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2014 Industrial Land Development Strategy: An Investment in Our Future

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OUR STRATEGY

1 Take an active role in developing and selling industrial land



2 Understand our target sectors' needs



3 Ensure an adequate supply of land



4 Establish a plan to deliver investment-ready land



5 Market our land aggressively on international stage



6 Enhance our industrial land offering by making London attractive to investment



addition to the proceeds of selling industrial land. In this way, it makes very good economic and business sense for the City to develop and sell industrial land.

To help London compete aggressively for industrial employment and economic prosperity, it needs a clear *2014 Industrial Land Development Strategy* (ILDS) to help us plan for, acquire, service and market industrial lands. In so doing, London will continue to improve upon our high quality of life and our economic and employment prospects.

Our *2014 Industrial Land Development Strategy* consists of the following components:

- Establish our role to actively plan for, develop and sell industrial land;
- Identify our target sectors and understand their needs;
- Establish plans to deliver investment-ready lands;
- Market our lands aggressively on an international stage; and
- Make London attractive to a high quality, skilled labour force and, in turn, more attractive to industrial investment.

Industrial land development is extremely important to London's economy. This is confirmed by the fact that approximately 30% of all employment in our City occurs on lands that are designated Light Industrial or General Industrial in our Official Plan.

The following strategy will explain that, in London, the public sector must be involved in industrial land development to a large degree, or we will likely miss economic opportunities in the form of new industrial development. Why? Because the private sector will only purchase and develop industrial land if it can realize a reasonable return on investment through the eventual sale of these lands – unlike many cities in the GTA, London's industrial land sales market does not have the same opportunity for significant resale values. However, the City realizes a much broader return on investment in the form of community benefits like employment and tax revenues that are in

1.1 Recent Challenges

In recent years London's economy has been affected by several inter-related economic forces that are well beyond the City's control, and reflect fundamental shifts in the traditional economy. These include the United States and global economic recessions; intense manufacturing competition from abroad, including from China; a strong Canadian Dollar that has hurt exporting industries through higher exchange rates; the "melt-down" of the automotive manufacturing sector, including bankruptcy filings for some of the Big 3 Detroit auto companies; the consolidation of companies and their movement and concentration of headquarter offices into a few major cities across the country; the curbing of public sector employment and spending including health care, education and government sectors; and the concentration of immigration to Canada's major urban centres of Vancouver, Calgary, Toronto and Montréal.

These economic forces have resulted in persistently high unemployment in the London region, including rates of over 9 % during early 2013. The globalization of trade and industry means that we are now in competition with other municipalities from across the province, country, and world for the attraction and retention of industrial companies and a top workforce. It is important that we take meaningful action to help accelerate London's economic revitalization.

1.2 The 2001 Industrial Land Development Strategy

To date, the City of London has successfully participated in the growth of the industrial sector through a comprehensive, long-term *Industrial Land Development Strategy* (ILDS) for the planning, acquisition, servicing and marketing of the city's industrial land supply. The first ILDS was prepared in 2001, prior to the recent economic forces' impacts. The success of the ILDS has secured London's industrial land offering for the past decade.

1.3 Its Time to Refresh Our Industrial Land Development Strategy

However, we are now faced with an inadequate supply of appropriately sized, located, and serviced industrial land able to capitalize on major employment growth opportunities and meet the needs of prospective industrial enterprises. We no longer have an ample supply of marketable land that meets the demands of London's targeted industrial sectors. Since 2001 there have also been shifts in the City's targeted industrial sectors and their land, servicing, and design requirements. We therefore need to re-evaluate and re-refresh our *Industrial Land Development Strategy* in order to meet the changing needs of prospective industries in strategically-important target sectors.



THE IMPORTANCE TO OUR ECONOMY

Industry plays a significant role in driving London's economy. Industrial land uses are a key contributor to the future of economic development, workforce retention, economic sustainability and prosperity of the City. High quality, skilled, and well-paid jobs in fundamental economic sectors like industry also create a jobs "multiplier effect" in other dependent economic sectors. Multiplier employment in sectors like construction and development, retail and services are reliant upon higher order jobs in industry and the demand that those jobs create for consumer goods and services. Service sector jobs do not create as significant an employment multiplier as more basic industrial employment.

Industrial employment in London includes a wide range of sectors. The city's industrial lands are comprised of several large industrial parks, including but not limited to: Forest City Industrial Park; Innovation Park; London Enterprise Park; River Road Industrial Park; Skyway Industrial Park; Trafalgar Industrial Park, and other older inner-city industrial areas clustered along the railway lines.

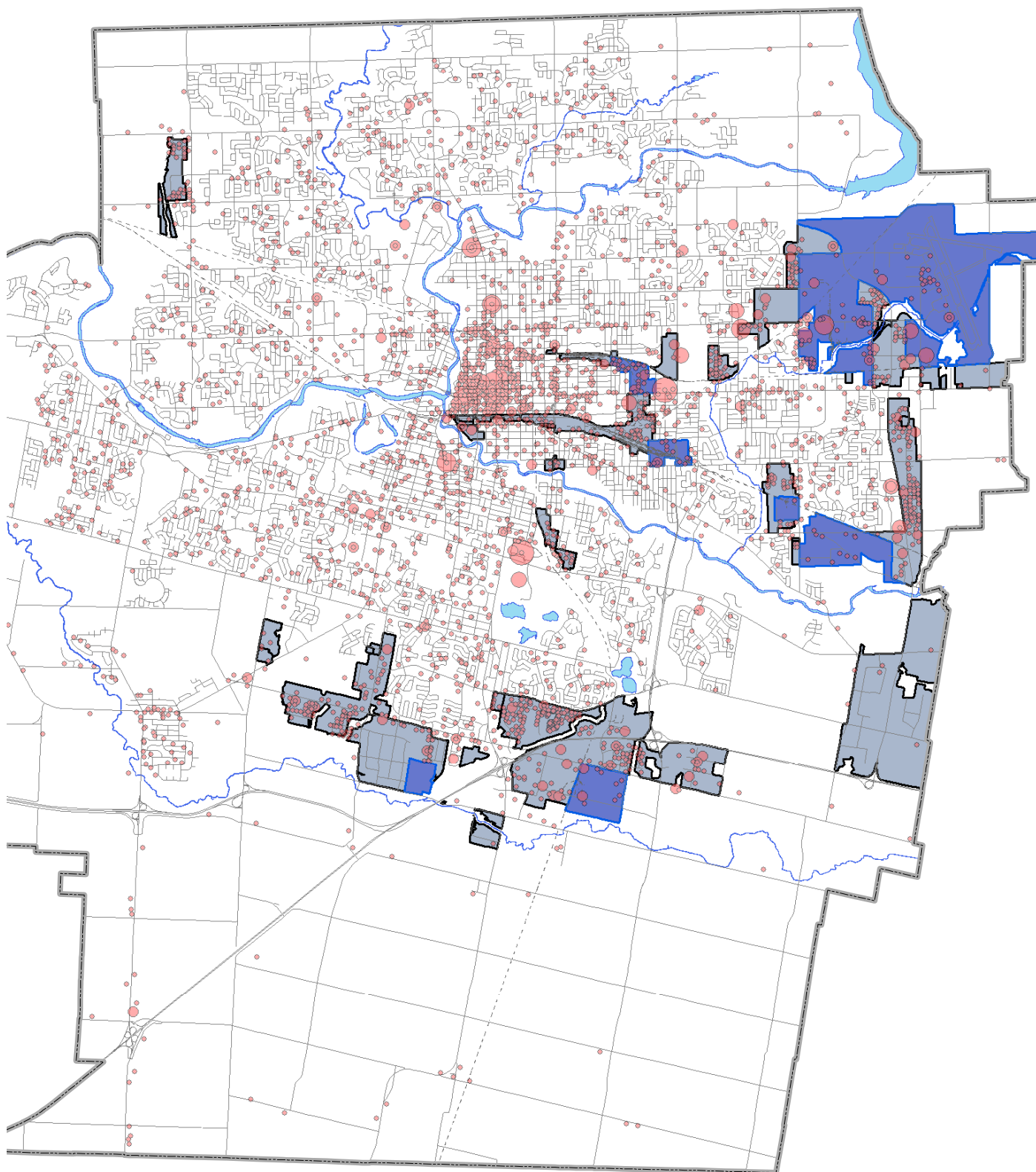
These industrial lands support a wide range of industrial sectors such as:

- Advanced Manufacturing;
- Renewable and Clean Tech;
- Automotive;
- Agri-Food/Food Processing;
- Defence and Aerospace;
- Life and Health Sciences;
- Information Technology and Digital Media;
- Enhanced Transportation and Logistics; and
- Research and Development, particularly related to the above-noted sectors.

The variety of London's industrial sectors and economic clusters is underscored by the presence of companies like 3M, McCormick's, Dr. Oetker, Arvin Sango, Labatt's Brewery, Kellogg's, Cargill, SuperTest Petroleum, Autodata Solutions, Natra, Phoenix Interactive Design, Trojan Technologies, General Dynamics Land Systems-Canada, Trudell Medical International, and Fraunhofer/Western University.

Moreover, as Figure 1 (next page) illustrates, industrial land uses are a major contributor to London's economic prosperity and employment base. Figure 1 shows that out of our total workforce of about 122,000 people, almost 30% work in lands designated Light Industrial or General Industrial in our Official Plan – that is over 35,000 employees. This clearly shows that the industrial sector is critically important to London and our economic prosperity is closely tied to the development of lands to support these sectors.





Legend

Official Plan General Industrial - 8,847 employees

Official Plan Light Industrial - 26,677 employees

1-100 Employees

101 - 500 Employees

501 - 1000 Employees

1001 - 5400 Employees

5401 - 10555 Employees

Total = 35,524

Total = 122,071

Percentage Employed in Industrial Designations = 29.1%

Figure 1: Industrial employment vs. total employment by location and number
(Source: LEDC, 2010)

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An additional breakdown of employment by economic sector is also shown in Figure 2, below. This graphic from the London Economic Development Corporation illustrates how vital industry is to London, with our industrial lands being home to companies that create

technology, products and knowledge for agriculture, information technology, transportation, construction, education, manufacturing, trade, health care and life sciences, and others.

