

Bill No. 104  
2024

By-law No. C.P.-1494( )-\_\_\_\_

A by-law to amend C.P.-1494-217, as amended, being “A by-law to adopt the Community Improvement Plan for Industrial land uses”.

WHEREAS by Subsection 28(2) of the *Planning Act*, 1990, the Council of a municipal corporation may, by by-law, designate such an area as a community improvement project area;

AND WHEREAS subsection 28(4) of the *Planning Act*, 1990, the Council of a municipal corporation may adopt a community improvement plan for the community improvement project area;

AND WHEREAS The Council of the Corporate of the City of London has, by By-law No. C.P.-1493-216 designated a community improvement project area identified as the Community Improvement Project Area for Industrial land uses;

AND WHEREAS Municipal Council adopted By-law C.P.-1494-217 to adopt the Community Improvement Plan for Industrial Land uses;

AND WHEREAS The Community Improvement Project Area for Industrial land uses is in conformity with the Official Plan;

AND WHEREAS the Official Plan for the City of London contains provisions relating to community improvement within the City of London;

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. By-law C.P.-1494-217, as amended, being “A by-law to adopt the Community Improvement Plan for Industrial land uses”, is amended by deleting Schedule “2” and replacing it with Schedule “2” the new Industrial Lands Community Improvement Plan attached to this by-law, which is hereby adopted;
2. By-law C.P.-1494-217, as amended, being “A by-law to adopt the Community Improvement Plan for Industrial land uses”, is amended by deleting Schedule “3” and replacing it with Schedule “3” the revised Industrial Lands Development Charges Grant - Incentive Program Guidelines attached to this bylaw, which is hereby adopted;
3. By-law C.P.-1494-217, as amended, being “A by-law to adopt the Community Improvement Plan for Industrial land uses”, is amended by deleting Schedule “4”; and,
4. This by-law comes into force and effect on the day it is passed subject to the provisions of PART VI.1 of the *Municipal Act, 2001*.

PASSED in Open Council on April 2, 2024, subject to the provisions of PART VI.1 of the *Municipal Act, 2001*.

Josh Morgan  
Mayor

Michael Schulthess  
City Clerk

First Reading – April 2, 2024  
Second Reading – April 2, 2024  
Third Reading – April 2, 2024

Schedule "2"



# Industrial Lands Community Improvement Plan

*Amended by City of London Planning and Economic Development  
April 2024*



# Acknowledgments

Our sincere thanks to City administration and RCI Consulting for their contributions to the preparation of this Industrial Lands Community Improvement Plan.

The Industrial Lands Community Improvement Plan was adopted by Municipal Council in 2014 and amended in 2024.



# Industrial Lands Community Improvement Plan

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# 1.0 INTRODUCTION



## 1.1 Background and Purpose

Approximately 30% of all employment (over 35,000 employees) in London takes place on lands that are designated for industrial use. Industry plays a major role in driving London's economy and industrial land uses are a key contributor to the future of economic development, workforce retention, economic sustainability and prosperity in London. Therefore, it is not surprising that the City of London Industrial Land Development Strategy (ILDS) identifies and recommends a community improvement plan (CIP) for Industrial Lands as a very important tool to further industrial development in the city and help achieve the economic development goals of the ILDS and the Path to Prosperity Plan.

The City of London retained RCI Consulting to prepare this Industrial Lands Community Improvement Plan (CIP). The primary purpose of this CIP is to promote economic rehabilitation and revitalization across London. This will be accomplished by improving the attractiveness and effective use of industrial land and promoting the development of industrial land in the city. The CIP identifies the rationale and a comprehensive framework for the introduction and implementation of financial incentive programs and municipal leadership actions designed to attract investment and employment to the industrial lands in London.

## 1.2 Methodology and Consultation

A number of tasks were completed in order to provide a comprehensive foundation for the preparation of the CIP. These tasks included:

- a) A project meeting with City Staff in several departments to identify key issues to be addressed by the CIP;
- b) A review of relevant legislation, and relevant provincial policy and City planning and policy documents;
- c) A review of best practices utilized by several other Ontario municipalities that have adopted and implemented CIPs that promote the development of previously developed and previously undeveloped industrial land;
- d) The identification and examination of the key community improvement needs for industrial land in London;
- e) A key stakeholder consultation meeting; and,
- f) A public open house.

Based on tasks (a) to (d) above, a Draft CIP was prepared. Goals were specified for the CIP, along with delineation of a recommended Community Improvement Project Area. Draft incentive programs and draft municipal leadership actions were developed and included in the CIP to address community improvement needs for industrial land development in London and achieve

the goals of the CIP. The Draft CIP was forwarded to City Council on March 25, 2014 and Council authorized the Draft CIP to be released for purposes of consultation.

The Draft CIP was presented to the Development Charges External Stakeholder Committee on April 3, 2014 and the Committee provided comments on the Draft Plan. A Public Open House was advertised and held on April 10, 2014. Approximately a dozen people attended the open house. Comments during the open house centered on the use and type of performance criteria for the incentive programs. Two written submissions were also received by the City. Comments received during this consultation exercise were reviewed and utilized along with additional consultation with City staff to finalize the CIP contained herein.

The City conducted a 5-Year Community Improvement Plans and Financial Incentives Review in 2023. This review prompted an amendment to the Industrial Lands CIP that implemented Municipal Council direction and resulted in a new Industrial Lands CIP that replaced the 2014 Industrial Lands CIP.

### **1.3 CIP Content**

This CIP is divided into the following sections:

- Section 2.0 provided a review of the legislative framework for the CIP
- Section 3.0 provides a review of the policy framework for the CIP
- Section 4.0 presents the goals of the CIP
- Section 5.0 describes the Community Improvement Project Area for the CIP
- Section 6.0 contains the municipal financial incentive programs designed to help achieve the goals of the CIP
- Section 7.0 outlines the measures and indicators of success of the programs contained in the CIP
- Section 8.0 outlines the municipal leadership actions designed to complement the incentive programs and help to achieve the goals of the CIP
- Section 9.0 contains a monitoring program designed to assist in monitoring progress on implementation of the CIP and the economic and other impact of the programs contained in the CIP
- Section 10.0 provides a brief conclusion to the CIP

Appendix A contains a glossary of key terms and abbreviations used in this CIP.

# ASPIRE

# 2.0 LEGISLATIVE FRAMEWORK



## 2.1 Municipal Act, 2001

Section 106(1) and (2) of the *Municipal Act, 2001* prohibits municipalities from directly or indirectly assisting any manufacturing business or other industrial or commercial enterprise through the granting of bonuses. Prohibited actions include:

- Giving or lending any property of the municipality, including money;
- Guaranteeing borrowing;
- Leasing or selling any municipal property at below fair market value; and,
- Giving a total or partial exemption from any levy, charge or fee.

This prohibition is generally known as the “bonusing rule”. Section 106(3) of the *Municipal Act, 2001* provided an exception to this bonusing rule for municipalities exercising powers under subsection 28(6), (7) or (7.2) of the *Planning Act* or under Section 365.1 of the *Municipal Act, 2001*. It is the exception under Section 28 of the *Planning Act* that allows municipalities with enabling provisions in their official plans to prepare and adopt community improvement plans (CIPs). CIPs provide municipalities with a comprehensive framework for the planning and provision of economic development incentives in areas requiring community improvement.

Section 365.1 of the *Municipal Act, 2001* operates within the framework of Section 28 of the *Planning Act*. A municipality with an approved community improvement plan in place that contains provisions specifying tax assistance for environmental remediation costs will be permitted to provide said tax assistance for municipal property taxes. Municipalities may also apply to the Province to provide matching education property tax assistance through the Province’s Brownfields Financial Tax Incentive Program (BFTIP).

Section 107 of the *Municipal Act, 2001* describes the powers of a municipality to make a grant, including the power to make a grant by way of a loan or guaranteeing a loan, subject to Section 106 of the *Municipal Act, 2001*. In addition to the power to make a grant or loan, these powers also include the power to:

- Sell or lease land for nominal consideration or to make a grant of land;
- Provide for the use by any person of land owned or occupied by the municipality upon such terms as may be fixed by council;
- Sell, lease or otherwise dispose of at a nominal price, or make a grant of, any personal property of the municipality or to provide for the use of the personal property on such terms as may be fixed by council.

## 2.2 Planning Act

Section 28 of the *Planning Act* allows the council of a local municipality and prescribed upper-tier municipalities with provisions in their official plans relating to community improvement to designate by by-law the whole or any part of the area covered by such an official plan as a “community improvement project area” (Section 28(2)) and prepare and adopt a community improvement plan (CIP) for that area (Section 28(4)). Once the CIP has been adopted by the municipality and comes into effect, the municipality may exercise authority under Section 28(6), (7) or (7.2) of the *Planning Act* or Section 365.1 of the *Municipal Act, 2001* in order that the exception provided for in Section 106(3) of the *Municipal Act, 2001* will apply.

Once a CIP has come into effect, the municipality may:

- i) Acquire, hold, clear, grade or otherwise prepare land for community improvement (Section 23(3) of the *Planning Act*);
- ii) Construct, repair, rehabilitate or improve buildings on land acquired or held by it in conformity with the community improvement plan (Section 28(6));
- iii) Sell, lease, or otherwise dispose of any land and buildings acquired or held by it in conformity with the community improvement plan (Section 28(6));
- iv) Make grants or loans, in conformity with the community improvement plan, to registered owners, assessed owners and tenants of land and buildings within the community improvement project area, and to any person to whom such an owner or tenant has assigned the right to receive a grant or loan, to pay for the whole or any part of the eligible costs of the community improvement plan (Section 28(7)).

Section 28(1) of the *Planning Act* defines a “community improvement project area” as “a municipality or an area within a municipality, the community improvement of which in the opinion of the council is desirable because of age, dilapidation, overcrowding, faulty arrangement, unsuitability of buildings or for any other environmental, social or community economic development reason.” This definition allows municipalities to address community improvement issues that are more pervasive across entire municipalities, such as the promotion of brownfield redevelopment, industrial development or community economic revitalization and/or development. It is also important to note that there are a variety of reasons that an area can be designated as an area in need of community improvement. The criteria for designation covers not only physical deterioration, but also faulty arrangement, unsuitability of buildings, and any other environmental, social or community economic development reasons.

Section 28(1) of the *Planning Act* defines “community improvement” as “the planning or replanning, design or redesign, resubdivision, clearance, development or redevelopment, construction, reconstruction and rehabilitation, improvement of energy efficiency, or any of them, of a community improvement project area, and the provision of such residential, commercial, industrial, public, recreational, institutional, religious, charitable, or other uses, buildings, structures, works, improvements or facilities, or spaces therefore, as may be appropriate or

necessary”. This represents a wide range of municipal actions that a municipality can take.

Section 28(7.1) of the *Planning Act* provides specific guidance on the eligible costs of a CIP in relation to the municipal provision of grants and loans for the purpose of carrying out a CIP that has come into effect. Section 28(7.1) of the *Planning Act* specifies that these eligible costs may include costs related to environmental site assessment, environmental remediation, development, redevelopment, construction and reconstruction of lands and buildings for rehabilitation purposes or for the provision of energy efficient uses, buildings, structures, works, improvements or facilities.

