19TH REPORT OF THE BOARD OF CONTROL

Meeting held on June 29, 2009 commencing at 3:30 p.m.

PRESENT: Mayor A. M. DeCicco-Best (Chair), Deputy Mayor T. C. Gosnell (part-time), Controllers G. Barber, W. J. Polhill and G. Hume; and B. Westlake-Power (Acting Secretary).


I YOUR BOARD RECOMMENDS:

1. That, having conducted a statutory public meeting under the Development Charges Act on May 13, 2009 and having further considered the matter at the Board of Control meeting of June 24, 2009, and having considered the need for a further public meeting and determined that another public meeting is not necessary and pursuant to the direction of the Board of Control on June 24, 2009, the revised by-law attached BE INTRODUCED at the Municipal Council meeting on June 29, 2009; it being noted that the proposed by-law would come into force on August 4, 2009, concurrent with the repeal of By-law C.P.-1440-167, as amended, (being the City of London's current Development Charges By-law); it being further noted that, in addition to the comments contained in the Development Charges reports tabled on May 13, 2009 and June 24, 2009, the new by-law incorporates a deferral of previously proposed Residential Development Charge rate increases until January 1, 2010.

2. That the following actions be taken with respect to the development of a business plan for economic prosperity:

   (a) the Greater London International Airport initiative relative to international air freight BE ENDORSED as a priority of the Municipal Council and the Civic Administration BE DIRECTED to immediately pursue potential sources of funding for this initiative;

   (b) the Short-Term Gateway Priorities (1 – 5 years), as detailed on page 16 of the attached presentation, BE ENDORSED;

   (c) the Civic Administration BE DIRECTED to further investigate the strategic sectors, as detailed on page 7 of the attached presentation, and further discussion with respect to strategic sectors BE HELD at an economic development summit; and,

   (d) the London Economic Development Corporation BE REQUESTED to update its matrix to include benchmarking tools that provide a focus on how this community is doing, employment statistics, an identification of obstacles facing the community and what areas need additional focus in order to facilitate economic prosperity;

it being noted that the Board of Control (BC) received the attached overview of “City of London Capital Budgets and Infrastructure Funding”, as well as the attached document entitled “London’s future prosperity – The International Air Freight Opportunity” and heard verbal presentations from the Chief Administrative Officer, the Director of Wastewater and Treatment and the President & CEO, London Economic Development Corporation, with respect to this matter.

The meeting adjourned at 4:34 p.m.
June 29, 2009

TO: CHAIR AND MEMBERS
BOARD OF CONTROL
MEETING ON JUNE 29, 2009

FROM: V. A. COTÉ
GENERAL MANAGER OF FINANCE AND CORPORATE SERVICE &
ACTING CITY TREASURER

SUBJECT AMENDMENT TO DRAFT DC BY-LAW PRESENTED AT BOARD OF
CONTROL MEETING OF JUNE 24, 2009

RECOMMENDATION

Pursuant to the direction of the Board of Control, on June 24, 2009:

Having conducted a statutory public meeting under the Development Charges Act on May 13, 2009 and having further considered the matter at the Board of Control meeting of June 24, 2009, and having considered the need for a further public meeting and determined that another public meeting is not necessary, the revised by-law attached, BE INTRODUCED at the Municipal Council meeting on June 29, 2009; it being noted that the proposed by-law would come into force on August 4, 2009, concurrent with the repeal of By-law C.P.-1440-167, as amended, (being the City of London's current Development Charges By-law), it being further noted that, in addition to the comments contained in the DC reports tabled on May 13, 2009 and June 24, 2009, the new by-law incorporates a deferral of previously proposed Residential DC rate increases until January 1, 2010;

RELATED REPORTS

- Board of Control Report – June 24, 2009 – Response To Public Comment on the 2009 Development Charge By-Law
- Community and Protective Services Committee, - May 11, 2009 – Development Charges Policy request related to exempting temporary community projects undertaken by charitable organizations,
- Board of Control Report – May 13, 2009 (Public Meeting) - 2009 Development Charges - Adoption of DC Policy, Background Study & Rate By-Law.
- Board of Control Report – November 26, 2008 – Industrial Development Charge Policy
- Board of Control Report – November 26, 2008 – Commercial Development Charge Rate Policy
- Board of Control Report – November 26, 2008 – Downtown Residential Development Charge Exemption
- Planning Committee – June 16, 2008 – Growth Management Implementation Strategy (GMIS)
- Planning Committee – Report to Committee of the Whole - January 9, 2008; “2008 Development Charges Study – Request for Endorsement of Broad Funding Principles for the Future”
- Environmental and Transportation Committee- November 26,2007, Improvement Plan for Capital Road Expansion Construction Program
- Board of Control Report – June 20 2007 – Industrial Development Charges
- Board of Control Report – March 21, 2007 – Initiation Report 2008 Development Charges Background Study
- Committee of the Whole – March 1, 2007 - Blue Ribbon Panel Implementation Strategy
BACKGROUND

The Board of Control deliberated the proposed development charges by-law and related resolutions at its meeting of June 24, 2009.

As a result of those deliberations and notwithstanding the recommendation of the General Manager of Finance and Corporate Services and City Treasurer, the Board directed that the Development Charges By-law be introduced on the following basis:

(c) having conducted a statutory public meeting under the Development Charges Act on May 13, 2009, and having further considered the matter at the Board of Control meeting of June 24, 2009, and having considered the need for a further public meeting and determined that another public meeting is not necessary, the Civic Administration BE DIRECTED to bring forward a revised, proposed by-law for introduction at the Municipal Council meeting on June 29, 2009 which incorporates a deferral of previously-proposed Residential DC rate increases until January 1, 2010; it being noted that the proposed by-law would come into force on August 4, 2009, concurrent with the repeal of By-law C.P.-1440-167, as amended, (being the City of London's current Development Charges By-law), it being further noted that the revised proposed by-law also incorporates the comments contained in the DC reports tabled on May 13, 2009 and June 24, 2009;

Accordingly, the draft by-law has been revised to introduce new residential rates for the balance of this year. The residential rates will be maintained at the same level until January 1, 2010 in the new Development Charges By-law as they are in the Development Charges By-law which is due to expire by operation of law on August 4, 2009. Thereafter, the residential rates will increase to the rate recommended by the background study as set out in the by-law (attached). By virtue of the amendment recommended by the Board of Control, the Residential DC rate until January 1, 2010, will be approximately 70% of the calculated rate for the duration of 2009. The UWRF portion of the rate is 100% of the calculated rate for the duration of 2009.

The proposed amendments to the draft by-law have been reviewed by the City Solicitor who advises that in his opinion any capital shortfall caused by these lower rates cannot be recovered by increasing development charges in the future and will be funded by taxes. Further, the jurisdiction of the Ontario Municipal Board is limited as follows by section 16(4) on an appeal of development charges:

16. (4) The Ontario Municipal Board may not amend or order the amendment of a by-law so as to,

(a) increase the amount of a development charge that will be payable in any particular case;

(b) remove, or reduce the scope of, an exemption;

(c) change a provision for the phasing in of development charges in such a way as to make a charge, or part of a charge, payable earlier;

(d) change the date the by-law will expire. 1997, c. 27, s. 16 (4).

The revised by-law attached incorporates:

1. a table of rates that are effective from August 4, 2009 to December 31, 2009 inclusive with the Residential rates frozen at existing levels ($17,005 for single and semi-detached);

2. the table referred to in 1. above also contains revised Commercial and Institutional rates that incorporate the reduction in rates according to the 2009 DC study;

3. a second table reflects rates effective from January 1, 2010 forward. This table reflects the new Residential rates ($22,921 for single or semi-detached);

4. as a by-product of the Board's direction, the proposed by-law also contains a technical
amendment that defers the first cost indexing of rates until January 1, 2011. This will defer any inflationary increases to the calculated rate until January 1, 2011.

Finally, a typographical error that referred to an incorrect line item on the by-law rate tables has also been corrected (reference in section 6 changed from “line 12” to “line 13”) in the attached by-law.

<table>
<thead>
<tr>
<th>PREPARED BY:</th>
<th>SUBMITTED BY:</th>
</tr>
</thead>
<tbody>
<tr>
<td>PETER CHRISTIAANS, C.A.</td>
<td>VIC GÔTÉ</td>
</tr>
<tr>
<td>Director, Development Finance</td>
<td>General Manager of Finance and Corporate Services and Acting City Treasurer</td>
</tr>
</tbody>
</table>

cc: James Barber, City Solicitor

S:/DC Project 2008/2009 DC BKGRND STUDY/Public Meeting/BoC - DC STUDY 3rd Meeting REPORT.June29 09. FINAL.doc
WHEREAS the Development Charges Act, 1997 S.O. 1997, c.27, as amended authorizes by-laws of the council of a municipality for the imposition of development charges against land to pay for increased capital costs required because of increased needs for services arising from development of the area to which the by-law applies.

THEREFORE the MUNICIPAL COUNCIL of The Corporation of the City of London hereby enacts as follows:

DEVELOPMENT CHARGES BY-LAW

PART I

INTERPRETATION

1. Definitions

In this by-law, unless a contrary intention appears,

"apartment" means a residential building containing two or more dwelling units each of which has an independent entrance either directly from the outside or through a common corridor, hallway or vestibule;

"agricultural" use means

a) a use where animals or birds are kept for grazing, breeding, raising, boarding, or training of livestock of all kinds including, but not limited to, cattle, swine, sheep, goats, rabbits, poultry, fish, horses, ponies, donkeys, mules, and fur bearing animals, or

b) the tillage of soil, growing and harvesting of vegetables, fruits, field crops, mushrooms, berries, trees, flowers or landscaping materials; the erection and use of greenhouses, woodlots and forest tree uses; the packing, treating, storing, and sale of produce produced on the premises and other similar uses customarily carried on in the field of general agriculture.

"brownfield sites" means lands, vacant or improved, on which industrial, commercial, institutional or government activity took place in the past, and which activity has resulted in soil or water contamination because of chemicals or other pollutants, and are located in residential re-development locations where infrastructure, services and facilities already exist.

"City Engineer" means the General Manager of Environmental and Engineering Services and City Engineer;

"City Services" are services that serve, in whole or in part, growth needs which are normally constructed or provided by the Corporation or its Boards or Commissions, including, but not limited to Transportation, Sanitary, Storm Drainage, Water, Fire, Police, Library, Transit and Growth Studies.
"Commercial Building" is a building used for:

(a) Office or administrative uses, including the practice of a profession, or the carrying on of a business or occupation or where most of the activities in the building provide support functions to an enterprise in the nature of trade, and for greater certainty shall include, but not be limited to, the office of a physician, lawyer, dentist, architect, engineer, accountant, real estate or insurance agency, veterinarian, surveyor, appraiser, contractor, builder, land developer, employment agency, security broker, mortgage company, medical clinic; or

(b) Retail purposes including activities of offering foods, wares, merchandise, substances, articles or things for sale or rental directly to the public and includes offices within the same building, which support, are in connection with, related or ancillary to such uses, or activities providing entertainment and recreation. Retail purposes shall include but not be limited to: conventional restaurants; fast food restaurants; night clubs, concert halls, theatres, cinemas, movie houses, and other entertainment related businesses; automotive fuel stations with or without service facilities; special automotive shops / auto repairs / collision services / car or truck washes; auto dealerships; regional shopping centres; community shopping centres; neighbourhood shopping centres, including more than two stores attached and under one ownership; department / discount stores; banks and similar financial institutions, including credit unions (excluding freestanding bank kiosks), money handling and cheque cashing facilities; warehouse clubs or retail warehouses; Food stores, pharmacies, clothing stores, furniture stores, department stores, sporting goods stores, appliance stores, garden centres (but not a garden centre defined as exempt under section 35 of this by-law), government owned retail facilities, private daycare, private schools, private lodging and retirement homes, private recreational facilities, sports clubs, golf courses, skiing facilities, race tracks, gambling operations, funeral homes, motels, hotels, restaurants, theatres, facilities for motion picture, audio and video production and distribution, sound recording services, Passenger stations and depots, Dry cleaning establishments, Laundries, establishments for commercial self-service uses.

With the intent of providing some flexibility in the administration of this section, any building use not named specifically above which is considered an adventure in the nature of trade, and is neither an Institutional nor Industrial use, may be deemed to be a Commercial use at the discretion of the Director of Building Controls.

"Commercial Truck Service Establishment" means a premises purpose designed for repair and servicing of freight carrying trucks, including truck tractors and truck trailers, and shall include the storage and sale of parts accessory to such vehicles;

"Corporation" means The Corporation of the City of London;

"developer" means a person who undertakes development or redevelopment;

"development" means the construction, erection or placing of one or more buildings or structures on land or the making of an addition or alteration to a building or structure that has the effect of changing the size or usability thereof, and includes all enlargement of existing development which creates new dwelling units or additional non-residential space and includes work that requires a change of use building permit as per Section 10 of the Ontario Building Code; and "redevelopment" has a corresponding meaning;

"development charge" means any development charge that may be imposed pursuant to this by-law under the Development Charges Act, 1997;

"dwelling unit" means a suite operated as a housekeeping unit, used or intended to be used as a domicile by one or more persons and usually containing cooking, eating, living, sleeping, and sanitary facilities;

"First storey" is defined as the storey that has its floor closest to grade and its underside of finished
ceiling more than 1.8m above the average grade.

"force majeure" means any act of God, any act of the Queen's enemies, wars, blockades, insurrections, riots, civil disturbances, landslides, lightening, earthquakes, storms, floods, washouts, fires, or explosions;

gross floor area" means the total floor space, measured between the outside of exterior walls or between the outside of exterior walls and the centre line of party walls dividing the building from another building, of the first storey and all storeys or part of storeys (including mezzanines) above the first storey.

"Industrial Building" is a building used for:
a) manufacturing, producing, fabricating, assembling, compounding or processing of raw materials, goods, component parts or ingredients where the physical condition of such materials, goods, parts or components are altered to produce a finished or semi-finished tangible product, or the packaging, crating, bottling, of semi-processed goods or materials, but not including any of these activities where they primarily serve retail purposes to the general public;
b) storing or distributing something derived from the activities mentioned in a) above and for greater certainty, shall include the operation of a truck terminal, warehouse or depot;
c) research or development in connection with activities mentioned in (a) above;
d) retail sales of goods produced by activities mentioned in section a) at the site where the manufacturing, producing or processing from raw materials or semi-processed goods takes place and for greater certainty, includes the sale of goods or commodities to the general public where such sales are accessory or secondary to the industrial use, and does not include the sale of goods or commodities to the general public through a warehouse club;
e) office or administrative purposes, if they are carried out:
   i. with respect to the activity mentioned in section a), and
   ii. in or attached to the building or structure used for activities mentioned in section a) and
   iii. for greater certainty, shall include an office building located on the same property as, and used solely to support, the activities mentioned in section a);
f) a business that stores and processes data for retrieval, license or sale to end users and are on lands zoned for industrial uses; or

g) businesses that develop computer software or hardware for license or sale to end users that are on lands zoned for industrial uses.

"Institutional Building" is a building used for or designed or intended for use by:
(a) a government entity, not in the nature of trade,
(b) an organized body, society or religious group promoting a public or non-profit purpose shall include but not be limited to: public hospitals, schools, churches and other places of worship, cemetery or burial grounds, universities and colleges established pursuant to the Ministry of Colleges and Universities Act, other buildings used for not-for-profit purposes defined in, and exempt from taxation under, section 3 of the Assessment Act.

"lawfully existing" with reference to a dwelling unit means a dwelling unit:
(a) that is not prohibited by a by-law passed under section 34 of the Planning Act or a predecessor of that section; or
(b) that is a legal non-conforming use; or
(c) that is allowed by a minor variance authorized under section 45 of the Planning Act or a predecessor of that section.

"non-residential" means commercial, institutional or industrial use but excludes agricultural use.

"nursing home" means a building which has been built using the long term care facility design and service standards established by the Ministry of Health and Long Term Care, in which rooms or
lodging are provided for hire or pay in conjunction with the provision of meals in a designated dining area, personal care 24 hours per day, 7 days per week, nursing services and medical care and treatment, and for purposes of this by-law is deemed to be a residential use where three beds are equivalent to a two bedroom apartment unit;

"owner" means the registered owner of the property and includes the authorized agent in lawful control of the property.

"parking structure" means an attached or detached building or structure or part thereof,

(a) that is used principally for the purpose, whether or not for profit, of providing parking space to the general public for a fee; or

(b) that provides parking space in connection with the use for residential, commercial, industrial or institutional purposes or any combination thereof of any attached or detached building or structure or part thereof;

"reserve funds" means the reserve funds, new and continued, under section 22 of this by-law;

"rowhousing" means a building divided vertically into three or more attached dwelling units by common walls;

"semi-detached dwelling" means a building which contains two single dwelling units which are attached vertically by a common wall;

"sewerage" includes any works or any part thereof for the collection, transmission, treatment, and disposal of sewage or storm water;

"single detached dwelling" means a residential building consisting of one dwelling unit and not attached to another building or structure;

"Statistics Canada Index" means the Statistics Canada Quarterly Construction Price Statistics, catalogue number 62-007, Non-residential (Toronto);

"temporary garden suite" means a one-unit detached residential structure containing bathroom and kitchen facilities that is ancillary to an existing residential dwelling structure;

"Urban Works" are growth related services, normally required as a consequence of, or prerequisite to development, which are cited in agreements under the Planning Act. The City permits the construction of these services by developers, and their cost is claimable or partially claimable from the Urban Works reserve funds identified in the rate schedules to this by-law. The eligibility for a claim from the funds is discussed in Schedules 6 and 7 of this by-law, and expanded in the Development Charges Background Study.

"zoning by-law" includes a minor variance to the provisions of a zoning by-law.

2. Purpose of By-law

The purpose of this by-law is to impose development charges within the City of London as it exists from time to time based on the recommendations, policies and standards contained in the City of London Development Charge Background Study dated April, 2009 and supplements to that study in accordance with the Development Charges Act, 1997.

3. Administration of By-law

(1) The administration of this by-law, except as otherwise provided in this section, is assigned to the Director of Building Controls.

(2) The administration of Parts III and VI is assigned to the City Treasurer.
PART II
RATES AND CALCULATIONS

4. Owner to Pay Development Charge

The owner of any land in the City of London who develops or redevelops the land or any building or structure thereon shall, at the time mentioned in section 5, pay development charges to the Corporation calculated in accordance with the applicable rate or rates in section 6, 7, 8 and 9 hereof.

5. Time of Payment of Development Charge

A development charge under section 4 shall be calculated,
(a) where a permit is required under the Building Code Act in relation to a building or structure, at the time of application for the permit; and
(b) where no permit is required under that Act for the development or redevelopment of the land or any building or structure thereon, at the time of commencing the development or redevelopment;
and the owner shall pay the development charge prior to the issuance of the permit or the commencement of development or redevelopment.