Employment By Industry

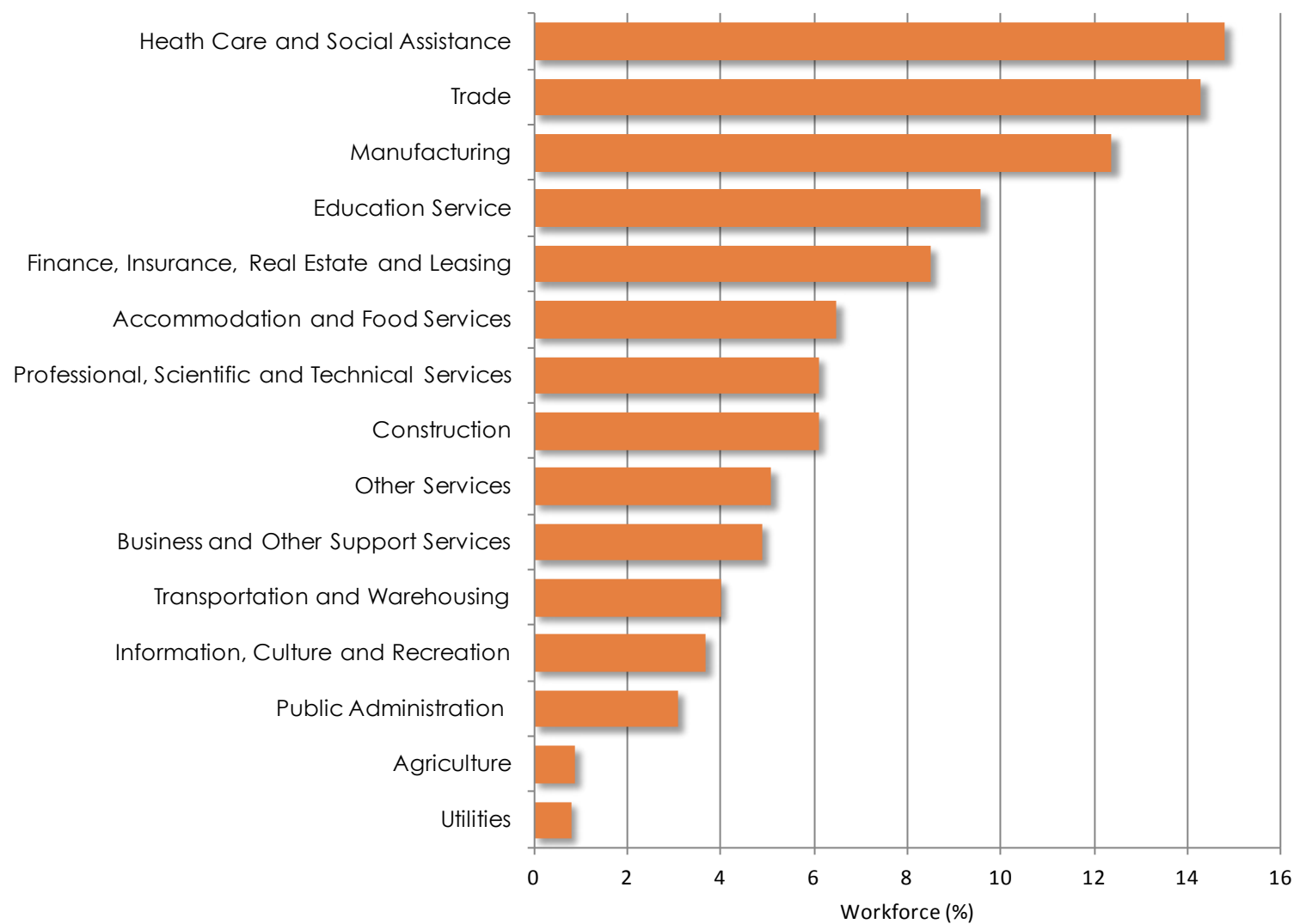


Figure 2: Percentage of London Workforce Employment by Industry (Source: www.ledc.ca)

WHY SHOULD THE CITY DEVELOP INDUSTRIAL LANDS?

3.1 Need to Compete

London needs to compete aggressively and directly in order to attract industrial growth. However, it is also important to recognize that London is outside of the economically powerful Greater Golden Horseshoe area of Ontario. To continue to compete, an investment in planning, servicing and municipal land development is required. For the City, the return on this investment can take many forms, including indirect benefits related to job creation, assessment growth and economic spin-offs. The City’s historical approach has been to act as a master developer for industrial lands, including the actions of acquiring, servicing and selling parcels. Construction and site development is undertaken by the private sector.

3.2 Success of 2001 ILDS

There has been significant success with this approach. According to the Industrial Land Study background report of November 2012, since the mid-1990s industrial land sales in the city have totaled 359 hectares, for an average of 56,800 m2 of industrial floor space built per year. The supply of vacant industrially-designated land has diminished over the same period. This is a result of re-designation of industrial lands and the City’s sales out pacing acquisitions.

3.3 Need for Adequate Industrial Land Supply

We can’t miss economic opportunities. As the prime industrial land locations near the highway, VMP, and

airport are developed, the vacant land inventory is increasingly comprised of land that lacks the characteristics that are likely to be sought after by new industries. For instance, there has been a growing trend towards industrial companies selecting larger sites to allow for greater consolidation activity and to allow for easier future expansions of their operations. As noted in the Industrial Land Study, to accommodate this market need, lands must be made available for large industrial interests, without which London will be less able to attract or permit expansion of major industrial employers.

The parcels must also have appropriate configurations and topography for industrial land uses. Furthermore, to ensure properties acquired or designated have the potential for industrial development they must not be constrained by the presence of major environmental features on parcels, such as significant wetlands or woodlots, or significant minimum distance separation requirements from existing livestock facilities.

3.4 Return on Investment

The success of the City in its role as industrial land developer can also be seen through the returns on investments in industry, as measured through direct and indirect job creation and the growth of tax revenue and assessment values. September 2013 figures for two example industrial parks are provided in the table, below.

Table 1: Return on Investment in Sample Industrial Parks (Source: City of London Realty Services, Sept 2013)

	Forest City Industrial Park	Innovation Park
Gross Land Acquired by City	86.3 ha (54.2 net ha)	264.3 ha (193 net ha)
Cost of Land Acquired by City	\$5.2 million	\$11.7 million
Cost of Land Per Hectare	\$15,745/hectare	\$7,239/hectare
On-site servicing cost	\$9.7 million (\$7.2 million net after grants from other governments)	\$36.7 million (\$19.2 million net after grants from other governments)
Total cost to City of London	\$12.1 million	\$25.6 million
Direct New Jobs Created	1,306	1,370
Indirect New Jobs Created	650	685
Total Jobs Created	1,956	2,055
Increase in Assessment	\$56.9 million	\$93.8 million (to date)
Increase in Tax Revenue/year	\$1.6 million	\$2.8 million (to date)
Proceeds from Land Sales	\$6.6 million	\$9.4 million (to date)

In addition to these examples, the *Industrial Land Study* found that city-wide municipal industrial land sales have resulted in significant returns through direct employment yield that averages approximately 55 jobs per hectare and 20 to 30 indirect jobs per hectare being created.

Recently, a presentation was made to City Council regarding the proposed expansion of Western University's Research Parks. In their presentation, Western University noted that their Research Parks serve as an enabler and catalyst for invention, economic growth, employment, wealth-creation and social good in the London region. Western also noted that the proposed expansion would double research, development and commercialization capacity, add 500 to 750 new higher-order knowledge-based jobs, increase economic output by an additional \$70 million annually, and be an attraction for new industry and employment of youth and professionals.

3.5 Why the Private Sector Won't Play a Lead Role in Industrial Land Development

The City of London needs to continue its role as the developer of industrial lands because in some cases the direct costs of acquiring land and extending services are not quickly recovered. This is because the revenue from land sales is often not sufficient to cover the costs of servicing. The proceeds that can be generated from competitively priced industrial land sales generally have not served well as an enticement for the private sector to lead industrial land development in the City of London.

As such, there has not been significant interest by the private sector to bear the cost of industrial land development. Longer-term returns can be realized by the City through increased assessment values and tax revenues, as well as indirectly through job creation and the "multiplier" employment that is a spin-off associated with base employment like industrial jobs.

The City of London would leave itself in a position of very high risk should industrial land development be left in its entirety to the private sector. The City must address servicing and land needs issues from a comprehensive, city-wide strategic level which would be very difficult to accomplish if led by the private sector. London's competitive position would be

diminished for large industrial land development and the City would miss economic opportunities.

3.6 Working With the Private Sector, Institutions and Other Levels of Government

This is not to say that there isn't a role for the private sector to play in industrial development. While acting as the lead industrial land developer in London, the City should also seek out opportunities to work with the private sector to create opportunities for private industrial land development. As has been seen in the past, there are opportunities for such development which can take advantage of major servicing works that the City may install for its own industrial land development.

Furthermore, there are a number of institutions and agencies that may want to collaborate with the City on industrial land development. For example, the London International Airport and the Western University have worked cooperatively with the City to develop lands for their own purposes.

As a result of its significance as a vehicle for employment growth and economic prosperity, the ILDS provides an excellent opportunity to engage and work with other agencies and levels of government to develop industrial lands in London.

3.7 Establishing The City's Role

For some time now, London has been actively involved in the acquisition and development of industrial lands with grading, roads and servicing put in place to attract new development. Current practices have been successful. In addition to the City's current practices of acquisition, servicing, land preparations, sales, marketing and provision of incentives (current role is Option 3 in the table below), the City has several other options for its future role and chosen development model for industrial land development. The roles the City can play are contingent upon the differing needs of various industries. In general, there are four options for the future role of the City. As outlined in the table below, they are "Private Sector", "Private Sector Development with Public Servicing", "Public Sector Development (Acquisition and Servicing)", and "Public Sector Development with Master Planning and Public Realm Enhancements".

Table 2: Options for City's Future Role in Industrial Land Development

Development Model City's Role / Development Model Computer		Option 1: Private Sector	Option 2: Private Sector Development with Public Servicing	Option 3: Public Sector Development (Acquisition and Servicing)	Option 4: Public Sector Development with Master Planning and Public Realm Enhancements
Planning	Scope of Area	Individual parcel(s)	Individual parcel(s)	Large development blocks	Large development areas
	Official Plan Designation	Privately-initiated Secondary Plans	Privately-initiated Secondary Plans	Secondary Plans initiated by City	Secondary Plans initiated by City
	Zoning	Zoning initiated by application	Zoning initiated by application	Pre-zoned for a wide variety of industrial uses	Pre-zoned for a wide variety of industrial uses
	Master Planning	Not required	Not required	May be required	Required
	Subdivision / Consent	Initiated by applicant (where applicable)	Initiated by applicant (where applicable)	Initiated by City (where applicable)	Initiated by City (where applicable)
	Planning / Engineering Studies	Applicant responsible; applicable to subject lands of application	Applicant responsible; applicable to subject lands of application	Conducted by City	Conducted by City
Implementation	Acquisition of Lands	Private landowner acquires lands	Private landowner acquires lands	Some private purchases and the City purchases strategically-located lands	Some private purchases and the City purchases strategically-located lands
	Servicing	External: constructed by City based on GMIS schedule; Internal: constructed and paid for by private developer.	External: constructed by City based on GMIS schedule; Internal: constructed and paid for by private developer.	External: constructed by City based on GMIS schedule; Internal: constructed and paid for by City.	External: constructed by City based on GMIS schedule; Internal: constructed and paid for by City.
	Site Preparation (e.g. grading)	Rough grading as per City policy	Rough grading as per City policy	Rough grading as per City policy	Rough grading as per City policy



Options 1 and 2 rely heavily on private sector interest to lead industrial land development. To date private sector interest in playing a lead role has not materialized, in part because of the high costs of servicing and land preparation and because of the long-term time lines required in order to see returns on some forms of investment in industrial land development.