Community improvement as contemplated for the London Industrial Lands CIP would include many of the activities contained in Section 28 of the *Planning Act* definition of community improvement, including planning, replanning, design, redesign, development, redevelopment, construction, reconstruction, rehabilitation and the improvement of energy efficiency. The CIP will also include recommendations for municipal actions that help create a more attractive investment climate for industrial land development in London. Therefore, based on the definitions of “community improvement”, “community improvement project area”, and “community improvement plan” in Section 28(1) of the *Planning Act*, the *Planning Act* permits and supports a CIP that provides grants and/or loans to promote the development and redevelopment of designated industrial lands within the Urban Growth Boundary of the City of London.

In terms of limits on the total grants and loans that can be provided under this CIP, Section 28(7.3) of the *Planning Act* specifies that the total of all grants and loans made in respect of particular lands and buildings under Section 28(7) and (7.2) of the *Planning Act* and tax assistance provided under Section 365.1 of the *Municipal Act, 2001* in respect of the land and buildings shall not exceed the eligible cost of the community improvement plan with respect to those lands and buildings.

Section 28(1) of the *Planning Act* allows a municipality to register an agreement concerning a grant or loan made under subsection 28(7) or an agreement entered into under subsection 28(10) against the land to which it applies, and the municipality shall be entitled to enforce the provisions thereof against any party to the agreement and, subject to the provisions of the *Registry Act* and the *Land Titles Act*, against any and all subsequent owners or tenants of the land.

Finally, Section 69 of the *Planning Act* allow municipalities to reduce or waive the amount of a fee in respect of a planning application where it feels payment is unreasonable. Municipalities can use this tool to waive all matter of planning application fees to promote community improvement without inclusion in a CIP. Alternatively, a municipality can collect fees and then provide a grant equal to part or all of the fees in the form of a grant, but this must be done within a CIP.

## **2.3 Development Charges Act**

Section 5 of the *Development Charges Act* allows a municipality to exempt a type(s) of development from a development charge, but any resulting shortfall cannot be made up through higher development charges for other types of development. This allows upper and lower tier

municipalities to offer partial or total exemption from municipal development charge (also known as a reduction of development charges) in order to promote community improvement. Because this financial incentive is normally offered before construction, i.e., at the time of building permit issuance, it is very attractive to developers and is very powerful community improvement tool. This approach to providing a development charge incentive normally entails an amendment to a municipal development charges by-law.

Municipalities can also collect development charges as normal at the time of building permit issuance and then provide a grant equal to part or all of the development charges collected. This grant can be provided either at the time of building permit issuance, or once the project is complete. The provision of part or all of a development charge grant after project completion is the approach usually utilized by municipalities when the amount of development charge reduction (grant) is tied to some performance measure for the project, e.g., investment, job creation or the level or sustainability initiatives.

Under its current Development Charge (DC) By-law C.P. 1473-212, the City of London provides and exemption to new industrial buildings. The Development Charges By-law is being reviewed. An August 2013 staff report regarding a Strategic Change in Development of DC Exemptions and Incentive Policies notes that the DC By-law had been used as a tool to provide businesses with a financial incentive through the non-payment of development charges without violating the *Municipal Act* restrictions against bonusing. This includes promoting industrial development through the use of a DC exemption on new industrial buildings in the DC By-law. However, this DC exemption is not an ideal tool for this purpose as it generally is not supported by a strategy that defines program goals, parameters and measures to evaluate the effectiveness of the program.

As such, the report notes that a comprehensive strategy to promote industrial development is available through the use of a CIP under the Planning Act. Based on this report, Council directed Administration to prepare a CIP for industrial development. The staff report notes that this new approach to promoting industrial development offers numerous benefits over using an exemption for industrial development under the DC By-law. These benefits include:

- A coordinated strategy for economic development;
- Additional flexibility for program management;
- Enhanced monitoring and improved transparency; and,
- Improved program evaluation and greater accountability.

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# 3.0 POLICY FRAMEWORK



### 3.1 Provincial Policy Statement, 2020

The *Provincial Policy Statement (PPS)* is issued under Section 3 of the *Planning Act* and provides direction on matters of provincial significance related to land use planning and development. The *Planning Act* requires that, “decisions affecting planning matters shall be consistent with policy statements issued under the Act”. The vision for land use planning in Ontario in the *PPS* states that “the long-term prosperity and social well-being of Ontarians depends on planning for strong, sustainable and resilient communities for people of all ages, a clean and healthy environment, and a strong competitive economy”.

Several policies in the *PPS* relate to and support the preparation of a CIP for industrial lands in London. For example, Policy 1.2.6.1 relates to land use compatibility and states that major facilities and sensitive land uses should be planned and developed to avoid, minimize, and mitigate adverse effects from odour, noise and other contaminants, minimize risk to public health and safety, and to ensure the long-term viability of major facilities.

Several policies in the *PPS* support economic development, diversification and planning for employment areas. For example, Policy 1.3.1 of the *PPS* states that planning authorities shall promote economic development and competitiveness by:

- Providing for an appropriate mix and range of employment, institutional, and broader mixed uses to meet long-term needs; and,
- Providing opportunities for a diversified economic base, including maintaining a range and choice of suitable sites for employment uses which support a wide range of economic activities and ancillary uses, and take into account the needs of existing and future businesses.

Policy 1.3.2 notes that planning authorities:

- Shall plan for, protect and preserve employment areas for current and future uses and ensure that the necessary infrastructure is provided to support current and projected needs;
- Shall protect employment areas in proximity to major goods movement facilities and corridors for employment uses that require those locations;
- May plan beyond 25 years for the long-term protection of employment areas provided lands are not designated beyond the planning horizon identified in policy 1.1.2.

Policy 1.7.1 of the *PPS* specifies that long-term economic prosperity should be supported by a number of activities, including:

- Promoting opportunities for economic development and community investment-readiness;
- Optimization of the long-term availability and use of land, resources, infrastructure, and public service facilities;

- Promoting the redevelopment of brownfield sites;
- Providing for an efficient, cost-effective, reliable multi-modal transportation system that is integrated with adjacent systems and those of other jurisdictions, and is appropriate to address projected needs to support the movement of goods and people; and,
- Promoting energy conservation and providing opportunities for increased energy supply.

### **3.2 Municipal Council Strategic Plan**

Municipal Council’s Strategic Plan 2023-2027 defines a vision for London as a sustainable city. One of the Strategic Plan’s Strategic Areas of Focus is that the City will commit to sustainable growth and continued action to address the challenges of environmental sustainability. The Industrial Lands CIP contributes to keeping London a sustainable city through the secondary goal of promoting sustainable and energy efficient planning, site and building design.

One of the outcomes of Municipal Council’s Strategic Plan is a London that encourages equitable economic growth and diversification. This can be achieved by increasing economic activity from the core and the greater community. This CIP can help to achieve these economic goals. This CIP contains programs to help stimulate private sector industrial land development and public sector actions designed to ensure an adequate and appropriate future supply of industrial land in London.

The Strategic Plan notes this it will achieve economic growth, culture, and prosperity by attracting talent and becoming a regional hub for economic activity. This CIP reinforces this through the primary goals of increasing employment on industrial land in London by creating new employment opportunities and retaining existing employment.

### **3.3 Path to Prosperity Report**

In December of 2012, Council endorsed the recommendations in the Path to Prosperity Report. This report was prepared as part of the Investment and Economic Prosperity Committee’s (IPEC) Plan to develop a strategy to accelerate the growth of a strong and vibrant economy and foster private sector investment in the city. The report discusses the ILDS and analyzes 49 proposals/ ideas that were brought forward to the IPEC in June of 2012 in an effort to present business ideas that would stimulate the economy and would help to grow prosperity in the City.

The report focuses on recommendations that promote business retention, growth and expansion. One of the key recommendations in the report is the development of strategically located and serviced employment lands that the London Economic Development Corporation (LEDC) can market. The report notes that London lacks “shovel-ready” lands necessary to attract business facilities that would stimulate economic growth and employment opportunities. The report recommends that the City set aside \$40 million to acquire and service strategically located industrial land over the next 10 years.

### 3.4 The London Plan

*The London Plan* is London's Official Plan. It provides the policy framework for the municipality by identifying how, where, and when the municipality will develop over time. *The London Plan* was adopted by Municipal Council in 2016. *The London Plan* contains numerous policies that support and guide preparation of a CIP to promote industrial land development. These relevant policies are discussed below.

#### Vision Statement

The vision of *The London Plan* is 'London 2035: Exciting, Exceptional, Connected', and will be achieved by following the Key Directions which give focus and a clear path to the London envisioned by 2035.

Direction #1 of *The London Plan* is to plan strategically for a prosperous city. This direction will be executed through the planning strategy that will identify and strategically support existing and emerging industrial sectors. This CIP incorporates the direction through its goals.

Direction #1 of *The London Plan* also identifies the protection of valuable agricultural lands and to build upon London's role as an agri-food industrial hub. This CIP upholds this statement through identified targeted industrial sectors.

#### Our City Policies

The Our City Policies of *The London Plan* are intended to support a compact form of development over the next 20 years that can help us achieve our vision. These policies establish a strategy for growth management. Our City Policies 136\_ and 137\_ regarding industrial lands specify that industrial development will be encouraged to locate in planned industrial areas. *The London Plan* includes adequate land within the Urban Growth Boundary to ensure there is ample supply of strategically-size and located sites for attracting industrial businesses of various kinds. Policy 138\_ indicates that the City may establish an industrial land development strategy to purchase, develop, and make available industrial lands to attract economic opportunities to London.

Policy 85\_ of *The London Plan* encourages non-residential forms of development that represent a greater intensity of use within mixed-use, commercial, industrial, and institutional areas. Policy 102\_ commits to providing transit services to those industrial areas where high concentrations of workers are employed. These policies support the Industrial Lands CIP's purpose and goals.

#### Future Industrial Growth Place Type

Future growth Place Types establish City Council's intent for future urban development on the lands to which they are applied. Future Industrial Growth Place Type Policy 1156\_ notes that the Future Industrial Growth Place Type will be applied where there is an expectation that Industrial Place Types will be assigned to the area in the future, pending further study. In most cases, a secondary plan will be completed to establish where the Heavy Industrial, Light Industrial and Commercial Industrial Place Types will be applied and to plan comprehensively for development of the area. Policy 1157\_ of *The London Plan* states that the Future Industrial Growth Place Type

will be strategically located to provide development opportunities consistent with the City's Industrial Land Development Strategy.

### **Growth Servicing and Financing**

Planning strategically to manage growth is a vital policy in *The London Plan's* approach to accomplishing its Vision and Key Directions. Policy 166\_ of *The London Plan* notes that infrastructure will be planned and directed to service the development patterns and levels of intensity expected based on the City Structure Plan, place type allocations, and the policies of *The London Plan*. Policy 177\_ states that growth-related capital costs will be recovered from revenues generated from new development.

