Slide 1 – Growth Projections 2021-2051

Strategic Priorities and Policy Committee (SPPC)

December 6, 2022

Slide 2 - What are Growth Projections?

- Future employment, population, housing units, and floor space for non-residential land uses (i.e. Industrial, Commercial, and Institutional).

- 30-year time horizon.

- Reference Scenario is the baseline and is recommended for planning purposes.

- Low-growth and high-growth alternative scenarios are prepared for monitoring and to illustrate different outcomes if trends evolve differently than anticipated.

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Slide 3 - What are Growth Projections?

- Informed estimate of future conditions.

- Based on past and present economic, demographic, and construction trends.

- Assumptions based on research, technical knowledge, and established projections methods.
  - Provincial Projection Methodology Guideline.

- Updated every 5 years to respond to change.

Slide 4 - How are Projections used by the City?

- Comprehensive Review of London Plan
- Development Charges
- Mobility Master Plan
- Fire Services
- Community Centres and Community Amenities
- Assessment Growth Allocation Business Cases
- Water and Wastewater Budgets

Slide 5 - Projections vs. Targets

- Projections:
  - An informed estimate of future growth – the baseline for estimating future conditions.
  - Based on macro-economic outlook and other methods from Provincial Methodology guidelines.
  - Must follow this defensible methodology.
  - Must be updated ~5 years to "course correct".

- Growth Targets:
  - Are an aspirational goal.
  - Desired rate of growth.
  - Recent changes to legislation are intended to enable the desired growth.
  - Targets set to encourage actions that can influence growth.

Slide 6 - Selecting a Growth Scenario

- Reference Scenario is prepared as the most likely outcome for future development.

- Reference scenario is key as it is the base line.

- High and low growth scenarios provide ranges to test alternative development.

Slide 7 - Implications of Selecting the High Scenario

- Financial implications:
  - Higher than necessary infrastructure requirements and costs.
  - Inflated debt-levels.
  - Higher than necessary DC rates.
  - Insufficient revenue collected if expected growth does not occur.
  - Challenges in municipal financial planning.

- Land Use Planning:
  - Expectations about when lands will become available.
  - Potential for excessive expansion of urban area.
  - Loss of prime agricultural lands.

- Defensibility of Decision-making:
  - Defending the projections at the Ontario Land Tribunal if challenged.

Slide 8 - Recommendations

- The Staff Report and the Watson & Associates Economists report both **BE RECEIVED** for information;

- The <u>Reference Scenario</u> **BE ENDORSED** as the City of London corporate growth forecast:
  - Use for *Planning Act* and *Development Charges Act* initiatives and other forthcoming City initiatives.

- Staff **BE DIRECTED** to provide a report to PEC outlining an approach for implementing the provincial housing target for London.