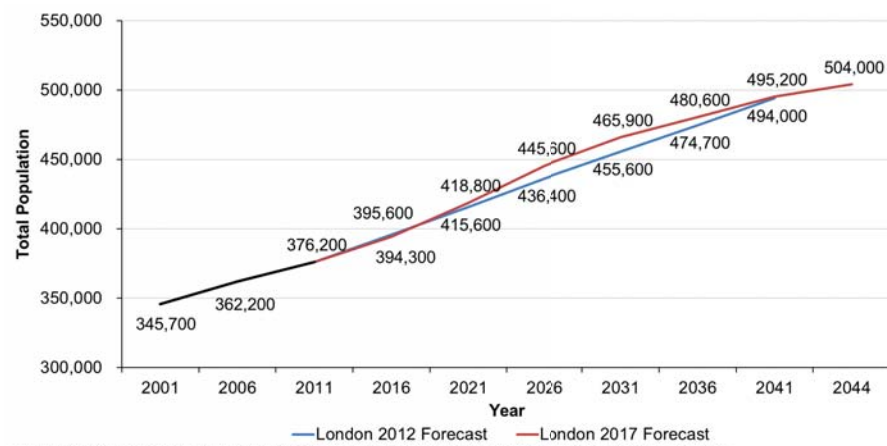
Development Charges Growth Forecast Summary

Review of Middlesex County¹ Long-Term Population Forecast, 2016 to 2041 (MOF)

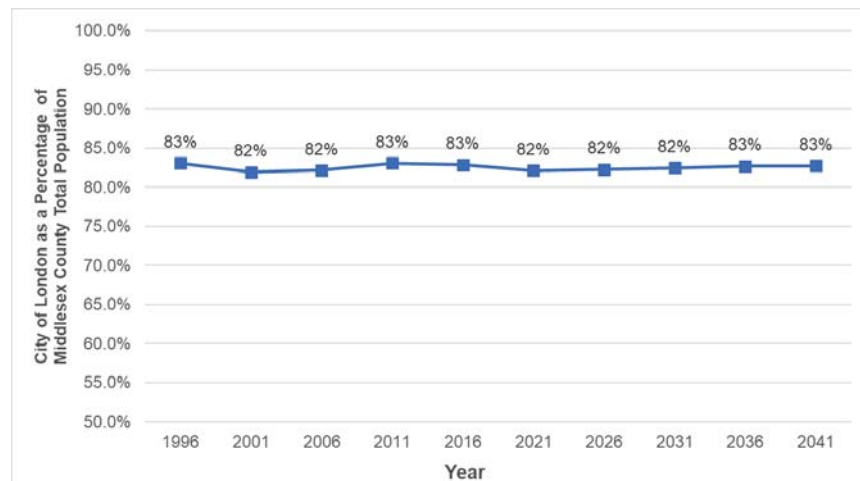
- Forecast population growth for Middlesex County as per the spring 2017 Ontario Ministry of Finance projections is tracking higher than the 2012 Altus projections



City of London Forecast Population, 2016 to 2044

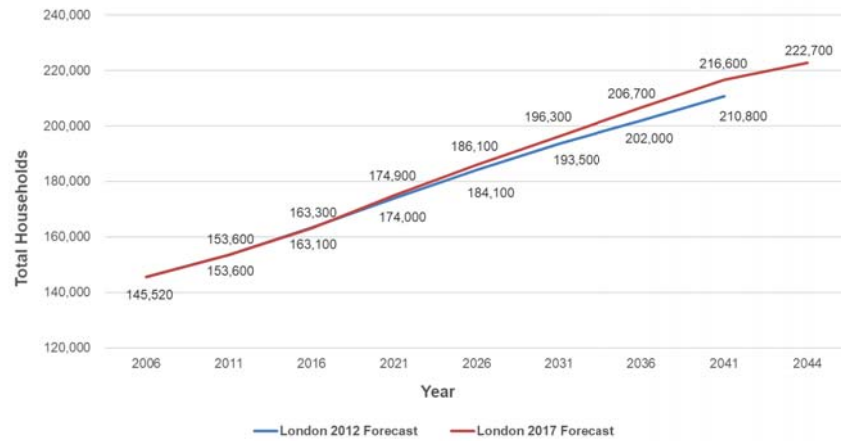


Population Share Analysis – City of London to Middlesex County¹



Source: City of London forecast (2016 - 2041) is derived by Watson & Associates Economists Ltd. Middlesex County forecast (2016 - 2041) is based on Ministry of Finance population projections. Ministry of Finance has an undercount of 3.1% and City of London has an undercount of 2.7%

