London Development Institute

February 11, 2013 By Email

City of London
300 Dufferin Avenue
London, Ontario
N6A 4L9

Attn.: Mayor J. Fontana, Chair and Members of the Strategic Priorities & Policy Committee

Re: City of London 2013 Draft Budget

Dear Mayor Fontana and Committee,

This Council was elected with a mandate to review municipal taxes and to keep them affordable for business and the residents of the City. The LDI supports Council's efforts to trim costs and find savings wherever possible in the draft budget.

Every major public and private corporation in North America and around the World is reviewing their operating budget with an eye to find efficiencies and cost savings in the current economic times since the major recession in 2008. It is in this light that this Council has to review the budget and make some hard decisions to keep municipal taxes affordable and to ensure London's place in the region when the economy picks up in the future.

The LDI would like to make the following comments and share our concerns in regard to the 2013 Draft Budget due to the current economic situation.

Urban Growth Boundary (UGB) Expansion and the 401 Corridor:

- The Province of Ontario has recently committed $125M to London and Region to build a new interchange at the 401 and Wonderland Road intersection that will create a new gateway into the City for traffic traveling from the west.

- The Province has also committed to rebuilding three existing interchanges with the 401 and creating a new link for Veterans Memorial Parkway to be extended to Wilton Grove Road.

- This commitment from the Province should not be taken lightly and the City needs to show our commitment to these projects by continuing to pursue the expansion of the UGB in this area and to providing services for new industry that will bring new jobs and assessment growth to the City.

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- The City needs to continue the practice of exempting the Development Charges for new and expanding industrial development in London to provide the incentive for new industry to locate here and to encourage existing industries to stay and expand in London. This is a practice that is offered by every Municipality in the Province of Ontario to encourage new industrial development to locate in their communities and we have to keep an even playing field if London is going to succeed.

- London has one of the highest unemployment rates in Canada and we need to keep our city competitive for the economy to grow.

Downtown and Old East Village:

- In recent years we have seen the revitalization of downtown London with the building of Budweiser Gardens, the new Covent Garden Market, and the relocation of the downtown Central Library. A great initiative by the City of London was exempting Development Charges for new residential development in the core that has lead to the constructions of many new apartment buildings bringing new residents to live downtown.

- These developments have encouraged additional private sector investment as seen by the many new shops and restaurants in the area that contribute to an increased tax base for the core.

- The Old East Village has also benefitted by the exemption of Development Charges in the area as evidenced by the new residential towers being built currently and the redevelopment of the former Hudson's Department store site.

- The Old East Village area can continue to benefit from new residential development to encourage the revitalization of the commercial properties along Dundas Street.

- Now is not the time to end the exemption of the Development Charges in these areas as we are starting to reach the critical mass needed to bring additional residents and positive changes to the core. Downtown London is still in need of a full service grocery store to service new and future residents if we are to continue with the revitalization of this area.

Assessment Growth and Future Tax Base:

- The London Free Press reported on January 10, 2013 that **"New assessment brings a $5M windfall"** and the article goes on to say that assessment growth was nearly triple that forecasted by city hall. One thing the article didn't mention was that the $5M windfall this year continues on the tax base for every year into the future.

- London has to stay competitive in the regional context to ensure that we have continued job growth and affordable taxes to bring future assessment growth to the City. **London does not want to become a**

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bedroom community for industries that locate in more affordable surrounding municipalities because of lower DC's and taxes.

2014 Development Charges (DC) Update:

- The City of London is currently engaged in reviewing the DC By-law for the 2014 to 2034 period. The DC By-law affects the development charge rate for all forms of new development in the city and is used as a determining factor for industries to locate here and also for determining the affordability of new housing for their employees.

- The home building industry is a major employer in the city and is used as a marker for determining the health of the economy. A strong home building industry shows a sign of a strong economy and a healthy community.

- The DC rate for new housing is a very important factor to ensuring that London continues to benefit from residential assessment growth and to curtail municipal "leap frogging" of new home purchasers moving to surrounding less expensive locations.

- Growth will pay for growth but it has to be a fair share of the costs that benefit all residents of the City.

Council is tasked with reviewing the whole budget to find the efficiencies to keep any tax increase limited but Council should also have an eye to the future to keep London as the heart of Southwestern Ontario by providing an affordable place to live and work.

Sincerely,
London Development Institute

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