

PUBLIC PARTICIPATION MEETING COMMENTS

3.1 PUBLIC PARTICIPATION MEETING – Development Charges Report and Proposed By-law

- S. Levin and A. Beaton, Urban League – presenting the attached presentation;
- M. Wallace and B. Veitch, London Development Institute – presenting the submission as included on the Added Agenda;
- D. Schmidt, Corlon Properties – presenting the attached submission specific to their development of the “Neighbourhoods of Sunningdale”;
- G. Playford – noting that other municipalities provide for DC exemptions for affordable housing projects, and further noting that most developers of affordable housing are not-for-profits; encouraging that future consideration be given to this matter;
- B. Polhill, representing J. Matthews – providing information related to Mr. Matthews’ intention to continue to build out his property and the impact that the proposed development charges will have on this, as per the attached submission.

Development Charges – Urban League of London

- **The Urban League is an umbrella group whose members include neighbourhood associations, community groups and individuals from across London.**



- We have been at the Development Charges (DC) table since the early 1990s.
- The Stakeholder group works well.
- We thank Council for continuing to have us at the table.
- Staff have spent significant hours with the Stakeholder Group. They spent a lot of time listening and coming up with a report and a study that reflects competing interests and comes down in a place that is in the best interest of Londoners.



- Some London characteristics make it harder to compare our rate to other municipalities



- In preparing the Background Study, \$189 M of road projects have been deferred to keep the DC rate affordable.
- You can certainly move more road projects off into the future to reduce the DC. But it comes with a congestion cost.
- London also includes storm water management in the rate, many other municipalities across the province do not.



- London DCs are higher than say Komoka or Ilderton, because we have a funny thing called traffic caused by having about 400K people living here, including the drivers from outside the city who use the roads without paying for the capital or operating costs.
- This means we have a very large roads component to the DC. In fact over half of the DC.



- We also have a transit system.
- Your discussions later will wrestle with this and your staff have done their best to point out the DC Study implications of changes to the Transportation projects



- Tax money already supports growth.
- About \$5.5 M annually in the budget to pay the Development Charges for residential in the core and Old East and for industrial development.
- You may hear this called an “exemption” which suggests it is not paid at all. This is a subsidy. The DC must be paid by someone. The someone here is the taxpayer. It is Council’s decision if this is good public policy. The League supports the 50% subsidy for institutional as the biggest beneficiary are London’s main economic drivers, the Hospitals and the University and the College.



- Another place where growth does not pay for growth is legislated in the DC Act:
- For certain service categories– Corporate Growth Studies, Library, Parks and Recreation, Waste Diversion and Operations Centres – a 10% deduction from the costs otherwise determined to be eligible for inclusion in DC rate calculations is mandated



- Would also like to point out that the Act allows you to include a calculation for the growth related requirements for forms of affordable housing. It is not included in this study but is on the table for the 2024 study.



- Decisions made on transit projects have impacts on other categories of infrastructure (e.g. water, sanitary, storm). These impacts cannot be forecasted until the final project mix is established and properly studied in context of the entire Transportation Master Plan and Development Charges (DC) Background Study.
- **The more that it diverges from the current capital plan, the more likely it is to increase the amount of tax-supported funding that is required.**
- I would be surprised if much, if any of the pathway or sidewalk projects can be funded through development charges.



- Decisions made by Council to include/exclude individual projects may alter the ultimate growth / non-growth splits that drive the project funding mix in the capital budget.
- These impacts cannot be forecasted until the final project mix is established and properly studied in the context of the entire Transportation Master Plan and DC Background Study, both of which may be required to be re-studied at the conclusion of the transit priority setting process.



Urban League's position on the DC Background Study:

- **ADOPT** it on schedule - If necessary, an updated DC Study can be prepared later.
- If you don't adopt a new DC Background Study and by law on time, then the City cannot collect DCs.