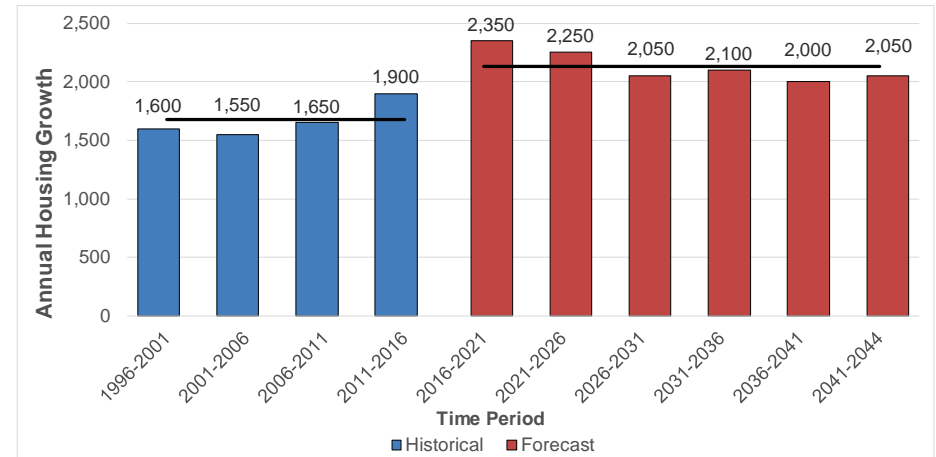
City of London Forecast Total Housing Growth 2016 to 2044



Source: London 2012 forecast is based on Altus Employment, Population, Housing and Non-Residential Construction Projections, City of London, Ontario, 2011 Update. London 2017 forecast derived by Watson & Associates Economists Ltd.



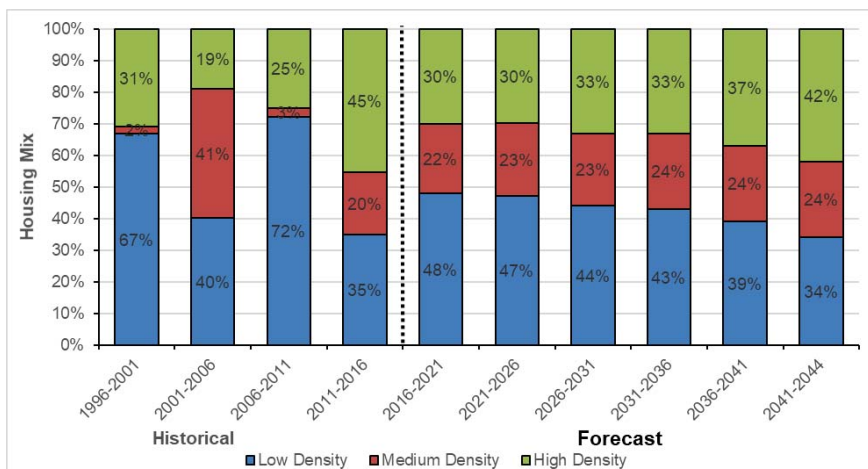
City of London Household Forecast, 2016 to 2044



Source: Watson & Associates Economists Ltd.



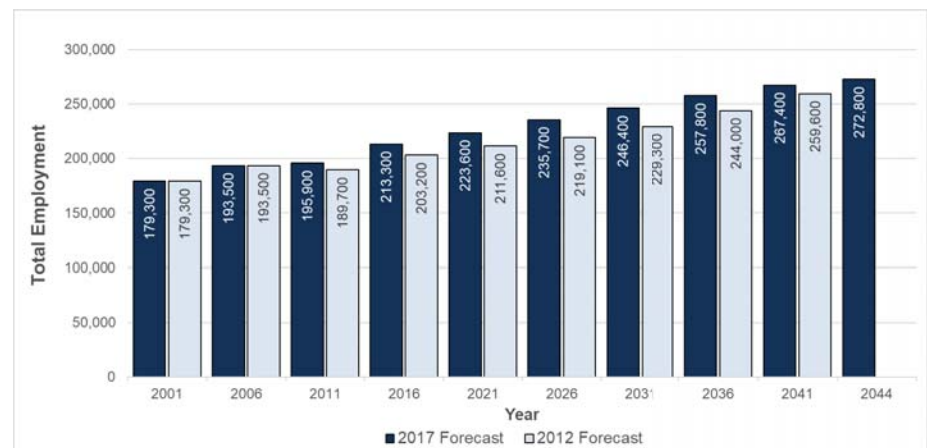
City of London Forecast Housing Growth by Structure Type, 2016 to 2044



Source: Watson & Associates Economists Ltd.