As such, Option 3, which is the City's current practice, is recommended. However, development of master planning and additional investment in the public realm, (as noted in Option 4), may be considered for industries that require additional public investment in order to attract a top-quality workforce and employers that may generate a higher multiplier effect. Examples of such sectors include Information Technology or Research, Development and Commercialization (R, D & C), where they require high public amenity in their industrial parks. Option 4 may also be considered for enterprises associated with post-secondary institutions, such as the Fraunhofer Project. Both Options 3 and 4 would require necessary engineering and environmental studies, such as Environmental Assessments for required infrastructure, as part of any master planning undertaken.

In order to maintain our position as an attractive location for industrial enterprises, London must be able to respond to market demands while also strategically allocating the limited Municipal financial resources available for investment. Within this context, the ambitions of flexibly accommodating land needs, including planning permissions and industrial land acquisitions and servicing, will be assessed through the strategic lens of maximizing financial benefit and ensuring public interest is met.

3.8 Striking the Balance

Competition for the City's limited financial resources influences the City's strategic approach and roles, as well as influences the need for a balanced approach that accommodates different forms of industrial development and enhances our competitive advantages. London benefits from the ILDS because the strategic directions will respond to local, regional and global industrial trends and foster a balanced approach to industrial development. A balanced approach to industrial development is required in order to support and promote the traditional

industrial sectors of London's economy, such as manufacturing, as well as new and emerging industrial sectors like R&D and digital media.

3.9 Summary of Key Considerations in the City's Role

From the above analysis of development model options, there are two key considerations to highlight regarding the City's continued role in industrial land development. First, that the development model and the active role the City takes will not exclusively be Option 1 or 2 or 3 or 4 from Table 4 (on page 10), nor is it a role to plan or acquire or service or market or incentivize the lands. Instead, the City's role will be adaptable depending upon the context of the individual parcels of land and the private sector's interest in leading development on the given site. Likewise, not all parcels will require City acquisition if the London industrial land market advances and the private sector leads the process.

The other main consideration is the types of returns on investment that are available to the City through industrial land development which are not available to the private sector. The private sector's ROI is based on values of land sales. The City, however, can receive returns on investment through the public benefits of local job creation, increased assessment values and the related on-going ROI from property taxes. Since industrial land, servicing and preparations are expensive, and the returns on development in London are long-term including the on-going property and jobs-related benefits, the City's ROI is very different from the Private Sector's. This is one of the main reasons that, to date, the City has largely acted as the master developer of industrial land and the private sector has not been enticed to do so.



OUR GOAL

With an understanding of the City's role in developing industrial land, the following goal was established as a basis for this industrial land development strategy:

To help London compete for industrial employment on an international stage, our goal is to maintain an ample supply of market-ready industrial land that is strategically located to suit the varied needs of our target sectors.

To achieve our goal we aim to:

- Create a strategy that supports the larger frameworks and ambitions of our prosperity and employment objectives;
- Build on the enthusiasm for industrial growth and the strengths of our community;
- Capitalize on our competitive advantages;
- Address the industrial land needs of prospective companies in order to support economic prosperity, thereby addressing the five focus areas of A Path to Prosperity, which are: (1) Business Retention, Growth and Attraction; (2) Retain and Attract Talent; (3) Develop Labour Force; (4) Community Economic Development; and (5) Visitor Attractions;
- Foster cooperation and collaboration with partners (private sector, other governments and agencies);
- Identify specific strategies needed to engage our partners;
- Build a city that has the quality of life and the dynamic, vibrant urban experience that will attract and retain a top skilled workforce;
- Continually endeavour to meet target sectors' land, servicing and public realm needs and flexibly adapt to changing demands;
- Provide a continuous supply of market-ready lands that optimize City investments;
- Identify through a forthcoming confidential report the objectives and implementation strategies for City land acquisitions and land assembly; and,
- Identify means to measure the success of the *2014 Industrial Land Development Strategy*, including jobs created and acreage developed.



UNDERSTANDING OUR TARGET SECTORS' NEEDS

To meet the needs of our target sectors, making London a prime attraction for new industry, we must understand our city's existing industrial sector strengths, emerging sectors and help develop those target sectors by understanding their demands and decision-making criteria regarding land, servicing, and workforce skill sets.

5.1 The 2012 Industrial Land Study – An Extensive Review of Supply and Demand

The Industrial Land Study analyzes the City's industrial lands and projects supply requirements and future demand for land consumption. The Study concludes that there are several positive factors contributing to our prospects for industrial economic growth, including:

- Escalating commercial and industrial land prices in the Greater Golden Horseshoe (GGH, which includes Greater Toronto, Barrie, Waterloo Region, and Hamilton);
- Escalating prices in the GGH exacerbated by land supply constraints from the Greenbelt Act;
- High employment density requirements in the GGH through the Provincial Growth Plan, which are likely to push less labour intensive industries to areas outside the GGH; and
- Federal and Provincial incentives to create and fund economic development agencies and promote economic growth and diversification in Southwestern Ontario.

Economic development initiatives in the City are also in place in an effort to meet demands of industrial sectors. The City's efforts to partner with other agencies and meet demands have included: (1) an expansion of the cargo holding and transshipment facilities at the London International Airport; (2) provincially funded interchange improvements on Highway 401 slated between now and 2016; and (3) the initiation of an advanced manufacturing and research park at the Veterans' Memorial Parkway under joint venture by the City, Western University, Fanshawe College, and private sector partners.

Several trends in industrial land practices have been identified in recent years in the city. For example, the average build-out on sites is just under one-quarter of

the property. They are also selecting new greenfield sites, with 90% of total industrial development (by square metre of building) on greenfield sites since 2007. This indicates that industries choosing locations in London are acquiring significantly larger sites in order to accommodate the potential for future expansion and intensification of operations. The Industrial Lands Study projects that almost 550 hectares of Greenfield land will be required to accommodate the 2011 to 2041 demand, given the current trends in land and servicing requirements of our target sectors.

Servicing, availability and locations of existing industrial parcels can also be a challenge for prospective enterprises. For instance, the Industrial Lands Study found that there are significant tracts of vacant industrial land which are difficult to service and lack the locational attributes that prospective industries typically require. Many of these areas were located within the former Town of Westminster, and their industrial designations were carried over into the City's Official Plan. In other instances, lands that are designated for industrial use at strategic locations are not available for acquisition and development due to a lack of landowner interest.

In sum, the study has found that the key considerations are the qualitative attributes of our lands, including availability, size, location and ease of servicing. The size mismatch of available parcels must also be addressed, and London must support existing industrial sectors so that they can flourish and expand within the city, with the trend of larger land holdings suggesting interest in future expansion.

5.2 Building from Strength – Our Target Sectors

London has a strong economic history as home to corporate offices, production centres and research and development labs and facilities. London's economic strength results from our diversity of economic sectors and clusters.

The range of economic sectors is supported by the city's competitive advantages in location, skilled workforce, and high quality of life. The city's assets and competitive advantages include:

- Presence of Western University and Fanshawe College, which provide Research and Development (R&D) opportunities, skills development and labour force training;

- A highly educated and skilled workforce;
 - The emerging Medical Innovation and Commercialization Network;
 - Strategic location on the NAFTA superhighway at the junction of Highways 401 and 402;
 - Proximity to major Canada-U.S.A. border crossings and population centres;
 - Accessibility and affordability of air freight services through London International Airport;
 - Capacity and reliability of the municipal water supply and other service infrastructure;
 - The extent and productivity of our agricultural hinterland;
 - The strength of our health-care, education and research institutions and facilities;
 - Development of key industrial clusters;
 - Easy mobility – lack of congestion within the city;
 - Cultural diversity;
 - Opportunity for affordable living; and
 - Creation of the City's Investment and Economic Prosperity standing committee for facilitation of economic development initiatives.
- London's assets have translated into specific advantages for different sectors. In turn, these competitive advantages can act as building blocks for the city's future growth and development. The London Economic Development Corporation has identified London's competitive advantages for our target sectors to include:

Table 3: Competitive Advantage and Strengths for London's Target Sector (Source: www.ledc.ca)

Target	The London Advantage
Advanced Manufacturing	<ul style="list-style-type: none"> • London's location in the heart of Ontario's manufacturing cluster; • London's location on the NAFTA superhighway at the junction of Highways 401/402; • London's location – only a 2-hour drive from Detroit/Windsor, Toronto, and Niagara/ Buffalo. • London's advanced manufacturing sector includes segments of Renewable and CleanTech, Automotive manufacturing, Agri-food/food processing, and Defence and Aerospace.
Renewable and Clean Tech	<ul style="list-style-type: none"> • Existing strength of the manufacturing is complementary to manufacturing components for green technologies; • London is a leader in bio-gas production, with the first urban production facility in Ontario underway; • R & D at Western University and Fanshawe College on subjects such as solar cell materials, hydrogen storage, polymers for batteries, biofuel production, and power grids.
Automotive	<ul style="list-style-type: none"> • Locational advantages on the NAFTA superhighway at junction of Highways 401/402; • Conveniently located only a 2 hour drive from Detroit/Windsor, Toronto and Niagara/ Buffalo. • Strong industry currently employing over 15,000 workers in the London region. • Synergies from over 50 machine shops employing over 1,200 workers and over 60 auto parts suppliers within the London region.
Agri-Food/Food Processing	<ul style="list-style-type: none"> • Presence of a major food and beverage manufacturing cluster, including Kellogg's Canada, McCormick's, Cargill, Labatt Breweries, Dr. Oetker, and Natra; • Ready access to a wide variety of farms, dairies, raw materials, and abundant water supply from Lakes Huron and Erie; • Home to agri-food related research institutions such as Federal Southern Crop Protection and Food Research Centre.

Table 3 continued: Competitive Advantage and Strengths for London's Target Sector (Source: www.ledc.ca)

Target	The London Advantage
Defence and Aerospace	<ul style="list-style-type: none"> • Locational advantages from proximity to major U.S. military development and research centres, such as the U.S. Army development centre in Warren, MI, and U.S. Air Force's Wright Laboratories in Dayton, OH; • Proximity to Litton Canada and Honeywell Aerospace in the Toronto area; • Synergies from a highly trained labour force of more than 12,000 working in the defence sector in London.
Life and Health Sciences	<ul style="list-style-type: none"> • A cornerstone of London's economy and a key growth sector employing over 21,000 people in hospitals and research institutions; • Research and development clusters with expertise in the fields of biomedical, biotechnology, medical devices, clinical trials, medical imaging, xenotransplantation, advanced robotic surgery and animal research; • Emergence of the collaborative partnerships and the Medical Commercialization and Innovation Network; • Presence of R&D labs and institutions such as the Lawson Health Research Institute, Roberts Research Institute (Canada's largest privately-funded medical research facility), Canadian Surgical Technologies and Advanced Robotics Centre (CSTAR), London Regional Cancer Centre, and the Stiller Centre for Technology Commercialization.
Information Technology and Digital Media	<ul style="list-style-type: none"> • Over 300 I.T. companies focused on interactive game development, manufacturing plant floor software, financial services, asset management and TV cable systems; • I.T. labour force of more than 8,000 people; • Computer Science, Computer Engineering, and I.T. training through programs at Western University, Fanshawe College, and several of the more than 20 private vocational schools in London.
Enhanced Transportation and Logistics	<ul style="list-style-type: none"> • London's location on the NAFTA superhighway at the junction of Highways 401/402; • London's location – only a 2-hour drive from Detroit/Windsor, Toronto, and Niagara/Buffalo. • 150 million consumers can be reached within a one day's drive of the city of London. • London is home to 15 major trucking firms, 2 national railway carriers, and London International Airport with direct national and international linkages.
Research and Development	<ul style="list-style-type: none"> • R & D institutions specializing in many key industrial sectors, as noted above. • Some examples include the Boundary Layer Wind Tunnel Laboratory, the WinDEEE Dome, the Advanced Facility for Avian Research, the Fraunhofer Project Centre for Composites Research, and the Southern Ontario Water Consortium research facility at Greenway Wastewater Treatment Plant.