### **Environmental Strategies**

Policy 58\_7 of *The London Plan* states that the City will practice and promote sustainable forms of development. The plan also states in Policy 475\_11, that all public and private development shall require stormwater servicing and shall be designed to promote innovation by encouraging green infrastructure, stormwater attenuation, re-use, and low-impact development.

### **Industrial Place Types**

The Urban Place Types - Industrial chapter of *The London Plan* contains Industrial Place Type policies. *The London Plan* established three separate Industrial Place Types: Heavy Industrial, Light Industrial, and Commercial Industrial. These categories differ based on the range of permitted uses, the potential impacts such uses, or processes would have on adjacent areas, and the scale and intensity of development allowed. The intent of *The London Plan* is to group industrial uses to maximize their compatibility and minimize any negative impacts on nearby residential or other sensitive land uses.

*The London Plan* will realize the vision for the Industrial Place Types by implementing the following planning practices:

- Separate heavy and light industrial uses to avoid land use conflicts;
- Plan for industrial lands in strategically attractive locations;
- Promote a broad industrial land base in the City of London through the provision of a wide choice of locations, lot sizes, services, and street and rail access to accommodate a wide range of target industrial sectors and industrial uses;
- Extend services to maximize opportunities while growing in an efficient and cost-effective way;
- Implement a long-term industrial land development strategy;
- Develop industrial parks that have strong amenities for employees and attractive settings for industrial investment;
- Capitalize upon our proximity to the 401 and 402 highway corridors;
- Beautify the Veterans Memorial Parkway, creating a strong linkage of industrial opportunity

between the airport and Highway 401

- Create strong north-south connections on the eastern and western extremities of the city;
- Protect and enhance London's freight rail services;
- Ensure that we do not undermine our critical Downtown office market by allowing for large amounts of non-accessory office development outside of the core;
- Coordinate with other municipalities within our Southern Ontario region to develop mutually beneficial infrastructure;
- Keep most commercial uses out of our Heavy and Light Industrial Place Types;
- Direct commercial uses that do not fit well within our commercial and mixed-use place types to identified Commercial Industrial areas;
- Prepare a community improvement plan where one is desirable because of age, dilapidation, overcrowding, faulty arrangement, unsuitability of buildings or for any other environmental, social, or community economic development reason; and,
- City Council may prepare secondary plans or guidelines that allow for the development of industrial areas in a coordinated fashion.

The Industrial Lands CIP includes incentive programs and municipal leadership actions that support *The London Plan* objectives for the Industrial Lands Place Types.

### **Green Industrial Development**

The Green Industrial Development section of the Place Type Policies chapter of *The London Plan* contains policies related to green development practices that will be incorporated into the development of new industrial parks and the redevelopment of existing industrial parks. These green development policies are to be used as a guideline in the review of development proposals. A number of green development practices that will be considered in the design of industrial parks include:

- Rainwater harvesting and greywater usage for irrigation and other purposes;
- Recycled building materials
- Secure bicycle lock-up facilities, showers and lockers;
- Pervious paving treatments, where appropriate;
- Re-use of waste heat within the same building that produces this heat, or in surrounding buildings; and,
- White roofs and green roofs.

Furthermore, Policy 1125\_1 of *The London Plan* notes that City Council may prepare urban design guidelines to establish design goals and direction for new industrial development.

## Community Improvement Plans Policies

The Community Improvement Plans section under the Our Tools chapter of *The London Plan* contains comprehensive CIP policies. Policy 1727\_ states that community improvement is intended to:

- Stimulate private sector property maintenance, repair, rehabilitation, redevelopment and other forms of private sector investment and reinvestment activity;
- Promote the improvement of energy efficiency standards for residential, commercial, industrial, public, recreational, institutional, religious, charitable or other uses; and,
- Facilitate and promote community economic development.

All of these criteria apply to industrial development in various parts of the city.

Policy 1728\_ notes that to identify an area for community improvement, City Council shall consider the following criteria:

- Vacant lots and/or underutilized properties and buildings which have potential for infill, redevelopment, expansion or development to better utilize the land base;
- A demonstrated interest in community improvement by the private firms within an area;
- Known or suspected areas of environmental contamination; and,
- Other significant environmental, social or community economic development reasons for community improvement.

These considerations are applicable to the purpose and goals of the Industrial Lands CIP.

Policy 1726\_ describes community improvement plans as being intended to provide City Council with the necessary tools to stimulate reinvestment and redevelopment, inspire appropriate infill and intensification, coordinate planning efforts, improve the physical infrastructure, support community economic development, preserve neighbourhood and cultural heritage value, and lead to the establishment of an improved neighbourhood. The tools to implement community improvement plans may include incentives and target private and/or public investment to achieve the vision, key directions and policies in *The London Plan*.

## 3.5 Industrial Land Development Strategy (ILDS)

The Industrial Land Development Strategy (ILDS) has been a successful strategy for the City of London to guide industrial land development. It has also led to an increase in attracting supplier companies and other investments that generate spin-off benefits for those living and working in London.

The City of London's first ILDS was prepared in 2001 which guided the City in its planning, acquisition, servicing, and marketing of industrial land. The successes of industrial land

development following the 2001 ILDS caused there to be an inadequate supply of appropriately sized, located, and serviced industrial land by 2014. The consecutive ILDS introduced targeted industrial sectors which were the focus of attraction, retainment, and sale of municipally owned industrial land. The ILDS was most recently updated in 2023 to re-evaluate and refresh action items, direct investment, focus servicing and expand targeted industrial base for the next decade.

The current ILDS notes that the City of London is facing many challenges, several originating as spin-off effects from the COVID-19 pandemic. Despite these challenges, inquiries for industrial land have continued to remain steady as companies look at the longer-term horizon. The Province of Ontario declared a public health emergency due to the COVID-19 pandemic resulting in stay-at-home orders and sporadic workplace closures. During the COVID-19 pandemic the unemployment rate in London reached an annual high of 8.2% for 2020. Comparatively, the annual unemployment rate in 2020 reached 9.6% for the Province of Ontario and 9.5% in Canada. Manufacturing sales have grown steadily amid the COVID-19 pandemic, but the manufacturing industry is one of the sectors in Ontario that is most in need of labour - after the hospitality, health care and retail sectors. Almost 10% of the province's nearly 390,000 job openings are in the manufacturing sector. A survey conducted by the Elgin Middlesex Oxford Workforce Planning and Development Board, a workforce development agency, found that 64% of businesses were having a hard time filling job vacancies in 2021.

The City of London is also facing other challenges like supply chain disruption. The leading contributing factors to worsened supply chain challenges have been increased delays in deliveries; increased prices of inputs, products, or supplies; and supply shortages that resulted in fewer inputs, products, or supplies being available. In Q2 2022, over 70% of manufacturing businesses reported that supply chain challenges have worsened over the past year, and they expect continued challenges for at least the next three months.

The ILDS was updated in 2014 to address inadequate supply of appropriately sized, located, and serviced industrial land. At that time, there was a growing trend toward industrial companies selecting larger sites to allow for greater consolidation activity and to allow for easier future expansions of their operations. Since then, there have been numerous inquiries for 4-to-8-acre parcels for small- and medium-sized industrial operations. Thus, following the 2023 ILDS there must be a greater focus on a variety of parcel sizes with emphasis on the availability of 4-to-8-acre parcels. The 2023 ILDS is based on the premise that London needs to continue to compete aggressively and directly in the attraction of industrial growth. To accomplish this, renewed investment in planning, servicing, and municipal land development is required.

Based on pervasive shifts in the City's targeted industrial sectors and their land, servicing, and design needs, the City stated that the role of the ILDS is to help it stay investment ready and remain in its competitive position.

The ILDS identifies 5 Goals which are further organized into multiple Priority Actions to implement the Goals. These Goals and Priority Actions are as follows:

GOALS	PRIORITY ACTIONS
Invest in developing an inventory of shovel-ready sites	<ul style="list-style-type: none"> <li>• Purchase lands that are suited to the needs of our targeted industries</li> <li>• Develop lands, including budgeting, planning, and executing development of sites</li> <li>• Ensure that the Urban Growth Boundary expansions align with the land needs requirements of our targeted industries</li> </ul>
Attract targeted industries	<ul style="list-style-type: none"> <li>• Identify targeted industries</li> <li>• Highlight targeted industry land needs and infrastructure requirements</li> <li>• Ensure that Community Improvement Plan incentive programs continue to remain relevant to the needs of the City's industries</li> </ul>
Attract talent	<ul style="list-style-type: none"> <li>• Position London as a great place to work</li> <li>• Position London as a great place to live</li> <li>• Position London as a great place to stay</li> </ul>
Continuous support for business retention and expansion	<ul style="list-style-type: none"> <li>• Continuation of the enterprise-wide ILDS Implementation Team</li> <li>• Prioritize improvements to internal processes and policies</li> </ul>
Work with partners to continue increasing economic development potential	<ul style="list-style-type: none"> <li>• Establish Post-Secondary Education Training to ensure continuous supply of skilled workforce</li> <li>• Seek Federal and Provincial funding partnerships as appropriate</li> </ul>

The City's ILDS is a primary foundation of this CIP. The primary rationale for both the ILDS and this CIP is economic rehabilitation, revitalization, and development through the effective and efficient use of industrial land to create employment opportunities. Therefore, the CIP has been designed to help implement the strategies contained in the ILDS. For example, the incentive programs contained in this CIP will enhance London's efforts to market industrial lands on an international stage (as well as a local and national stage) and will help to make London more attractive to industrial investment.

The City's role in industrial land development is to ensure an adequate and appropriate supply of industrial land but also to help ensure that supply is effectively used and developed to increase investment, and jobs, create better planned work environments, and sustainable use of industrial land and buildings.

The City has had a Brownfield CIP in place since 2006. This CIP addresses previously developed industrial lands. The City currently has an adequate supply of marketable land that meets the demands of London's targeted industrial sectors; however, it is forecast that this will fall below the targeted supply of land by 2025 and the timeline to acquire, zone, design, and construct industrial subdivisions is three to five years. Therefore, the City's ability to promote economic rehabilitation, revitalization, job creation and the sustainable use of industrial land and buildings would be seriously compromised if the City focused its community improvement planning efforts only on previously developed land.

The ILDS recommends the City develop and maintain a minimum 494 acre (200 hectare), 10-year supply of vacant, serviced, market-ready industrial land at strategic locations. This 10-year sustainable supply will be of various parcel sizes that meet the needs of our target sectors. Section 3.2.1 of the ILDS contains an objective and priority actions for the City to invest in developing an inventory of shovel-ready sites. The priority action includes purchasing lands that are suited to the needs of our targeted industries; developing lands, including budgeting, planning, and executing development of sites; and, ensuring that the Urban Growth Boundary expansions align with the land needs requirements of the City's targeted industries. The Municipal Leadership Actions contained in Section 9.0 of this CIP supports the City's strategy for acquisition and development of industrial land in the ILDS.