6. Development Charges for City Services Commencing August 4, 2009

(a) On and between August 4, 2009 and December 31, 2009 development charges for City Services shall be levied for the uses of land, buildings or structures designated in line 1 of columns 2, 3, 4, 5, 6 and 7, whichever is applicable, of Table 1 below at the rates shown in line 13 of the applicable column.

Table 1

<table>
<thead>
<tr>
<th>Line</th>
<th>Column 1</th>
<th>Column 2</th>
<th>Column 3</th>
<th>Column 4</th>
<th>Column 5</th>
<th>Column 6</th>
<th>Column 7</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Service Commissions</td>
<td>Single &amp; Semi Detached (per dwelling unit)</td>
<td>Townhouses (per dwelling unit)</td>
<td>Apartments with &lt; 3 bedrooms (per dwelling unit)</td>
<td>Apartments with &gt; 3 bedrooms (per dwelling unit)</td>
<td>Commercial per sq. ft.</td>
<td>Institutional per sq. ft.</td>
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<td>1</td>
<td>Fire Services</td>
<td>28.15</td>
<td>22.05</td>
<td>12.50</td>
<td>17.82</td>
<td>1.85</td>
<td>1.24</td>
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<td>2</td>
<td>Police Services</td>
<td>92.22</td>
<td>72.50</td>
<td>46.66</td>
<td>65.91</td>
<td>0.12</td>
<td>0.09</td>
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<td>3</td>
<td>Growth Studies</td>
<td>175.75</td>
<td>139.50</td>
<td>50.02</td>
<td>125.98</td>
<td>2.05</td>
<td>1.00</td>
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<td>4</td>
<td>Library Services</td>
<td>23.75</td>
<td>19.28</td>
<td>12.50</td>
<td>17.82</td>
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<td>-</td>
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<td>5</td>
<td>Parks &amp; Recreation</td>
<td>989.17</td>
<td>775.88</td>
<td>409.26</td>
<td>699.98</td>
<td>-</td>
<td>-</td>
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<td>6</td>
<td>Transit Services</td>
<td>164.18</td>
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<td>9</td>
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<td>-</td>
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<td>-</td>
<td>-</td>
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<td>10</td>
<td>Water Distribution</td>
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<td>1,191.93</td>
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<td>Rural rates (applied outside Urban Growth Area) -</td>
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<td>86.51</td>
<td>55.12</td>
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</table>
b) On and after January 1, 2010 development charges for City Services shall be levied for the uses of land, buildings or structures designated in line 1 of columns 2, 3, 4, 5, 6 and 7, whichever is applicable, of Table 1.1 below at the rates shown in line 13 of the applicable column.

**Table 1.1**

<table>
<thead>
<tr>
<th>Line</th>
<th>Column 1</th>
<th>Column 2</th>
<th>Column 3</th>
<th>Column 4</th>
<th>Column 5</th>
<th>Column 6</th>
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<tr>
<td>11</td>
<td>Major SWM</td>
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<td>18,630.00</td>
<td>14,081.00</td>
<td>8,544.00</td>
<td>11,708.00</td>
<td>128.38</td>
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<tr>
<td>12</td>
<td>- Total CBMF rate</td>
<td></td>
<td>11,478.00</td>
<td>8,233.00</td>
<td>4,888.00</td>
<td>6,848.00</td>
<td>85.31</td>
</tr>
</tbody>
</table>

Rural rates (applied outside Urban Growth Area) - denoted by * above - see by-law section 42

7. **City Services Rates – January 1, 2011 and beyond**

   (1) On January 1, 2011 and the first day of January in each year thereafter, development charges for City Services for a subject year shall be levied for the uses of land, buildings or structures designated in line 1 of columns 2, 3, 4, 5, and 7, whichever is applicable, of Table 1.1 at the total of the rates shown in lines 2 to 12 as adjusted using the following formula:

   \[ A \times C = \frac{D}{B} \]

   Where:

   - \( A \) = the rate shown in lines 2 to 12 inclusive of columns 2, 3, 4, 5, and 7 of Table 1.1;
   - \( B \) = the Statistics Canada Index (see Definitions) for the quarter ending, December, 2008;
   - \( C \) = the Statistics Canada Index for the latest month for which the Index is available (likely the index for the quarter ending in September) in the year preceding the subject year;
   - \( D \) = the rate for the subject year.

   (2) Every rate derived by adjustment under subsection (1) shall, except in the case of residential rates, be correct to the nearest dollar, fifty cents being raised to the next higher dollar, and, in the case of non-residential rates, be correct to the nearest cent.

8. **Development Charges for Urban Works commencing August 4, 2009**

   a) In addition to those charges levied under section 6 and 7, on and between August 4, 2009, and December 31, 2009 development charges for Urban Works shall be levied for the uses of land, buildings or structures designated in line 1 of columns 2, 3, 4, 5, 6 and 7 whichever is applicable, of Table 2 below at the rates shown in line 7 of the applicable column.
Table 2

<table>
<thead>
<tr>
<th>Line</th>
<th>Service Component</th>
<th>Column 1</th>
<th>Column 2</th>
<th>Column 3</th>
<th>Column 4</th>
<th>Column 5</th>
<th>Column 6</th>
<th>Column 7</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Single &amp; Semi Detached (per dwelling unit)</td>
<td>Rowhousing (per dwelling unit)</td>
<td>Apartments with &lt; 2 bedrooms (per dwelling unit)</td>
<td>Apartments with &gt; 2 bedrooms (per dwelling unit)</td>
<td>Commercial per sq. m. of gross floor area</td>
<td>Institutional per sq. m. of gross floor area</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Service Component</td>
<td>1,304.00</td>
<td>935.00</td>
<td>559.00</td>
<td>777.00</td>
<td>12.72</td>
<td>7.10</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Minor Roadworks</td>
<td>550.00</td>
<td>366.00</td>
<td>234.00</td>
<td>328.00</td>
<td>2.69</td>
<td>1.49</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Minor San. Sewers</td>
<td>426.00</td>
<td>305.00</td>
<td>181.00</td>
<td>253.00</td>
<td>4.08</td>
<td>2.51</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Minor Storm Sewers</td>
<td>2,279.00</td>
<td>1,835.00</td>
<td>970.00</td>
<td>1,108.00</td>
<td>19.49</td>
<td>11.70</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>subtotal - UWRF General</td>
<td>1,012.00</td>
<td>728.00</td>
<td>431.00</td>
<td>603.00</td>
<td>10.72</td>
<td>6.64</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Minor SWM</td>
<td>3,291.00</td>
<td>2,361.00</td>
<td>1,401.00</td>
<td>1,961.00</td>
<td>30.21</td>
<td>17.74</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Total UWRF rate (applied within Urban Gr Area)</td>
<td>17,055.00</td>
<td>11,221.00</td>
<td>6,364.00</td>
<td>11,729.00</td>
<td>$189.69</td>
<td>$108.54</td>
<td></td>
</tr>
</tbody>
</table>

TOTAL RATE - within Urban Growth Boundary

b) In addition to those charges levied under section 6 and 7, on and after January 1, 2010, development charges for Urban Works shall be levied for the uses of land, buildings or structures designated in line 1 of columns 2, 3, 4, 5, 6 and 7 whichever is applicable, of Table 2.1 below at the rates shown in line 7 of the applicable column.

Table 2.1

<table>
<thead>
<tr>
<th>Line</th>
<th>Service Component</th>
<th>Column 1</th>
<th>Column 2</th>
<th>Column 3</th>
<th>Column 4</th>
<th>Column 5</th>
<th>Column 6</th>
<th>Column 7</th>
</tr>
</thead>
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<td></td>
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<td>Rowhousing (per dwelling unit)</td>
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<td>2.51</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Minor Storm Sewers</td>
<td>2,279.00</td>
<td>1,835.00</td>
<td>970.00</td>
<td>1,108.00</td>
<td>19.49</td>
<td>11.70</td>
<td></td>
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<td>5</td>
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<td>11,729.00</td>
<td>$189.69</td>
<td>$108.54</td>
<td></td>
</tr>
</tbody>
</table>

TOTAL RATE - within Urban Growth Boundary (Table 1.1 + Table 2.1)

$23,521.00 $16,442.00 $9,786.00 $13,869.00 $168.69 $108.54

(2) Every rate derived by adjustment under subsection (1) shall, except in the case of non-residential rates, be correct to the nearest dollar, fifty cents being raised to the next higher dollar, and, in the case of non-residential rates, be correct to the nearest cent.


(1) On January 1, 2011 and the first day of January in each year thereafter, development charges for Urban Works for a subject year shall be levied for the uses of land, buildings or structures designated in line 1 of columns 2, 3, 4, 5, and 7, whichever is applicable, of Table 2.1 at the total of the rates shown in line 7 as adjusted using the following formula:

\[ A \times C = D \]

Where:

\[ A = \text{the rate shown in lines 2 to 6 inclusive of columns 2, 3, 4, 5, 6 and 7 of Table 2.1;} \]

\[ B = \text{the Statistics Canada Index (see Definitions) for the quarter ending, December, 2008;} \]
C = the Statistics Canada Index for the latest month for which the Index is available (likely the index for the quarter ending in September) in the year preceding the subject year;

D = the rate for the subject year.

(2) Every rate derived by adjustment under subsection (1) shall, except in the case of residential rates, be correct to the nearest dollar, fifty cents being raised to the next higher dollar, and, in the case of non-residential rates, be correct to the nearest cent.

10. Allocation of Charge To Reserve Funds

(1) Each development charge for City Services received by the Corporation shall be paid into a reserve fund for each component identified in the applicable Table and shall be apportioned according to the proportion that each service component of the rate is of the total rate. Each development charge for Urban Works shall similarly be paid into the Urban Works Reserve Fund continued in accordance with section 22 hereof and shall be apportioned according to its respective proportion of the total rate.

(2) The City Treasurer is hereby authorized to transfer the balances and commitments of the City Services Reserve Fund and the Urban Works Reserve Funds existing on termination of the predecessor development charge by-law, as amended, to the respective funds continued under this By-law.

11. Additional Units In Existing Residential Building

Where an existing residential building is enlarged or converted for the purpose of residential use, the number of dwelling units for which a development charge is payable shall be calculated using the following formula:

\[ A - B = C \]

Where:

A = the total number of dwelling units actually existing after the enlargement or conversion;

B = the number of dwelling units lawfully existing immediately before the enlargement or conversion; and

C = the number of dwelling units for which a development charge is payable, a negative difference being converted to zero.

12. Residential Building Converted To Non-Residential Use

Where, in conjunction with a change from residential use to non-residential use, an existing building or structure is enlarged or wholly or partially converted, the development charge which is payable shall be calculated using the following formula:

\[ A - B = C \]

Where:

A = the development charge that would be payable for the non-residential use at the current rate in respect of the area involved in the enlargement or conversion;

B = the development charge that would be payable at the current rate in respect of the lawfully existing dwelling units eliminated by the enlargement, conversion or replacement;

C = the development charge payable in respect of the area involved in the enlargement or conversion, a negative difference being converted to zero.
13. Non-Residential Building Converted To Residential Use

Where, in conjunction with a change to residential use from a non-residential use, an existing building or structure is enlarged or wholly or partially converted, the development charge which is payable shall be calculated using the following formula, and so long as a development charge was paid in respect of the non-residential use under this or any predecessor by-law or the building or structure existed prior to April 6, 1973:

\[ A - B = C \]

Where:

\( A \) = the development charge that would be payable at the current rate in respect of the dwelling units comprising the gross floor area existing after the enlargement or conversion;

\( B \) = the development charge that would be payable at the current rate in respect of the lawfully existing non-residential gross floor area involved in the enlargement, conversion or replacement, except where the non-residential gross floor area being converted to residential use is, prior to the conversion, an industrial building that was built between April 6, 1973 and 1979 inclusive, and a development charge was paid on construction of the building, then the rate to be used for calculating this item (item \( B \)) shall be the current Commercial rate. The applicant for the building permit for the conversion shall provide proof satisfactory to the Director of Building Controls that the industrial building was built under a building permit issued between April 6, 1973 and 1979, in order to qualify for relief afforded by this paragraph.

\( C \) = the development charge payable in respect of the successor residential units, a negative number being converted to zero.*

14. Conversion From One Form Of Non-residential Use To Another Form Of Non-Residential Use

Where, in conjunction with a change from one form of lawfully existing non-residential use to another form of non-residential use, a lawfully existing building or structure is wholly or partially converted, the area for which a development charge is payable shall be calculated using the following formula, so long as a development charge was paid in respect of the lawfully existing use prior to conversion under this or any predecessor by-law or the building or structure existed prior to April 6, 1973:

\[ A - B = C \]

Where:

\( A \) = the development charge that, were it not for this section, would otherwise be payable at the current rate in respect of the use to which the space converted;

\( B \) = the development charge that would be payable at the current rate in respect of the lawfully existing former space being converted, except where the non-residential floor area being converted to residential use is, prior to the conversion, an industrial building that was built between April 6, 1973 and 1979 inclusive, and a development charge was paid on construction of the building, then the rate to be used for calculating this item (item \( B \)) shall be the current Commercial rate. The applicant for the building permit for the conversion shall provide proof satisfactory to the Director of Building Controls that the industrial building was built under a building permit issued between April 6, 1973 and 1979, in order to qualify for relief afforded by this paragraph; and

\( C \) = the development charge payable in respect of the converted space, a negative being converted to zero.*
15. **Exemptions With Respect To Agricultural Use**

This bylaw shall not apply to impose upon construction, or create a credit related to demolition or removal of any building, the purpose of which is to support an agricultural use.

16. **Replacement Of Demolished Or Destroyed Non-Residential Premises or Dwelling Unit(s) with Dwelling units**

(1) In this section and section 17, "specified period" means the period of time that is up to ten (10) years prior to the application for a building permit for a replacement building, except in the Downtown and Old East Areas identified in Schedules 1 and 2, in which case, the "specified period" means the period of time that is up to twenty (20) years prior to the application for a building permit for replacement dwelling units and except in the case of the Brownfield site located at 750 Elizabeth Street in the City of London in which case, the "specified period" means the period of time that is up to fourteen (14) years prior to the application for a building permit for a replacement dwelling units.

(2) Where a lawfully existing non-residential premises or dwelling unit, is destroyed by a force majeure or accidental fire, or is lawfully demolished or removed, the development charge payable in respect of a replacement dwelling unit that is to be constructed, erected or placed on the site of the former non-residential premises or dwelling unit shall be calculated using the following formula, so long as the former non-residential premises or dwelling unit was destroyed, demolished or removed during the specified period:

\[ A - B = C \]

Where:

- **A** = the development charge that, were it not for this section, would otherwise be payable at the current rate in respect of the replacement dwelling unit(s);
- **B** = the development charge that would be payable at the current rate in respect of the non-residential premises or former dwelling unit(s) (by using the applicable rate for the particular type of unit destroyed, demolished or removed) if that non-residential premises or dwelling unit(s) were currently being constructed, erected or placed for the first time, Where the non-residential floor area being converted to residential use is, prior to the conversion, an industrial building that was built between April 6, 1973 and 1979 inclusive, and a development charge was paid on construction of the building, then the rate to be used for calculating this item (item B) shall be the current Commercial rate. The applicant for the building permit for the conversion shall provide proof satisfactory to the Director of Building Controls that the industrial building was built under a building permit issued between April 6, 1973 and 1979, in order to qualify for relief afforded by this paragraph; and
- **C** = the development charge payable in respect of the successor building or dwelling unit, a negative number being converted to zero.

17. **Replacement Of Demolished or Destroyed Non-Residential Premises or Dwelling Unit(s) with Non-Residential Premises**

Where non-residential premises ("former premises") or dwelling units are destroyed by a force majeure or accidental fire, or are lawfully demolished or removed, the development charge payable in respect of replacement non-residential premises that are constructed, erected or placed on the site of the former premises shall be calculated using the following formula so long as the former premises were destroyed, demolished or removed during the specified period:

\[ A - B = C \]

Where:

- **A** = the development charge that, were it not for this section, would otherwise be payable at the current rate in respect of the gross floor area of the replacement non-residential premises;
B = the development charge that would be payable at the current rate in respect of the former non-residential premises (by using the applicable rate for the particular type of non-residential premises or dwelling units destroyed, demolished or removed), as the case may be, as if those premises or dwelling units were currently being constructed, erected or placed for the first time, except where the non-residential floor area being replaced is, prior to the replacement, an industrial building that was built under a building permit issued between April 6, 1973 and 1979 inclusive, and a development charge was paid on construction of the building, then the rate to be used for calculating this item (item B) shall be the current Commercial rate. The applicant for the building permit for the conversion shall provide proof satisfactory to the Director of Building Controls that the industrial building was built under a building permit issued between April 6, 1973 and 1979, in order to qualify for relief afforded by this paragraph; and

C = the development charge payable in respect of the successor premises, a negative number being converted to zero.

18. This section purposely omitted (consolidated under s. 16 & 17).

19. Building Replacement Prior to Demolition

Where a building or structure ("former premises") is replaced by another building or structure on the same site prior to demolition of the former premises, the owner of the building or structure who has paid a development charge on the construction of the replacement building may submit a request to the Director of Building Controls for a refund from the reserve funds for all or part of the development charge paid under this by-law, or its predecessor by-law. The refund shall be granted so long as:

(a) the former premises is lawfully demolished or removed from the land within twenty-four (24) months of the date the interior final inspection process has been closed by the Director of Building Controls for the replacement building or structure; and

(b) the replacement building uses the existing municipal services which serviced the former premises.

The refund shall be calculated by determining the development charge that would be payable at the current rate in respect of the former premises (by using the applicable current rate for the particular type of non-residential premises or dwelling units demolished) as if those former premises were currently being constructed, erected or placed for the first time, except where the non-residential floor area being demolished, was prior to the demolition, an industrial building that was built under a building permit issued between April 6, 1973 and 1979 inclusive, and a development charge was paid on construction of the building, then the rate to be used for calculating the refund shall be the current Commercial rate. The applicant for the building permit for the conversion shall provide proof satisfactory to the Director of Building Controls that the industrial building was under a building permit issued built between April 6, 1973 and 1979, in order to qualify for relief afforded by this paragraph.

20. Demolition or Removal of Temporary Buildings

Where a building or structure is demolished or removed in its entirety from the land on which it is located within twenty-four months (24) from the date of issuance of the building permit for the construction, erection or placing of the building or structure at such location, the owner of the building or structure may submit a request to the Director of Building Controls for refund from the reserve funds, of the amount paid at the issuance of the building permit toward all or part of the development charge payable under section 4 of this by-law or a predecessor of that section.

21. Revocation or Cancellation of Building Permit

Where, upon the application for a building permit or the issuance of a building permit, an amount is paid toward all or part of the development charge payable under section 4 of this by-law or a predecessor of that section, that amount is to be refunded in the event that the application for the building permit is abandoned or the building permit is revoked or surrendered.
PART III
RESERVE FUNDS

22. Reserve Funds – New and Continued

(1) Nine reserve funds established by By-law C.P. 1413-214, one for each of the service categories shown in column 1 of Table 1 are hereby continued.