The London advantage will assist our target sectors during the upcoming period of anticipated growth. According to the Conference Board of Canada’s Winter 2013 “Metropolitan Outlook” report, growth of 2.7% is projected in Ontario’s industrial sectors from 2013 – 2017. Likewise, warehousing and transportation is anticipated to grow by 2.7% from 2013-2017. This growth is projected, in part, because of an anticipated 4.8% growth in Ontario exports for years 2013-2014.

5.3 Our Experience – What Are Our Target Sectors Looking For?

When evaluating our industrial land needs, the City must address our priority industrial sectors and assess the suitability of available or proposed land inventory against these sectors’ demands. General demands of all sectors relate to lands that are sized, assembled, and serviced appropriately. An additional demand factor of all sectors that cannot be overlooked is the availability of a top skilled labour force. The needs of all sectors can be accommodated in various areas of the city; however, in order to respond to market demands while also strategically allocating limited Municipal financial resources available for investment, clustering of compatible market sectors is

supported. The creation of targeted areas for different sectors will act as a means to bolster the synergies associated with clustering, and in turn, help foster innovation, entrepreneurship and further spin-off benefits.

As previously noted, the Industrial Land Study background report identifies a decade-long trend towards larger property size requirements, with land sales averaging 2 hectares between 2002 and 2006, whereas since 2007 average parcel sizes sold have been 4.3 hectares. The London Economic Development Corporation has also conducted interviews with industrial sectors and found that various locational criteria, site criteria, and servicing and infrastructure are of priority to different industrial sectors. Moreover, it was found that while access to the highway, understood as locations within 5 minutes’ driving time, was demanded by many sectors, sites with direct highway exposure were a preference of some individual companies but not a demand of any entire industrial sector.

The following table illustrates the requirements behind our target sectors’ industrial land choices.

Table 4: Comparative Requirements of Target Industrial Sectors

Factor	Renewable / CleanTech	Automotive	Agri-food/ processing	Logistics	Defence/ Aerospace	Life Sciences	I.T. / Digital Media	R, D & C
Good access to 401 or 402	Yes	Yes	Yes	Yes	Yes	No	No	No
401 or 402 direct frontage	No	No	No	No	No	No	No	No
Quick access to airport	Yes & No	No	No	Yes & No	Yes	Yes & No	Yes & No	Yes & No
Immediate proximity to airport	No	No	No	Yes	Yes	No	No	No
Away from odours, dust, noise of heavy industry	Yes	No	No	No	No	Yes	Yes	Yes
Away from auto traffic (congestion)	No	Yes	Yes	Yes	Yes	No	No	No
Light industrial use	No	No	No	Yes	No	Yes	Yes	Yes
High degree of outdoor storage	No	Yes	No	Yes	No	No	No	No
Emits high level of odour, noise, or vibration	Yes & No	Yes	Yes	No	Yes	No	No	Yes & No

Table 4 continued: Comparative Requirements of Target Industrial Sectors

Factor	Renewable / CleanTech	Automotive	Agri-food/ processing	Logistics	Defence/ Aerospace	Life Sciences	I.T. / Digital Media	R, D & C
Need low impact neighbours	No	No	No	No	No	Yes	Yes	Yes
Need to attract highly sought-after highly skilled labour force through provision of high quality building and surroundings	Yes	No	No	No	No	Yes	Yes	Yes
High water use and sewer discharge	Yes	Yes	Yes	No	Yes	Yes & No	Yes & No	Yes & No
Candidate as dry industry	No	No	No	Yes	No	No	No	No
High volume road	Yes	Yes	Yes	Yes	Yes	No	No	No
Need for rail adjacency	Yes & No	No	No	No	Yes & No	No	No	No
Large sites	Yes	Yes	Yes	Yes	Yes	No	No	Yes & No
Extra-large sites	No	No	No	Yes	No	No	No	No
High employment to land area ratio	Yes	No	No	No	Yes	Yes	Yes	Yes

5.4 Access and Not Frontage to Highways a Significant Requirement

Noteworthy in the above table is that none of the target industrial sectors require direct frontage onto Highway 401 or 402. The feedback received by LEDC from interviews with our target industrial sectors indicates that the requirement for good access to the Provincial Highways is much more important than direct frontage onto the Provincial Highways. LEDC has found that while there are some companies that either prefer or require sites with direct highway frontage, it is not a requirement of any industrial sector as a whole. Nor is direct highway frontage as important to any industrial sector as locations with good access to the highways (defined as a five (5) minute drive to a highway interchange).



HOW WELL DOES OUR CURRENT SUPPLY MEET THE NEEDS OF OUR TARGET?

To meet the needs of our target sectors the City must address gaps in the existing and projected industrial land supply and identify a locational strategy with best locations for future Industrial-designated lands to accommodate our target sectors.

6.1 Vacant Industrial Land Supply

Table 5, which follows, shows the TOTAL SUPPLY of City-owned and privately-owned Industrial lands of various sizes.

Table 5: Vacant Industrial Parcels - All Ownership

	Less than 1ha	1 to 5ha	5.1 to 10ha	Larger than 10ha	Total
Number of All Parcels	162	114	19	32	327
Area All Parcels (ha)	64.1	289.6	140.8	759.1	1253.6

It is noteworthy that 85% of all parcels are 5ha or smaller in size.

While the above table shows that we have a large supply of industrially-designated land, much of this land is not City-owned. As noted in this report, experience tells us that the Private-sector is unlikely to play a lead role in developing land within London. The City-owned supply is of particular significance given the history of industrial land development being led by the municipality within London, and the need for the City to maintain its active role in the planning, acquisition, servicing, and marketing of industrial land.

6.2 Vacant Industrial Land Supply – City-owned

The City-owned supply of vacant industrial land, both serviced and unserved, is shown in Table 6.

Table 6: Serviced and Unserved City-owned Vacant Parcels

	Less than 1ha	1 to 5ha	5.1 to 10ha	Larger than 10ha	Total
Number of City-owned Parcels	16	13	6	9	44
Area of City-owned Parcels (ha)	8.0	36.5	43.4	149.0	236.9

6.3 A Significant Gap in Quality, City-owned Industrial Land Supply

Table 6 shows a much different “picture” of London’s industrial land offering. The City-owned supply is only 19% of the total supply within the City, amounting to just over 235ha of land.

Of this 235ha of City-owned industrial land:

- Approximately 116 ha (about 50%) is located north of the Thames River, well removed from Highway 401 and not well positioned to meet the needs of our target sectors
- Approximately 130 ha (only 55%) is serviced – industrial proponents are only interested in serviced industrial land, due to the significant time required to extend major servicing infrastructure
- Only 85ha (36%) of this serviced industrial land is greater than 5ha in size (only 7 properties)
- Only 65ha (6 properties) of this city-owned land meets our target sectors’ demand qualities of:
 - Serviced
 - In close proximity to Highway 401
 - In parcel sizes of 5ha or more

It is further noteworthy that several of these serviced industrial properties are under option, so are functionally removed from our offering to prospective industrial investors.

City Owned, Vacant Industrial Lands as of Mid-2013

- Served
- Not Served
- Parcels Larger Than 5 ha

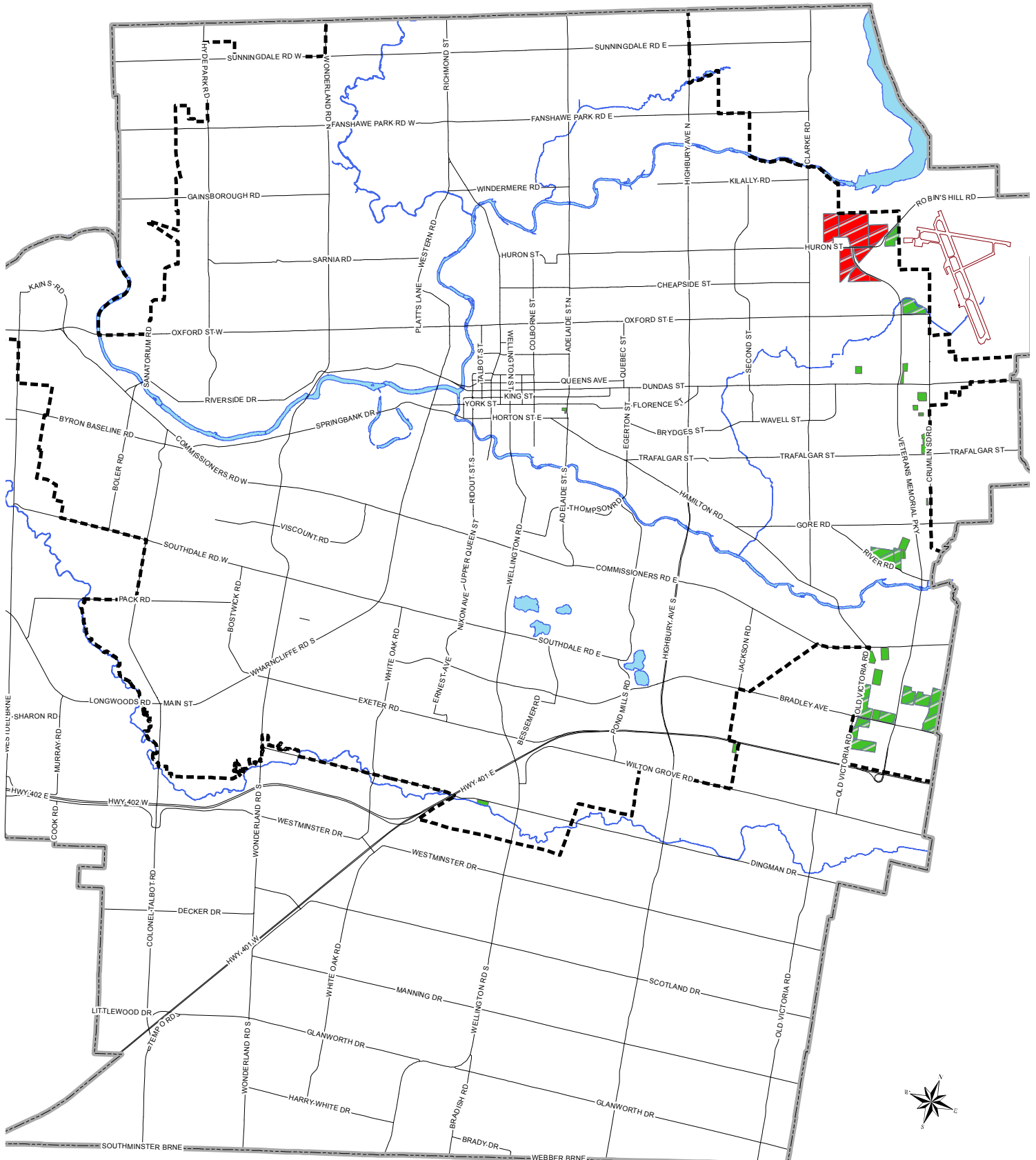


Figure 3: Vacant City-owned Industrial Lands

6.4 Mapping Out Our City-owned Industrial Land Supply

Figure 4 shows a map of City-owned, serviced industrial land. It is clear that there is an inadequate supply of serviced City-owned land within strategically advantageous locations in London and action should be taken to address this.