Finally, Section 3.3 of the ILDS sets out a plan to attract targeted industries. This can be achieved through Priority Action 2.3 specified in the ILDS. The Priority Action suggests ensuring that Community Improvement Plan incentive programs continue to remain relevant to the needs of the City's industries. The ILDS also specifies that the city supports industrial businesses to allow for retention and expansion of targeted industries. This includes providing information on grants and loans, connecting businesses to resources available through educational and training institutions, facilitating expansion opportunities, and improving infrastructure where appropriate.

### **3.6 Other Community Improvement Plans**

The City of London has made significant use of CIPs in the past with the preparation and adoption of twelve different CIPs:

- Affordable Housing CIP;
- Brownfield CIP;
- Industrial CIP;
- Core Area CIP;
- Hamilton Road CIP;
- Old East Village CIP; and,
- Airport Area CIP;
- Heritage CIP;
- Argyle Core Area CIP;
- Downtown CIP;
- Lambeth Area CIP;
- SOHO CIP.

The Argyle Core Area, Core Area, Downtown, Hamilton Road, Lambeth Area, Old East Village, and SoHo CIPs apply to specific areas in the city where commercial activity and mixed-use neighbourhoods are located. These CIPs contain financial incentives in the form of grants and loans to promote commercial and mixed-use building upgrades and façade improvements.

The Heritage CIP applies to the entire city and includes a tax increment grant and DC grant to promote the preservation and rehabilitation of a designated heritage building/structure.

The Brownfield CIP applies to all lands within the Urban Growth Boundary and includes an environmental study grant program, and a tax increment grant program and DC grant program that promotes the environmental remediation and redevelopment of brownfield sites.

The Airport Area CIP applies to the London International Airport and adjacent industrial park lands. The Airport Area CIP contains a tax increment grant targeted to the areospace and air transportation sectors.

The Affordable Housing CIP applies to the entire city and includes an Affordable Housing development Loan Program and an Additional Residential Unit Loan Program.

The incentive programs in only two of the above-noted CIPs (Tax Increment Grant and DC Grant in the Brownfield CIP, and the Tax Increment Grant in the Airport Road CIP) would potentially have any overlap with the incentive programs contained in this CIP. Eligible applicants can apply for one, more or all the incentive programs contained in this CIP and incentive programs contained in other applicable CIPs. However, to avoid “double dipping” (use of two or more incentive programs to pay for the same eligible cost), if an applicant is eligible to apply for the same program type (tax increment grant, DC grant/rebate), under the Industrial Lands CIP and any other applicable CIP, the applicant can apply for that type of program under only one CIP; the applicant can apply for that type of program under only one CIP. For example, if an applicant is eligible for both the Brownfield Tax Increment Equivalent Grant contained in the Brownfields CIP and the Industrial Tax Increment Grant contained in this CIP, the applicant can apply for only one of these programs. Furthermore, the total of all grants, loans and tax assistance provided in respect of the lands and buildings for which an applicant is making an application under the programs contained in this CIP and any other applicable CIPs shall not exceed the eligible costs of the improvements to those lands and buildings under all applicable CIPs.

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# 4.0 CIP GOALS



Based on the comprehensive policy review described above and consultation with City Staff and key industrial land development stakeholders through the ILDS and CIP processes, numerous community improvement needs for industrial land development in London were identified and examined. Similar community improvement needs were identified in the review of best practices utilized by several other municipalities in Ontario to promote industrial development on previously developed and previously undeveloped industrial lands.

The critical community improvement needs for industrial land development in London were then translated into goals for this CIP. The most important policy document guiding the identification of the goals for this CIP is the City's new ILDS. Considerable weight has also been given to the policy direction provided in *The London Plan* and other key City and provincial planning and economic development policy documents. The goals of the CIP were then used to guide development of incentive programs and municipal leadership actions contained in this CIP. The overarching vision and strategic focus of this CIP, which has guided the formulation of its goals, is to foster economic rehabilitation, diversification, development, revitalization, and prosperity in London. The goals of the London Industrial Lands CIP are as follows:

### **ADEQUATE SUPPLY OF INDUSTRIAL LAND**

- Maintain a 10-year supply of shovel-ready industrial land in prime strategic locations ensuring London is competitively situated to attract industrial investment.
- Where necessary and possible, relocate incompatible industrial land uses to more stable industrial lands.
- Where appropriate, promote the redevelopment of brownfield sites for industrial use.

### **ATTRACT TARGETED INDUSTRIES TO INDUSTRIAL LANDS**

- Ensure that financial incentive programs used to promote industrial development are transparent accountable, financially sustainable, and that the effectiveness of these programs is monitored.
- Retain and attract businesses in targeted industrial sectors by highlighting the benefits London can provide for targeting industrial prospects.
- Improve the market attractiveness and competitiveness of industrial land in London.

### **SUPPORT EXPANDING BUSINESSES**

- Continue to support existing industries after they have established themselves in London by providing quality service, facilitating expansion opportunities, and improving infrastructure where possible.
- Improve the design of industrial building constructed in strategically important locations

such as the Highway 401/402 corridor, the Veterans Memorial Parkway corridor, and airport.

- Promote sustainable and energy efficient planning, site and building design, and enhanced landscaping for industrial development and redevelopment in London.

### **ATTRACT TALENT TO LONDON'S INDUSTRIAL SECTOR**

- Increase employment on industrial land in London by creating new employment opportunities and retaining existing employment.
- Continue to make London an attractive city to live and work in order to draw skilled labour to London and make London's workforce talent pool highly attractive for future investments.
- Leverage relationships with our major educational partners to address the needs of their student populations, ensuring a higher retention of graduates in London, including those from international backgrounds.

### **PROMOTE ECONOMIC GROWTH FOR THE CITY**

- Facilitate and promote the development and redevelopment of industrial land in London in conformity with the servicing, growth management, and other policies in *The London Plan*.
- Increase long-term industrial assessment land values and industrial land property tax revenues.
- Ensure that growth related capital costs are recovered from revenues generated by new development.



MAPLE LEAF FOODS - Wilton Grove Road

Industrial Lands of

# 5.0 COMMUNITY IMPROVEMENT PROJECT AREA



In accordance with Section 28(2) of the *Planning Act*, if a municipality has community improvement policies in its official plan, that municipality may, by by-law designate the whole or any part of the area covered by their official plan as a community improvement project area. *The London Plan* covers the entire municipality, and *The London Plan* contains Community Improvement policies that permit designation of the entire municipality as a community improvement project area for industrial land.

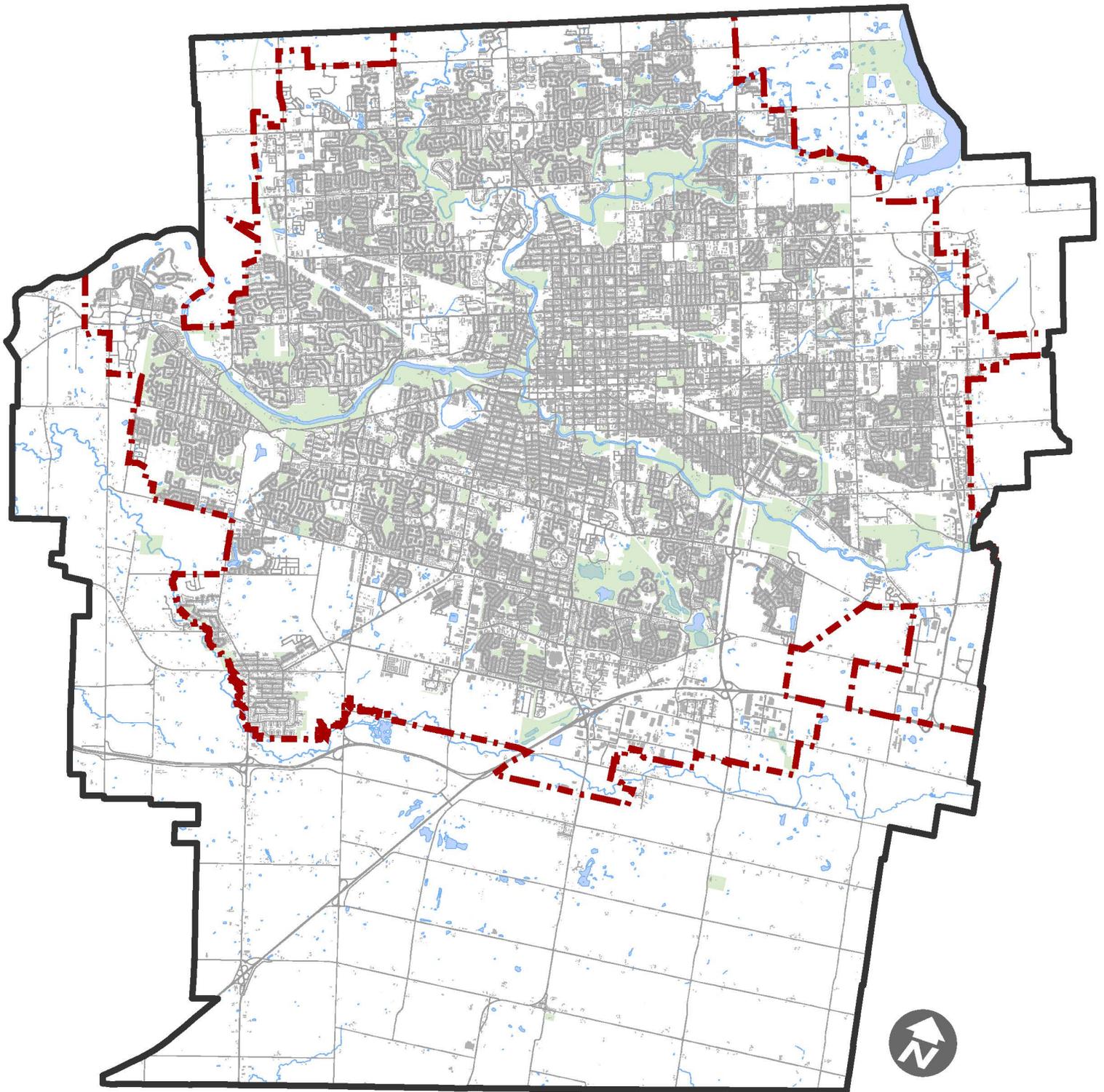
Section 28(3) of the *Planning Act* allows a municipality to acquire, hold, clear, grade and otherwise prepare land for community improvement within a designated community improvement project area once the community improvement plan for that area comes into effect. Section 28(6) of the *Planning Act* allows a municipality implementing a CIP that has come into effect to undertake the following actions within the community improvement project area as long as these actions are in conformity with the CIP.

- i) Sell, lease, or otherwise dispose of any land and buildings acquired or held by the municipality; and,
- ii) Construct, repair, rehabilitate or improve buildings on lands acquired or held by the municipality.

The challenges facing industrial land development in London are not restricted to certain industrial areas or types of industrial land. Furthermore, the goals of this CIP apply to industrial lands spread across the city. Therefore, in order to properly address the community improvement needs for industrial development in London and in order to successfully achieve the goals of this CIP for all industrial lands in London, it is recommended that the Community Improvement Project Area for the City of London Industrial Lands CIP be designated as the entire geographic area of the City of London. However, in order to ensure that the incentive programs contained in this CIP conform to both the *Planning Act* and the policies in *The London Plan*, the incentive programs in this CIP will apply only to lands designated for industrial land use within the City's Urban Growth Boundary, as amended from time to time.