(1.1) A new reserve fund entitled 'Major Storm Water Management DC Reserve Fund' is hereby established, for the purpose of administering revenues collected and expended on major storm water management facilities as described in the 2009 Development Charges Background Study – Appendix M.

(2) The reserve fund known as the Urban Works Reserve Fund heretofore established by By-law C.P. 1414-215 for the service components in column 1 of Table 2 and Table 2.1 is hereby continued;

(3) The City Treasurer is hereby authorized to maintain a separate reserve fund for collection of service components shown in lines 2 through 4, of column 1 of Table 2 and Table 2.1, and a separate reserve fund for the service component shown in line 6 of Table 2 and Table 2.1.

23. Composition of Reserve Funds

(1) Money deposited into the ten reserve funds referred to in sections 22(1) and 22(1.1) may include,

(a) the portion relating to each service component of a development charge for City Services paid to the Corporation mentioned in sections 6 or 7 of this by-law; and

(b) interest earnings derived through the investment of the money deposited in the Fund as part of the Corporation's cash management program.

(2) Money deposited into the reserve funds referred to in section 22(3) the Urban Works Reserve Fund may include,

(a) the portion relating to each service component of each development charge for Urban Works paid to the Corporation mentioned in sections 8 or 9 of this by-law; and

(b) interest earnings derived through the investment of moneys deposited in the Urban Works Fund as part of the Corporation's cash management program;

(c) grants or refundable deposits of the Corporation.

(3) The Corporation may make grants or deposits to the Urban Works Reserve Fund on such terms and conditions as to repayment and otherwise as the Corporation may consider expedient for any purpose that, in the opinion of the Corporation, is in the interest of the Fund or the corporation.

(4) The use of the clauses set out in Schedule 5 to this by-law in agreements entered into by or for the benefit of the Corporation, including agreements under sections 41 and 51 of the Planning Act, is hereby approved, and deviations from the form of the clause not affecting its substance or calculated to mislead do not invalidate it or the approval for its use.

24. Purpose of the Reserve Funds

The money in the reserve funds shall be used by the Corporation toward the growth-related portion of capital costs incurred in providing the services listed in lines 2 to 12 inclusive in Table 1 and Table 1.1, and in lines 2 through 6 in Table 2 and Table 2.1.

25. Claims from Urban Works Reserve Fund

Where an Owner constructs works identified in lines 2 through 6 of column 1 of Table 2 or Table
2.1, reimbursement, if any, from the Urban Works Reserve Fund shall be in accordance with the provisions of Schedule 6 or Schedule 7 to this by-law, whichever applies. No payment shall be made from the Urban Works Reserve Fund and no credit under section 38 of the Development Charges Act, 1997 shall be given except as provided for in an agreement entered into pursuant to the Planning Act or the Development Charges Act, 1997.

PART IV

COMPLAINTS

26. Board of Control to Hear Complaints

The Board of Control is hereby appointed pursuant to section 23.1 of the Municipal Act, 2001 to act in the place and stead of Council to deal with complaints under section 20 of the Development Charges Act.

27. Grounds of Complaint

An owner may complain in writing to the Board of Control in respect of the development charge imposed by the Corporation that,

(a) the amount of the development charge was incorrectly determined;
(b) whether a credit is available to be used against the development charge, or the amount of the credit or the service with respect to which the credit was given, was incorrectly determined, or;
(c) there was an error in the application of this by-law.

28. When Complaint to be Made

A complaint may not be made under section 26 later than ninety (90) days after the day the development charge, or any part of it, is payable.

29. Particulars of Complaint

The complaint must be in writing, must state the complainant's name, the address where notices can be given to the complainant and the reasons for the complaint, which reasons shall be consistent with section 27.

30. Hearing

The Board of Control shall hold a hearing into the complaint and shall give the complainant an opportunity to make representations at the hearing.

31. Notice of Hearing

The Clerk of the municipality shall mail a notice of the hearing to the complainant at least fourteen (14) days before the hearing.

32. Determination by Council

After hearing the evidence and submissions of the complainant, the Board of Control shall as soon as practicable make a recommendation to Council on the merits of the complaint and Council may,

(a) dismiss the complaint; or

(b) rectify any incorrect determination or error that was the subject of the complaint.
33. Notice of Decision

The Clerk of the municipality shall mail to the complainant a notice of the Council's decision, and of the last day for appealing the decision, which shall be the day that is forty (40) days after the day the decision is made. The notice required under this section must be mailed not later than twenty (20) days after the day the Council's decision is made.

PART V

EXEMPTIONS AND EXCEPTIONS

34. City And School Boards Exempt

(1) This by-law does not apply to land owned by and used for the purposes of,

(a) The Corporation of the City of London, and

(b) A board as defined in section 1 (1) of the Education Act.

(2) For the purpose of subsection (1) (a), land owned by and used for the purposes of The Corporation of the City of London shall include lands owned by the Corporation and used for the purposes of:

(a) The London Public Library Board
(b) The Covent Garden Market Corporation
(c) The London Convention Center Corporation
(d) The London Transit Commission

(3) The exemption provided in subsection 1(a) above shall not extend to the payment by the City (and its Boards and Commissions) of charges listed in the Tables in s. 8 or 9 of this by-law, as applicable (ie. development charges for Urban Works). Similarly, the City and its Boards and Commissions will not be disqualified from making claims to the Urban Works Reserve Fund for qualifying works.

35. Certain Developments Exempt

No development charge under section 4 is payable where the development or redevelopment;

(a) is an enlargement of an existing dwelling unit;

(b) creates one or two additional dwelling units in an existing single detached dwelling if the total gross floor area of the additional dwelling unit or units does not exceed the gross floor area of the dwelling unit already in the building;

(c) creates one additional dwelling unit in a semi-detached or row dwelling if the gross floor area of the additional dwelling unit does not exceed the gross floor area of the dwelling unit already in the building;

(d) creates one additional dwelling unit in any existing residential building other than a single detached dwelling, a semi-detached dwelling or a row dwelling if the gross floor area of the additional dwelling unit does not exceed the gross floor area of the smallest dwelling unit already in the building;

(e) is a parking building or structure;

(f) is a bona fide non-residential farm building;

(g) is a structure that does not have water and sanitary facilities and that are intended for seasonal use only;

(h) is a commercial truck service establishment;

(i) is a 'temporary garden suite' installed in accordance with the provisions of the Planning Act, as amended.
(j) is an air supported structure or arch framed structure clad with fabric-type material, temporary in nature, the purpose of which is to provide indoor facilities for recreational and sports activities owned and operated by a non-profit organization and available for public use.

36. Industrial Use Exemptions

(a) Except as exempted under part (c) below, if a development includes the enlargement of the gross floor area of an existing industrial building, the amount of the development charge that is payable in respect of the enlargement is determined in accordance with this section.

i. Enlargement 50 per cent or less
If the gross floor area is enlarged by 50 per cent or less, the amount of the development charge in respect of the enlargement is zero.

ii. Enlargement more than 50 per cent
If the gross floor area is enlarged by more than 50 per cent the amount of the development charge in respect of the enlargement is the amount of the development charge that would otherwise be payable multiplied by the fraction determined as follows:

1. Determine the amount by which the enlargement exceeds 50 per cent of the gross floor area before the enlargement.
2. Divide the amount determined under paragraph 1 by the amount of the enlargement.

For the purposes of determining the portion of the expansion of an industrial building which is exempt under this section, the following definition applies:

1. manufacturing, producing, processing, storing or distributing something;
2. research or development in connection with manufacturing, producing or processing something;
3. retail sales by a manufacturer, producer, or processor of something they manufactured, produced, or processed, if the retail sales are at the site where the manufacturing, producing or processing takes place;
4. office or administrative purposes, if they are:
   a. carried out with respect to manufacturing, producing, processing, storage or distribution of something, and
   b. in or attached to the building or structure used for that manufacturing, producing, processing, storage or distribution;

(b) Exemption of new industrial buildings by City policy

No development charge is payable under section 4 for, new industrial buildings, as defined in section (1) of this by-law.

(c) Exemption of all remaining enlargements of industrial buildings by City policy

As long as subsection (b) above is in effect, an enlargement of an existing industrial building not exempted under paragraph (a) above shall be deemed to be exempted under this part.

37. Water Service Charges, Sewer Rates – provision

If a development charge under section 4 is payable in respect of a development or redevelopment, no charge for water or sewerage service, calculated on frontage, area or number of dwelling units, and no sewer rent under section 5 of the City of London Act, 1982, either or both of which would otherwise be imposed were it not for this section, is payable in respect of the development or redevelopment, if such charge is in respect of the same works for which the development charge was imposed.
38. **Downtown/Old East Village Areas**

No development charge under section 4 is payable in respect of any dwelling unit located within,

(a) The Downtown Area of the City outlined on Schedule 1 to this by-law; and

(b) The Old East Village Area of the City outlined on Schedule 2 to this by-law.

39. **Subdivisions Prior To April 6, 1973**

(1) This section applies to that area of the City of London which comprised the City on the 31st day of December, 1992.

(2) Subject to subsection (3), this by-law does not apply to any development but does apply to any redevelopment within a plan of subdivision,

(a) which was registered on or between the 1st day of January, 1961 and the 5th day of April, 1973; or

(b) in respect of which an agreement was entered into with the Corporation or another municipality prior to the 6th day of April, 1973 under subsection 33(6) of the Planning Act, Revised Statutes of Ontario, 1970, chapter 349, or a predecessor of that subsection or validated and confirmed by subsection 4(3) of the Planning Amendment Act, 1959, Statutes of Ontario, 1959, chapter 71.

(3) Where an amendment is made or a minor variance is allowed to the applicable zoning by-law increasing the number of dwelling units or gross floor area originally permitted in connection with the plan of subdivision, this by-law shall apply in respect of such increase in dwelling units or gross floor area.

40. **This section purposely omitted (former section referred to Canterbury Estates Subdivision)**

41. **This section purposely omitted (former section referred to Gainsborough Meadows Subdivision)**

42. **Development Outside Urban Growth Area**

Where a development occurs outside the urban growth area as shown in Schedule 4 to this by-law, the development charge payable under section 4 with respect to rates in section 6 (City Services Reserve fund rates) shall be applied without inclusion of lines 9, 10, 11 and 12 in Columns 2, 3, 4, 5, 6 and 7 of Table 1 and Table 1.1 of that section. The rates reflected in section 8 (Urban Works Reserve fund rates) do not apply to development which occurs outside the urban growth area as shown in Schedule 4 to this by-law.

**PART VI**

**TRANSITIONAL**

43. **City Services Reserve Fund – Institutional discount**

Notwithstanding the provisions of this by-law, development charges under sections 6 and 7 shall be reduced by 50% with respect to the following:

(1) a hospital as defined under the Public Hospitals Act,

(2) universities and colleges established pursuant to the Ministry of Colleges and Universities Act,

(3) lands, buildings or structures used or to be used for a place of worship or for the purposes of a cemetery or burial ground, and

(4) other land, buildings or structures used for not-for-profit purposes defined in, and exempt from taxation under, section 3 of the Assessment Act.
44. Downtown/Old East Village Reserve Fund

(1) The City Treasurer is authorized to continue the existing reserve fund for the purpose of financing the exemption of dwelling units from development charges in the Areas mentioned in section 38.

(2) The Director of Building Controls shall, in respect of every building permit issued for one or more dwelling units in either Area mentioned in section 38, provide such information from time to time as may be required by the City Treasurer regarding the development charges that would have been paid were it not for section 38.

(3) The City Treasurer is authorized to transfer from time to time from the reserve funds mentioned in subsection (1) to the reserve funds established and continued under section 22 an amount in respect of the development charges mentioned in subsection (2) and, in so doing, the City Treasurer shall have regard to the amounts and proportions referred to in section 10 of this by-law.

(4) The City Treasurer shall provide in the annual estimates of the Corporation such sums as may be considered necessary to make the transfers mentioned in subsection (3), noting that the contributions for any single development shall be financed over a period of not more than ten years.

(5) Money deposited in the reserve fund or funds mentioned in subsection (1) may include,

(a) the amount provided in the annual estimates mentioned in subsection (4); and

(b) interest earnings derived through the investment of the money deposited in the fund or funds as part of the Corporation's cash management program.

(6) The money withdrawn from the reserve funds mentioned in subsection (1) shall be used only for the purpose of transfers to the reserve funds, under subsection (3).

PART VII
MISCELLANEOUS

45. Former By-laws Repealed

By-law C.P. - 1440-167 of the Corporation of the City of London, respecting development charges and respecting contributions towards the cost of providing such services as boundary roads and outlet sewers, as it existed on the date this by-law is passed, is hereby repealed effective August 4, 2009.

46. Commencement

This by-law comes into force on August 4, 2009 or, in the event of an appeal pursuant to the Development Charges Act, 1997, in accordance with that Act.

PASSED in Open Council on ???

Anne Marie DeCicco
Mayor
Linda Rowe
Acting City Clerk

First Reading - ???
Second Reading -
Third Reading -
SCHEDULE 1

to By-law C.P.-???
Section 38

DOWNTOWN AREA BOUNDARY

[Map of Downtown Area Boundary]
SCHEDULE 2

to By-law C.P.-???
Section 38

OLD EAST VILLAGE RESIDENTIAL DEVELOPMENT CHARGE EXEMPTION AREA

FIGURE 1
SCHEDULE 3
 to By-law C.P.-1440-167
 Section 40

(this schedule purposely left blank – formerly related to CANTEBURY ESTATES SUBDIVISION – s. 40)
SCHEDULE 4

to By-law C.P.-1440-??
Section 42

URBAN GROWTH BOUNDARY

LONDON IN 1993

AREA 1 (Urban Growth area)
AREA 2 (City prior to 1993)
Clause for Inclusion in Development and Subdivision Agreements

If the Owner alleges an entitlement to any reimbursement or payment from the Urban Works Reserve Fund (the "Fund") either as a result of the terms hereof or pursuant to the requirements of City of London By-law C.P.-1440- as amended (the "Development Charges By-law"), the Owner may, upon receipt of a Certificate of Conditional Approval pursuant to Clause 9 of the general provisions hereof, make application to the said Fund for payment of the sum alleged to be owing, and as confirmed by the City Engineer and the payment will be made pursuant to the by-law and any policy established by Council to govern the administration of the said Fund.

It is further understood by the Owner that no words or phrases used in this Agreement relating to the calculation of any credits due the Owner or entitlements from the Fund or elsewhere shall be interpreted as an obligation or promise on the part of the City to pay from the said Fund except in conformity with the By-law and policies governing the administration thereof as provided in this clause above and no payment shall be made except from the said Fund and only after appropriate application is made as herein set out.

The City may plead this Agreement as an estoppel against any application or action whatsoever to challenge the validity of this Agreement, the Development Charges By-law or the Fund. In addition, the Owner agrees that in the event that the Fund does not have sufficient funds to pay the Owner's claim by reason of an order or judgment of a Court of Law that or that the Development Charges By-law is void or invalid for any reason, the Owner will not seek further or other reimbursement from the City.

If the Owner undertakes work subject to a claim under this section it shall not seek a credit under Section 38 of the Development Charges Act and this clause may be pleaded in any complaint, action, application or appeal to any court or tribunal in which the Owner who is entitled to make a claim against the Fund seeks a credit under Section 38.
SCHEDULE 6
To By-law No. ???
Section 25

URBAN WORKS RESERVE FUND - CLAIMS POLICY ("old rules")

1 SCOPE

For development projects identified in Appendix 6-B to this Schedule and developments where the owner and the City have executed a development agreement on or before the commencement date of this by-law, the following policy and rules (for convenience, called the "old rules") will apply.

2 INTRODUCTORY MATTERS

INTERPRETATION

2.1 In this Policy,

"Area 1" means essentially the Urban Growth Area except for the pre-1993 City Area, as highlighted on the map shown in Appendix 6-A to this Schedule;

"Area 2" principally the area of the Pre-1993 City Area as highlighted on the map shown in Appendix 6-A to this Schedule;

"development agreement" means an agreement between the City and an Owner required as a condition of an approval under Sections 41, 51 or 53 of the Planning Act and Section 9 of the Condominium Act.

"Fund" means the Urban Works Reserve Fund;

"Pre-1993 City Area" means that area of the City of London which comprised the City of London on the 31st day of December, 1992;

"Urban Growth Area (UGB)" means the Urban Growth Area existing from time to time as identified in the City's Official Plan as approved;

2.2 The effective date of this Policy is August 4, 2009

OBJECTIVES

Within Urban Growth Area Including Pre-1993 City Area

2.3 To determine the need for and adequacy of such services as major road and sewerage works required for development, the following policy objectives will be considered:

(a) The provision or extension of a required service where no such service exists to serve the proposed development;
(b) The provision of additional capacity to an existing service which has insufficient or no spare capacity to serve the proposed development;
(c) The raising of an existing service of adequate capacity, but of low standard, to an adopted higher level of improvement compatible with the abutting lands being developed;
(d) The provision of sufficient additional capacity, in an existing service to be improved or a new service to be provided as determined above, to serve future development in the surrounding contributory area as anticipated for some time ahead; and
(e) That at all times, the works be designed to ensure efficient & economical servicing of the City's growth areas, and ensure that the services be designed and constructed in a least cost to the Fund(s) manner. If the General Manager of Planning and Development deems that costs are above the least cost alternative then the claims...
shall be capped to the lower amount

3 URBAN WORKS FUND CLAIMS

3.1 All claimable works which are subject to this policy are to be undertaken at the risk of the owner, and claims are paid, in whole or in part, only when there is sufficient money in the fund to honour claims. In all cases, the owner bears the cost of financing the works. The City will have access to the fund where it completes claimable works, but only when the first development that would have triggered the works is approved.

3.2 Where works that are subject to this policy include a non-growth component, funding of that portion of the works must wait until the City has approved sufficient funds in its budgets, to pay for that portion of the works.

3.3 An owner is ineligible to claim:

a) for any portion of the costs of any type of required works constructed or financed in connection with a development that is exempt in respect of paying urban works charges; and

b) for any engineering costs above 15% of the cost of the works.

3.4 With respect to a development agreement entered into on or before the effective date of this Policy, the maximum amount payable to an owner over a twelve-month period from the Fund for works to service development within Area 2 is $1,250,000 in respect of the total of all costs eligible for payment from the Fund for required minor road works, sanitary sewer pipe works, storm sewer pipe works and storm water management works, provided a sufficient balance exists in this segment of the Fund.

With respect to a development agreement entered into on or before the effective date of this Policy, the maximum amounts payable over a twelve-month period from the Fund for works to service development within Area 1 to an owner are,

(a) $1,000,000 in respect of the total of all costs eligible for payment from the Fund for required minor road works, sanitary sewer pipe works, and storm sewer pipe works, provided a sufficient balance exists in this segment of the Fund: and,

(b) $250,000 in respect of the total costs eligible for payment from the Fund for required storm water management works provided a sufficient balance exists in the storm water management works segment of the Fund.