6.5 Summary of City-owned Supply – We Will Miss Opportunities

From the above analysis, it is clear that the current supply of vacant land is not well aligned with the locations, sizes, and servicing requirements of prospective industrial enterprises. Market feedback has indicated that some industries look for locations close to Highway 401, 402 and Veterans' Memorial Parkway corridors. A significant portion of the City's vacant industrial land is not in proximity to these highways.

The sizes of vacant parcels are also a limitation of the current stock. Lands sold over the past 5 years have averaged 4.3 hectares per property, whereas only 35% of the City's industrial land area is within parcels that are 5ha in size or more – a total of only 7 properties. Recent developments have been on even larger sites, such as the Samsung solar panel facility (10 to 15 ha.), and in the Innovation Park (averaging 10 to 20 hectares per property).



7.0

A STRATEGY FOR ACQUISITION AND DEVELOPMENT

7.1 How Much?

Through the late 1990's and subsequent to the *Industrial Land Development Strategy* established in 2001, the City acquired and developed two large industrial parks (Forest City Industrial Park and Innovation Park). This amounted to approximately 350ha of land, which has progressively been developed such that the Forest City Industrial Park is sold out and Innovation Park has slightly more than 80 ha of land vacant and available (not under option). This represents sales of approximately 270 ha in this area south of the Thames River in approximately 15 years – an average of 18ha per year. If this trend continues, the roughly 80 ha of vacant serviced land remaining south of the Thames River would be exhausted in four to five years.

Assuming sales of, on average, 20ha per year, it is recommended that the City always maintain a minimum 200ha (10 year) supply of vacant, serviced land overall and, within this total supply, 180ha of serviced land in strategic locations within reasonable proximity to the Highway 401/402 and VMP corridors, south of the Thames River. This land should include a variety of lot sizes, including the provision of several large blocks that can attract large industries such as those that have recently located in London. In addition, reasonable opportunities should also be offered close to the Airport, in General Industrial designations and in strategic Office Business Park locations that may emerge over time.

Focusing on this goal, and understanding the urgency of the matter, Table 7 shows an action plan that will allow for this general directive to be met:

Table 7: Acquisition and Development Targets

End of Year	City-owned Total Industrial Land Supply	City-owned Serviced Industrial Land Supply in Key Strategic Locations	City-owned Serviced Industrial Land Supply in Secondary Locations	Surplus or Deficit relative to target of 200ha serviced in total and 180ha serviced south of the Thames River
2013	235ha	75ha	18ha	(-107ha) total (-105ha) south
2014 - 2016	Action: Purchase 200ha and develop/service 100ha south and 20ha north			
2016	395ha (235+200 purchased -40 sold)	144ha (75+100 developed -31 sold)	29ha (18 -9 sold +20 developed)	(-27ha) total (-36ha) south
2016 - 2018	Action: Develop/service 100 ha of industrial land south and 70ha north			
2018	335 ha (395-60 sold)	194 ha (144+100 developed -50 sold)	89ha (29+70 developed -10 sold)	+83ha total +14ha south
2018 - 2023	Action: Purchase 100ha of industrial land and develop/service 100 ha south			
2023	335 ha (335+100 purchased -100 sold)	214ha (194+100-80)	69ha (89- 20 sold)	+83ha total +34ha south
2023-2028	Action: Purchase 100ha of industrial land and develop/service 100 ha			
2028	335ha (335+100 purchased -100 sold)	214ha (209+80-80)	69ha (69-20 sold+20 developed)	+83ha total +34ha south

In summary, the above plan establishes the following targets over the next 10 years. It should be clear that these are “stretch targets” that will be difficult to meet and Council will have to make difficult funding decisions relative to other priorities. However, these time lines establish a clear direction to strive towards:

Before the end of 2016

- Acquire 100 ha as per the 2012 direction to staff (and corresponding budget approval)
- Acquire an additional 100ha beyond that identified in 2012
- Develop 100 ha south of the Thames River
- Develop 20ha in the Huron Park area (already owned by the City)

2016 and 2018

- Develop 100 ha, south of the Thames River
- Develop 70ha in the Huron Park area (already owned by the City)

2018 and 2023

- Acquire 100ha (80ha south of the Thames River)
- Develop 100 ha (80ha south of the Thames River)

There is an ongoing indefinite investment similar to that between 2018 and 2023, should Council wish to continue to invest in industrial land development.

7.2 Variability

While Table 7 provides a good plan for acquiring and developing industrial land to maintain a supply of approximately 200ha of serviced land, it should be recognized that:

- It may be desirable to acquire more than 100ha of land at a time, if a good opportunity for acquiring strategically located land presents itself (such as Innovation Park, in the past, which represented an acquisition in excess of 200 ha)
- The underlying assumption that industrial land will be developed at 20ha per year is a “straight line assumption” that is not an entirely realistic picture of how industrial land is developed. Rather, industrial land sales tend to be “lumpy”, with extremely variable amounts sold from year to year, diverging from the statistical average. This could leave the City short of

supply if a particularly large amount of land is sold in any one year.

- It is important to recognize that the assumed sale of 20ha, on average, per year may not be achieved.
- Ongoing monitoring will continue such that acquisition and development can be accelerated or slowed based on actual demand expressed by the market over time.

7.3 Bradley/VMP Interchange

In several reports it has been identified that, at some point, a Bradley/VMP interchange will be required when industrial development hits a specific threshold that will trigger the need for its construction. This is a cost beyond that which is considered in the cost of industrial land development. A portion of the cost will be accommodated through development charges relating to residential, institutional and commercial uses as the interchange is triggered by a combination of those uses and industrial uses. However, there will likely be a large cost that is not covered by this revenue source and other sources of funding will be pursued.

7.4 The Need for Funding from Other Levels of Government

The plan identified above will cost in the order of \$120M over the next 10 years. Clearly, the City of London cannot afford to implement the plan alone and will require the involvement of provincial and federal governments to do so. It is clear that industrial development in London is good for economic growth in Southwestern Ontario as well as within the province as a whole. Available and serviced industrial land in London could help to seize on the major improvements made to the Windsor Bridge crossing. Without available serviced land in London, opportunities for industrial investment in the region will be missed. The ILDS represents a good investment for the province and nation to grow the economy of Southwestern Ontario and seize on jobs that may otherwise go to locations outside of Ontario and Canada.



7.5 Locational Strategy

There are six key locations that are highlighted in this strategy relating to industrial land development. They are shown on Figure 4, and can be described as:

1. International Airport – This is a strategic area for logistics involving air cargo and aerospace industries; aligned with the VMP, this area is connected southward, with long term connections to the north should Highway 7 be extended westward in the future. This area also ties in Fanshawe College and its vast training and technology facilities.
2. 401/VMP – This is a strategic area relative to existing industrial clusters and has good access to Highway 401. The area includes opportunities for knowledge-base manufacturing facilities revolving around the Fraunhofer Institute, WinDEEE and other future facilities in the Advanced Manufacturing Park.
3. South - This strategic area is close to existing industrial clusters and has good access to Highway 401. It also has good access to the City's landfill site and the environmental uses that are developing close to it.
4. UWO Discovery Park – This strategic area is in close proximity to UWO and is taking on a more focused knowledge and innovation role, with manufacturing.
5. 401/402 – This area is generally located near the confluence of the Highway 401 and 402 corridors. While likely not of interest in the short-term, there may be longer term interest in this area with the construction of a new interchange at 401 and Wonderland Road allowing for easy access to both Highways 401 and 402.
6. International Water Excellence Centre - This strategic area provides opportunities for Research, Development and Commercialization related to water engineering and related technologies.

Some of these areas are more attractive than others from a cost/value perspective. Furthermore, some lands have greater constraints (e.g. not within Urban Growth Boundary, environmental constraints, costly to service). Administration have provided a detailed analysis of various areas and parcels and will use identified criteria to guide future acquisitions.

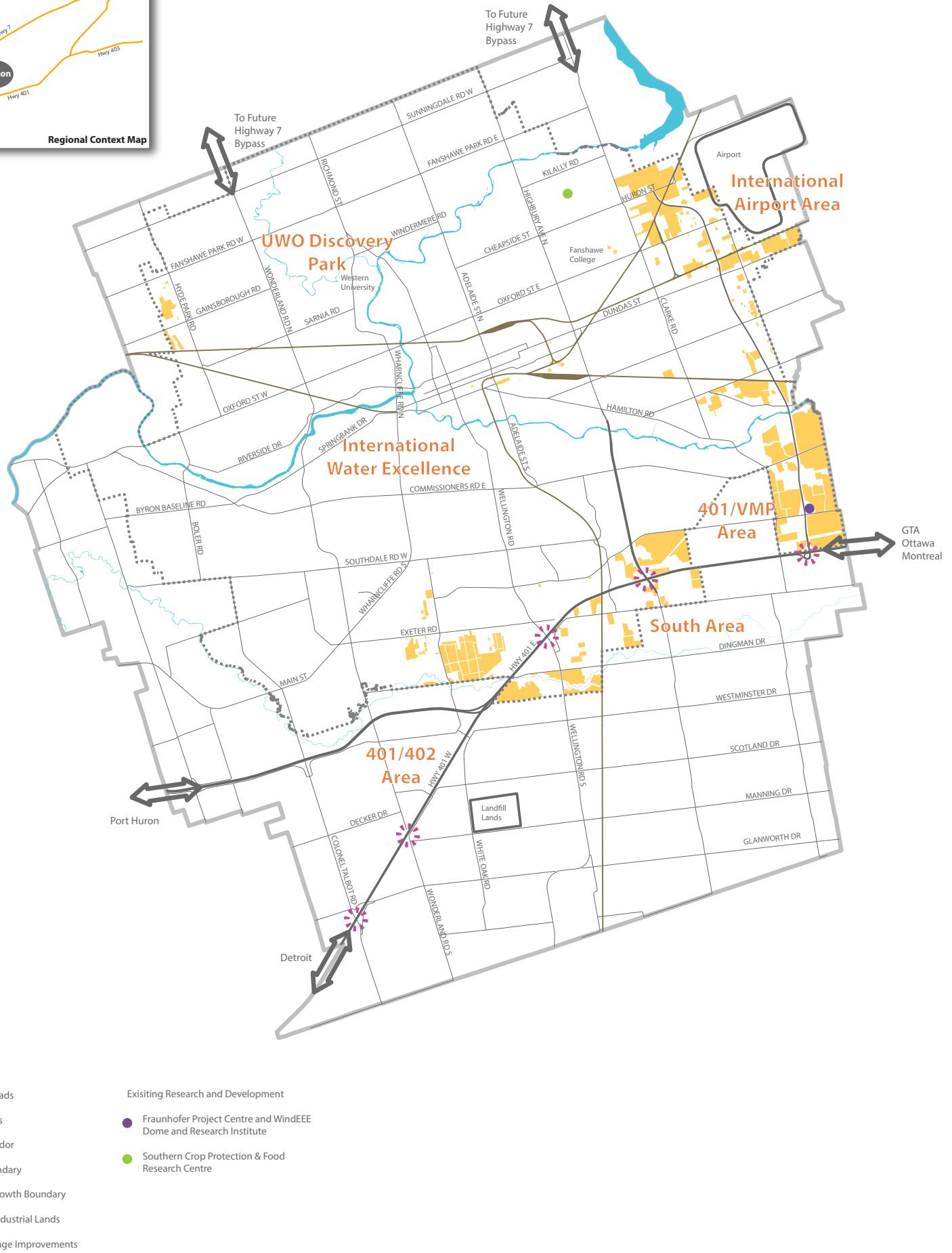
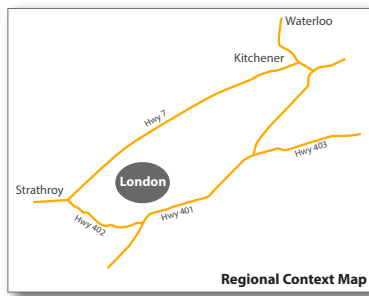