# City of London Urban Growth Boundary Map

City of London 2024



## Legend

- |   |   |
|---|---|
|  City Boundary         |  Roads |
|  Urban Growth Boundary |  Parks |
|  Buildings             |  Water |



ELEMEX BUILDING - Admiral Drive

# 6.0 INCENTIVE PROGRAMS



## 6.1 Approach

The financial incentive programs contained in this CIP were developed to address the economic and planning challenges of developing industrial land in London and to help achieve the goals outlined in Section 4.0 of this CIP. In order to help accomplish the goals of this CIP, three incentive programs have been included in this CIP.

The first program is the **Industrial Development Charges (DC) Grant Program**. This program provides a grant equal to the municipal portion of the development charges payable (up to 100%) for a targeted industrial development project and a grant equivalent to 50% of the value of the development charges paid up to \$500,000 (maximum grant of \$250,000) for a non-targeted industrial development project.

The second program is the **Industrial Tax Increment Grant Program**. This program provides an annual grant of up to 100% of the City property tax increment generated by an industrial development project for a period of ten (10) years after project completion.

The third program is the **Industrial Compatibility Grant/Loan Program**. This program would provide a grant and/or a loan to assist existing industrial operations in London to relocate to more compatible and appropriate sites within the Urban Growth Boundary in London. In parts of the City, existing industrial operations may be constrained by changes in the surrounding neighbourhoods or may be located in areas where their continued operation, expansion or changes in operations would cause negative impacts on surrounding non-industrial land uses. This program will provide a grant or loan to help off-set the costs associated with the relocation of an eligible industrial use to a more compatible location within the Urban Growth Boundary.

The incentive programs contained in the CIP are referred to as a “toolkit” because once the CIP is adopted and approved, the incentive programs in the CIP can be activated by Council, one or more at a time, based on Council approval of the implementation of each program, subject to the availability of funding. The programs are also referred to as a “toolkit” because once activated, these programs can be used individually or together by an applicant.

General requirements that apply to all the programs contained in this CIP and program specific requirements have been included in the CIP to help promote the goals of the CIP, while protecting the financial interest of the municipality. The balance of this section specifies the general program requirements and outlines basic details for each incentive program including the program purpose, description, and requirements.

## 6.2 General Program Requirements

All of the incentive programs contained in this CIP are subject to the following general requirements as well as the individual requirements specified under each incentive program. The general and program specific requirements contained in this CIP are not necessarily exhaustive,

and the City reserves the right to include other requirements and conditions as deemed necessary on a property specific basis:

- a) An application for any financial incentive program contained in this CIP:
  - i. Can be made only for development, redevelopment, rehabilitation, and/or adaptive reuse of an industrial building within the Urban Growth Boundary (see Appendix A for the definition of “industrial building”);
  - ii. Must be submitted to and approved by the City prior to the commencement of any works to which the incentive program will apply and prior to application for building permit; and,
  - iii. Must include plans, drawings, studies, reports, and urban design briefs, cost and other studies, details and information as required by the City to satisfy the City with respect to project eligibility, design, performance and conformity with the CIP.
- b) The City may require that the applicant submit professional urban design brief, studies and/or professional architecture/design drawings that are in conformity with any applicable urban design guidelines;
- c) The City may require that the applicant submit a Business Plan that contains information on the proposed projects as specified by the City, and said plan must be to the satisfaction of the City;
- d) Review and evaluation of an application and supporting materials against program eligibility requirements will be done by City Staff, who will then make a recommendation to Council or Council’s designate. The application is subject to approval by Council or Council’s designate;
- e) Each program in this CIP is considered active if Council has approved implementation of the program, the Council has approved a budget allocation for the program (as applicable);
- f) As a condition of application approval, the applicant may be required to enter into a Grant Agreement with the City. This Agreement will specify the terms, durations and default provisions of the incentive to be provided. This Agreement is also subject to approval by Council or Council’s designate;
- g) Where other sources of government and/or non-profit organization funding (Federal, Provincial, Municipal, Federation of Canadian Municipalities, etc...) that can be applied against the costs of the development project are anticipated or have been secured, these must be declared as part of the application. Accordingly, the grant may be reduced on a pro-rated basis;
- h) The City reserves the right to audit the cost of any and all works that have been approved under any of the financial incentive programs, at the expense of the applicant;
- i) The City is not responsible for any costs incurred by an applicant in relation to any of the programs, including without limitation, costs incurred in anticipation of a grant;

- j) If the applicant is in default of any of the general or program specific requirements, or any other requirements of the City, the approved grant may be delayed, reduced or canceled, and the applicant may be required to repay part or all of the approved grant;
- k) If a building developed, redeveloped, rehabilitated or adaptively reused using a grant provided under this CIP is demolished prior to expiry of the grant period, the grant is terminated and any grant amount paid is repayable to and will be recovered by the City;
- l) The City may discontinue any of the programs contained in the CIP at any time, but applicants with approved grants will still receive said grant, subject to meeting the general and program specific requirements;
- m) Proposed land uses must be in conformity with *The London Plan*, Zoning By-law and other planning requirements and approvals;
- n) If part or all of a building(s) in a project approved for a grant is converted to a non-industrial use at any time after project completion, but prior to the cessation of grant payments, the amount of the remaining grant payments will be adjusted accordingly on a go forward basis to reflect only the remaining industrial use;
- o) All proposed works approved under the incentive programs shall conform to provincial laws and City guidelines, by-laws, policies, procedures, and standards;
- p) All works completed must comply with the description of the works as provided in the application form and contained in the grant agreement, with any amendments as approved by the City;
- q) All construction and improvements made to buildings and/or land shall be made pursuant to a Building Permit, and/or other required permits, and constructed in accordance with the Ontario Building Code and all applicable zoning requirements and planning approvals;
- r) Where required by the City, outstanding work orders, and/or orders or requests to comply and/or other charges from the City must be satisfactorily addressed prior to grant approval or payment;
- s) Property taxes must be in good standing at the time of program application, approval and throughout the entire length of the grant commitment;
- t) City Staff, officials and/or agents may inspect any property that is the subject of an application for any of the incentive programs offered by the City;
- u) The City may require that the applicant submit a project completion report, and the City may conduct inspections to ensure compliance of the project with the general program requirements and program specific requirements subject to this CIP and the executed grant agreement, and the City may make adjustments to incentive levels to reflect actual project performance in relation to program requirements and the executed grant agreement;
- v) Applicants approved for the programs contained in this CIP will be required to complete the eligible works within specified timeframes;

- w) Eligible applicants can apply for one, more or all of the incentive programs contained in this CIP and incentive programs contained in other applicable CIPs, however, in order to avoid “double dipping” (use of two or more incentive programs to pay for the same eligible cost), if an applicant is eligible to apply for the same program type (tax increment grant, DC grant/rebate), under this CIP and any other applicable CIP, the applicant can apply for that type of program under only one CIP; and,
- x) The total of all grants, loans and tax assistance provided in respect of the particular lands and buildings for which an applicant is making application under the programs contained in this CIP and any other applicable CIP shall not exceed the eligible costs of the improvements to those particular lands and buildings under all applicable CIPs.

### **6.3 Industrial Development Charge (DC) Grant Program**

#### **Purpose**

This program provides a major financial incentive to stimulate new investment by existing and new industrial businesses within the Urban Growth Boundary in the form of development, redevelopment, rehabilitation and/or adaptive reuse of buildings for industrial use, including commercial truck service establishments.

#### **Description**

This program will provide a grant to an applicant equal to up to 100% of the City development charge payable by an application for a targeted industrial development project constructed within the Urban Growth Boundary and a grant equivalent to 50% of the value of the development charges paid up to \$500,000 (maximum grant of \$250,000) for a non-targeted industrial development project constructed within the Urban Growth Boundary. This grant will be calculated and paid by the City at the time of building permit issuance. The amount of the DC grant will be determined based upon the total amount of City development charges owing after all exemptions, reductions, and credits are applied in accordance with the Development Charges by-law.

#### **Program Requirements**

Applicants are eligible to apply for funding under this program, subject to meeting the general program requirements, the following program requirements, and subject to the availability of funding as approved by Council:

- a) Applicants applying for this program cannot apply for a DC Grant Program under any other applicable CIP; and,
- b) For projects on brownfield sites, the owner shall meet all applicable program eligibility requirements of the Brownfield Development Charge Rebate Program in the City’s CIP for Brownfield Incentives, including filling in the Environmental Site Registry of a Record of Site Condition (RCS) for the property signed by a qualified person, submission to the City of the signed RSC, and proof that the RSC has been acknowledged by the Ministry of Environment (MOE).

## 6.4 Industrial Tax Increment Grant Program

### Purpose

This program provides a financial incentive to stimulate new investment by existing and new industrial businesses within the Urban Growth Boundary in the form of development, redevelopment, rehabilitation and/or adaptive reuse of buildings for industrial use.

### Description

This program will provide an annual tax increment-based grant equal to up to 100% of the tax increment for up to ten (10) years following completion and occupancy of an industrial building constructed within the Urban Growth Boundary. The percentage of the tax increment to be paid by the City to the applicant as a Tax Increment Grant (if any) will depend on the “as-built” performance of the project in relation to pre-defined economic, planning, urban design and sustainability performance criteria. These criteria may include but may not necessarily be limited to criteria such as construction value, direct industrial employment, building design/sustainability/energy efficiency, location in relation to the Highway 401/402 or VMP corridor, and whether or not the project is a relocation of a conflicting industrial use and/or a redevelopment of a brownfield site. The City will determine the actual performance criteria to be utilized in evaluating applications for this program prior to program implementation.

The annual Tax Increment Grant would be offered on a “pay-as-you-go” basis, i.e., the applicant would initially pay for the entire cost of the industrial building project. Then, when the project is complete and the following conditions have been met, the amount of the grant would be determined by the City and the applicant would be paid the annual grant by the City;

- a) Final building inspections have taken place;
- b) An occupancy permit has been issued (as applicable) and occupancy of the building has taken place;
- c) Any and all deficiencies have been addressed;
- d) The property has been reassessed by the Municipal Property Assessment Corporation (MPAC); and,
- e) The new property taxes have been paid in full for the year.

Grant payments will cease when the total tax increment grant along with all other grants, loans and tax assistance provided equals the eligible cost of improvements under all applicable CIPs, or after ten (10) years, whichever comes first.

### Program Requirements

Applicants are eligible to apply for funding under this program, subject to meeting the general program requirements, the following program requirements, and subject to the availability of funding as approved by Council:

- a) Applicants applying for this program cannot apply for Tax Increment Grant Program under any other applicable CIP; and,
- b) For projects on brownfield sites, the owner shall meet all applicable program eligibility requirements of Brownfields Tax increment Equivalent Grant Program in the City's CIP for Brownfield Incentives, including filing in the Environmental Site Registry of a Record of Site Condition (RSC) for the property signed by a qualified person, submission to the City of the signed RSC, and proof that the RSC has been acknowledged by the Ministry of Environment (MOE).