4 MINOR ROAD WORKS

Within Urban Growth Area Including Pre-1993 City Area

4.1 Minor road works consist of the construction or expansion of road works that are primarily intended to satisfy the needs of particular developments to ensure safe, efficient traffic flows and pedestrian movement. These 'minor road works' are triggered by development applications and would include street lighting, channelization (such as left and right turn lanes), median work, intersection improvements (including traffic signals), curb and gutter, bike paths, bike lanes and sidewalks that are on arterial or primary collector roads.

4.2 The owner finances and constructs the required works, as follows:

(a) The owner must receive approval from the City prior to tendering the work through an executed agreement

(b) The owner bears the cost of financing.
5 SANITARY SEWER PIPE WORKS

5.1 The City constructs and finances the cost of sewage treatment plants, major pumping stations and major trunk sewers in accordance with its five-year Capital Works Budget, and works identified for at least partial funding from development charges collected under the Development Charges Act, 1997 or any successor thereto according to the background studies, from time to time.

Within Area 1

5.2 Sanitary sewer pipe works that may be eligible for claim from the Urban Works Reserve Fund consist of sewers, other than major trunk sewers, and pumping stations other than major pumping stations, identified in the DC Background Study, as updated from time to time.

5.3 The owner finances and constructs the required works as follows:

(a) The owner must receive approval from the City prior to tendering the work and the work must be identified in an executed agreement;

(b) For the portion of the works which services less than 30 hectares, the owner bears the full cost of the works; and

(c) For the portion of the works which services 30 hectares or more, the owner may claim the full cost of the works from the Fund, for the portion attributable to servicing non-industrial lands and from the Industrial Oversizing Reserve Fund for any portion attributable to servicing industrial lands.

Within Area 2

5.4 Sanitary sewer pipe works that may be eligible for claim from the Urban Works Reserve Fund consist of sewers, other than major trunk sewers and pumping stations other than major pumping stations, identified in the DC Background study as updated from time to time.

5.5 If the required works are not included in years 1 to 3 of the City's five-year Capital Works Budget, the owner finances and constructs the works and bears the portion of the full cost that is in the same ratio to the full cost as the development's design flow bears to the required works' total design flow. The balance is claimable by the owner from the Fund, for the portion attributable to servicing non-industrial lands and from the Industrial Oversizing Reserve Fund, for any portion attributable to servicing industrial lands. Development approval may be withheld until the priority of works is adopted in the Capital Works Budget.

6 STORM WATER SEWERAGE WORKS

Within Area 1

6.1 Storm water pipe works consist of those works, generally permanent trunks and sub-trunk works, identified through community planning studies.

6.2 The owner finances and constructs the required pipe works as follows:
a) For the portion of the works which services less than 20 hectares, the owner bears the full cost of the works; and
b) For the portion of the works which services 20 hectares or more, the owner may claim the full cost of the pipe works from the Fund, for the portion attributable to servicing non-industrial lands and from the Industrial Oversizing Reserve Fund, for any portion attributable to servicing industrial lands.

Within Area 2

6.3 Storm water sewerage works consist of any works not necessarily identified through community planning studies, but, will generally be permanent pipe works and storm water management works, as approved by the City Engineer. Only a single project shall be eligible to claim under Grand fathered Area 2 covered by schedule 6 of this by-law. The others will be paid under schedule 7 which does not differentiate between area 1 and area 2.

6.4 If the required works are not included in years 1 to 3 of the City's five-year Capital Works Budget, the owner finances and constructs the works and bears the portion of the full cost that is in the same ratio to the full cost as the development's design flow bears to the required works' total design flow. The balance is claimable by the owner from the Fund, for the portion attributable to servicing non-industrial lands and from the Industrial Oversizing Reserve Fund, for any portion attributable to servicing industrial lands. Development approval may be withheld until the priority of works is adopted in the Capital Works Budget.

7 STORM WATER MANAGEMENT WORKS

Within Area 1

7.1 Claimable Storm water management works serving Area 1 consist of permanent storm water management facilities, including but not restricted to major detention facilities, and local drainage works identified in the Development Charges Background Study (through the master plan process).

7.2 With respect to a development agreement entered into on or before the effective date of this Policy, The owner finances and constructs the required works, regardless of their inclusion or not in the City's five-year Capital Works Budget, as follows:

1. In all cases, the owner bears the cost of financing.

2. (a) With respect to land acquisition for stormwater management facilities in Area 1 the value of the land shall be subject to review every five years and is established as follows:

   **Floodplain** - private lands that are within the 1:250 Regulatory Storm Event Line and that are subject to regulation (ESA & buffer limit and/or stable slope line).
   
   $5,500/Acre ($13,550/ha)

   **Park Land** - lands set aside as a dedication for parks and not designated for development:
   
   $nil

   **Table Land** - Lands designated in the Official Plan for development:
   
   $100,000/Acre ($247,100/ha)

   **Flood Fringe** is defined for payment purposes only as the land that is not an Environmentally Sensitive Area, not park land, not Flood Plain, and not Table Land. Flood Fringe lands are claimable at
   
   $50,000/Acre ($123,550/ha)

   For Multipurpose lands that may be defined by more than one of the above
definitions. Claims shall be paid using the lowest lower cost allocation:

Where there is a shared use of a stormwater or sanitary work such as a maintenance road/pathway, the use and maintenance of the road/pathway shall be viewed as functioning solely for the sanitary or stormwater service use not the park use. Claims and use shall be determined and allocated to the servicing need with no allocation of costs to the Parks.

(b) If the subdivider chooses to relocate an existing internal watercourse outside of the subdivision, then no claim for easement acquisition may be made for the open channel.

(c) Land costs relating to existing watercourse improvements are not claimable.

(d) In Area 1, where a portion of the storm water management facilities are on line with the watercourse, the land beyond the pre-development 100 year floodline and within the post-development 100 year floodline is claimable at the Floodplain Land rate.

7.3 The owner may claim the full cost of the storm water management works servicing Area 1 from the storm water management segment of the Fund for the portion attributable to servicing non-industrial lands and from the Industrial Oversizing Reserve Fund for any portion attributable to servicing industrial lands.

7.4 Landscaping of SWM pond facilities, Conveyance Channels and other Claimable works

The following shall apply to the landscaping and other amenity costs that may be claimable from the UWRF for SWM ponds:

(a) For ponds of 5 ha in footprint and less, amounts paid will be dependant on the ponds classification and footprint area. (footprint is the physical size of the block for the pond not drainage area).

Type A – are ponds that do not border a park or ESA
These ponds require basic landscape/vegetation treatment to function and be ecologically stable (water plants). It is proposed that this type of pond be limited to $25,000/ha for landscaping and all other amenities.

Type B – are ponds which border ESA's
These ponds require landscape/vegetation treatment to function and to provide an aesthetical continuity with adjacent land features. It is proposed that this type of pond be limited to $50,000/ha for landscaping and all other amenities.

(b) For ponds with a footprint larger than 5 ha, claims shall be reviewed on an individual basis by the General Manager of Planning and Development in consultation with the City Engineer.

(c) If the Owner wishes to build SWM works larger than the design criteria dictates, then the difference in cost shall be borne by the Owner.

(d) Where a pedestrian foot bridge / gazebo/decorative retaining wall is required or desired, the Owner is responsible for the cost
Map of Area 1 – Urban Growth Area except for the pre-1993 City Area
Map of Area 2 – area of the Pre-1993 City Area as highlighted on the map
**SCHEDULE 6**  
**Appendix 6-B**

List of Developments being administered under Schedule 6 ("old rules")  
(Note: dollar costs are either actual unpaid claims or estimates made at varying times in the past)

<table>
<thead>
<tr>
<th>Plan ID</th>
<th>Owner</th>
<th>Development Name</th>
<th>Description</th>
<th>Estimated Claim Amount</th>
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<td>1128 FANSHAWE PARK ROAD</td>
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<td>39T-03505</td>
<td>VISTA WOODS</td>
<td>751 FANSHAWE PARK RD W</td>
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<td>39T-03518</td>
<td>CEDAR HOLLOW</td>
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<td>M-475</td>
<td>NORTH GREN LAND CORP.</td>
<td>1259 SUNNINGDALE RD E</td>
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<td>EGELETON WOODS N PH II</td>
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<td>LONDON HEALTH CENTRE</td>
<td>801 COMMISSIONERS RD E</td>
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<td>HIGHBURY ESTATES INC. (2)</td>
<td>1740 HIGHBURY AVE N</td>
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<td>VISTA WOODS ESTATES INC</td>
<td>751 FANSHAWE PARK RD W - PHASE 2</td>
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<td>1826 &amp; 1854 OXFORD STREET WEST</td>
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<td>1480 HAMILTON ROAD</td>
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<td>RIVERVIEW SUBDIVISION, W OF</td>
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<td>M-304</td>
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<td>SUMMERSIDE PH II</td>
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<td>DREWLO HOLDINGS LTD</td>
<td>SW CORNER ADELAIDE &amp; SUNNINGDALE</td>
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<td>STONEY CREEK SUB PH II</td>
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<td>NORTH GREN LAND CORP.</td>
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<td>911690 ONT LTD / PACIFIC &amp; WESTERN</td>
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<td>HAMPTON GROUP</td>
<td>KAINS AT SHORE ROAD</td>
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<td>RICHMOND HEIGHTS</td>
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<td>HYDE PARK WOODS PH II</td>
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<td>WARBLER WOODS WEST - PH II</td>
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<td>PEMIC LAND CORP / SIFTON</td>
<td>RIVERBEND WEST SUBDIVISION</td>
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<td>EGETLON WOODS NORTH PH IV</td>
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<td>NORTH LAMBETH SUB PHASE II</td>
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<td>HYDE PARK WEST SUB PH 1</td>
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<td>LONGWOOD OAKS INC</td>
<td>W SIDE OF WHITE OAK RD - S OF SOUTHDALE</td>
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<td>FANSHAWE AT HIGBURY NE CRNR</td>
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<td>SIFTON</td>
<td>1851 &amp; 1871 SHORE ROAD</td>
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<td>STONEYCREEK SUB PH 4</td>
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<td>BOXHOLLO DEV INC</td>
<td>FOXHOLLOW SUBDIVISION PH 1</td>
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<td>796 SARNIA ROAD</td>
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<td>HIGNBURY ESTATES INC. (2)</td>
<td>1740 HIGNBURY AVE N</td>
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<td>MAGITRON LTD.</td>
<td>1671 FANSHAWE PARK ROAD EAST</td>
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<td>SUNNINGDALE G.C. LIMITED</td>
<td>800 SUNNINGDALE ROAD WEST</td>
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<td>SUNNINGDALE G.C. LIMITED</td>
<td>800 SUNNINGDALE ROAD WEST</td>
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<td>HAMPTON GROUP</td>
<td>1000 SARNIA ROAD</td>
<td>Trans</td>
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<td>WEST KAINS LAND CORP.</td>
<td>810 WESTDEL BOURNE</td>
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<td>DREWLO</td>
<td>NW BEAVERS BROOK &amp; OAKCROSSING PH 6</td>
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<td>Z GROUP</td>
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<td>2154067 ONTARIO INC.</td>
<td>CLEAREDAL RAVINE SUBDIVISION</td>
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<td>WONDERLAND POWER CENTRE PH II</td>
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<td>DEARNESS HOME</td>
<td>710 SOUTHDALE ROAD E</td>
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<td>SP-02016</td>
<td>REMBRANDT HOMES</td>
<td>655 COMMISSIONERS ROAD W</td>
<td>Trans</td>
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<td>FIRST PRO</td>
<td>FANSHAWE &amp; HYDE PARK PH II</td>
<td>Trans</td>
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<td>REIDS HERITAGE HOMES</td>
<td>6955 RALEIGH BOULEVARD</td>
<td>Trans</td>
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<td>KILD CONSTRUCTION</td>
<td>738 EXETER ROAD</td>
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<td>WESTWOOD CENTRE INC.</td>
<td>SW CRNR SOUTHDALE &amp; WONDERLAND</td>
<td>Trans</td>
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<td>WESTWOOD CENTRE INC.</td>
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<td>COURT YARD HOMES INC.</td>
<td>1430 HIGBURY AVENUE N</td>
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<td>142 CLARKE ROAD</td>
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<td>890 SARNIA ROAD</td>
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<td>440 CLARKE ROAD</td>
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**Total Value:** $54,800,078
SCHEDULE 7
To By-law No. ???
Section 25

URBAN WORKS RESERVE FUND - CLAIMS POLICY ("new rules")

1. GENERAL

1.1. Scope

For all development projects involving claimable works for which final approval of a development agreement was obtained after the commencement date of the by-law the following policy and rules (for convenience, called the "new rules") will apply:

1.2. Introduction

1.2.1. In this Policy,

"development agreement" means an agreement between the City and an Owner required as a condition of an approval under Sections 41, 51 or 53 of the Planning Act and Section 9 of the Condominium Act.

"Fund" means the Urban Works Reserve Fund;

"Growth Management Implementation Strategy" (GMIS) is the strategy adopted by Council in June, 2008 that provides a framework for the timing and locating of future infrastructure works required to serve growth.

"Sanitary Sewer Servicing Study" (SSSS) is any study, which from time to time, reviews and reports on the optimal approach to serving growth areas of the City with sanitary sewer conveyance and treatment;

"Urban Growth Area (UGB)" means the Urban Growth Area existing from time to time as identified in the City's Official Plan as approved;

1.2.2. The effective date of this Policy is August 4, 2009

1.2.3. This policy establishes the guidelines, procedures and requirements relating to the submission and processing of a claim to the Urban Works Reserve Fund ("UWRF").

1.2.4. All claims considered to be complete shall be registered and processed in chronological order as they are received. Payments are made as fund balance allows. If the aggregate amount eligible to be paid exceeds these amounts, subsequent installments are eligible to be entered as a claim 12 months following the immediately preceding installment.

1.3. Claimable works

In order to be claimable any work must be defined as a permanent piece of municipal infrastructure undertaken to facilitate the servicing of development and be identified as a claimable work in an executed development agreement. Temporary infrastructure is ineligible for any claim. Cost of claimable works to be administered under this Schedule have been estimated through a master planning study process (on a service by service basis) and are summarized in Appendix 7-A.

1.4. Interim works

Interim works are claimable if included in the Development Charges Background Study. Works that are alternative to those identified in master plans and compatible with the ultimate servicing plans may also be incorporated into development agreements as claimable works. Where claimable works are provided for in a "contingency provision" of the DC rate calculations, the determination as to their claimability is at the discretion of the General Manager of Planning and Development in
consultation with the City Engineer.

1.5. **Phasing**

Partial construction (phasing) of infrastructure can increase the overall total costs of works. Prior to Phasing of any works the Owner must obtain written approval from the City Engineer to construct the infrastructure in phases and to also make claim for the incremental cost of phasing the works. Permission to construct works in phases may not automatically permit partial claims.

The City Engineer may consider a request for internal construction phasing of a subdivision and could determine that it should be staged in a manner that will balance all of a geographical area's needs. The construction of entire systems may be linked, at the discretion of the General Manager of Planning & Development in consultation with the City Engineer, to a claim's eligibility for payment from the UWRF.

Additionally, if property easements are required to service adjacent developments and are not provided by an owner then any payment of UWRF claim associated with that development may be withheld until the easement is provided.

1.6. **Completeness of Claims**

Prior to acceptance of a claim, the following requirements shall be satisfied:

**a)** The claim must conform to an agreement that has been approved by City Council, or a delegated authority or officer, signed and registered on title to the affected property. The works for which the claim is made shall be 100% complete with certain exceptions allowed by the General Manager of Planning and Development for seasonal condition preventing completion. Where the City undertakes claimable works, the project must be approved by Council with explicit funding sources;

**b)** The claims for the works are to be submitted by a Registered Professional Engineer or Architect retained by the Owner. The Planning and Development Department reserves the right to accept only claims stamped by the same consulting engineering company who designed, inspected and certified as complete the works for which the claim is being made;

**c)** No consideration will be given to claims for works which have previously been claimed and authorized. Works omitted from a previous claim will be considered for payment upon submission;

**d)** No claims to the Fund will be accepted for works that form part of an agreement for which the warranty period has expired. No new claims shall be authorized for payment, after all the securities have been released;

**e)** The following documentation shall be included with the claim for it to be considered complete:

- A covering letter from the consulting engineer or architect stating that a claim is being made to the UWRF on behalf of the Owner as shown on the Agreement (or where the City under takes the work via Council resolution). The location and nature of the works shall be described and the costs representing the amount being claimed from the UWRF should be stated. The mailing address as well as the GST Registration Number of the Owner shall be provided;

- The "Certificate of Completion of Work" pertaining to the works being claimed in the format specified in the Agreement with an added statement certifying the quantities and final costs relating to the claim;

- Any specific documentation that may be required by the development agreement such as an inspection report, condition report, or survey. Such documentation shall be satisfactory to the General Manager Planning & Development;

- Summary sheets detailing the sharing of costs, engineering and GST calculations;

- The consulting engineer or architect's calculations of all quantities and final costs relating to the claim;
vi) (this clause intentionally left blank);
vii) (this clause intentionally left blank);
viii) Servicing drawings for the related claimable works;
ix) (this clause intentionally left blank);
x) When Stormwater Management facilities are being claimed, they shall be separated from claims for Storm Collection Conveyance in accordance with the definitions;
xi) Copy of summary of unit prices and/or a copy of all tenders for the entire project;
xii) Copy of final payment certificate and a summary of engineering costs and paid invoices for claimable engineering fees;
xiii) Copy of the advertisement for tender, where a public tender is required;
xiv) All backup information relevant to the claim including invoices, change orders, fees etc;
xv) Copy of the Certificate of Publication of Substantial Performance, including the date of publication. This publication is generally carried in the Daily Commercial News and should include both the name of the Owner and the City of London. Similarly both should be mentioned under “Office to which claim for lien must be given to preserve lien”; and
xvi) Completed “Summary of Claimable Works” with current information for the subdivision or development.

f) All claims shall be directed to the Planning and Development Department, Development Approvals Business Unit.

1.7. Tendering

The following rules shall apply to the tendering of works under this Schedule:

a) Projects undertaken by agreement between the City and an Owner with an estimated claimable amount in excess of $250,000 are to be undertaken by public tender;

b) Projects undertaken by agreement between the City and an Owner with an estimated claimable amount less than $250,000 may be undertaken by a public tender, or by invitation with a minimum of 3 invited tenders;

c) Works requiring an Owner to perform horizontal drilling may be undertaken by invitation with a minimum of 3 invited tenders;

d) Sole sourcing of a construction project is permissible when all three of the following conditions are met:

i) work is an extension of existing work and is a result of a change in scope during the project;

ii) there is no increase in individual tender item prices; and

iii) the Owner has obtained written approval from the General Manager of Planning and Development or his/her designate before sole sourcing;

e) Works no portion of which are eligible for claims and which are to be assumed by the City may be undertaken by the Owner at his discretion without the necessity of a public tender procedure;

f) Cost estimates shall use the Average Unit Prices listed in the City of London Unit Price Spreadsheet unless the owner specifically notes a reason for varying from these costs. Following the tender award, all claimable external works shall be identified as separate tender schedules listing items, quantities, plan locations of quantities (chainage from station to station), and unit costs within larger construction contracts.

g) Tender documents for the works which are eligible for claims must be standard City of London
Contract Documents. They must be in a unit price format and follow a formal tender opening procedure to the specifications of the General Manager of Planning and Development. A representative of the City of London must be notified in advance of when and where the tenders are to be opened;

h) Any works which have not been tendered, including change orders, will be subject to review by the General Manager of Planning and Development for approval of unit prices and eligibility either prior to construction or at the submission of the claim;

i) Calculation of eligible items in the claim will be based on the successful lowest bidder's tendered unit prices regardless of which contractor ultimately performs the work; and

j) Tender results and unit price summaries shall be provided to the City of London for review upon the closing of tenders and prior to awarding the contract, if requested by the General Manager of Planning and Development.

