



2016 – 2019 CITY OF LONDON STRATEGIC MULTI-YEAR BUDGET

ADDITIONAL INVESTMENTS BUSINESS CASE # 22

| | |
|---------------------------------|--|
| STRATEGIC AREA OF FOCUS: | GROWING OUR ECONOMY |
| SUB-PRIORITY: | URBAN REGENERATION |
| STRATEGY: | INVEST IN LONDON'S DOWNTOWN AS THE HEART OF OUR CITY |
| INITIATIVE: | DUNDAS PLACE |
| INITIATIVE LEAD(S): | JOHN BRAAM WITH JOHN FLEMING |
| SERVICE(S): | ROADWAY PLANNING & DESIGN WITH PLANNING SERVICES |

TOTAL 2016 – 2019 INVESTMENT REQUESTED (\$000'S): \$15,614

TOTAL 2016 – 2019 NET BUDGET REQUESTED (\$000'S): \$1,977*

*Initiative to be partially financed by debt.

WHAT IS INCLUDED IN THE BASE BUDGET?

| BASE BUDGET (\$000'S): | 2015 | 2016-2019 TOTAL |
|----------------------------------|--------------|----------------------------|
| Civic Service Areas: | | |
| Operating | 0 | 0 |
| Full-Time Equivalents | 0 | 0 |
| Capital | | |
| Dundas Place | 1,300 | 0 |
| Total Capital | 1,300 | 0 |
| Boards & Commissions: | | |
| LTC Operating | 0 | 0 |
| LTC Capital (Rerouting) | 0 | 0 |

Base Budget Summary:

The approved base budget is enabling the completion of the environmental assessment, My Dundas as required by the Environmental Assessment Act.

It includes a thorough consultation process to engage stakeholders, including the public and business owners, to gather input on the design, implementation and operation of the facility that will turn Dundas into London's most exciting street.

| BASE BUDGET METRICS | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|-------------|-------------|-------------|-------------|-------------|
| Environmental Assessment Approval to enable project implementation | | x | | | |

WHAT INVESTMENT IS REQUIRED FROM PROPERTY TAX?

| TAX LEVY IMPACT (\$000'S): | 2016 | 2017 | 2018 | 2019 | 2016-2019 TOTAL | 2020-2025 |
|--|-------------|-------------|--------------|--------------|--------------------|-----------|
| Net Requested Tax Levy <small>(Cumulative)</small> | 0 | 0 | 561 | 1,416 | 1,977 | 13,945 |
| Net Incremental Tax Levy | 0 | 0 | 561 | 855 | | |
| Annual Tax Levy Impact | 0.0% | 0.0% | 0.10% | 0.15% | | |

Note: Debt servicing costs would be realized as follows: Total 2016-2019 \$1.4 million, and 2020-2025 \$11.3 million.

INITIATIVE DELIVERABLES

The project aims to turn Dundas Street between Wellington Street and the Thames River into a flexible street serving as a prominent public place in London beyond just a space to move through. Instead it will become a destination to arrive at for shopping, leisure, civic activities and celebrations. The project will integrate life cycle and capacity upgrades to underground municipal infrastructure, coordinate utilities service upgrades and tops these with a unifying surface treatment, from building face to building face, enabling the space between to be easily transformed for functions at different times of the day/week/year. The project will provide a high standard for day-to-day and life cycle maintenance as an essential part of this project.

In April 2015, Council adopted *Our Move Forward: London's Downtown Plan*, as Municipal Council's strategy for future public and private investment in London's Downtown. It is the successor to the Downtown Millennium Plan [DMP] which won a Pinnacle Achievement Award from the International Downtown Association for its successful implementation. The biennial State of the Downtown Report has tracked steady progress in the regeneration of London's Downtown using a variety of quantitative and qualitative measures, most notably the rise in downtown's assessed property value. The Report continues to serve as the main tool for measuring downtown's regeneration.

This is the first of 10 larger-scale Transformational Projects presented in *Our Move Forward: London's Downtown Plan*, which together focus mainly on public space capital investments that complement the public buildings capital investments made in the former *Downtown Millennium Plan*. Being the condition and uses along Dundas Street reflect London's face to the world, it is a strategic direction of the Plan to make Dundas Street the most exciting place in London. Its comprehensive improvement will create an environment capable of re-setting its historic role, in a modern way, as London's focal point for positive and compelling repeat experiences that will sustain quality businesses, increase property values, and attract visitors.

The environmental assessment, “My Dundas” is underway and will further develop the design concepts for the street. The environmental assessment will plan development, streetscape design, related studies, utility coordination, public and business consultation. The utility upgrades and transit modifications required prior to construction of the project are such that construction of the flexible street is envisioned in 2018 and 2019. The phasing of construction is envisioned in two years. Both the phasing and timing will be a subject to further discussions with adjacent business owners, the broader community and council. The project also enables the cost effective coordination of other life cycle infrastructure improvements such as watermain replacement and London Hydro upgrades.