## 6.5 Industrial Compatibility Grant/Loan Program

### Purpose

This program provides a financial incentive to assist existing industrial operations in London to relocate to more compatible and appropriate industrial sites within the Urban Growth Boundary.

### Description

This program will provide a grant and/or loan to help offset the costs associated with the relocation of an eligible industrial use to a more compatible location within the Urban Growth Boundary. Eligible costs include the costs of development, redevelopment, rehabilitation and/or adaptive reuse of existing buildings at the new site.

### Program Requirements

Applicants are eligible to apply for funding under this program, subject to meeting the general program requirements, the following program requirements, and subject to the availability of funding as approved by Council:

- a) Applicants must demonstrate to the City's satisfaction that the continued operation/ expansion of their industrial operation in its current location has resulted in, or would result in, negative impacts on surrounding non-industrial land uses; and,
- b) For projects relocating to a brownfield site, the owner shall meet all applicable program eligibility requirements for the Brownfields Tax Increment Equivalent Grant Program in the City's CIP for Brownfield Incentives, including filing in the Environmental Site Registry of a Record of Site Condition (RSC) for the property signed by a qualified person, submission to the City of the signed RSC, and proof that the RSC has been acknowledged by the Ministry of Environment (MOE).



Industrial Park - IP - 2024

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# 7.0 MEASURES AND INDICATORS OF SUCCESS



## 7.1 Determining the Success of the Industrial Lands CIP

### Purpose

The purpose of measuring the success of the CIP is to:

- Identify how the goals and objectives of the Industrial Lands CIP have been achieved;
- Assess which Industrial Lands CIP programs have been completed and/or can be suspended or discontinued;
- Determine whether any amendments to the Industrial Lands CIP are warranted;
- Identify funds dispersed through the financial incentive programs to determine which financial incentive programs are being most utilized and use this information to adjust the financial incentive programs, as required;
- Gather feedback from applicants of the financial incentive programs so that adjustments can be made to the financial incentive programs, as required; and,
- Identify the community and economic impact associated with projects taking advantage of the financial incentive programs.

### Measures of Success

Community Improvement Plans are created to provide the opportunity to re-plan, redesign, redevelop, and rehabilitate areas of the city. The success of the Industrial Lands Community Improvement Plan is based on the identified improvements being undertaken that can help address a recognized need or gap and can be measured based on the four-year summary report as described further below.

The following table provides potential targets and suggested indicators of success for the Industrial Lands CIP.

**Table 1: Success Measures**

	TARGET	INDICATORS OF SUCCESS
	Attract new investments to London’s Industrial Lands	<ul style="list-style-type: none"> <li>• Increase in % of targeted industries versus non-targeted industries.</li> <li>• Increase in amount of industrial building permits</li> </ul>
	London’s Industrial Lands attract qualified talent and provide opportunities for employment	<ul style="list-style-type: none"> <li>• Increase in % of people employed in the industrial sector.</li> <li>• Decrease in the industrial sector job vacancies.</li> </ul>
	The City provides an appropriate and adequately serviced supply of Industrial Land	<ul style="list-style-type: none"> <li>• Increase in acres of serviced industrial land inventory.</li> </ul>

	TARGET	INDICATORS OF SUCCESS
	Industrial Land development contributes to the city's economic growth	<ul style="list-style-type: none"> <li>Increase in industrial land property assessment values.</li> </ul>
	Industrial development takes into consideration the effects of climate change	<ul style="list-style-type: none"> <li>Increase in number of targeted industries focused on renewable and clean technologies.</li> </ul>

### Baseline Conditions

A number of Baseline Conditions were determined to provide a consistent framework for evaluating the ongoing change in the Industrial Lands Project Area. Measures may be added to the Baseline Conditions.

82% of Industrial Building permits were targeted industrial uses.<sup>1</sup>

11 Industrial Building Permits in 2023.<sup>2</sup>

In 2023, the manufacturing industry makes up 13% of London's workforce.<sup>3</sup>

The manufacturing industry makes up 4% of London's job vacancies.<sup>4</sup>

297.48 ac of City owned serviced industrial land inventory.<sup>5</sup>

In 2022, grants to nine industrial properties led to a \$25.48M increase in related development property assessment values.<sup>6</sup>

As of 2024, there are 30 industrial businesses focusing on renewable and clean technologies.<sup>7</sup>

<sup>1</sup> City of London. (2024).

<sup>2</sup> City of London.(2024).

<sup>3</sup> Government of Canada, Statistics Canada. (2024, January 5). Employment by industry, census metropolitan areas, annual (x 1,000). <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410038401&pickMembers%5B0%5D=1.22&cubeTimeFrame.startYear=2019&cubeTimeFrame.endYear=2023&referencePeriods=20190101%2C20230101>

<sup>4</sup> Government of Canada, Statistics Canada. (2023, December 18). Job vacancies and average offered hourly wage by occupation (Broad Occupational Category), quarterly, unadjusted for seasonality. Job vacancies and average offered hourly wage by occupation (broad occupational category), quarterly, unadjusted for seasonality. <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410035601&pickMembers%5B0%5D=1.53&cubeTimeFrame.startMonth=10&cubeTimeFrame.startYear=2022&cubeTimeFrame.endMonth=10&cubeTimeFrame.endYear=2023&referencePeriods=20221001%2C20231001001%2C20231001>

<sup>5</sup> City of London. (2023). 2023 Industrial Lands Development Strategy. [2023 Industrial Land Development Strategy \(london.ca\)](https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410038401&pickMembers%5B0%5D=1.22&cubeTimeFrame.startYear=2019&cubeTimeFrame.endYear=2023&referencePeriods=20190101%2C20230101)

<sup>6</sup> City of London. (2024).

<sup>7</sup> London Economic Development Corporation. (2024).



# 8.0 MUNICIPAL LEADERSHIP ACTIONS



The financial incentive programs contained in this Plan are designed to indirectly encourage private sector development of industrial land in London, i.e., the City is relying on private sector third parties (developed, property/business owners) to take advantage of the incentive programs that are offered by the City. However, as noted in the ILDS, there are a number of actions that the City should undertake to directly promote industrial land development in London. The “Municipal Leadership Actions” are outlined below. The Municipal Leadership Actions are designed to complement the incentives programs by generating enhanced market demand for industrial land and interest on the part of the private sector in using the available incentive programs.

The City of London may utilize the full range of actions permitted under Section 28 of the Planning Act and other provincial legislation to implement the Municipal Leadership Actions within the Community Improvement Project Area, including the:

- a) Acquisition, hold, clearance, grading or other preparation of land for community improvement;
- b) Construction, repair, rehabilitation or improvement of buildings on land acquired or held by the City in conformity with this CIP; and,
- c) Sale, lease, or other disposition of any land and buildings acquired or held by the City in conformity with this CIP.

## **8.1 Property Acquisition, Servicing and Disposition**

The ILDS recommends that the City always maintain a 10 year supply (200 hectares) of vacant, serviced City owned industrial land overall and, within this total supply, 180 hectares of serviced land in strategic locations. The ILDS also notes that this supply should include a variety of lot sizes, including availability of several smaller to medium sized parcels (4-to-8-acre) as incubator parcels to provide flexibility for growth and employment opportunities. Reasonable industrial land options should also be offered close to the Airport, in General Industrial designations and in strategic Office Business Park locations that may emerge over time.

In order to implement the ILDS and achieve the goals of this CIP, this is recommended that the City:

- a) Engage in the acquisition of land within the Community Improvement Project Area by means as permitted under provincial legislation;
- b) Ensure that Urban Growth Boundary expansions align with the land needs requirements of our targeted industries;
- c) Initiate all necessary Zoning By-Law and Official Plan Amendments to maximize the value of sites before land is put on the market;
- d) Purchase lands that are suited to the needs of our targeted industries and have a continuous budget to maintain inventory;

- e) Continue to pursue funding from the Federal and Provincial Governments and other funding partners for the acquisition and servicing of industrial land;
- f) Pursue non-Development Charge source of funding for future construction of the Bradley/VMP Parkway; and,
- g) Consider different administrative models for public management of industrial land, including but not necessarily limited to an Industrial Land Development Corporation or a more formalized Action Team of pre-identified departmental staff and management.

The City of London may also dispose of municipally owned land or buildings within the Community Improvement Project Area in conformity with this CIP.

## 8.2 Marketing

The ILDS contains a number of actions designed to aggressively market industrial lands in London and London's high quality of life. In order to implement the ILDS and achieve the goals of this CIP and the ILDS, it is recommended that the City:

- a) Create a comprehensive identity for Highway 401 and 402 as an "Investment Corridor";
- b) Pursue an improved web presence for available City-owned industrial lands;
- c) Grow and nurture our industrial business economy to provide Londoners with a highly competitive and diverse range of well-paying employment experiences;
- d) Continue to improve its quality of life by supporting a more engaged downtown, main streets and public realm with more gathering places; and,
- e) Support and promote ongoing city-building efforts.

## 8.3 Promoting Brownfield Redevelopment

In order to help ensure an adequate supply of serviced industrial land, it is important for the City to promote the redevelopment, rehabilitation and adaptive reuse of previously developed land (including brownfields) for industrial use, where appropriate. Therefore, it is recommended that the City continue to support and fund the incentive programs contained in the CIP for Brownfield Incentives.

## **8.4 Promoting Industrial Compatibility**

While it is important for the City to promote the redevelopment of brownfields for industrial use, as previously mentioned, there are situations where the expansion, changes in operation, or even the continued operation of existing industrial uses can cause negative impacts on surrounding non-industrial land uses. In these cases, in addition to the Industrial Compatibility Grant/Loan Program, it is recommended that the City consider the sale or exchange of City owned lands to facilitate the retention and relocation of such industrial operations to more compatible industrial sites within the Urban Growth Boundary of London.

## 9.0 EVALUATION



## 9.1 Purpose

The Monitoring Program set out in this section has several purposes. It is designed to:

- a) Monitor funds dispersed through the CIP incentive programs by program type to determine how the programs are being utilized, and allow staff to property budget for the incentive programs;
- b) Receive and monitor feedback from applicants to the incentive programs so that adjustments can be made to the incentive programs, as required;
- c) Monitor the economic performance and impacts such as investment and new employment (total and by target sector) associated with projects taking advantage of the CIP incentive programs;
- d) Monitor the planning, urban design and sustainability performance and impacts associated with projects taking advantage of the CIP incentive programs;
- e) Allow for comprehensive reporting of monitoring results to Council.

This CIP is not intended to be a static planning document. It is intended to be a proactive plan to rehabilitate, revitalize, diversify and strengthen the economy in London by promoting strategic industrial land development. Information collected through the Monitoring Program should be utilized by staff to provide regular reports to Council on the amount of private sector investment being leveraged by the municipal incentive programs and the economic and other benefits associated with these private sector projects. Furthermore, information obtained through the Monitoring Program should be used to periodically adjust the terms and administration of the incentive programs to make them even more relevant, effective and user friendly.