1.8. Miscellaneous

a) Miscellaneous items in the contract that apply partially to the cost shareable works such as Bonding, Field Office Trailer, Traffic Control, and Permits can be claimed as a percentage of the total tendered contract amount using the following formula;

\[
\text{claimable costs excluding bonding, trailer etc.} \times \text{total tendered contract amount} - \text{bonding, trailer etc.} = \text{claimable bonding, trailer amount etc.}
\]

1.9. Engineering Fees

The UWRF shall reimburse Owners for the services provided by their consulting engineer including the design, resident supervision, drawing preparation, certification of works and preparation of claims. The invoiced engineering fees will be processed for payment at the actual invoiced cost up to a maximum 15% of the value of construction upon completion of the works after receipt of confirmation of final costs and invoices. In special circumstances engineering fees exceeding 15% of the cost of the tendered works may be permitted at the discretion of the General Manager of Planning and Development only if prior written permission from the General Manager of Planning and Development is obtained.

If alternate designs are pursued by the owner after the City's acceptance of the preferred alternative, the costs associated with the engineering over and above the original concept shall be borne 100% by the owner.

Engineering fees may not be applied to the claimable works for land acquisition costs, works performed and invoiced by utility companies and Ministry of the Environment application fees.

The design of Stormwater Management Best Management Practices and Private systems are not eligible for claims.

Monitoring of SWM Facilities is considered not eligible for claim from the U.W.R.F but must be claimed for with the total engineering required for the project and can only be claimed at the completion of the works under the same yearly cap as the works.

Where applicable the over sizing subsidy for storm pipes and sanitary pipes already includes an allowance for engineering and no additional monies outside of the subsidy per meter shall be paid.

1.10. Payment

The following rules shall apply to payments under this schedule:

a) Valid claims will be paid to the Owner as identified in the applicable Agreement. The Owner may provide the City with a properly executed "Assignment and Direction", in a format acceptable by the City, to transfer the payment(s) of claims to another party;
b) If money is available in the fund, the payment of claims from the Urban Works Reserve Fund is made each 15th of the month for all claims authorized in the immediate preceding month. All claims considered to be complete shall be registered and processed in chronological order as they are received. Partial payments will be made as the fund balance permits. Each partial payment shall be paid in chronological order with all other claims in the order they are approved without any prejudice or preference. Payments may be significantly delayed due to the lack of availability of money in the fund and bumping of pre-existing unpaid balance of claims by newer claims may occur resulting in longer waiting periods for all claims.

c) Holdback under the Construction Lien Act:

i) 10% holdback is retained on a claim until the entire contract has been substantially performed and the 45 days statutory period from the day of publication in a Daily Commercial News of the substantial performance has expired, and all clearances have been obtained; and

ii) If there is no certificate of publication included with the claim, the holdback will not be released until the certificate is provided and 45 days has elapsed from the date of publication and all clearances have been obtained;

d) Unless otherwise specifically mentioned in the Subdivision or Development Agreement the maximum payment from the UWRF general fund shall be $1,000,000 (including GST) for any one installment. If the aggregate amount eligible to be paid exceeds these amounts, subsequent installments are eligible to be entered as a claim 12 months following the immediately preceding installment. At that time, the claim will be entered in order of receipt in relation to every other claim which is eligible for payment from the Fund;

e) Works relating to Stormwater Management facilities listed for a subsidy from the UWRF will be separated and paid from a separate UWRF account. That account is comprised of money specifically for storm water management facilities and payments made for these items will be paid from this account subject to the availability of funds. The maximum payment from this account is $250,000 (including GST) for any one installment. If the aggregate amount eligible to be paid exceeds this amount, subsequent installments are eligible to be entered as a claim 12 months following the immediately preceding installment. At that time, the claim will be entered in order of receipt in relation to every other claim which is eligible for payment from the account. This amount is separate from and does not form part of the $1,000,000 maximum of the UWRF general fund referred to in d) above. Consequently, Stormwater Facilities claims can be made concurrently with claims in d) above; and

f) Order of Payment

Any agreement can provide for a claim up to $1,000,000 for eligible general works plus $250,000 for stormwater management works per year unless these have specifically been restricted to a lower number in the agreement.

Multiple agreements can occur for large draft plans. Each agreement is subject to the cap claim mentioned above;

1.11. Claims by Non-Contributing Entities(City of London)

When the City acts as an owner it shall be eligible to make claims when undertaking growth related projects containing works that would be claimable irrespective of whether they have made a contribution to the fund. This is consistent with the Development Charges Act, which provides exemption to municipalities for payment of development charges.

The City shall be paid claims for these works in the same manner as other claims in the system through the application of all the pertinent policy including but not limited to eligibility of works, engineering costs, caps, waiting periods.
1.12. **Dispute Resolution**

Exceptions to the procedures mentioned herein may occur. The preferred methodology to resolve any dispute would be to seek interpretation and clarification through the General Manager of Planning and Development, in consultation with the City Engineer, or their designate. Should the Owner still feel aggrieved by a given policy interpretation then their avenue to seek remedy/relief is the Board of Control in accordance with Part IV of the by-law.

1.13. **Financing of Infrastructure not listed as UWRF claimable**

Significant infrastructure projects would usually be paid and managed through the CSRF, as identified in the Development Charges Background Study. Acceleration of works provided for in the City’s budget may occur, subject to execution of a separate Municipal Servicing and Financing Agreement (MSFA).

1.14. **Municipal Land Requirements – Lands Owned by the Owner**

As noted in section 18 of the City of London Official Plan all municipal property requirements including easements (except SWM ponds and combined SWM/Sanitary corridors specifically mentioned in section 1.19) identified in a consent or development agreement shall be provided at no cost to the City of London and/or Development Charge Fund. In the review of a plan of subdivision application or consent, the approval or consent authority may impose conditions relating to the dedication of lands for Road widenings, sewers, paths, commuter parking lots, transit stations and related infrastructure for the use of the general public.

Any land or easements that are owned by the Owner and which are transferred permanently to the City as a condition of a development approval are not eligible for claim with the exception of storm water management facilities. Temporary easements are not eligible for claim.

If the Owner chooses to relocate an existing internal watercourse or conveyance channel outside of the subdivision, when the water course or channel could have been located inside the plan, then no claim for easement acquisition may be made for the open channel.

Costs relating to existing watercourse improvements are not claimable. Unless specifically mentioned as projects in the DC Background Study

1.15. **External Land Acquired from a Third Party**

a) The cost sharing amount payable for property acquisitions or easements from third parties is the value as determined by the City’s Realty Services Division plus acceptable legal fees. Any amount over and above the value assessed by the Realty Services Division will be at the sole cost of the Owner. No GST is to be paid on land claims.

The cost of any work undertaken to restore or enhance a third Party’s property due to the acquisition of lands or the construction of infrastructure beyond the estimate set by the City’s Property Division shall be at the sole cost of the Owner.

Claims for land in easements will not be allowed for lands that are reasonably expected to develop within 10 years.

If the Owner is not satisfied with the value assessed by the City, an appeal can be made to the Board of Control;

b) Unless otherwise approved by the General Manager of Planning and Development, in consultation with the Director, Development Finance, no claim can be submitted until all the properties required for the project have been acquired;

c) Claims related to the cost sharing for property acquisition or easements from third parties may be advanced by the Owner, and may be claimed prior to any construction work being undertaken, if a subdivision, consent, or development agreement or site plan has been executed and all other relevant conditions have been complied with; and

d) If a non-growth share of the cost of acquisition is assessed and the cost of the easement is established acceptable to the Property Division, then the UWRF share is determined.
proportionally as mentioned in the DC Background Study. The prime driver for the need for the easement shall dictate the proportionate non-growth share.

1.16. Stormwater Management Facilities General Land Policies

With respect to land acquisition for storm water management facilities the value of the land shall be subject to review every five years and is established as follows:

Flood Plain – private lands that are below the 1:100 Storm Event Line and above the existing open water and/or the 2 year flood elevation (defined by the Upper Thames Conservation Authority and the Official Plan): $5,500/Acre ($13,590/ha)

Lands under existing open water are not claimable as defined by the 2 year design high water elevation (2yr storm elevation)

Park Land – lands set aside as a dedication for parks and not designated for development: $ Nil

Table Land – developable land inside the Urban Growth Boundary (UGB) designated in the Official Plan for development: $100,000/Acre ($247,100/ha)

Flood Fringe is defined for payment purposes only as the land that is not an Environmentally Sensitive Area, not park land, not Flood Plain, and not Table Land. Flood Fringe lands are claimable at $50,000/Acre ($123,650/ha).

For Multipurpose lands that may be defined by more than one of the above definitions. Claims shall be paid using the lowest cost allocation:

Where there is a shared use of a stormwater or sanitary work such as a maintenance road/pathway, the use and maintenance of the road/pathway shall be viewed as functioning solely for the sanitary or stormwater service use not the park use. Claims and use shall be determined and allocated to the servicing need with no allocation of costs to the Parks

1.17. Landscaping of SWM pond facilities, Conveyance Channels and other Claimable works

The following shall apply to the landscaping and other amenity costs that may be claimable from the UWRF for SWM ponds:

(a) For ponds of 5 ha in foot print and less, amounts paid will be dependant on the ponds classification and foot print area. (foot print is the physical size of the block for the pond not drainage area).

Type A – are ponds that do not border a park or ESA. These ponds require basic landscape/vegetation treatment to function and be ecologically stable (water plants). It is proposed that this type of pond be limited to $25,000/ha for landscaping and all other amenities.

Type B – are ponds which border ESA's. These ponds require landscape/vegetation treatment to function and to provide an aesthetical continuity with adjacent land features. It is proposed that this type of pond be limited to $50,000/ha for landscaping and all other amenities.

(b) For ponds with a foot print larger than 5 ha, claims shall be reviewed on an individual basis by the General Manager of Planning and Development in consultation with the City Engineer.

(c) If the Owner wishes to build SWM works larger than the design criteria dictates, then the difference in cost shall be borne by the Owner.

(d) Where a pedestrian foot bridge / gazebo/decorative retaining wall is required or
desired, the Owner is responsible for the cost

1.18. Infrastructure Located Outside the Urban Growth Boundary (UGB)

Storm water management facilities located outside the UGB which service lands inside the UGB are claimable proportionally to the total lands they will ultimately serve inside the UGB. Unless specifically sized and phased as mentioned in the DC Background Study. These claims are set up to the maximum as the same rates as facilities located inside the UGB.

Claims shall not be made for works that provide capacity that is above and beyond growth needs within the UGB.

1.19. Land requirements in combined Storm water and Sanitary corridors

In the case of two combined storm/sanitary corridors, namely:

ST4 Stoney Creek 4 Project ES5239 shown on Table EX 4 of the supporting documentation
and
MD2A Foxhollow, Budget ES 5236 shown on Table EX 4 of the AECOM supporting documentation,

the CSRF shall pay for the land associated with the additional width of the corridor at the land rates defined in Stormwater Management Facilities General Land Policies above.
2. ROADWORKS

2.1. General

Where a development abuts, faces, flanks or backs onto, or is divided by an existing arterial or primary collector road, and the City requires the Owner to construct minor works beyond their access work, such road works are claimable to the UWRF.

2.2. Works on Lower order streets

The City may identify roadworks along lower order streets (local and collector) that require improvements due to localized growth in an area that is not specifically attributable to one single development. These infill or brown field developments will be specifically mentioned in the DC background Study and will be incorporated into DC rate calculations under road works listed as fundable from CSRF.

2.2.1. Limits of payment due to Property Extent and grade

Payment for claimable works is restricted to that portion of the works that is situated upon public or future public lands. As illustrated below there shall be no payment for spillage of fill or grading on privately owned lands.

![Diagram of Typical Grading along a Development & Payment Scheme](image)

2.3. Eligibility of Claims for Road Works

Cost sharing of growth related roadworks can be broken into five categories

1) Local costs borne by the Owner
2) Minor roadwork costs subsidized by UWRF
3) Major roadwork costs paid for by CSRF
4) Roadworks serving growth in industrial areas funded from Industrial Oversizing Reserve Fund
5) Non-growth works that benefit the existing population

The following sections describe these 5 categories.
2.3.1. **Local Costs Borne by Owner**

i. Connections of all public and private new streets, roads, ramps or entrances including features and design details such as: roundabouts, culverts, signage, gateway treatments, noise wall alterations, sidewalks, bike lanes, bike pathways, paths, directional traffic islands, decorative features

ii. Re-grading, cutting and placing fill on lands beyond the road allowance along their frontage in accordance with City of London standards. In addition, all grading and restoration of road allowance along the development frontage if no claimable roadworks are required;

iii. Topsoil and sod to the back of any existing sidewalk fronting the development;

iv. Planting of new trees fronting the development;

v. Any upgrade or reinforcement from a standard 100mm thickness sidewalk across the development's new access;

vi. Retaining walls along the development frontage, where approved;

vii. 100% of the cost of temporary asphalt sidewalks, roads, paths, swales along the frontage abutting arterial or primary collectors where installation in ultimate location is deemed premature;

viii. Traffic signal installations at all private entrances and at public entrances which do not meet MTO warrants;

ix. Any other services, removals, relocations, etc., required even if the road widening had not been constructed for a private entrance or access road including but not limited to, utility relocation, side walk alterations, and curb cuts;

x. Restoration of any utility cuts, and or damage created by construction activities & /or construction traffic in and out of the development. including but not limited to daily removal of mud tracking, daily dust suppression, milling and paving of deteriorated asphalt caused by construction traffic, grading of gravel shoulders to remove rutting caused by construction traffic.

xi. Privately maintained noise walls, all noise berms, window streets and fences;

xii. Grading elements such as: swales, ditches, best management practices, (BMPs) and any other feature to address over land flow routes needs created by the development's grading;

xiii. Pedestrian paths, walkways, bridges, tunnels, (including the related lighting and signage);

xiv. The costs related to the upgrading of any utility plant, or the relocation of the same, unless necessitated by the roadwork;

xv. The relocation and/or replacement costs of any encroachment on the City's road allowance or easement including but not limited to hedges, sprinklers systems and fences;

xvi. Existing catch basins and culverts that cross roads, bridges, and leads are considered to be part of surface roadworks rather than sewers. Including and storm quality devices such as storm sceptors or oil/grit separators;

xvii. Traffic signals and street lighting on Arterial and Primary Collector roads that control or illuminate Public( Non-private) access points, where required by the development agreement; and

xviii. Utility relocations necessitated by the claimable roadworks can be claimed upon providing a copy of the invoices from the utility and proof of payment in full. The City shall issue a letter to the utility company stating that this work is required by the City under the Highway Act and will pay for 50% of cost of labor and trucking. This 50% share is claimable from the UWRF; the other 50% is the utility's share and is not claimable. Should the utility refuse to pay then these cost shall be the responsibility of the proponent owner. Engineering fees associated with these relocations are not claimable.
2.3.2. Minor Roadwork Costs Subsidized by UWRF

i. Works listed as eligible in the Development Charges Background Study, or with the approval of the General Manager of Planning and Development in consultation with the City Engineer, drawn from a contingency and/or substituted a work listed in the Background Study may be
claimable.

ii. Where a new arterial or primary collector road is to be constructed in whole or in part through a subdivision, the Owner is responsible for the cost of constructing a standard secondary collector road 10m (32ft.) wide curb to curb. If the required road is wider or at a higher standard, the Owner is responsible for the cost of a standard road, including sidewalks, street lights, etc., and may make a claim to the Urban Works Reserve Fund for the difference in cost between a standard road and the road actually constructed. The construction responsibilities shall be defined by the conditions of an agreement between the City and the Owner. If the Owner wishes to construct the road at an enhanced standard beyond that acceptable to the City Engineer, then the Owner shall pay for the additional costs of enhancement with no eligibility for a claim from any fund.

iii. When trees are planted as part of external roadworks to replace removed trees, other than those removed to facilitate an access, the cost of the removal and replacement is claimable.

2.3.3. Major Roadwork Costs Paid for by CSRF

i. Works listed as eligible in the Development Charges Background Study, or with the approval of the City Engineer, in consultation with the Director, Development Finance, drawn from a contingency and/or an alternative to a work listed in the Background Study may be funded from the CSRF. The claimability of such a work would be subject to inclusion in the development agreement (for works less than $50,000 subject to approved funding in the Capital Budget) or subject to execution of a Municipal Servicing and Financing agreement prior to commencement of the work. The works funded from the CSRF under this paragraph would be subject to rules similar to those described for UWRF eligible works contained in this section with respect to eligibility, tender and claim completeness and submission.

ii. Transportation projects that have been listed in the DC Background Study as programs or studies are funded from the City Services Reserve Fund - Transportation component, and are subject to prior execution of a Municipal Servicing and Financing Agreement.

2.3.4. Roadworks Serving Growth in Industrial Areas Funded from Industrial Oversizing Reserve Fund

Certain Works which benefit industrial areas are similar to UWRF works. However, so long as industrial development is exempted from the charges, the City must make provision for claim of these works from a separate fund. This fund is the Industrial Oversizing Reserve Fund (IORF) and certain works are eligible for claim from this fund in accordance with the policies of the IORF.

2.3.5. Non-Growth Works that Benefit the Existing Population

Where works funded from the UWRF are subject to this policy and include a non-growth component, funding of that portion of the works must wait until the City has approved sufficient funds in its budgets, to pay for that portion of the works. The non-growth portion of the funding shall be identified in the City's Capital Works Budget and approved by Council.
3. SANITARY SEWERAGE WORKS

3.1. Claimable Sanitary Sewerage Works

All new permanent sanitary sewerage works that are required to service undeveloped & developed lands that meet certain size and design criteria are partially claimable. These works are described in the sanitary sewerage section (UWRF works) of the Development Charge Background Study.

In order to be claimable, Sanitary Sewer works must be contained in, or alternative to, works contained in the Development Charges Background Study and must be incorporated into an executed development agreement.