Figure 4: Industrial Land Locational Strategy - Conceptual Framework

7.6 Criteria for Acquisition of Additional City-Owned Lands

Based on the needs of our target sectors, criteria have been developed to use for evaluating potential properties for future acquisition.

Evaluation is based on attributes such as location of sites relative to market demands, environmental constraints, servicing, and cost constraints. The evaluation criteria include the following:

- Size of parcel;
- Site topography and configuration;
- The ratio of land area to net developable land area;
- Exposure to, and easy quick access to, Highway 401, Veterans' Memorial Parkway and London International Airport;
- Number of kilometres of highway exposure;
- Environmental constraints;
- Minimum Distance Separation requirements from livestock operations and other potential impact on agricultural lands;
- Minimal impact on, and compatibility with, the adjacent land uses, including the Ministry of the Environment's minimum separation from sensitive land uses (D6 Guidelines);
- Other significant constraints (e.g. hydro corridors);
- Cost of Providing and maintaining servicing and infrastructure (particularly external servicing requirements);
- Total costs for servicing and acquisition;
- Utilization of previous investments in infrastructure projects;
- Whether land development for industrial uses would trigger the construction of the Bradley Avenue interchange at the Veterans' Memorial Parkway;
- Acquisition concerns (landowner interest, number of parcels and number of landowners in a targeted area);
- The number of hectares inside the Urban Growth Boundary versus number of hectares outside the Urban Growth Boundary;
- Logical extensions of the urban area and related services, with wise use of resources;
- Overall risk assessment;
- Alignment with the City's economic development objectives; and
- Suitability for the extension of public transit service.



8.0

ESTABLISH A PLAN TO DELIVER MARKET-READY LAND

In order to successfully implement the *2014 Industrial Land Development Strategy*, lands must be ready to be delivered to the market. This means sites must be through planning approvals processes, external servicing must be in place, and a quick delivery of the lands must be possible.

8.1 Planning and Phasing

Based on the Planning report of April 23, 2013, an Urban Growth Boundary (UGB) expansion, as identified in the *Industrial Lands Study* background report, is being proposed for approximately 500 net hectares of new industrial land. Combined with existing industrial lands, this expansion will accommodate projected demand over the course of the next twenty-year planning horizon. As noted above, this *2014 Industrial Land Development Strategy* calls for the acquisition of 300 hectares and development of almost 400 hectares of industrial land over the next 10 years – which will likely include lands that are already located within the Urban Growth Boundary.

In order to ensure an expeditious planning process, scoped secondary plans will be completed and within these scoped secondary plans the required engineering, planning, and environmental assessment studies can be incorporated. An internal staff team will be assembled to move these secondary plans through the process quickly. Additionally, in the case of City-owned lands, subdivision and zoning processes will be addressed concurrently with the scoped secondary plans.

8.2 Financial Plan

The *2014 Industrial Land Development Strategy* is based on the premise that London needs to compete aggressively and directly in the attraction of industrial growth. To continue to compete, an optimum investment in planning, servicing and municipal land development is required. For the City, the return on this investment can take many forms including indirect benefits related to job creation, assessment



growth and economic spin-offs. As a developer of industrial lands, however, the City may not quickly recover its direct costs of acquiring land and extending services.

Cost projections have been used to estimate the land acquisition and related hard services costs that precede the creation of serviced industrial land. These projections are based on the history of costs, assessment value, and previous returns on investments. The financial projections take into account:

1. Acquisition of land (which may occur long before the remaining steps);
2. Planning of subdivision lot configuration and access;
3. Planning of servicing both within and external to the subdivision;
4. Projected costing of servicing (including extensions of piping, conveyance and treatment, and upgrades as required);
5. Design and detailed costing of servicing; and,
6. Construction of servicing.

8.3 Collaboration with Partners

The recommendation of the Investment and Economic Prosperity Committee for an investment of \$40 million for future industrial land acquisition and servicing underscores how essential future collaboration with other levels of government and private sector partners will be to the success of London's industrial growth. Consequently, the *2014 Industrial Land Development Strategy* proposes that the City of London works with the Province of Ontario, Federal Government and private sector in order to implement the ILDS and addresses the employment and economic prosperity objectives of London. London already has lands that qualify as "investment ready" under the Provincial program; however, the *2014 Industrial Land Development Strategy* allows an additional opportunity for further collaboration with the Province of Ontario to create a regional growth plan for Southwestern Ontario.

The results of a productive partnership between London, other levels of government and private corporations in funding the implementation of the *2014 Industrial Land Development Strategy* will be a stronger, more prosperous economy and an improved quality of life for Londoners, the greater London

region and Southwestern Ontario more generally. In turn, this partnership will also support the priorities of Canada's Economic Action Plan by facilitating job creation, prosperity across Canada, and growth through innovation.

Moreover, the ILDS supports "Growth through Innovation" by supporting collaboration with the hospitals, Western University, Fanshawe College, and the associated research institutions such as the Fraunhofer Institute. The ILDS supports these partnerships in an effort to assist sectors like research and development, which is a sector paramount to the success and competitiveness of Canada's knowledge-based economy.

8.4 Industrial Land Development Action Team

Within the Corporation of the City of London there are a number of groups and agencies working on Council's behalf to deliver mandates related to economic development and the provision of market-ready industrial land. The London Economic Development Corporation works to market the City of London to investors. LEDC also works to attract and retain businesses and facilitate site selection for prospective companies. The City's Realty Services, Environmental and Engineering Services, and Planning units provide for the delivery of industrial lands through land transactions, facilitative land use and development permissions, and implementation of supporting infrastructure and servicing. A land development team consisting of Planning, Realty Services, Development Compliance and Building and Engineering Service areas works directly with the client when land has been acquired from the City in order to ensure the customers' time lines are met. The City also offers strategic direction in support of economic development, which is coordinated through the Corporate Investments and Partnerships unit. As industrial opportunities arise within London, pre-identified personnel from these diverse groups meet and coordinate their goals in order to create ad hoc industrial lands solutions.

This current "action team" approach addresses the City's roles and responsibilities through the Service Areas identified in Table 8, below.

To build upon and enhance current practices of the

Table 8: City of London Service Area Responsibilities Related to Economic Development and Industrial Land

Roles	Planning	Realty Services	LEDC	Environmental and Engineering Services	Development Services	Development Finance	Business Liaison, and Corporate Investments and Partnerships
Official Plan Designations	●						
Zoning	●						
Planning Studies	●						
Development Approvals (subdivisions, etc.)					●		
Site Planning and Development Agreements					●		
Engineering Studies				●			
Servicing				●			
Site Preparation (grading)				●			
Development Charges and Exemptions	●					●	
Other Incentives	●					●	
Land Acquisition/Sales/ Negotiations		●					
Land Marketing		●	●				
Facilitation of Private Site Selection			●				
Private/Public Liaison			●				●
Strategic Direction for Economic Development	●	●	●	●		●	●

City Corporation's Action Team, it is recommended that a more formalized Action Team of pre-identified Staff and Management, including members from the Planning, Building, Engineering, Finance and Development Services sections, be identified. This team should be responsible for moving scoped secondary plans, subdivisions and zoning approvals

through processes in a very timely manner. A more formalized Industrial Development Action Team should be identified so that the team's membership can address industrial land development concerns swiftly and through a clear mandate that addresses industrial land development as a top City priority.

MARKET AGGRESSIVELY

In order to sustain a competitive position as a municipality and to continue to attract a highly skilled workforce, London’s industrial lands and high quality of life must continue to be marketed aggressively. The City and its partners must strive to showcase London’s attributes and bolster the city’s identity, thereby enticing private investment.

9.1 Highway 401/402 Investment Corridor

One key initiative recommended to enhance the city’s brand is the creation of a comprehensive identity for Highway 401 and 402 as an “Investment Corridor”. The identity will signify the uniqueness of London and our culture, innovativeness, and natural beauty. This identity will capitalize upon Provincial and City investments in the Highway 401/402 Investment Corridor, including upgrades to the unique London highway bridge crossings. In

addition to the development of lands for industrial uses, the Investment Corridor identity will be created through enhancements of public and private lands and investments in formalized tree plantings, landscaping, and possibly public art. This will required further discussions with the Ministry of Transportation.

To ensure implementation of a unified brand for London’s Highway 401 and 402, incentive programs could be considered in order to facilitate tree plantings and landscaping enhancements on private lands abutting the highway. Plans and guidelines would be required to establish funding for incentive programs.

Figure 5, below, illustrates an example of a unique, comprehensive identity that could be created for London’s Highway 401/402 Investment Corridor. The illustration shows a theming of different segments of the corridor.



Figure 5: 401/402 Investment Corridor



9.2 Ontario's Investment-Ready Program

London has shown leadership in its active participation in the Province's pilot program that designates sites as "investment-ready". The program was launched to certify sites that meet province-wide requirements regarding utilities, servicing, transportation and access and related due diligence. The Province also provides funding for eligible background studies and due diligence required to make the candidate sites fully investment-ready. London's Innovation Park houses the first site designated in the Province of Ontario, and helps demonstrate how the City and its partners are actively seeking collaborative partners that can help facilitate industrial growth.

9.3 Partners in Marketing London's Competitive Advantages

In addition to the Highway 401/402 Investment Corridor and the Provincial Investment-Ready Program, London's many attributes and competitive advantages are marketed internationally, nationally and regionally. LEDC markets London's industrial lands through a variety of site selection channels.