## 9.2 Description

Monitoring of the uptake and performance of the incentive programs should be done on a regular basis and these monitoring results reported to Council on a four-year basis.

Table 2 presents a list of the data variables, including economic impacts, that should be collected and monitored on an individual project and aggregate basis for all projects taking advantage of the incentive programs contained in this CIP. In addition to these quantitative economic measures, the staff should also monitor:

- a) The planning, urban design and sustainability performance of projects taking advantage of the CIP incentive programs;
- b) Comments on the incentive programs and program administration received by staff from developers, property/business owners and other key opinion leaders in the real estate, development and design/build community; and,

c) Qualitative results of the CIP in terms of the impact of the Municipal Leadership Actions.

These qualitative measures and comments should be monitored and reported to Council along with the qualitative measures listed in Table 1.

**Table 2: Performance Measures**

PROGRAM	PERFORMANCE MEASURES
Industrial DC Grant	<ul style="list-style-type: none"> <li>• Number of applications;</li> <li>• DC Grant amount (\$);</li> <li>• Value of Construction Projects(\$);</li> <li>• Hectares (acres) of land development/redevelopment;</li> <li>• Square footage of industrial space created by type (development, redevelopment, rehabilitation, adaptive reuse) and sector;</li> <li>• New FT and FTE jobs created by type (development, redevelopment, rehabilitation, adaptive reuse) and sector;</li> <li>• Increase in assessed value of participating property;</li> <li>• Increase in municipal and education property taxes of participating properties</li> </ul>
Industrial Tax Increment Grant	<ul style="list-style-type: none"> <li>• Number of applications;</li> <li>• Annual Tax Increment Grant (\$) and total Tax Increment Grant (\$) over grant period;</li> <li>• Value of construction project (\$);</li> <li>• Hectares (acres) of land developed/redeveloped;</li> <li>• Square footage of industrial space created by type (development, redevelopment, rehabilitation, adaptive reuse) and sector;</li> <li>• New FT and FTE jobs created by type (development, redevelopment, rehabilitation, adaptive reuse) and sector;</li> <li>• Increase in assessed value of participating property;</li> <li>• Increase in municipal and education property taxes of participating properties;</li> <li>• Number and \$ amount of program defaults.</li> </ul>

PROGRAM	PERFORMANCE MEASURES
Industrial Compatibility Grant/ Loan	<ul style="list-style-type: none"> <li>• Number of applications;</li> <li>• Value of construction project (\$);</li> <li>• Hectares (acres) of land vacated;</li> <li>• Square footage of industrial space vacated;</li> <li>• Square footage by type/residential units created on vacated site;</li> <li>• Hectares (acres) of land developed/redeveloped at new site;</li> <li>• Square footage of industrial space created at new site by type (development, redevelopment, rehabilitation, adaptive reuse) and sector;</li> <li>• Square footage of accessory space (retail, office commercial, etc.) created at new site by type (development, redevelopment, rehabilitation, adaptive reuse) and sector;</li> <li>• Jobs retained;</li> <li>• New FT and FTE jobs created by type (development, redevelopment, rehabilitation, adaptive reuse) and sector;</li> <li>• Increase in assessed value of participating property;</li> <li>• Increase in municipal and education property taxes of participating properties;</li> <li>• Number and \$ of program defaults.</li> </ul>

### 9.3 Program Adjustments

The individual incentive programs contained in this CIP can be activated, deactivated, reduced or discontinued without amendment to this Plan. Increases in funding provided by the financial incentives contained in this CIP, or the addition of any new incentive programs to this CIP, will require a formal amendment to this Plan in accordance with Section 28 of the Planning Act. The City may periodically review and adjust the terms and conditions of any of the programs contained in this Plan, without amendment to the Plan. Such minor changes will be provided to the Minister of Municipal Affairs and Housing for information purposed only.

# 10.0 CONCLUSION



The primary purpose of this CIP is to promote economic rehabilitation, revitalization, diversification, development, employment growth and prosperity in London by improving the market attractiveness of industrial land and promoting the development of industrial land in the city. The incentive programs and municipal leadership actions contained in this CIP have been developed specifically to address critical community improvement needs for industrial land development in London and achieve the goals of this CIP.

The adoption and approval of this CIP will provide the legislative basis and comprehensive policy framework to guide the incentive programs and municipal leadership actions needed to achieve the goals of this CIP. However, successful implementation of this CIP will also require a long-term financial and resource commitment by Council to implement, fund, administer and monitor the incentive programs and municipal leadership actions. Finally, ongoing monitoring of the performance of the incentive programs and adjustment of the programs as required will also help to ensure the long-term effectiveness of this CIP.

# APPENDIX A



## Glossary of Terms and Abbreviations

**“Adaptive Re-use”** means the physical process undertaken (including constructed improvements) to convert a non-industrial building on previously developed land into an industrial building.

**“Applicant”** means a registered owner or assessed owner of lands and buildings within the Community Improvement Project Area, and any person to whom a registered owner or assessed owner of lands and buildings within the Community Improvement Project Area has assigned the right to receive a grant or loan. Applicants may also be referred to as “owners”, “building owners” or “property owners” throughout this Plan.

**“Base Rate”** means total municipal taxes levied in the year prior to commencement of a project approved for a Tax Increment Based Grant.

**“Brownfield”** means abandoned, vacant or underutilized lands and/or buildings within the Urban Growth Boundary of the City of London where expansion, retrofit or redevelopment may be complicated by environmental contamination from past uses and development activity.

**“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.

**“Community Improvement”**, unless otherwise specified, is as defined in accordance with its definition under Section 28 of the Planning Act.

**“Community Improvement Plan”** (CIP), unless otherwise specified, is as defined in accordance with its definition under Section 28 of the Planning Act.

**“Development”** means the construction of a new industrial building on previously undeveloped land.

**“DC”** means Development Charges.

**“ILDS”** means Industrial Land Development Strategy.

**“Industrial Building”** means 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, crafting, bottling, or semi-processed goods or materials, but not including any of these activities where they primarily serve retail purpose 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 and does not include self-storage warehousing for use by the general public or retail sales associated with the goods stored or distributed, or accessory storage of a commercial

building;

- 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 producing from raw materials of 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 processed data for retrieval, license or sale to end users and are on lands zoned for industrial uses.

“**LEDC**” means the London Economic Development Corporation.

“**MPAC**” means the Municipal Property Assessment Corporation.

“**Municipal Taxes**” means the City of London portion of property taxes payable and does not include the Education portion of property taxes payable to the Province of Ontario.

“**Non-Targeted Industrial Uses**” means the following economic sectors and industrial uses:

- Warehouses;
- Transportation and Logistics;
- Businesses that store and process data for retrieval;
- Truck Terminals.

“**PPS**” means the Provincial Policy Statement, 2020

“**Qualified Person**” means a person as defined by Section 168.1 of the Environmental Protection Act Ontario and Ontario Regulation 153/04 (as amended by Ontario Regulation 66/08) who meets the qualifications to be a qualified person.

“**Redevelopment**” means the construction of a new industrial building and/or the expansion of or addition to an existing industrial building on previously developed land.

“**Rehabilitation**” means the physical process undertaken (including construction improvement) to an existing industrial building on previously developed to return the building to a usable state.

**“Targeted Industrial Uses”** means the following economic sectors and industrial uses:

- Advanced Manufacturing including:
  - » Renewable and Clean Technology;
  - » Automotive;
  - » Agri-food/Food Processing; and,
  - » Defence and Aerospace;
- Life and Health Sciences;
- Information Technology and Digital Media; and,
- Research and Development.

**“Tax Increment”** means the difference between the base rate on a property and municipal taxes levied on that property as a result of re-valuation by MPAC following completion and occupancy of an industrial building approved for a Tax Increment Based Grant.

**“Urban Growth Boundary”** means the area referred to as show in The London Plan as the “Urban Growth Area” or “Urban Growth Boundary”.

**“VMP”** means Veterans’ Memorial Parkway.



McCORMICK - Robins Hill Road

## Schedule 3

### Industrial Development Charges Grant – Incentive Program Guidelines

#### **Industrial Development Charges Grant Program**

##### Purpose

- This program provides a major financial incentive to stimulate new investment by existing and new industrial businesses within the Urban Growth Boundary in the form of development, redevelopment, rehabilitation and/or adaptive reuse of buildings for industrial use, including commercial truck service establishments.

##### Description / Funding

- **“Targeted” Grant** – This program will provide a grant to an eligible applicant equal to 100% of the development charge (this program does not apply to Education development charges) paid on an industrial building that contains a “targeted” industrial use that is constructed within the Urban Growth Boundary;
- **“Non-targeted” Grant** – This program will provide a grant to an eligible applicant equivalent to 50% of the value of the development charge (this program does not apply to Education development charges) paid up to \$500,000 (maximum grant of \$250,000), with the remainder of the development charges above \$500,000 to be fully paid for by the applicant on an industrial building that contains a “non-targeted” industrial use that is constructed within the Urban Growth Boundary;
- This grant will be paid by the City at the time of building permit issuance, unless the building is constructed as a “speculative” (“shell”) building in which the grant will be paid when the building permit(s) is/are required for the tenant finish stage;
- The amount of the DC grant will be determined based upon the total amount of development charges owing after all exemptions, reductions and credits are applied in accordance with the Development Charges By-law.

##### Area of Application

- This program applies to all industrial land uses within the Urban Growth Boundary for eligible “industrial building” and “commercial truck service establishment” development, redevelopment, and rehabilitation projects, as defined below in the Definitions section of the Incentive Program Guidelines.

##### Definitions

**"Adaptive Re-use"** means the physical process undertaken (including constructed improvements) to convert a non-industrial building on previously developed land into an industrial building.

**"Applicant"** means a registered owner or assessed owner of lands and buildings within the Community Improvement Project Area, and any person to whom a registered owner or assessed owner of lands and buildings within the Community Improvement Project Area has assigned the right to receive a grant or loan. Applicants may also be referred to as "owners", "building owners" or "property owners".

**"Brownfield"** means abandoned, vacant or underutilized lands and/or buildings within the Urban Growth Boundary of the City of London where expansion, retrofit, or redevelopment may be complicated by environmental contamination from past uses and development activity.

**"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.

**"Community Improvement"**, unless otherwise specified, is as defined in accordance with its definition under Section 28 of the *Planning Act*.

**"Community Improvement Plan" (CIP)**, unless otherwise specified, is as defined in accordance with its meaning under Section 28 of the *Planning Act*.

**"Community Improvement Project Area" (CIPA)**, unless otherwise specified, is as defined in accordance with its meaning under Section 28 of the *Planning Act*.

**"Development"** means the construction of a new industrial building on previously undeveloped land.

**"DC"** means Development Charges.

**"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 and does not include self-storage warehousing for use by the general public or retail sales associated with the goods stored or distributed, or accessory storage of a commercial building;
- 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); or
- f) A business that stores and processes data for retrieval, license or sale to end users and are on lands zoned for industrial uses.

**"Non-targeted Industrial Uses"** means the following economic sectors and industrial uses, and may be amended from time to time:

- Warehouses;
- Transportation and Logistics;
- Businesses that store and process data for retrieval;
- Truck terminals.