In general the cost sharing of Sanitary works can be broken into five categories:

1) Local costs born by the Owner
2) Oversized minor Sanitary work costs subsidized by UWRF
3) Major trunk/ system improvements & plant work costs paid for by CSRF
4) Oversized works serving industrial areas funded from Industrial Oversizing Reserve Fund
5) Non-growth works that benefit the existing population

The following sections describe these categories:

3.1.1. Local Costs Borne by the Owner

Any pipe or portion of a larger pipe that is less than or equal to 300mm in diameter are referred to as local works, and undertaken at the Owner’s expense. The 300mm threshold which defines a “local pipe” is the approximate size needed to serve a 20 ha development. Typically, this results in flows of 36-50L/sec, for average pipe slopes of 0.2%-0.3% (based on pipe capacity and minimum velocity)

Additionally, any costs associated with installing private drain connections are not claimable

Any temporary works are not claimable

3.1.2. Oversizing Minor Sanitary Work Costs Subsidized by the UWRF

This classification is applicable to the portion of a pipe defined in the GMIS, SSSS, and DC Background Study as UWRF claimable

The claimable portion of an oversized sewerage works constructed by an Owner in order to provide service to areas beyond their development is eligible for a subsidy from the UWRF and is payable based on an average oversizing cost basis in the form of a $/m of pipe constructed as per the rates of the table in "Appendix 7-B".

The oversizing subsidy is a calculated average cost listed in Appendix 7-B and was derived by subtracting the estimated cost of a 300mm sanitary pipe from the estimated standard cost of oversized pipe of various sizes. The table in Appendix 7B lists the maximum claimable subsidy. If the actual cost of the works exceeds those used to calculate the table, then such additional costs shall be borne by the Owner. This subsidy covers all related costs of manholes, dewatering, restoration, back fill, engineering, utility relocates and labor. No payment above the noted $/m unit price shall be paid.

If the Owner is constructing pipes through or by, lands which are currently non-developed, the claimable subsidy of such pipes shall be determined in accordance with the preceding paragraphs.

The rates in Appendix 7-B will be monitored and adjustments will be recommended to Council if deemed necessary.
3.1.3. Major Trunk/System Improvements & Plant Work Costs Paid for by CSRF

This category refers to pipes defined in the DC Background Study as CSRF claimable. The construction of these sewers shall be undertaken by the City and approved through the annual budget process.

On occasion, a portion of major works the cost of which is not expected to exceed $10,000 may, with the consent of the General Manager of Planning and Development and subject to the availability of approved funding in the capital budget, in consultation with the Director, Development Finance, and subject to availability of approved funding in the capital budget, be undertaken so long as the works appear in a development agreement.

Except as mentioned above, CSRF funded works may be undertaken by an owner upon execution of a Municipal Servicing and Financing Agreement.

3.1.4. Oversized Works Serving Industrial Areas Funded from Industrial Oversizing Reserve Fund

Certain works which benefit industrial areas are similar to UWRF works. However, so long as industrial development is exempted from the charges, the City must make provision for claim of these works from a separate fund. This fund is the Industrial Oversizing Reserve Fund (IORF) and certain works are eligible for claim from this fund in accordance with the DC background study and policies of the IORF.

3.1.5. Non-growth Works that Benefit the Existing Population

Any component of sanitary sewerage works which serves existing developed areas, as identified in the Development Charges Background Study as well as remediation or repair of deficient services and are to be funded by the City budget.

If works are undertaken to increase capacity of an existing sanitary system, or to redirect flows to another system in order to provide capacity for growth in another area, then those costs shall be 100% attributed to growth. Rehabilitation, repair and installation of backflow preventing devices required due to increased or redirected flows shall also be 100% attributed to growth.

Where sanitary sewerage works include a non-growth component, funding of that portion of the works must wait until the City has approved sufficient funds in its budgets, to pay for that portion of the works. The non-growth portion of the funding shall be identified in the City’s Capital Works Budget and is subject to annual approval by Council.

Any owner who proceeds with a work that contains a non-growth component prior to execution of an agreement that provides the details of the work and financing for the same shall do so entirely at their risk and expense.
4. STORMWATER MANAGEMENT WORKS (SWM)

4.1. Claimable Storm Water Management Works
In order to be claimable, Stormwater management works must be a permanent facility and be contained in, or alternative to, works contained in the Development Charges Background Study and must be incorporated into an executed development agreement.

In general the cost sharing of SWM works is broken into five categories:

1) Local costs borne by the Owner
2) Minor SWM ponds paid for by UWRF
3) Major SWM ponds & stream restoration paid for by CSRF
4) Storm works and ponds serving industrial areas funded from the Industrial Oversizing Reserve Fund
5) Non-growth portion of SWM works that benefit the existing population

The following sections describe these categories:

4.1.1. Local costs borne by the Owner
Any temporary works or works not included in the master servicing plan are at the sole expense of the Owner including operation, maintenance and decommissioning. Approval of temporary works is at the discretion of the City Engineer, in consultation with the General Manager of Planning and Development.

Any best management practices or Private drainage systems that benefit the single parcel of land for which they are constructed, and serve less than 15ha are not claimable.

The construction of ditches, swales, and overland flow routes are not eligible for claim unless specifically noted in the DC Background Study.

4.1.2. Minor SWM Ponds Paid for by UWRF
Works listed as eligible in the Development Charges Background Study as being UWRF works, or with the approval of the General Manager of Planning and Development in consultation with the City Engineer, either, drawn from a "contingency" in the DC rate calculations or is alternative to a work listed in the DC Background Study may be claimable.

In accordance with the basis of the costing of the works in the master servicing plan (which works are reflected in the Development Charges Background Study), 100% of the cost of 100m of inlet and 100m of outlet sewer are claimable.

4.1.3. Major SWM Ponds & Stream Restoration Paid for by CSRF
Works listed as eligible in the Development Charges Background Study as being CSRF works include major SWM ponds and stream restoration. These works may be eligible for acceleration of timing or construction by the Owner. The claimability of such works shall be subject to execution of a Municipal Servicing and Financing Agreement prior to commencement of any work by the Owner.

4.1.4. Storm works and ponds serving industrial areas funded from the Industrial Oversizing Reserve Fund
Certain SWM Works which benefit industrial areas are similar to UWRF works. However, so long as industrial development is exempted from payment of development charges, the City must make provision for claiming these works from a separate fund. This fund is the Industrial Oversizing Reserve Fund (IORF) and certain works are eligible for claim from this fund in accordance with the Development Charges study, and the policies of the IORF.

4.1.5. Non-Growth Portion of SWM Works that Benefit The Existing Population
The component of storm water management works which services existing developed areas as
defined in the Development Charge Background Study (which is based on the Master Plan) as well as remediation of deficient services or redirection of flows to improve optimal use of the system are to be funded by the City budget. Non-growth portions of eligible sewage systems are listed in the Development Charges Background Study report.

Where works that are subject to this policy include a non-growth component, funding of that portion of the works must wait until the City has approved sufficient funds in its budgets, to pay for that portion of the works. The non-growth portion of the funding shall be identified in the City’s Capital Works Budget and approved by Council.

Any owner who proceed with a work that contains a non-growth component prior to execution of an agreement that provides the details of the work and financing for the same shall do so entirely at their risk and expense.
5. STORM SEWER WORKS

5.1. Claimable Storm Water Works
All new permanent storm sewerage works that are required to service undeveloped & developed lands that meet certain size and design criteria are partially claimable. These works are described in the storm sewerage section of the Development Charge Background Study. The construction of ditches, swales, and overland flow routes are not eligible for claim unless specifically noted in the DC Background Study. Works used for detention will be considered as retention facilities rather than conveyance devices and will be paid as SWM facilities as discussed in the previous section. Claims may be payable providing there is provision for such claims in the Development Charges Background Study (which is based on the Engineering Master Plans for each service).

In order to be claimable, Stormwater Sewer works must be contained in, or alternative to, works contained in the Development Charges Background Study and must be incorporated into an executed development agreement.

In general the cost sharing of Stormwater works is broken into six categories:

1) Local costs borne by the Owner
2) Oversizing of Storm pipes paid for by UWRF
3) Inlet & outlets to Minor SWM ponds & stream restoration paid for by UWRF
4) Inlet & outlets to Major SWM ponds & stream restoration paid for by CSRF
5) Industrial Growth works (currently subsidized by IORF)
6) Non-growth works that benefit the existing population

The following sections describe these categories:

5.1.1. Local Costs (Pipes) Borne by Owner
Costs of all storm sewage systems that are temporary, not identified in the Storm Master Plan, or not defined in the DC Background Charge Study shall be borne by the Owner.

The cost of theoretical works required by the Owner as if there were no external upstream flows shall be borne by the Owner. For storm sewers these are defined by policy to be the pipes greater than 1050mm in diameter.

Additionally, any costs associated with installing private drain connections or private systems are not claimable.

5.1.2. Oversizing of Storm Pipes Paid for by UWRF
The claimable portion of an oversized storm pipe constructed by an Owner in order to provide service to areas beyond their development is eligible for a subsidy from the UWRF and is payable based on an average oversizing cost basis in the form of a $/m of pipe constructed as per the rates in the Table in Appendix 7-C. If the Owner is building through or by lands which are currently non-developed, the claimable subsidy of such pipes shall likewise be determined in accordance with the Table in Appendix 7-C.

This subsidy is a calculated average cost listed in Appendix 7-C that is derived by subtracting the cost of a 1050mm storm sewer pipe from the estimated standard cost of oversized pipe of various sizes. The table lists the maximum claimable subsidy. If the actual cost of the works exceeds those used to calculate the table then such additional costs shall be borne by the Owner.

The rates in Appendix 7-C will be monitored and adjustments will be recommended to Council if deemed necessary. The cost per metre identified in the Appendix covers all associated engineering, manholes, restoration etc.
5.1.3. **Inlet & Outlets to Minor SWM Ponds & Stream Restoration Paid For by UWRF SWM Fund**

The UWRF will fund the cost of Stormwater Management works listed as eligible in the DC Background Study. These costs include limits for claims on land costs, landscaping, engineering & utilities as specified in other parts of this document. Additionally 100% of the cost of 100m of inlet and 100m of outlet sewer are payable from this fund. The non-growth portion of the funding (if any) shall be identified in the City's Capital Works Budget (GMIS) and approved by Council. The non-growth portion of any work under this paragraph may only be paid upon Council approval of the budget for the works in question.

5.1.4. **Inlet & Outlets To Major SWM Ponds & Stream Restoration Paid for by CSRF SWM Fund**

The CSRF will pay 100% of the cost of Stormwater Management works listed as eligible in the DC Background Study. These costs include limits for claims on land costs, landscaping, engineering, & utilities as specified in other parts of this document. Additionally 100% of the cost of 100m of inlet and 100m of outlet sewer are payable from this fund. The non-growth portion of the funding (if any) shall be identified in the City's Capital Works Budget (GMIS) and only be paid upon Council approval of the budget for the works in question.

The acceleration of these works contained in the City's Capital budget, and funded from the CSRF may be possible through execution of a Municipal Servicing and Financing Agreement.

5.1.5. **Industrial Growth Works (currently subsidized by IORF)**

Certain storm sewer pipes and inlets serve ponds which benefit industrial areas. As long as the City policy exempts industrial development from development charges, the City must make provision for claiming these works from a separate fund. This fund is the Industrial Oversizing Reserve Fund and certain works are eligible for claim from this fund in accordance with the Development charges study and the policies of the Industrial Oversizing Reserve Fund (IORF).

5.1.6. **Non-Growth Works that Benefit the Existing Population**

The portion of works which services existing developed areas as identified in the Development Charges Background shall be paid from a non-DC source at such time as the City has provided for the same in its capital budgets. Non-growth portions of eligible storm sewage systems are listed in the DC Background Study report.

Any owner who proceeds with a work that contains a non-growth component prior to execution of an agreement that provides the details of the work and financing for the same shall do so entirely at their risk and expense.
Reference of UWRF Eligible Items to Payment items in Master Plan Studies that are defined by “New Rules”

1. Sanitary Sewer (Going FWD) SSMP Table 5.1
2. Minor Roadworks (Going FWD) MRMP Table 4.4
3. Industrial Minor-Traffic Signals MRMP Table 4.3
4. Storm Sewers UWRF Going FWD (Table 4.5.2) STMP 4.5.2
5. SWM Total Grandfathered in UWRF Linked Systems ST MP 4.1
6. SWM Total Grandfathered in UWRF in GMIS Boundary ST MP 4.1
7. SWM Total Going FWD in UWRF in GMIS Boundary ST MP 4.1

Table EX2.3 Sanitary Pipe size subsidy (as per AECOM Sanitary Master Plan Table EX2, April 2009, Amount Table (15))

<table>
<thead>
<tr>
<th>Pipe Diameter</th>
<th>Credit Amount ($/m)</th>
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<tr>
<td>300 mm</td>
<td>$54.00</td>
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<td>$945.00</td>
</tr>
<tr>
<td>1050 mm</td>
<td>$1,205.00</td>
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</tbody>
</table>

Table EX3.3 Storm Pipe size subsidy (as per AECOM Sanitary Master Plan Table EX2, April 2009, Amount Table (15))

<table>
<thead>
<tr>
<th>Pipe Diameter</th>
<th>Credit Amount ($/m)</th>
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<td>1500 mm</td>
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<td>1800 mm</td>
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<tr>
<td>950 mm</td>
<td>$1,991.25</td>
</tr>
<tr>
<td>2100 mm</td>
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</tr>
</tbody>
</table>
London
A Strategy for Economic Prosperity

London’s Commitment to Job Creation

- Partnerships are strong
  - London Economic Development Corporation
  - UWO / Fanshawe
  - Greater London International Airport Authority
  - Business & Institutional community
- Industrial Land Development Strategy in place
- Necessary infrastructure being created
- Successes are celebrated
OPPORTUNITY!!

- London has all the assets to create the right environment for economic prosperity (financial, geographical, human and other resources, infrastructure)
- A regional centre deeply connected to provincial, national and global economy
- Economic Prosperity = Societal Prosperity
- Need to continue to adapt our strategies to reality of today's economy

Why Now?

- Unemployment rate increased to 10% in May, 3rd highest in Ontario
- Manufacturing has experienced loss of 12,000 jobs
- Other cities are acting now to take advantage of federal and provincial stimulus funding to improve infrastructure (e.g: Hamilton, Windsor)
- Additional stimulus and infrastructure funding available (e.g: Build Canada, SODA)
London's Advantages

- Location
  - Quick access to the 401/402/403
  - Closest to the 3 major US borders
  - Within one day's drive of 150 million people
  - Half of all Cdn exports travel through, by or over London
- Educated and trained workforce
- Research and innovation
  - UWO, Fanshawe, NRC, WorldDiscoveries
- Quality and cost of living
- All levels of governments are committed to economic prosperity

June 25, 2009
## Strategic Sectors

- **Advanced Manufacturing**
  - Auto parts, equipment, building materials
- **Agri-Food**
  - Food and beverage processing
- **I.T.**
  - Software, digital media content, web 3.0
- **Life Sciences**
  - Health care delivery, medical devices
- **Regional and head office operations**
- **Institutions and Education**
  - Post-secondary training institutions and innovation agenda

## Future Growth – Creative Economy

- **Specialty Manufacturing**
  - R&D, advanced materials, high-tech electronics
  - UWO & NRC expertise in polymers and light weight materials
- **Green & Alternative Energy**
  - Bio-based, waste-to-renewal, efficient grid
  - Provincial programs supporting green energy
- **I.T.**
  - Interactive media, data centres, game development, software development
  - London's recognized as a hub of Ontario's Tech Corridor
- **Life Sciences**
  - Imaging, medical devices, clinic trials
  - Extensive research activities at UWO & affiliates
  - London recognized as a world leader
Future Growth – Creative Economy

- Enhanced Transportation Equipment
  - Hybrid components, batteries, clean diesel
  - Fanshawe’s new Centre for Applied Transportation Technologies
- Agri-Food
  - Specialty foods, beverages, nutraceuticals
  - Strength of existing cluster of processors
- Transportation & Logistics
  - Climate controlled distribution, fulfillment centres
  - Opportunity to develop export development centre at London International Airport
- Other
  - Head offices, regional offices, R&D clusters

Trade Portal – Gateway London

- Integrating air, road and rail networks
- Builds on London’s inherent advantages
- Expanded facilities and sites provide catalyst for logistics growth
- Builds employment to address currently distressed workforce in London’s transportation, logistics and trade sectors
- Airport provides the immediate growth opportunity
- Proposed infrastructure drives the gateway opportunity
Immediate Priority:
London International Airport

- Nearby Canadian and US airports are competing for air cargo business - time to act is now
- Less expensive compared to competitors
- Uncongested access to road transportation
- 24/7 operations including Canada Customs
- Rapid market growth - 51% in past 3 years
- Bilateral agreements in place (US Open Skies, European Open Skies)

London International Airport:
Investment and Value

- Combined federal, provincial and local investment of $10 million required for airport to dramatically expand international air freight business
- Based on 3 new weekly freighter services:
  - 96 new FTEs (plus spinoff benefits)
  - $4.8 million in labour income

One-time investment: $10 million. Return on Investment = $8.7 million per year in value-added GDP
City of London Capital Budget

Investing in Ontario

MILL

Housing

HELP – Build Canada

Infrastructure Stimulus Funding

Total Spending (2009 – 2011)

$355.6 million

$39.3 million

$11.0 million

$20.9 million

$54.4 million

$96.9 million

$578.1 million

Financial decisions of the past five years place London in a very solid position to invest further:

- Strategy on debt maintained – no need for more debt issuance
- New capacity created for future capital projects
- Ability to leverage government funding (up to $200 million) and stimulate private sector investment
- Strong partnerships in place with federal/provincial government
Current Action Underway

- Skyway Park (2010 investment = $6.3 million)
  (in partnership with airport)
- Innovation Park
  - Phases 2 & 4 (MII = $20 million)
  - Phase 3 (2010 investment = $14.1 million)
- Veteran’s Memorial Parkway (VMP) Upgrades ($700 k)

June 25, 2009

Short Term Gateway Priorities (1 – 5 years)

- Additional land Servicing at 401/VMP
- 401/VMP interchange and extension to Wilton Grove Road
- Wonderland Road improvements and interchange at 401
- 401/402 servicing
  (While Southside PCP not needed in 1 – 5 year timeframe,
  It is important to get the approvals in place for the longer term)
- Strategic investments

June 25, 2009
Longer Term Gateway Priorities
Creating Future Opportunities

- Green industrial park
- Rapid transit
- High speed rail

Gateway London –
A Strategy for Economic Prosperity
What's Next?

- Confirm direction being proposed
- Complete the position paper (mid-August 2009)
- Hold Economic Summit (Thursday, September 10, 2009)
- Strengthen and reinforce our commitment to creating mid- to long-term jobs in partnership with federal and provincial governments
London’s future prosperity
The International Air Freight Opportunity

prepared for

Corporation of the City of London
London Economic Development Corporation
Greater London International Airport Authority

RP Erickson & Associates
Aviation Consultants
Calgary, Alberta, Canada

(June 2009)
London’s future prosperity
The International Air Freight Opportunity

1.0 Preamble

For London to prosper in the future it must be creative, innovative and have a strong economy. There is an immediate opportunity to enhance London’s current strategies through the Federal Government’s FY2009 ‘stimulus package’ which is intended to provide broad funding support for municipalities and manufacturing industries under-going the process of re-organisation. This initiative has received strong provincial co-funding endorsements, especially from the Ontario provincial government. These types of investments are viewed as essential components required to stimulate job creation across the country in these challenging fiscal times.