March 25, 2019

Strategic Priorities and Policy Committee

Public Participation meeting – Development Charges Background Report and Proposed By-law

Dave Schmidt, Development Manager, Corlon Properties Inc. 200 Villagewalk Boulevard, London, Ontario N6G 0W8, (519) 660-6200 ext. 2, dschmidt@sunningdalegolf.com

- Corlon Properties and its sister company, Sunningdale Golf & Country Club Ltd. have been proudly developing of the “Neighbourhoods of Sunningdale” in the City’s north end for the last 15+ years
- As you may be aware, on March 30, 2017 Gordon Thompson, the president of Sunningdale Golf & Country Club Ltd. announced that due to changing demographics in the golf industry, Sunningdale would transition from its existing 36-hole facility to an 18-hole layout, north of Sunningdale Road West, no sooner than November 1, 2021
- This land along with our lands already designated “Multi-Family, Medium Density Residential (1989 Official Plan) / “Neighbourhood” (London Plan) which fronts to Wonderland Road north of Sunningdale Road, would then be available for development / redevelopment. These collective lands (“Sunningdale North”) total approximately 57 hectares and are located entirely within the City’s Urban Growth Boundary
- In May of 2017, we commenced discussion with City of London staff, with respect to the various approvals which will be necessary in order to ultimately develop the subject lands
- In September 2018, we commenced discussions with Development Finance about the need to include the following works and services, necessary to develop the subject lands, within the 2019 Development Charges Background Study and associated By-law:
 - two (2) Stormwater Management Facilities (Nos. 6C and 10) and Axford / McCallum Drain Channel Remediation, as identified and approved by Council in the Sunningdale Community Plan and the Sunningdale Area Storm Drainage and Stormwater Management Municipal Class Environment Assessment; and
 - replacement of the Axford / McCallum Drain Culvert - as part of the Sunningdale Road widening project, as per the Sunningdale Road Improvements – Municipal Class Environmental Assessment
- As a result of our various discussions, while we are pleased to learn that Development Finance has included additional funds within the “Sunningdale Road Phase 3 – road widening” estimate, to upgrade the Axford / McCallum Drain Culvert and has also included a Stormwater Management “Contingency Facility”, we are disappointed that the total estimated funds necessary to complete both Stormwater Management Facilities (Nos. 6C and 10) and Axford / McCallum Drain Channel

Remediation are not included and identified as separate projects within the 2019 Development Charge Background Study and associated By-law.

- As you may be aware and as set out in Chapter 4 of the 2019 Development Charges Background Study, the Development Charges Act limits (for the purposes of rate calculations), the planning period for hard services (including Stormwater Management) to a 20 year time horizon. In addition, the 2019 DC By-law with expire in 2024. As such, the works and services necessary to facilitate the development of “Sunningdale North” will be required within the 20 year time horizon contemplated by the DC Act and the majority will be necessary within the 5 year duration of the new By-law.
- As per the DC Background Study, the DC Act requires (under Section 5 (1) 1) that “the anticipated amount, type and location of development for which development charges can be imposed must be estimated”. The anticipated amount and location of development must be estimated which by their nature require assumptions to be employed. Section 2.2.3 of the DC Background Study indicates that these “projections are necessary for prudent planning of municipal services and facilities”. It is our understanding that the City has not assigned any “demand” to our “Sunningdale North” lands despite...
 - the fact that our lands are in the growth boundary;
 - our signalled intentions to develop;
 - part of our lands being designated for “Multi-Family, Medium Density Residential (1989 Official Plan) / “Neighbourhood” (London Plan); and
 - significant past investments (DC related and others) in hard and soft services in north London, which render these lands as some of most attractive lands to develop, from a municipal finance perspective.

The City has advised that “demand” has not been assigned to these lands as a result of the existing “Open Space” land use designation (1989 Official Plan) / “Greenspace” (London Plan).

- Notwithstanding this, we have recently retained Altus Group to review this matter. They have advised that the DC Act does not restrict the City to assign anticipated / estimated development to only lands designated to accommodate residential or non-residential development. The anticipated amount of development included in a DC Study can include anything ranging from designated and approved lands or developments to potential development, anticipated trends or development prospects. This is consistent with past DC Background Studies undertaken in the City of London, which included capital works which were necessary to service lands which had yet to receive their ultimate land use designation, within the Official Plan.
- In addition, the DC Act requires that “the increase in the need for service attributable to the anticipated development must be estimated...only if the council of the municipality has indicated that it intends to ensure that such an increase in need will be met”. “The

determination as to whether a council has indicated such an intention may be governed by the regulations”.