**"Qualified Person"** means a person as defined by Section 168.1 of the *Environmental Protection Act Ontario* and *Ontario Regulation 153/04* (as amended by *Ontario Regulation 66/08*) who meets the qualifications to be a qualified person.

**"Redevelopment"** means the construction of a new industrial building and/or the expansion of or addition to an existing industrial building on previously developed land.

**"Rehabilitation"** means the physical process undertaken (including constructed improvements) to an existing industrial building on previously developed land to return the building to a usable state.

**"Speculative" ("Shell") Industrial Building** means a building that is developed with no formal commitment from an end user and the building will be leased to tenants or sold after its completion.

**"Targeted Industrial Uses"** means the following economic sectors and industrial uses:

- Advanced Manufacturing including:
  - Renewable and Clean Technology;
  - Automotive;
  - Agri-food/Food Processing; and,
  - Defense and Aerospace;
- Life and Health Sciences;
- Information Technology and Digital Media; and

- Research and Development.

**"Urban Growth Boundary"** means the area referred to and shown in the City's Official Plan as the "Urban Growth Area" or "Urban Growth Boundary".

### General Program Requirements

Applicants are eligible to apply for funding under this program, subject to meeting the general program requirements of the Industrial Lands Community Improvement Plan and the following program requirements:

1. An application for the Industrial Development Charges Grant program contained in this CIP:
  - a) Can be made only for development, redevelopment, rehabilitation, and/or adaptive reuse of an industrial building within the Urban Growth Boundary;
  - b) Must be submitted to and approved by the City prior to the commencement of any works to which the incentive program will apply and prior to application for building permit; and
  - c) Must include plans, drawings, studies, reports, urban design briefs, cost and other studies, details and information as required by the City to satisfy the City with respect to project eligibility, design, performance and conformity with the CIP.
2. The Industrial Development Charges Grant is considered active if Council has approved implementation of the program, and Council has approved a budget allocation for the program;
3. The City is not responsible for any costs incurred by an applicant in relation to any of the program(s), including without limitation, costs incurred in anticipation of a grant;
4. If the applicant is in default of any of the general or program specific requirements, or any other requirements of the City, the approved grant may be delayed, reduced or canceled, and the applicant may be required to repay part or all of the approved grant;
5. The City may discontinue the Development Charges Grant Program at any time, but applicants with approved grants will still receive said grant, subject to meeting the general and program specific requirements;
6. Proposed land uses must be in conformity with the Official Plan, Zoning By-law and other planning requirements and approvals;
7. If part or all of a building(s) in a project approved for a DC grant is converted to a non- industrial use, the City may require a change of use permit, with associated costs to be paid by the applicant;
8. All proposed works approved under the incentive program shall conform to provincial laws and City guidelines, by-laws, policies, procedures, and standards;
9. All works completed must comply with the description of the works as provided in the application form and contained in the grant agreement, with any amendments as approved by the City;
10. All construction and improvements made to buildings and/or land shall be made pursuant to a Building Permit, and/or other required permits, and constructed in accordance with the Ontario Building Code and all applicable zoning requirements and planning approvals;
11. Where required by the City, outstanding work orders, and/or orders or requests to comply, and/or other charges from the City must be satisfactorily addressed prior to grant approval or payment;
12. Property taxes must be in good standing throughout the time of program application and approval.
13. City staff, officials, and/or agents may inspect any property that is the subject of an application for incentive program(s) offered by the City;
14. Eligible applicants may apply for one or more of the implemented incentive programs that are contained in the Industrial Lands CIP and/or other applicable CIPs; however, in order to avoid use of two or more incentive programs to pay for the same eligible cost, if an applicant is eligible to apply for the same program under this CIP and any other applicable CIP, the applicant can apply for DC Grant program under one CIP only;
15. The total of all grants, loans and tax assistance provided in respect of the particular lands and buildings for which an applicant is making application under the programs contained in this CIP and any other applicable CIPs shall not exceed the eligible costs of the improvements to those particular lands and buildings under all applicable CIPs.

16. For projects on brownfield sites, the owner shall meet all applicable Program Eligibility Requirements of the Brownfields Development Charge Rebate Program in the City's CIP for Brownfield Incentives, including filing in the Environmental Site Registry of a Record of Site Condition (RSC) for the property signed by a Qualified Person, submission to the City of the signed RSC, and proof that the RSC has been acknowledged by the Ministry of Environment (MOE).
17. The applicant(s) must be the registered property owner(s) for the subject lands.
18. Separate applications must be made for each discrete property under consideration for the Development Charges Grant program.
19. Industrial Development Charges Grants will not be given retroactively to recognize projects that have begun without application to this program. To be eligible for this program a complete application must be received prior to any works being done which relate to the associated building permit application.

### General Procedure and Administration

- A building permit application must be submitted coincident with the application for funding under the Industrial DC Grant program;
- As a condition of application approval, the applicant shall be required to enter into a Grant Agreement with the City. This Agreement will specify the terms and provisions of the incentive to be provided;
- At time of the application, Development Charges fees will be calculated by the Chief Building Official or designate.
  - i.) For “Targeted Industrial Uses”, the total dollar value calculated will be the total Industrial DC Grant available for the given project;
  - ii.) For “Non-targeted Industrial Uses”, the total Industrial DC Grant available is equivalent to 50% of Development Charges calculated to a maximum grant of \$250,000. The remainder of the development charges will be fully paid by the applicant;
  - iii.) For “speculative” (“shell”) industrial buildings, DCs are not assessed until the building permit is required for the tenant finish. The Chief Building Official or designate will determine at that stage if the tenant of a “speculative” (“shell”) industrial building is a “Targeted” or “Non-targeted” Industrial Use and will apply the grant calculations as noted in i.) and ii.) above.
- The administrative process by City of London Staff will ensure the following:
  - i.) The Chief Building Official, or designate, advises the Financial Planning and Policy Division of the value of the Development Charges calculated for the eligible project; and
  - ii.) The value of the calculated grant be transferred directly to the Reserve Fund for Development Charges:
    - a) For “Targeted Industrial Uses” this direct transfer is instead of Staff collecting 100% of DCs from applicants and then providing applicants with a 100% Grant to rebate the monies collected.
    - b) For “Non-targeted Industrial Uses” Staff will reduce the amount of Development Charges payable by the amount of the calculated Industrial DC Grant and collect the remaining DCs from applicants. The value of the calculated grant will be transferred directly to the Reserve Fund for Development Charges;
    - c) See Table 1 below for an example of grant calculations.

**Table 1 – Example of Industrial DC Grant Calculations**

<b>Building (Category)</b>	<b>Applicable DCs</b>	<b>Applicable Grant</b>	<b>DC Grant Amount</b>	<b>DCs Payable by Applicant</b>
<b>Agri-Food Manufacturer (Targeted)</b>	\$600,000	100%	\$600,000	\$0
<b>Shipping/Warehousing (Non-targeted)</b>	\$600,000	50% / maximum \$250,000	\$250,000	\$350,000

### Grant Agreement

1. Participating property owners in the Industrial Development Charges Grant program shall be required to enter into an agreement with the City;

2. This agreement shall include but is not limited to, identification of the dollar value of the grant and confirmation of applicant's agreement with the administrative process;
3. The agreement is intended to encapsulate all of the terms and conditions included in these Incentive Program Guidelines.

### Discontinuation of Program

Council may periodically review the Industrial Development Charges Grant program to determine if the program should continue, be modified, or cease to issue new commitments.

### Monitoring Program

The Monitoring Program set out in this section has several purposes. It is designed to:

- a) Monitor funds disbursed through the CIP incentive programs by program type to determine how the programs are being utilized, and allow City staff to properly budget for determine how the programs are being utilized, and allow City staff to properly budget for the incentive programs;
- b) Receive and monitor feedback from applicants to the incentive programs so that adjustments can be made to the incentive programs, as required;
- c) Monitor the economic performance and impacts such as investment and new employment (total and by target sector) associated with projects taking advantage of the CIP incentive programs;
- d) Monitor the planning, urban design and sustainability performance and impacts associated with projects taking advantage of the CIP incentive programs;
- e) Allow for comprehensive reporting of monitoring results to Council.

This CIP is not intended to be a static planning document. It is intended to be a proactive plan to rehabilitate, revitalize, diversify and strengthen the economy in London by promoting strategic industrial land development. Information collected through the Monitoring Program should be utilized by staff to provide regular reports to Council on the amount of private sector investment being leveraged by the municipal incentive programs and the economic and other benefits associated with these private sector projects.

Furthermore, information obtained through the Monitoring Program should be used to periodically adjust the terms and administration of the incentive programs to make them even more relevant, effective and user friendly.

### Description

Monitoring of the uptake and performance of the incentive programs should be done on a regular basis and these monitoring results reported to Council on an annual basis. Similarly, monitoring of progress on implementation of the Municipal Leadership Actions should be done regularly and reported to Council on an annual basis.

Table 2 presents a list of the data variables, including economic impacts, that should collected and monitored on an individual project and aggregate basis for all projects taking advantage of the incentive programs contained in this CIP. In addition to these quantitative economic measures, City staff should also monitor:

- a) The planning, urban design and sustainability performance of projects taking advantage of the CIP incentive programs;
- b) Comments on the incentive programs and program administration received by staff from developers, property/business owners and other key opinion leaders in the real estate, development and design/build community; and,
- c) Qualitative results of the CIP in terms of the impact of the Municipal Leadership Actions.

These qualitative measures and comments should be regularly monitored and reported to Council along with the quantitative measures listed in Table 2.

**Table 2 – Monitoring Variables**

<b>Program</b>	<b>Monitoring Variable</b>
Industrial DC Grant	<ul style="list-style-type: none"> <li>• Number of applications;</li> <li>• DC Grant amount(\$);</li> <li>• Value of construction project (\$)</li> <li>• Ha. (acres) of land developed/ redeveloped;</li> <li>• Square footage of industrial space created by type (development, redevelopment, rehabilitation, adaptive reuse) and sector;</li> </ul>

	<ul style="list-style-type: none"> <li>• New FT and FTE jobs created by type (development, redevelopment, rehabilitation, adaptive reuse) and sector;</li> <li>• Increase in assessed value of participating property;</li> <li>• Increase in municipal and education property taxes of participating property;</li> <li>• Percentage of employment in “Targeted” Industrial Sectors is stable and increasing;</li> <li>• Percentage increase in number of units constructed and Gross Floor Area constructed;</li> <li>• Attraction of new, and retention and expansion of existing Industrial Buildings/companies.</li> </ul>
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Program Adjustments

The individual incentive programs contained in this CIP can be activated, deactivated, reduced or discontinued without amendment to this Plan. Increases in funding provided by the financial incentives contained in this CIP, or the addition of any new incentive programs to this CIP, will require a formal amendment to this Plan in accordance with Section 28 of the *Planning Act*.

The City may periodically review and adjust the terms and conditions of any of the programs contained in this Plan, without amendment to the Plan. Such minor changes will be provided to the Minister of Municipal Affairs and Housing for information purposes only.