This funding circumstance has provided the City of London an opportunity to request the advancement of shovel ready capital projects planned within the debt cap from future years to 2009/2010. The projects valued at $120m have been submitted for three way joint funding from all levels of government generating a potential surplus capacity of $80m to the City of London. This represents an ideal opportunity for the City of London to enhance its strategic plan with a mix of projects which will stimulate job creation during the initial construction phase while creating lasting high quality jobs in the emerging economy of the 21st century.

The City of London has an opportunity to strengthen its transportation infrastructure. The Airport Authority as a Federal not for profit is eligible to apply for infrastructure investment to the Federal and Provincial Government. A Municipal economic development contribution to the airport infrastructure will enable a strategic International air freight opportunity to proceed. A Municipal contribution of $3.5m from the new $80m surplus capacity would compound Federal and Provincial investment to provide the $10m required for the next phase of the air component of this overall strategy.

Given the clamor for such support across the country and within Ontario, it is likely that proponents of this Plan have a limited timeframe to make a case. The strengthening of London’s road, rail and air transportation systems alongside the re-organization of local manufacturing resources are necessary to ensure London has the right infrastructure to be positioned for the new economy opportunities.

Unquestionably - this opportunity must be acted upon.
This report reiterates London's near-term development priorities in light of the above funding realities while underscoring the opportunity and role the London International Airport – particularly the outstanding air freight opportunity, can play in positioning London and its catchment area for above average value added growth in the new economy of the 21st century.

2.0 Specific Priorities for the City of London

The following development priorities have been established by the City of London and London's Economic Development Corporation:

- To strengthen and expand the role of London as the economic centre for South Western Ontario (SWO). What benefits London benefits SWO;

- Continue the strategy for the development of lands in the SkyWay Industrial Park by providing local services to the limited remaining undeveloped lands. Advance the final servicing of SkyWay from the current plan of 2011;

- Continue with and adapt its Industrial Land Development Strategy, which includes land assembly and the provision of serviced industrial land. Not for profit airports are eligible investments under Federal infrastructure grants;

- Pursue with Federal authorities the expansion of the Export Distribution Centre legislation to the establishment of a Free Trade Zone that will allow value added to products and finished manufacturing in a Tax Free Trade Zone;

- Pursue the Province of Ontario for an expanded definition of the current Community Improvement Plan definition to include new construction for aerospace development and free trade zone development; and,

- Continue partnership with London Economic Development Corporation to market the opportunities of SkyWay Industrial Park, as a special focus of the city's industrial land portfolio. This park with a community tax incentive and federal tax free status should be a magnet for industries to the region.

Clearly, the City of London must be strategic in thinking regionally about the near and long term transportation future of road, rail and air as integrated transportation assets in order to support this economic growth. The ability to access Federal funds based on regional support for London as the economic growth centre for South Western Ontario should act to compound the available resources and positively impact results.
3.0 The London Situation - a SWOT review

Strengths

- London is the 10th largest city by population in Canada;
- Central geographic location – automotive and industrial heartland of the country;
- Adjacent to major highway corridors to the US;
- Strong strategic community, well-managed
- Strategic partnerships already in place between economic development agencies and industrial clusters and education institutions;
- $1 billion committed to public infrastructure to serve the needs of a growing community;
- Partnering success with the federal and provincial governments, London should now be identified as a ‘key centre for growth’;
- Strong land base for future growth – over 1000 ha of developable land;
- London International Airport has the necessary infrastructure and is well positioned to be a player in the global logistics value chain – unlike all of its counterparts the airport is not congested and enjoys strong customer satisfaction levels from current users;
- London International Airport can offer significant cost savings for air carriers vs Hamilton, Toronto or any US air cargo gateway;
- Bilateral air agreements largely in place – US Open Skies and recently negotiated European Open Skies provide virtually unfettered access to our two largest markets;

Weaknesses

- Worrisome is the loss of traditional manufacturing, especially throughout the automotive sector;
- Troublesome, is the rise in the local unemployment rate from 6.9 percent to 9.4 percent over the past 9 months;
• Strong competition from near-by Canadian and US airports with air cargo aspirations of their own;

• Limited international awareness of the London International Airport and/or the local region’s advantages and output;

• Limited on-site air cargo facilities;

• No current FTZ/EDC facility and supporting infrastructure;

**Opportunities**

• It is recognized that the world’s manufacturing model is changing, more value-added is required;

• An opportunity to adapt to new manufacturing models;

• London’s manufacturing output is increasing;

• Although the demand for air cargo services worldwide has been strongly affected by the current financial situation, the sector is poised to regain its former strength, and continue to out-perform air passenger traffic by a wide margin;

• Advance a proactive strategy to convince the Ontario government to eliminate its onerous fuel tax regime on freighter aircraft;

**Threats**

• Factors beyond the control of local managers to influence (ie. fluctuating currency values, cost of fuel and fuel taxes, acts of terrorism, etc.);

• The threat of doing nothing – this can not be an option.
The Region of South Western Ontario has achieved significant success in attracting and retaining companies through its economic development strategy. One of the key elements in this strategy is a strong transportation plan that takes advantage of the connectivity within the regional and city road circulation area and to highways 401 and 402. The recent enhancement of Airport Road to four lanes and plans to restrict further access points demonstrate the vision of transportation planning in a progressive region.

It is time to broaden this success by developing a regional transportation strategy which better utilized the road, rail and air modes.

In December 2008 the London International Airport achieved significant support from the Federal Government by way of designation as a federal Transshipment Centre for International Air Cargo. This designation underscores the federal government's recognition of the sizeable economic opportunity which air freight can make to the London catchment area.

Additionally as a Canadian International Airport, London can also benefit from the announced Canada European Union (EU) Open Skies agreement. This new agreement provides for direct international Air access for all passenger and cargo aircraft from 27 EU member states. Canada already has an 'Open Skies' agreement in place with the US – meaning any Canadian or US-based airline can start service between London and any point in the US.

Trade between Ontario and the EU is $35 billion and between Canada and the EU is $84 billion annually. Including the incremental opportunity of US freight there are enormous possibilities for new distribution centres that have been constructed to support a mix of air, road and rail modes of transport.

Compounding these new advantages, the Government of Canada is considering strategic investments in infrastructure to stimulate job creation. The region of South Western Ontario will benefit from taking a regional approach rather than a city by city approach and determining a strategic priority of projects based on a combination of job creation and strategic positioning for the new emerging economy. The South West Economic Alliance (SWEA) endorses this concept.

Many of the automotive and interrelated engineering and manufacturing companies are reducing and relocating operations. As this intensifies, South Western Ontario must have an overall transportation plan that values both opportunities for creating sustainable jobs and establishing tangible benefits for the attraction and development of new industries.
The City of London has requested federal Infrastructure funds that will fund the planned multi year municipal capital restoration program in the short term. It is time to strategically plan new investment projects that will stimulate job creation both during construction and build incremental jobs in the new economy of the 21st century.

The London International Airport plays an important role in creating jobs through construction and infrastructure and safety improvements. Economic studies show that an airport serves as an economic engine for the entire region and has a significant multiplier affect on job creation. The latest economic impact study for the airport (2008) identifies over 1700 direct jobs and $360 million p.a. contributed to the local economy.

A City of London investment in Airport infrastructure will help not only to create high paying jobs, but it will also help renew the economy of South Western Ontario. This opportunity is recognised by other Municipalities in Ontario and across Canada. With airport construction projects largely planned, this stimulus funding could very quickly begin spurring economic growth in a relatively short timeframe.

Investment in airport infrastructure is not only vital to the local community, but is also important to the larger transportation system by providing connectivity to roads, transit, and public transportation. In this way continued economic prosperity could extend well into the future.

The airport is committed to providing safe, efficient, secure and environmentally friendly facilities for all users. Upgrading and maintaining airport infrastructure is critical to the economy of London. The airport plays a vital role in providing efficient movement of passengers and cargo both domestically and internationally.

Investment in aviation through efficiency upgrades can help move London’s economy in the right direction. A key component of those upgrades must come from combined municipal, provincial and federal support for airport infrastructure improvements.

The City of London and SWEA have endorsed a strategy for a central intermodal facility to combine regional, national and International freight at the London International Airport. This freight would arrive and be distributed via all modes of transport, with the air freight mode ensuring a global reach.

With the recent federal designation of the London International Airport as an International Transshipment Centre in addition to the Canada / EU Opens Skies agreements permitting broad International air access - The City of London and SWEA are developing a comprehensive regional transportation plan to position South Western Ontario as an international freight gateway.
The provision of essential servicing and infrastructure investment in 2009 and 2010 will create construction jobs and continuing jobs for displaced workers throughout the region. This is a stimulus gift which keeps on giving.

5.0 The Export Distribution Center (EDC) Concept

Why EDC's are important for global logistics

Until now, London did not have provisions for free trade zone (FTZ) capabilities. The inability to bring goods into Canada, and add value to them in a tax and duty free environment, meant that Canada was not viewed as an attractive location for modern North American distribution centres. With changes to Canada's tax laws, firms now have the opportunity to operate Export Distribution Centres (EDCs) in Canada and to be a part of the worldwide growth in such activities. This opportunity allows the London International Airport to provide a flexible tax and duty free environment for serving as a key distribution centre to the US and world markets.

Firms operating within an EDC can purchase Canadian goods on a tax free basis and import foreign goods on a tax and duty free basis if the goods are primarily intended for export/re-export. Value-added opportunities are provided for, as long as the goods are not manufactured or substantially changed in the EDC environment.

Canada's program eliminates the key limitations with past regulatory provisions. EDCs now provide the same relief from duties and taxes that US FTZs provide, but in a much more flexible format. In Canada, you can choose where you wish to locate your EDC operations. You are not confined behind fixed geographic locations on a pre-defined and limited piece of land that cannot grow or move with your business as your needs change.

Lowered bonding requirements (from 100% of duties and taxes payable to 0% for low risk goods and 60% for high-risk goods) as well as the tax and duty-free status eliminates up front financing requirements. The administrative element has been simplified by the introduction of a "single window" approach. Verification of compliance has been harmonized, so that instead of potentially facing separate audits related to each program participated in, audits will be co-ordinated.

The London International Airport environment would permit the following types of EDC activities:

- Duties/ tax relief;
A single application for eligibility to the whole array of Canada programs (including EDC, duty relief, warehouse, bonded warehouse, exporters of processing services, warranty and repair, drop shipment, and export trading house programs);

- Firms can take advantage of South Western Ontario's geographic location to access the US, Mexican and world markets;
- Firms can take advantage of Canada's low business operating costs;
- EDC's allow exporters to avoid the US inverted tariff and enjoy the benefits of US FTZs without having to enter the high cost US environment;
- Firms can take advantage of London International Airport Authority support (including having available land at reasonable lease rates, and assistance with government dealings);
- There are a number of other financial and non-financial support programs related to export activities, investment and employment, that are available from the federal, provincial, and local governments.

Potential clients for a London International Airport based EDC
In modern supply chain management, producers can achieve cost savings by transporting standard unfinished products closer to their end markets and/or by postponing the customization of a final product until the point of sale. This allows a high level of customer service at a cost-competitive price. Such activity can be done very effectively in the EDC environment, particularly if the product is subject to the US inverted tariff regime.

There are a large number of potential clients for a London International Airport EDC. This list includes but is not limited to:

- Canadian distributors primarily exporting to the US and other foreign markets (firms must derive 90% or more of their revenues from exports);
- Foreign manufacturing firms that are looking for cost-effective gateways into the US/Mexican marketplace;
- Firms that transport goods in bulk and then undertake repackaging, labeling, product customization pick and pack operations, or other value-
added activities that fall short of manufacturing, just prior to delivery to the customer;

- order fulfillment centres; and/or;

- firms engaged in warranty repair activities.

Essentially, any firm that is primarily involved in the export distribution of goods would benefit from an EDC operation and becomes a potential client for our EDC — these may be domestic or foreign-owned entities.

6.0 The London International Airport part of the development pie: South Western Ontario’s ‘Supply-Chain’ Airport

Market Reach
London International Airport has significant market reach to destinations in Canada, the US and around the world. Further growth will support direct services to Europe and distribution within Canada and the US.

Market Access
London is already a major hub for air passengers in South Western Ontario with 51% growth in the past three years. We intend to pursue the success of our air cargo business with the same dedication, effort and resources. There is excellent ground transportation connectivity to highway 401 and 402 which are direct corridors to the US border. There are 2 major border crossings between the South Western Ontario region and the USA, where bilateral agreements between Canada and the USA provide easy access to all major North American markets.

Center for Logistics and Distribution
A strong logistics community is already in place within London. Several freight forwarders already operate within the region and are supported by numerous carriers serving air to truck movements. Together they provide clients with a compliment of competitive services. The opportunity to use an Airport designated export distribution centre will complement the current services.

Demonstrated success
London International Airport is a low cost and efficient transportation hub. Air service utilization has expanded by 51% in the past three years. Aircraft movements have increased by 140% in the past year with the successful introduction of international pilot training. The airport is in operation 24 hours a day, 7 days a week, including runway operations.
Strong Development Potential
London international airport offers a 'flexible' approval process for land development on its site, as a means to stimulate economic and business development. Expansions to aviation related developments including airfreight are within a municipal property tax rebate program. To meet these objectives, careful planning has taken place to generate maximum value for developers and provides the essential infrastructure to facilitate logistics and distribution functions.

7.0 The Economic Value of Air Cargo

The consultants have undertaken a number of reports which establish the economic value attached to the handling of air cargo at different Canadian airports. By example, in 2004 the handling of air cargo at the Calgary International Airport contributed : 1400 FTEs, generated $52 million in Labour Income, while contributing $36 million in Value-Added GDP – for a total air freight economic impact of some $88 million to the Calgary and southern Alberta 2004 economy.

Similarly, in 2008 at the Thunder Bay International Airport air cargo contributed : 86 FTEs; $3 million in Labour income; $7 million in Value-Added GDP; and had a total economic impact over $10 million upon the local catchment area.

In parallel with the former Calgary study the consultants also undertook one of the first attempts in Canada at establishing the economic impact of producing the cargoes. That is, we attempted to document the economic value to the province from the production process involved in manufacturing/creating those goods which were exported by air using Calgary's air cargo infrastructure. During the process we were surprised to note that many of the firms reported that had they not had convenient and near-by access to the air freight mode it was highly unlikely that they would have received the order.

We reviewed ten broad product categories which accounted for approximately 70 percent of the total volume of Calgary's international export cargo, to include: high tech electronics, oilfield equipment, meat products, live animal shippers, chemical products, pharmaceuticals, plastics, furniture and optical & photographic equipment. We contacted the firms which produced these goods and obtained the number of jobs, labour income and other value-added expenditures required to produce those products which were subsequently exported by air. Total air exports for the above categories amounted to 29,605 tonnes.
The results were startling:

**Economic Value of the Air Cargo Produced in Alberta: 2004**
(in millions, except FTEs)

<table>
<thead>
<tr>
<th>FTEs</th>
<th>Labour Income</th>
<th>Other GDP Expenditures</th>
<th>Total Value added GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>12,060</td>
<td>$534.6</td>
<td>$1,031.0</td>
<td>$1,566.8</td>
</tr>
</tbody>
</table>

(Includes Direct, Indirect & Induced Benefits)

The total economic benefit amounted to approximately 15 percent of the province's non-oil & gas exports in 2004. More importantly, some 12,000 workers were employed producing goods which, had the air cargo option not been available, may not have been employed.

The Alberta government was impressed — so much so, that they removed the provincial aviation fuel tax on freighter aircraft ($0.015/litre). An action which permitted the Calgary Airport Authority to attract an Asian all-freight operation and to add an additional frequency by a current European player.

We calculated the economic benefit attached to handling the new Asian carrier at 32 FTEs; $1.6 million in Labour Income; $1.3 million in other GDP expenditures for a total for handling the cargo. We forecast the benefit that Alberta companies would create in producing the cargo that the 2x weekly service would carry at 790 FTEs generating $38.7 million of labour income alongside $86.7 million of GDP activity for a total economic benefit of roughly $125 million p.a. — from that single new service!
7.0 Air Freight Facts in Canada

**Leading Air Freight Airports in Canada - 2007**

<table>
<thead>
<tr>
<th>Airport</th>
<th>2007 Tonnes</th>
<th>% change 2006/07</th>
<th>5 Year Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Toronto</td>
<td>516,000</td>
<td>+1.0</td>
<td>n/a</td>
</tr>
<tr>
<td>Montreal</td>
<td>270,500</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Vancouver</td>
<td>225,500</td>
<td>+1.2</td>
<td>-4.1%</td>
</tr>
<tr>
<td>Winnipeg</td>
<td>156,000</td>
<td>+3.6</td>
<td>+54.8%</td>
</tr>
<tr>
<td>Calgary</td>
<td>134,250</td>
<td>+5.2</td>
<td>+21.7%</td>
</tr>
<tr>
<td>Hamilton</td>
<td>100,500</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Edmonton</td>
<td>42,000</td>
<td>-9.0</td>
<td>+17.3%</td>
</tr>
<tr>
<td>Halifax</td>
<td>29,750</td>
<td>+7.4</td>
<td>+10.8%</td>
</tr>
<tr>
<td>Moncton</td>
<td>24,520</td>
<td>+0.1</td>
<td>+32.3%</td>
</tr>
<tr>
<td>Ottawa</td>
<td>22,670</td>
<td>+15.2</td>
<td>+0.05%</td>
</tr>
</tbody>
</table>

(Note: Readers are cautioned that the above chart is intended for rough comparative purposes only. Not all airports assemble or report data in the same manner (i.e. Winnipeg totals include transshipment traffic; some airport numbers are at historical variance to Statistics Canada totals which may not include charter traffic). Montreal aggregates Mirabel (113,000) and Trudeau (156,000) airport totals.