For the purposes of paragraph 3 of subsection 5 (1) of the Act, the council of a municipality has indicated that it intends to ensure that an increase in the need for service will be met if the increase in service forms part of an official plan, capital forecast or similar expression of the intention of the council and the plan, forecast or similar expression of the intention of the council has been approved by the council. O. Reg. 82/98, s. 3. (emphasis added)

As previously mentioned the stormwater management facilities necessary to serve our “Sunningdale North” lands were identified within the approved “Sunningdale Community Plan” and the Sunningdale Are Storm Drainage and Stormwater Management Municipal Class Environment Assessment identified SWM facility No. 6C and 10 as the preferred alternatives, along with channel improvements (Axford / McCallum Drain) to provide stormwater management servicing for the subject lands, in the event that the property develops in the future. As such, **Council has appropriately expressed their intentions, with regards to these works, pursuant to the DC Act.**

- Lastly, page 180 of the 2019 DC Study indicates the:

Any municipally owned or operated Stormwater management works designed to provide capacity to facilitate growth that are identified through the EA process and are considered to satisfy a regional benefit to growth are to be identified as separate projects in the DC Study and are eligible for a claim from the CSRF (emphasis added)

- Considering all of the above, **we would respectfully request that specific separate projects (instead of a single “contingency facility”) be identified in the 2019 DC Background Study - Stormwater Management Services Rate Calculations for “Sunningdale North SWMF 6C”, “Sunningdale North SWMF 10” and “Sunningdale North - Axford / McCallum Drain Channel Remediation Works” with appropriate timing and estimated costs (estimates in the EA were made in 2008).**

This will **enable Colon / Sunningdale to proceed forward confidently with the investments** to complete the background studies / research to support the approvals necessary to development the subject lands, which are **some of the most attractive lands to develop in the City, from a municipal finance perspective.** This would also be **consistent** with how works and services, in other parts of the City, are included within the DC Background Study and ultimately financed.

The Storage Company

300 Marconi Gate

- Layout and site plan approved for the entire site at time of application.
- No notice of fees changing for future development
Site plan is not being changed
Only one entrance to and from the entire site. This entrance is part of existing development. except for emergency route proposed for the next phase.
The units to be completed are non-climate-controlled, slab on grade units with no electricity or heating
No servicing is required for the balance of storage units to be built.
The site boundaries have railway tracks to the west and industrial to the east and south. Multi-family to the north. Self-storage was the optimum use for this site
The site has been professionally landscaped and maintained from the beginning.
- Presently phase 1 is at 92% occupancy.(This has taken 7 years to achieve) With consideration for taxes, mortgages and operating costs the business last year still did not break-even, this is without ownership taking out any fees. It is imperative that phase 2 be built to successfully operate this as a business.
- Phase 2 does not affect any part of new development or future roadworks
- The first two years of taxes were assessed based on completion of all units with no rebates for vacancies. Taxes for the first two years were \$70,000/year. Taken this into consideration, the first three years of operation the vacancy rates were between 25-30%. With a gross rental amount of \$100,000-\$120,000 per year. The occupancy rate did not rise above 50% until year 5.
- Present taxes are currently \$45,000/year without no allowance for any vacancies. Allowing the balance of units to be built will allow the city to collect \$70,000. In taxes per year
- Every city from Woodstock to Windsor and north of London considers self-storage to be industrial zoning. At the same time industrial DC charges for the surrounding areas for industrial are \$0. St Thomas is \$0.25/square foot. Woodstock is \$0.00, Windsor is \$0.00
- The DC charge for London whether it be commercial or industrial does not reasonably fit with cost of operating a business. The average cost for building slab on grade self-storage units is \$50-\$55.00/per square ft. The city of London is requesting a DC charge of \$25/sq.ft. No business model can justify or maintain an operation when DC charges and taxes are taken into consideration.