Through a relationship with the Ontario Ministry of Economic Development, Trade and Employment, LEDC markets land opportunities using Ministry GIS and Site Certification programs. LEDC also markets to Ontario's global network of International Business Development Representatives, which provides location guidance to international clients.

Regular direct outreach to Canadian embassies and consulates is conducted in major markets. The Department of Foreign Affairs and International Trade also promotes London in their local regions. London and its industrial land inventory are constantly marketed to federal partners.

Through various regional alliances, such as the Ontario Food Corridor and Ontario Automotive Communities Alliance, LEDC conducts outreach activities for new investment attraction projects. LEDC participates in many site selection surveys, industry ranking competitions, site certifications and other tools to help market our land to worldwide audiences. LEDC also uses a variety of web portals to showcase London's industrial land infrastructure.

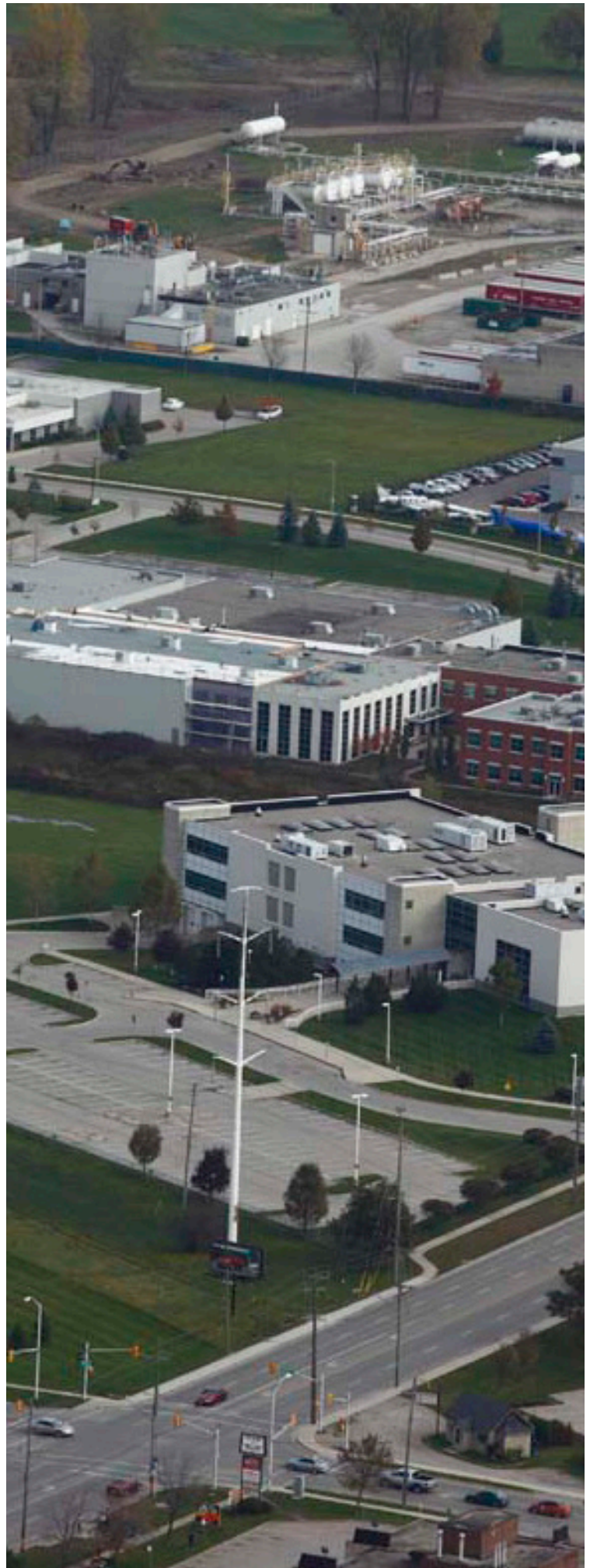
Additionally, the City of London seeks out economic development partnerships with collaborative partners and investors through international trade missions.

Staff believe an ever improving web-presence should also be pursued. It is currently difficult to navigate through the information that illustrates available City-owned industrial lands. Efforts to market London's competitive advantages, including knowledge-based segments of the industrial sectors like information technology and R&D, are evidenced by the internet, social media, and viral video presence of London. The recent "This Morning in London, Canada" video is one example of the on-going effort to actively showcase the employment, business, and lifestyle advantages of our city.

In addition to the London Economic Development Corporation, London is also supported through the collaboration efforts of partnerships like the Southwest Economic Assembly (SWEA). SWEA is an association of public and private interests that promotes economic development throughout the region and works to:

- Promote regional economic cooperation;
- Celebrate regional economic successes;
- Identify where economic cooperation will pay dividends;
- Signal the benefits for improved cooperation among key sectors of the economy;
- Outline the challenges to enhanced productivity;
- Recognize the political challenges;
- Produce a regional economic information base; and
- Direct Benefits to Business and Communities.

The *2014 Industrial Land Development Strategy* supports and encourages these marketing activities through the establishment of more market-ready lands that are strategically-located and suited to our target sectors.



10.0

MAKE LONDON ATTRACTIVE

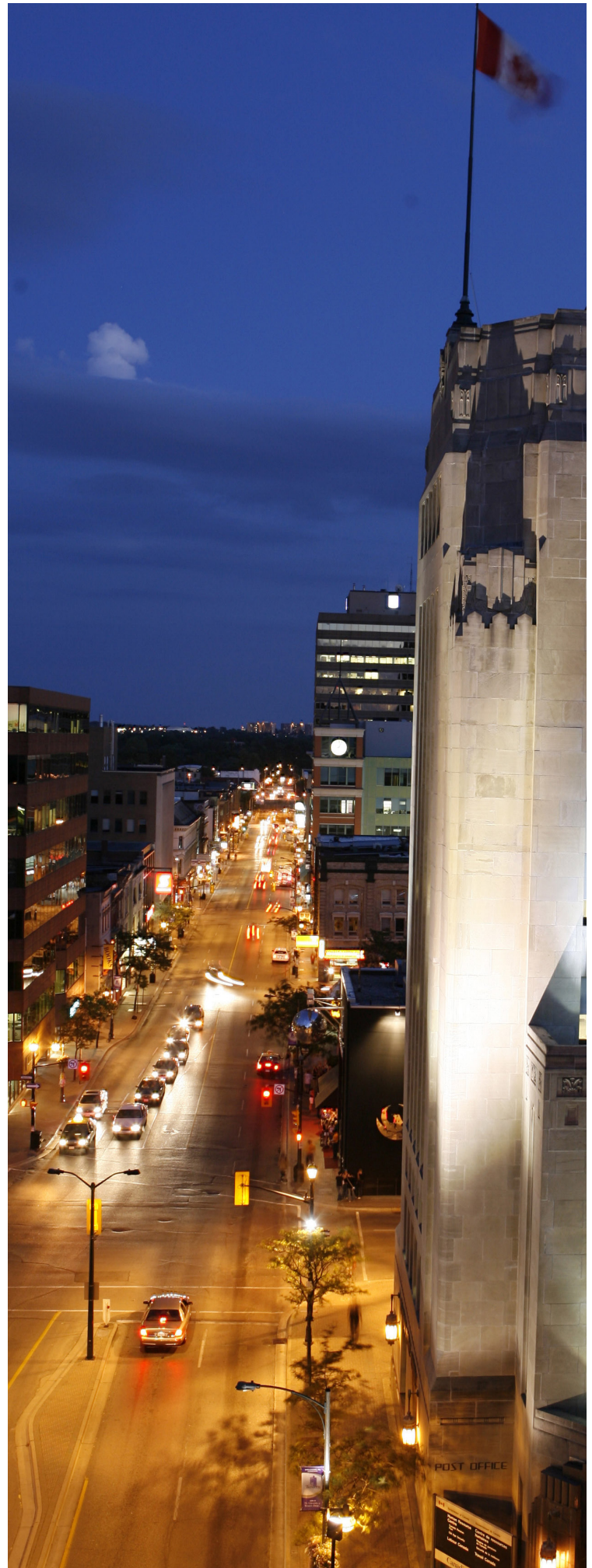
The ILDS supports a range of offerings and proposes additional measures to bolster the attraction of industrial lands that the City and partners market. These measures align with the goals of *A Path to Prosperity* and include: a city attractive to a top quality labour force (Retain and Attract Talent); financial incentives (Community Economic Development); a well-connected city and region; advanced research and development in support of many target industrial sectors (Business Retention, Growth and Attraction); advanced training and synergies with post-secondary institutions (Develop the Labour Force); and sector development and support. They also align with Council's ReThink London process that describes the connection between the quality of a city and the ability of that City to attract a talented labour force and industrial investment.

10.1 City Building to Attract a Skilled Labour Force

In order to successfully compete with other cities and attract industrial enterprises, London must be able to attract the highly educated and skilled workforce required in a creative, innovative, knowledge-based economy. According to Mario Lefebvre, the Director of the Centre for Municipal Studies of the Conference Board of Canada, "companies are not assuming they can find labour just by locating in a city. They look for cities where they know they'll be able to attract, and have access to, the labour with the right set of skills to satisfy their requirements today and in the future".

So, in addition to land and servicing requirements, our key targets require access to a labour force with the right set of skills. In order to attract and retain the sought-after skilled labour force, many of our key targets make their locational choices not only based on land and financial rationales, but also based on the lifestyle qualities of municipalities. As such, many of our key industrial target sectors choose to locate in cities that can provide a dynamic lifestyle with amenities, recreation, entertainment, culture and education opportunities that appeal to top workers and the skilled workforce more generally.

The City of London is in the primary position to provide the cultural infrastructure and services that create a vibrant urban lifestyle which attracts top-



skilled workers. London must ensure that it continues to improve its quality of life and support the lifestyle options that are attractive to top workers and the companies that seek them.

Many of this target group value a vibrant, dynamic urban experience. The urban lifestyle demands are most acutely found within younger workers of the “Millennial” generation who are currently in their 20s and early 30s. In May 2013, ReThink London, which is the public engagement process for the City of London’s new Official Plan, published a series of discussion papers that also found that the London community is demanding further improvements to the City’s many existing lifestyle opportunities.

By supporting a more engaged downtown, main streets and public realm with more gathering places and better opportunities for human interaction and communication, the City can address highly skilled workers’ demands to live in a city with a lifestyle that is more engaging, vibrant, interactive, diverse and inclusive, and which provides more amenities, urbanity, culture, entertainment and life between its buildings. As downtown is the city’s “calling card” to the world, the linkage between downtown investment and its impact on growth of the economy cannot be overlooked. Too often this vital linkage is not appreciated for the full extent of its value.

London provides a good quality of life through our lively downtown, entertainment opportunities such as the arts and sports, parks, trails, cultural and recreational facilities, our renowned health care facilities, and short commutes and low cost of living (more time for living). The City also supports sustainability through projects such as the recent approval of the plan for rapid transit. On-going city-building efforts will continue to enhance London’s strengths as attractive, sustainable, and a great place to live, work, play, and invest.