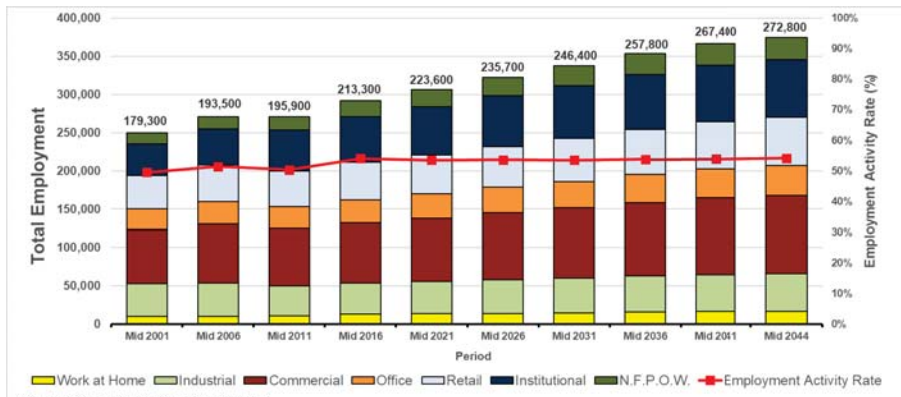
City of London Employment Forecast Comparison, 2011 to 2044



Notes: 2017 Forecast is Reference Employment Growth Scenario. No Fixed Place of Work employment is included in figure. Source: 2017 Forecast is a forecast by Watson & Associates Economists Ltd. 2012 Forecast is derived from the City of London, Employment, Population, Housing and Non-Residential Projections prepared by Altus Group, June 2012.



City of London Employment Forecast by Major Sector, 2011 to 2044



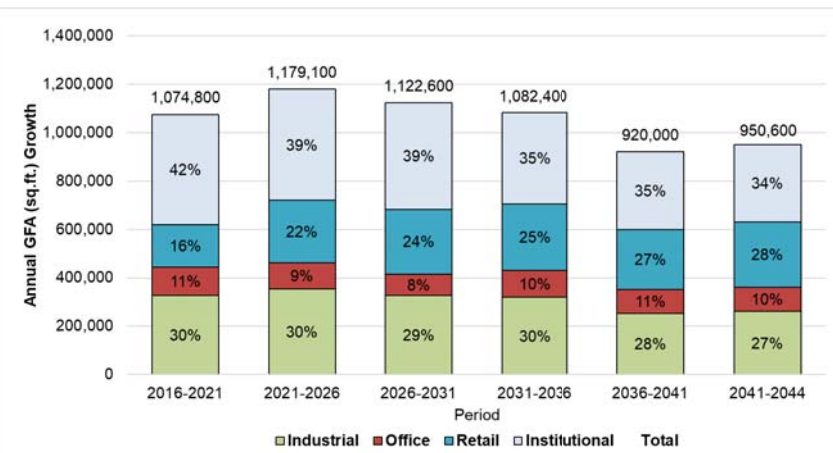
Note: Reference Employment Growth Scenario.
Source: Statistics Canada, 2001, 2006 and 2011 Census. 2016 to 2044 is a forecast by Watson & Associates Economists Ltd.

Employment Sector	2011	2021	2031	2041	2044
Work at Home	5%	6%	6%	6%	6%
Industrial	20%	19%	19%	18%	18%
Commercial/ Population Related	38%	37%	37%	37%	37%
Institutional	27%	28%	28%	28%	28%
No Fixed Place of Work	9%	10%	10%	10%	11%

Source: Watson & Associates Economists Ltd.



City of London, Non-Residential GFA Forecast, 2011 to 2044



Note: Based on Reference Growth Scenario.
Source: Watson & Associates Economists Ltd.