**Air Freight in Toronto and central Ontario**

- Toronto – 2007 totals (516,000 tonnes) - exhibiting flat growth, facility capabilities to handle 1 million tonnes p.a.
- extensive air cargo facilities – 1.3 million sq ft of cargo warehouse space featuring airside access and dedicated freight aprons
- international freight lift to Seoul, Hong Kong, Luxembourg, Amsterdam and Frankfurt
- integrator lift to all North American sort centres
- major on-site Federal Express integrator hub
- strong base of trade knowledge and expertise in Toronto area (i.e. 250 freight forwarders)
- strong competition from US freighter gateways
• Road Feeder Service (RFS) loss to the US estimated at 300,000 tonnes to New York (152,000), Chicago (128,500), Detroit (19,000) and Miami (9,500) or 30 B747Fs per week. Estimate economic cost of this leakage at 10,000 FTEs, labour income of $496 million and $260 million in taxes – inbound RFS estimated at 25,000 tonnes

• Hamilton – 2007 totals (100,500 tonnes) – key courier hub for domestic traffic

• Ottawa – 2007 totals (22,670 tonnes) – largely captive to Toronto and Montreal for hard freight capacity, current tonnage largely related to integrator activities

Air Freight in the Montreal & Quebec market

• Montreal airports – 2007 totals (270,500 tonnes) - exhibiting flat growth

• Aeroport de Montreal has split traffic between its two airports – Mirabel airport (113,000 tonnes) handles all freighter aircraft, including all integrator operations. Trudeau airport (156,000 tonnes) handles all passenger traffic, including all international and transborder belly hold space. This causes issues for most 'combination' carriers who offer both freighter and belly hold capacity (ie. additional cost of splitting their operations)

• currently no scheduled international freight lift, though ad hoc charters are evident (ie. in support of annual Montreal Grand Prix event)

• virtually no new capital infrastructure built for cargo at Dorval/Trudeau since 1997

• local observers suggest that Aeroport de Montreal is not as ‘cargo friendly’ as other airports in Canada

• RFS leakage also a local issue – no estimate for the dimensions of that traffic
8.0 London's promising air freight opportunity

London's air freight opportunities hinge on three interrelated sources of air freight demand:

1) capturing the current air freight products which are leaving the London region by road feeder services (RFS) to Toronto and to a lesser extent Montreal;

2) diverting some part of the seriously substantial flow from central Canada to US air freight gateways at Chicago, New York, Miami and elsewhere — currently an estimated 300,000 tonnes of RFS air freight is passing on road corridors within 10 kms of the London International airport; and,

3) the creation of a local 'air freight able' product range either in an EDC environment and/or from the output of emerging 21st century manufacturing firms located in the London area.

Local manufacturers already produce an array of 'air freight able' products, such as: high tech, telecommunications, aircraft, defence, locomotive and a variety of capital machinery. Value-added, processed agri-food products offer a future commodity with above average growth prospects.

At the very least, the 300,000 tonnes of freight presently moving to the US on over local road corridors represents an immediate and very real opportunity. This total alone represents 8 B747-400F flights per day!

London's numerous cost and operational advantages will permit the airport to use this base of traffic to kick start its air freight traffic base, and to provide a sound basis for attracting international and domestic air freight operators.

These advantages include:

- Low cost of operations (i.e. similar aircraft landing fees and operating costs at London are 48% less expensive compared to Hamilton and a whopping 246% less costly than Toronto Pearson);
- Operations at London are 24/7 — no noise or time curfews. Cargo likes to move at night — no problem for London;
- 24 hr Canada Customs Commercial presence on airport — supports cargo's desire to move on a 24 hr clock;
- Proximity to Highways 401 and 402 with convenient 2 hr access to two Canada/US border crossings. The potential exists for the DHS clearance
on a two hr notice basis – time is money to everyone, cargo moves on a
time definitive basis – which London can support;

- Dedicated air freight facilities and access to a large land bank for future
growth;

- Federal transhipment designation ensures the international traffic rights
needed to make these services a reality.

9.0 Potential Economic Benefits to London and South West Ontario

As described in the Calgary example in Section 7.0, the local and regional
economic benefits in developing London’s air freight sector can be substantial.
The majority of the direct benefits will involve employment and value-added GDP
spending generated by the handling of the cargoes and the substantial benefits
attached to the production of air freight, especially from new firms attracted to the
London area by the EDC and/or new ‘emerging economy’ manufacturing
opportunities and/or competitive access to new freighter services. Existing firms
will benefit from the indirect and induced benefits generated by this new activity.

By example, if over a three year period London were to attract three new wide-
body freighter services (i.e. 3x B747F weekly to Europe (110,000 tonnes of
capacity p.a.); 2x B767F weekly to South America (47,500 tonnes p.a.); 1x
B747F weekly to Asia (36,500 tonnes p.a.), based on similar benefits as
documented in the Calgary study, the handling of these carriers at the London
International Airport would create:

| Potential Economic Value from Handling |
| new Air Cargo Services at London |
| (in millions, except FTEs) |

<table>
<thead>
<tr>
<th>FTEs</th>
<th>Labour Income</th>
<th>Other GDP Expenditures</th>
<th>Total Value added GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>96</td>
<td>$4.8</td>
<td>$3.9</td>
<td>$8.7</td>
</tr>
</tbody>
</table>

(Includes Direct, Indirect & Induced Benefits)
However, the real economic benefits are attached to producing the cargoes. If new London area businesses, attracted to the City or region in light of the presence of these new freighter services, generated only 20 percent of the total overall annual capacity (195,000 tonnes p.a.), this 40 tonnes of air cargo has the potential to generate:

Potential Economic Value from Producing New Air Cargoes in the London area
(in millions, except FTEs)

<table>
<thead>
<tr>
<th></th>
<th>FTEs</th>
<th>Labour Income</th>
<th>Other GDP Expenditures</th>
<th>Total Value added GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>15,700</td>
<td>695</td>
<td>1,340</td>
<td>2,035</td>
</tr>
</tbody>
</table>

(Includes Direct, Indirect & Induced Benefits)

There are several other noteworthy benefits to be considered as well:

- Existing SWO business and manufacturers will have ready access to both lower cost and faster transportation options to the world's major markets;

- The opportunity to diversify the local economy with new EDC-based logistics and distribution firms with a strong international orientation located within the London area; and,

- London's overall geographical attractiveness to a wide variety of other manufacturing and service firms will be greatly enhanced.
10.0 Recommended priority for federal, provincial and municipal funding

As supported by the City of London, London Economic Development Corporation, London Chamber of Commerce and the South Western Economic Alliance of Municipalities, which all recognise the role of London as the economic growth centre for South Western Ontario.

International Export Distribution Centre and related servicing - TEC $10m

The London International Airport and the City of London have a joint venture development and marketing agreement for 200 acres of land named the Sky Way Industrial Park. Both parties have contributed more than $8m in the servicing and development of Phase One that has supported two new corporate head offices, a research wind tunnel by the University of Western Ontario and several manufacturing and distribution centres.

A combined Federal, Provincial and Municipal investment of $10m would complete the on airport land servicing including taxiway expansion and development of the first common use Federal Export Distribution Centre. This would create significant jobs and support industry in London as detailed in the economic value comparison studies.

The airport authority would invest in marketing the opportunity globally and use any future profits for further expansion of the export distribution centre and expansion to a full free trade zone.

As a corollary to this initiative the City of London should pursue with federal authorities the expansion of the Export Distribution Centre legislation to the establishment of a Free Trade Zone that will allow value added to products and finish manufacturing in a Tax Free Trade Zone.
Appendix 1

An Air Freight Primer

The demand for air freight is geographically concentrated, where services and capacity are closely correlated with the economic activity undertaken in various world trading or geographic regions. Today's global air cargo operating system is complex. It features a network of relationships amongst entities which produce, carry, handle or regulate air freight. These include: air carriers, freight forwarders, customs brokers, logistic service providers, cargo handling companies, motor carriers, airports, suppliers, manufacturers, customers, trade associations and a number of domestic and foreign government agencies.

Today's air freight environment has become increasingly characterized by door-to-door service from shipper to consignee, as opposed to past strategies which featured mainly airport-to-airport products. Time definite services and products have become the norm in today's 'supply chain management' environment.

Emergency shipments formed an early foundation of the air freight industry, and yet remain an important driver of the sector. Such situations exist where the shortest possible transit time becomes a key factor justifying the higher-priced air mode of transport (eg. spare parts, medical equipment or other 'emergency type' supplies, etc). Air freight has also achieved considerable penetration where the product value drops dramatically after the lapse of a comparatively short period of time. Goods like fruits, vegetables and cut-flowers have an obvious 'physical' perishability if not brought to market in prime condition. 'Economic' perishability also impacts a wide range of consumer goods – the newspaper being the textbook example, although Beaujoulais wines, fashion goods and the latest consumer gadget or toy are also good examples of items whose value deteriorates dramatically if the product doesn't arrive at the market during peak demand. The use of air transport increases the product life cycle for goods of a perishable nature, where the higher transport costs can be absorbed by consumer demand for the item in markets which may be quite distant from the point of production.

Out-sized cargoes, a range of hazardous products identified as 'dangerous goods' and most larger live animals cannot be accommodated on passenger aircraft and therefore, must be transported on freighter aircraft.

While emergency shipments and the movement of perishables goods have formed the historic foundation of the air freight sector and remain important, it is regularly scheduled shipments which now form the backbone of today's
worldwide air freight industry. Much of this traffic is based or generated on the late 1980s Total Distribution Costs (TDC) marketing concept. TDC argues that significant direct savings for shippers can be realized in the areas of: packaging; insurance; inventory and warehousing costs; reduced handling and incidence of pilferage; higher end user satisfaction levels; and, perhaps most importantly, stronger cash flow benefits since goods can be placed for sale in the market far sooner than if surface means were used exclusively.

Shippers attracted to the TDC concept also began using air freight as a means to preserve their working capital by reducing their inventories to a minimum. Such pressures on the logistics chain led to the concept of Just-In-Time shipments (JIT). This is where materials and other inventory are required to move through the manufacturing supply chain in the correct quantity to arrive at their point of consumption at precisely the time they are needed. Air freight is particularly suitable because of its speed and reliability - the difference being most marked on long haul routes compared with surface transport options.

Since the 1990s the superior benefits of TDC/JIT have been married with the rapid integration of the world's economy. It has become commonplace for unfinished or partly manufactured goods to be en route on a JIT basis between factories located in intermediate geographical regions which add the highest value at the lowest cost to the production cycle. In this manner, air freight has become an indispensable tool of the global supply chain - aided by innovations like sophisticated 'track-and-trace' technologies and the 'electronic Customs pre-clearance' of goods.

All-cargo aircraft are generally referred to as freighter aircraft. Such aircraft provide over-sized doors, feature stronger floors and are noticeably 'austere' compared to passenger aircraft including few, if any, windows. Freighters have been optimized around the movement of Unit Load Devices (ULDs).

The mainstay of the international freighter fleet is wide-bodied aircraft. The industry is dominated by B747Fs, MD-11Fs/DC-10Fs, A300/310Fs and B767Fs with ranges varying from 2000 to 4000 nautical mile (nm) and payloads (the revenue producing capacity of an aircraft) of between 65 and 140 tonnes. Regional and/or domestic services are served primarily by narrow-bodied freighters, such as the B727/B737/B757 and the Airbus A320 family with maximum ranges in the 1500 to 2000 nm and payloads up to 35 tonnes. A wide number - albeit it in far fewer numbers, of other US, European or Soviet-built freighter equipment are also in operation worldwide.

ULDs accommodate a number of pieces of freight or cargo in a single box or container or on a pallet held in place by a net, strapping or similar device to make them suitable for transport, stacking or storage as a unit. The handling of ULDs require purpose-built facilities (eg. build-up and break down 'pits', ULD racks for
storage and handling, large door coolers & chillers, specialized livestock ULD loading areas, and the like).

ULDs can take a number of forms which is understandable since aircraft interiors vary widely and specific air freight users have widely varying requirements. Pallets and structural containers are the most common. Pallets are a rectangular, strengthened aluminium platform upon which heterogeneous packages can be ‘built up’ and held in place with a net. Structural containers are rigid structures designed to hold their contents within the structure. Each type is stressed and regulated to withstand the high G loads common to the aviation environment. Specialty containers have been designed to handle temperature-controlled goods, garments, fragile items, live animals alongside a wide range of other specific products.

Several operating components can be distinguished under the broad dedicated air freight carrier banner:

- ‘combination’ carriers who may have separated their cargo divisions from passenger operations and operate a freighter fleet alongside the substantive belly hold capacity of their parent companies;

- scheduled and charter ‘hard freight’ carriers who are primarily freight specialists using dedicated all-cargo aircraft with usually no passenger capability; and,

- the worldwide ‘integrator’ companies focused on time definitive freight – exhibiting growth on a massive scale from their embryonic overnight courier/document carrier roots of the 1970s.

On a worldwide basis belly hold carriers are significant players in the world’s air freight industry – providing some 50 percent of the planet’s air cargo lift (although the percentage of available lift can vary widely by individual carrier and/or on a route-by-route basis). The high frequency of service, surplus lower deck capacity and extensive route network make these airlines attractive to many users of air freight services. Also, the opportunity for generating incremental revenue from cargo is not lost on these operators. A good example of a belly hold carrier is American Airlines who operate no freighter aircraft, but provide an extensive international and domestic capacity via their large fleet of passenger aircraft. Some belly hold players sell their entire lower deck freight capacity to third parties (such as other airlines, freight forwarders, wholesalers, etc.), and have virtually no internal cargo personnel – WestJet Airlines is an example of this model.
Combination carriers provide both belly hold and freighter offerings - most are based in either Europe or Asia. While some belly hold players may operate separate cargo departments, it can generally be stated that virtually all combination carriers operate cargo as 'stand alone' corporate ventures with their own management group, business plans and 'P&L' statements. Air France & Lufthansa in Europe and Singapore Airlines & Cathay Pacific in Asia are examples of air carriers offering substantial belly hold capacities but who have also recognized the unique requirements of air freight and offer a freighter product within their respective networks.

Hard freight carriers are focused on the movement of ULDs, and rely upon dedicated freighter equipment - employing mainly wide-bodied aircraft in the carriage of international freight. This segment usually offers both scheduled and charter services. Most are niche players and differentiate their products from the combination carriers either by offering specialized cargo services (ie. high service levels, live animal, out-sized, dangerous goods, etc.) and/or providing aircraft on short notice and/or ad hoc nature. Luxembourg-based Cargolux was an early competitor in this field, and currently operates an extensive worldwide network of scheduled and charter services with a modern fleet of 16 B747-400Fs. As another example, there are a small number of Russian players operate in this arena, mainly as short-term charter providers, offering out-sized cargo services using primarily Soviet era ex-military equipment.

Integrator traffic evolved from the night-time movement of document traffic commencing in the early 1970s. Familiar worldwide integrator companies include FedEx, UPS and DHL, all of whom offer both air and surface-only products. Integrator firms require a capital intensive infrastructure which usually includes door-to-door delivery systems, large fleets of freighter aircraft, centralized 'sort hubs' and a highly evolved track and trace system capable of supporting overnight delivery between virtually any pair of street addresses in North America - with a 2-business day delivery to much of the developed world.

Progressively, the distinction between integrator and hard freight carriers has blurred in view of the increased capabilities of the integrators - indeed, the larger firms can and do move ULDs as effectively as they can envelopes.

Road Feeder Services (RFS) are an important adjunct of air freight services. Third-party RFS firms were initially utilized by air freight carriers to extend their service reach beyond 'on-line' service points. Thus shipments could use door-to-airport and airport-to-door truck connections to greatly increase the customer base around airport service points.

Beginning in the 1990s, trucking companies began responding to the specialized requirements of air freight shipments. Trucking firms began offering dedicated roller bed units capable of loading ULDs direct to/from aircraft and/or air freight warehouses while offering superior in-transit technologies (eg. the humidity and
temperature controls required by consumer electronics). Recognizing the benefits of providing a 'time definitive' framework, trucking companies have readily adopted advances in GPS and track and trace technologies. The additional benefit of delivering cargoes to/from the door of the consignor/consignee is a further marketing advantage.

Within Canada, RFS statistics are not tracked nor kept by any federal agency, and few airports have the resources needed to accurately identify RFS catchment trends. Nonetheless, industry practitioners advise that RFS numbers to and from the US for 2007 are significant - suggesting as much as 300,000 tonnes of RFS traffic is generated within central Canada and used in diverting Canada-derived air freight volumes to and from major US air freighter gateways at New York, Chicago, Houston and Miami.
## CITY OF LONDON
### CAPITAL BUDGETS AND INFRASTRUCTURE FUNDING

<table>
<thead>
<tr>
<th>ANNOUNCEMENT</th>
<th>APPROVED BUDGET 2008</th>
<th>APPROVED BUDGET 2009</th>
<th>FORECAST BUDGET 2019</th>
<th>ESTIMATED CASHFLOW</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of London Capital Budget - Property Tax (1)</td>
<td>103,110,530</td>
<td>109,255,000</td>
<td>93,081,000</td>
<td>51,552,265 104,182,795 101,153,000</td>
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<td>City of London Capital Budget - Water Rate (1)</td>
<td>5,514,500</td>
<td>21,608,000</td>
<td>20,151,350</td>
<td>3,600,150 10,342,530 20,560,340</td>
</tr>
<tr>
<td>City of London Capital Budget - Wastewater Rate (1)</td>
<td>52,618,000</td>
<td>54,724,000</td>
<td>75,553,000</td>
<td>21,447,230 64,281,500 63,065,900</td>
</tr>
<tr>
<td>Investing in Ontario (2)</td>
<td>33,529,000</td>
<td>0</td>
<td>0</td>
<td>0 20,117,400 13,411,800</td>
</tr>
<tr>
<td>Mill (2)</td>
<td>11,000,000</td>
<td>0</td>
<td>0</td>
<td>0 11,000,000 0</td>
</tr>
<tr>
<td>Municipal Infrastructure Investment (2)</td>
<td>6,822,087</td>
<td>0</td>
<td>0</td>
<td>0 5,622,087 0</td>
</tr>
<tr>
<td>Housing (3)</td>
<td>12,537,231</td>
<td>8,434,678</td>
<td>0</td>
<td>0 12,537,231 8,434,678</td>
</tr>
<tr>
<td>HELP - Building Canada (4)</td>
<td>0 54,424,560</td>
<td>0</td>
<td>0</td>
<td>0 21,789,600 32,504,790</td>
</tr>
<tr>
<td>Infrastructure Stimulus Funding (5)</td>
<td>0 86,910,000</td>
<td>0</td>
<td>0</td>
<td>0 29,204,796 67,705,188</td>
</tr>
<tr>
<td>TOTAL FUNDING</td>
<td>$225,131,549</td>
<td>$346,156,329</td>
<td>$188,755,350</td>
<td>$76,862,515 $271,294,289 $307,063,191</td>
</tr>
</tbody>
</table>

| CUMULATIVE SPENDING                      | $78,862,515          | $348,129,504         | $655,124,103         |

(1) Includes Federal Gas Tax and development charges
(2) Provincial grant
(3) 2008 = $1.9 million federal, $9.4 million provincial, $1.2 million municipal; 2009 = $4.2 million federal, $4.2 million provincial
(4) Full amount of announcement = 1/3 federal, 1/3 provincial, 1/3 municipal - municipal portion removed from capital budget
(5) Full amount of ISF announcement = funding is 1/3 federal, 1/3 provincial, 1/3 municipal - creates approximately $65.5 million of debt capacity
(6) Capital budget spending assumptions - Property Tax: 60% Year 1, 50% Year 2; Water Rate: 70% Year 1, 30% Year 2; Wastewater Rate: 40% Year 1, 60% Year 2

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