The initiative includes efforts to animate Dundas Street with a variety of programmed events and activities. This sets an expectation that the street acts as a destination regularly hosting civic and social events, which complement the informal and casual “day-to-day” pedestrian-oriented activities. For project success, the proposed facility requires a higher level of ongoing operations and maintenance than typical for the current Dundas Street. To achieve this, following its construction, estimated operating allocations of \$150,000 annually will fund extra materials and specialized equipment to effectively and efficiently clean the space, remove snow, transition it from vehicle to non-vehicle use, provide shade/shelter, demarcate spaces for certain uses, etc. The project requires consideration for establishing an entity dedicated to its ongoing management function to ensure coordination of matters such as maintenance, security, seasonal decorations, event programming and scheduling, revenue generation, and vehicular access. There is potential for the Business Improvement Association to play a role in the ongoing operation of the facility.

| CUMULATIVE OPERATING BUDGET (\$000'S): | 2016 | 2017 | 2018 | 2019 | 2016-2019 TOTAL | 2020-2025 |
|---|-------------|-------------|-------------|-------------|------------------------|------------------|
| Expenditure | 0 | 0 | 0 | 50 | 50 | 900 |
| Source of Funding: | | | | | | |
| Grants | | | | | | |
| User Fees | | | | | | |
| Savings from Existing Budget | | | | | | |
| Other | | | | | | |
| Net Tax Levy | 0 | 0 | 0 | 50 | 50 | 900 |
| Additional Full-time Equivalents | 0 | 0 | 0 | 0 | 0 | 0 |

| CUMULATIVE CAPITAL BUDGET (\$000'S): | 2016 | 2017 | 2018 | 2019 | 2016-2019 TOTAL | 2020-2025 |
|---|-------------|-------------|-------------|-------------|----------------------------|------------------|
| Expenditure | 0 | 600 | 6,400 | 6,300 | 13,300 | 0 |
| Source of Funding: | | | | | | |
| Debt | 0 | 600 | 6,400 | 6,300 | 13,300 | 0 |
| Reserve Fund | | | | | | |
| Other | | | | | | |
| Capital Levy | | | | | | |

Note: Debt servicing costs would be realized as follows: Total 2016-2019 \$1.0 million, and 2020-2025 \$10.1 million.

| METRICS (CUMULATIVE CHANGES) | 2016 | 2017 | 2018 | 2019 |
|---|-------------------------------------|------------------------------------|-------------|-------------|
| Monthly average of daily pedestrian counts | 0 | 0 | 0 | 0 |
| # Of new targeted businesses operating | - | 2015 number to be reported in 2016 | No change | No change |
| # Of business frontages upgraded | 11.5% vacant street level frontage* | 2015 number to be reported in 2016 | No change | No change |
| \$ Assessed property value along the street | 4.1% increase * | 2015 number to be reported in 2016 | No change | No change |
| # Stage events held/monthly average of pedestrian-oriented business use/ other activities | 31/378,000 visitors * | 2015 number to be reported in 2016 | No change | No change |

Note: Pre-construction pedestrian traffic counts and downtown commuter transit use will be established in 2016/2017 so that future progress can be measured. Downtown indicators (*) are 2013 results; the 2015 Downtown Report Card will be completed in early 2016.

RELATED INITIATIVE – IMPLEMENT THE RECOMMENDATIONS OF THE DUNDAS PLACE EA/TRANSIT RE-ROUTING/CONSULTATION WITH LONDON TRANSIT COMMISSION

Subject to the recommendations of the environmental assessment, and considering the strategic direction of *Our Move Forward* to make Dundas Street the most exciting place in London, fixed bus routes operating on this segment of Dundas Street will be relocated. The removal of buses is intended to create more flexibility and versatility in using public space and promote pedestrian activity.

Currently 21 conventional transit bus routes travel on or across Dundas Street through the downtown. LTC has indicated that this project will increase transit operating costs given the requirement to travel greater distances to provide the same service levels. Key to mitigating any negative ridership impact is maintaining current service levels and providing transit priority via the downtown which are assumed to be in place for costing purposes. LTC estimates the bus route reconfiguration will require one-time costs of \$1.5 M for three additional buses and \$170,000 for infrastructure relocation (wayside service information signage, stops, shelters, and transit priority measures). The ongoing operating cost increase is estimated at \$282,000 per year. These assumptions are exclusive of any negative ridership and related revenue impact on the rerouting.