The *2014 Industrial Land Development Strategy*, through its opportunity for economic growth, prosperity and a wide range of employment prospects, acts as one component of an inter-related Path to Prosperity strategy that will help create a city attractive to top companies and able to attract and retain a skilled workforce.

10.2 Financial Incentives

Financial incentives can play a large role in London’s industrial land development strategy. In addition to brownfields incentives to encourage the re-use and redevelopment of former industrial sites, the City does not presently collect development charges for industrial development. As part of the Development Charges By-law Update, it has been recommended that this incentive be included as part of an Industrial Lands Community Improvement Plan (CIP). This incentive would be in addition to exemptions that are provided for under the Development Charges Act, which include mandatory exemptions for expansions of existing industrial buildings (generally up to 50%).

A CIP is a Plan adopted under the Planning Act that provides the opportunity for a municipality to make grants or loans to support community improvement. Community improvement is defined in the Act as:

“community improvement” means 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 therefor, as may be appropriate or necessary.

The Act further states that:

For the purpose of carrying out a municipality’s community improvement plan that has come into effect, the municipality may make grants or loans, in conformity with the community improvement plan, to registered owners, assessed owners and tenants of lands 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.

For the purposes of subsection (7), the eligible costs of a community improvement plan 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. The CIP can therefore become a very important tool for the City to further industrial development. As noted above, the CIP may include programs that would allow the City to make grants or loans to target strategic industries or areas that would further Council's *2014 Industrial Land Development Strategy*. Among the programs that may be considered as part of the Industrial CIP are:

- Development Charge Grant (in whole or in part) for industrial development beyond the exemptions provided for under the Development Charges Act;
- Municipal programs to acquire, clear and hold land, and the sale, lease or disposal of land at competitive prices for industrial purposes;
- Grants or loans for the aerospace industry, on lands near the London International Airport;
- Grants or loans to address brownfield remediation and rehabilitation

An Industrial CIP is anticipated to be prepared for Council consideration and adoption in the first quarter of 2014.

10.3 A Connected City

In addition to city-building and financial incentives, our industrial land offering is enhanced by London's easy mobility that includes international, national, and regional connectivity. London is also advantageously located at the cross-roads of the NAFTA superhighway, at the junction of Highway 401 and Highway 402.

London is conveniently located at the mid-point between Canada's largest market (the Greater Toronto Area) and the American automotive and industrial heartland of the American Midwest region, including Detroit and Chicago. London is only two hours from Toronto and the borders connecting Windsor to Detroit, and Niagara to Buffalo, NY.

London also has access to reach over 150 million consumers within a one day's drive of the city. Capitalizing upon this connectivity and enhancing the road infrastructure is a matter of economic

importance for not only the city, but also a matter of Provincial and Federal interest. This importance is evidenced by the recent investment in twinning of the Windsor-Detroit bridge crossings and the \$125 million investment in projected infrastructure works in London. As such, in order to help facilitate industrial and employment growth in London, the Province of Ontario and City of London are investing in the following infrastructure improvements along Highway 401 between now and 2016:

- Introducing a highway interchange to cross the 401 at Wonderland Road;
- The redevelopment of the existing Highbury Avenue interchange;
- Redevelopment of the existing Veterans' Memorial Parkway (VMP) interchange and an extension of the VMP southwards to Wilton Grove Road;
- Interchange improvements and structure replacement for Colonel Talbot Rd crossing of the 401; and
- Replacement of Highway 401 overpasses at Westminster Drive, Pond Mills Road and the CN Railway overhead structure replacement.



In addition to transportation connections, London is also digitally connected through fiber optics, such as the connectivity found in industrial areas like the Advanced Manufacturing Park. Data connectivity as well as transportation provide London with reliable connections to the region and the globe.

In addition to the road network, London is connected by railways, airways and long-distance bus service. London is serviced by several major rail carriers, and there is a strong desire to connect to the region and the Windsor-Quebec corridor as a station along this high-speed rail corridor. London International Airport also provides international cargo service and passenger flights connecting London to cities across Canada and around the world. Long-distance bus service also connects London to the rest of the region and other major cities.

10.4 Research & Development

Our industrial land offerings are enriched by the many collaborative and interdisciplinary research, development and commercialization facilities active in London. These laboratories and facilities foster innovation and continued advancement of our industries' practices and products. Our post-secondary institutions are active in leading

collaborative R&D ventures, such as the recent partnership between Western University and the Fraunhofer research organization to create the Fraunhofer Project Centre for Composites Research. This R&D project centre researches composite technologies in order to reduce weight of materials used in industry sectors such as automotive, construction, transportation, defence, and renewable energy. Some other examples of additional R&D facilities include the Boundary Layer Wind Tunnel Laboratory, the WindEEE Dome, the Advanced Facility for Avian Research, myriad R&D facilities related to the life and health sciences, and the emerging Medical Innovation and Commercialization Network. Western University's September 2013 presentation to the City's Investment and Economic Prosperity Committee identified the university's strategy as one that includes doubling Research, Development and Commercialization capacity, adding 500 to 750 new knowledge jobs, and attracting new industry to facilities like Western's Advanced Manufacturing Park and the Discovery Park.

The *2014 Industrial Land Development Strategy's* role in the advancement of these knowledge-based advanced industrial sectors should be for the City to act as a collaborative partner that can provide the required lands and servicing necessary to facilitate the employment in research, development and commercialization activities and the related "spin-off" employment from the Research Parks.

10.5 Advanced Training

London also enhances industrial offerings and economic prosperity potential through opportunities for advanced training that can be specifically geared to the city's economy and industrial sectors. The city has excellent training capacity through the city's many post-secondary institutions. In addition to the Research and Development institutions that work in partnership with the hospitals and post-secondary institutions, London's post-secondary institutions offer many customized programs that meet the needs of specific industries. London's exceptional post-secondary institutions provide a deep pool of highly motivated graduates with the required skill sets that reflect the needs of business and industry. Fanshawe College, the University of Western Ontario (Western University), Western's affiliate university colleges (Brescia, Huron, King's), and over 20 accredited



private vocational colleges provide industry-specific training programs, specialized degrees, and co-operative internships and work experience benefiting sectors like:

- Manufacturing;
- Renewable Technologies;
- Agri-food/Food Processing;
- Life and Health Sciences;
- I.T. and Digital Media;
- Defence and Aerospace; and
- Logistics.

Fanshawe College offers a diverse range undergraduate and post-graduate program options, including the fields of health care, human services, electronics, business administration, information technology, design, manufacturing, transportation, environmental science and civil engineering. It is evident from this list that Fanshawe College's range of programs is able to address the needs of many sectors, including our target industrial sectors. One of many examples of London's training programs being geared to industrial sectors' demands is Fanshawe College's aircraft maintenance and aviation technician program, which is even in discussions with London International Airport to hold courses "in the field" in one of the airport's airplane hangars.

The advanced training capacity assists in making London a city attractive to young workers and able to retain a top-quality labour force with the specialized skills required of an advanced industrial economy.

10.6 Sector Support and Development

London's industrial lands are supported through the coordination of the City administration's Action Team, through provisions of servicing and land preparations and incentives for growth, through city-building efforts to enhance the already exceptional quality of life in the city, and through a high quality skilled labour force with advanced training capacity and innovative R&D facilities. All of these advantages that enhance the city's industrial land offerings are supported by the London Economic Development Corporation.

LEDC's mandate is to attract new investment and expand existing investment in the City of London. LEDC assists prospective industrial enterprises (and other sectors) with information and statistical data on London, its economy and workforce. The LEDC also acts as a liaison between the City government and local businesses and assists with site selection and setup of new ventures. To assist with retention and expansion of existing companies, LEDC provides information on grants, loans and networking opportunities connecting businesses to potential partners and to the city's exceptional educational and training institutions and their resources. These supports further facilitates business opportunities and helps enhance London's position as a location for prospective industrial enterprises looking for high quality land, a top workforce, and a high quality of life.

PUTTING THE PIECES TOGETHER

London's economy has been seriously affected by several inter-related economic forces, including national and international recessions and competition. These economic forces have resulted in persistently high unemployment in the London area over the last several years. Industrial sectors and our industrial lands supply are significant forces in London's economy, and they are of great importance to the city's future economic prosperity and employment prospects. Almost 30% of London's employment is located in industrial-designated lands. As such, to remain competitive, London needs an ample supply of market-ready industrial lands located and serviced to meet the needs of our target sectors. Investments in industrial land are an investment in our future.

London has realized success in securing industrial lands and industrial employment through the *2001 Industrial Land Development Strategy*. The success of the 2001 ILDS in developing land, combined with re-designations of certain industrial areas to other

uses, has resulted in a mismatched supply of industrial land. Shifts in the land and servicing requirements of our target industrial sectors have also diminished London's ability over time to accommodate their needs. There is an identifiable mismatch between our target industrial sectors' demands for lands and servicing and the quality of the city's current supply of available parcels in appropriate locations with appropriate servicing. The average City industrial land sale over the past five (5) years has been 4.3 hectares; however, almost half of London's industrial-designated parcels are less than one (1) hectare in size. Many are also located or configured in a manner that does not suit the current market's needs or trends. Consequently, to remain competitive in a global industrial landscape and to maximize our competitive advantages and existing strengths as a community, the City is re-evaluating and renewing the ILDS.



This ILDS recommends that 200ha (an estimated 10 year supply) of strategically-located market-ready industrial land be maintained at all times in order to meet the needs of our target sectors. Within this total supply, it is recommended that the City maintain an inventory of 180ha of industrial land south of the Thames River, easily accessible to the Highway 401/402 corridors. This land should be varied in parcel size, locational attributes and the allowance for a wide range of industrial uses.

In order to meet this goal, the City must continue to take an active role in planning, developing and selling industrial land. The City's role is a result of the high costs and long-term returns for investments in industrial land development and that for these reasons the private sector has not taken a leading role, to date, in the comprehensive development of industrial lands in the city of London.

The City's considerable returns in employment growth and taxes are also reasons why the City must continue its role as industrial land developer. The ILDS recommends, through the future opportunity areas identified in the locational strategy and servicing strategy, the provision of lands and servicing that can adapt to the changing needs of our target sectors. This strategy is informed by current financial realities, with the goal of maximizing the benefit of acquiring and developing 300 hectares of land over the next 10 years.

To maximize returns on previous investments, the locational strategy includes areas identified as future opportunities, and evaluation criteria for land parcels with the potential for industrial land development. The locational strategy's evaluation criteria includes attributes such as:

- Land and servicing costs and/or required servicing extensions;
- Opportunities for wise use of resources with only requisite urban growth boundary expansions;
- Target sectors' locational criteria (including access to the highways, airport and VMP);
- Site sizes and configurations; and
- Any constraints such as conflict with adjacent residential areas, livestock operations, or any environmental constraints or other constraints.

These City-owned industrial lands will be marketed aggressively on a national and international stage, thereby contributing to future city growth, employment, and economic prosperity. The ILDS will help in creating a city better able to attract and retain investment and a top-quality workforce. Facilitation of industrial land development projects through a more formalized "Action Team" of City management will also assist in these goals, as will further City of London collaboration with partners and post-secondary institutions offering advanced training and skills development.

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