Costing assumptions assume that specialized transit will continue to operate on Dundas Street subsequent to the completion of the project.

| CUMULATIVE OPERATING BUDGET (\$000'S): | 2016 | 2017 | 2018 | 2019 | 2016-2019 TOTAL | 2020-2025 |
|---|-------------|-------------|-------------|-------------|------------------------|------------------|
| Expenditure | 0 | 0 | 282 | 282 | 564 | 1,692 |
| Source of Funding: | | | | | | |
| Grants | | | | | | |
| User Fees | | | | | | |
| Savings from Existing Budget | | | | | | |
| Other | | | | | | |
| Net Tax Levy | 0 | 0 | 282 | 282 | 564 | 1,692 |
| Additional Full-time Equivalents | 0 | 0 | 0 | 0 | 0 | 0 |

| CUMULATIVE CAPITAL BUDGET (\$'000'S): | 2016 | 2017 | 2018 | 2019 | 2016-2019 TOTAL | 2020-2025 |
|--|------|-------|------|------|--------------------|-----------|
| Expenditure | 0 | 1,700 | 0 | 0 | 1,700 | 0 |
| Source of Funding: | | | | | | |
| Debt | 0 | 1,700 | 0 | 0 | 1,700 | 0 |
| Reserve Fund | | | | | | |
| Other | | | | | | |
| Capital Levy | | | | | | |

Note: Debt servicing costs would be realized as follows: 2016-2019 \$413 thousand, and 2020-2025 \$1.2 million.

There are no perceived transit improvements relating to this initiative and the cost estimates exclude any negative ridership impacts. There are no metrics for this piece of the initiative that would be viewed as positive.

WHAT ARE THE RISKS OF NOT PROCEEDING?

Dundas Place is the key Transformational Project for Downtown London. The re-imagining of London's main street as the most exciting place in London will set the stage as the City moves to the next generation of civic investment in London's Downtown. Not proceeding with the project will have an impact on on-going and future private investment in Downtown.

Some other specific risks include:

- 1 Delaying or not implementing the first Transformational Project in the Plan may call into question the commitment to implementing *Our Move Forward*.
- 2 Not integrating the under- and above-ground components of the project escalates costs of doing either individually and increases the construction impacts on abutting residences and businesses if the projects are separated.
- 3 Fewer private sector investments contributing to assessed property value/less opportunity to leverage the public investment made in the infrastructure improvements.
- 4 Reduced chances at attracting national & international caliber events and conventions to London.
- 5 Reduced appeal in downtown as a residential option and London as an attractor of value-added jobs.

OTHER INFORMATION TO REFER TO

Some previous reports on this subject:

- CWC – MAY 14, 2012 – DUNDAS STREET IMPROVEMENTS, FORMULATING AN IMPLEMENTATION PLAN
- CWC – AUGUST 25, 2014 – DUNDAS FLEXIBLE STREET SCOPING STUDY, CONSULTING ENGINEER ASSIGNMENT INCREASE
- PEC – FEBRUARY 2, 2015 – OUR MOVE FORWARD: LONDON'S DOWNTOWN PLAN
- CWC – FEBRUARY 3, 2015 – DUNDAS FLEXIBLE STREET SCOPING STUDY APPROVAL
- CWC – JUNE 2, 2015 – APPOINTMENT OF CONSULTING ENGINEER FOR CLASS ENVIRONMENTAL ASSESSMENT FOR DUNDAS PLACE.

AS WELL AS:

- CREATING DUNDAS PLACE: A FLEXIBLE STREET SCOPING STUDY

[HTTP://WWW.LONDON.CA/RESIDENTS/ROADS-TRANSPORTATION/TRANSPORTATION-PLANNING/DOCUMENTS/CREATING-DUNDAS-PLACE-LR-2015-01-14.PDF](http://www.london.ca/residents/roads-transportation/transportation-planning/documents/creating- Dundas-Place-LR-2015-01-14.pdf)

- OUR MOVE FORWARD: LONDON'S DOWNTOWN PLAN:

[HTTP://WWW.LONDON.CA/BUSINESS/PLANNING-DEVELOPMENT/DOWNTOWN/DOCUMENTS/OUR-MOVE-FORWARD-LONDONSDTPLAN-ADOPTED-APRIL-14-2015.PDF](http://www.london.ca/business/planning-development/downtown/documents/our-move-forward-londonsdtpplan-adopted-april-14-2015.pdf)

- STATE OF THE DOWNTOWN REPORTS:

[HTTP://WWW.LONDON.CA/BUSINESS/PLANNING-DEVELOPMENT/DOWNTOWN/PAGES/DOWNTOWNBACKGROUNDSTUDIES.ASPX](http://www.london.ca/business/planning-development/downtown/pages/downtownbackgroundstudies.aspx)