



BRIEFING NOTE

Economic Development and Regional Economic Development

December 19, 2011

1. London Strategic Economic Initiatives and Gateway

i) **Fraunhofer Composites Research Centre (FCRC)**

Issue:

The City of London is seeking federal and provincial support for the Fraunhofer Composites Research Centre in capital funding, designation as a Centre of Excellence, and through Fed Dev.

Key Messages:

- City savings generated by stimulus funding has allowed for the creation of successful economic development investments such as the FCRC
- Federal support of the FCRC is sought through both capital funding, as a designated Centre of Excellence, and through Fed Dev.

Background:

The City of London is in the process of finalizing a \$10 million deal to support the construction of the Fraunhofer Composites Research Centre, a joint venture of the University of Western Ontario and the Fraunhofer Society of Germany. At the core of the FCRC would be a large-scale press for the testing and manufacture of composite parts for the auto and other industries. The FCRC will be a key component of the City-UWO Advanced Manufacturing Park. It will be the first industry-focused institute of its kind in North America for applied research and development of advanced light-weight composite materials. City funding for the project was provided by the economic development fund which was made possible by funds saved through federal and provincial stimulus funding. UWO will be filing an application with Fed Dev for support in the near future.

ii) **International Water Centre of Excellence**

Issue:

This year, London received approximately \$6 million in funding to help establish clean water technologies through the Southern Ontario Water Consortium (SOWC), which includes 8 post-secondary institutions, 9 municipalities and over 70 partners.

Key Messages:

- The City of London commends the Federal government for its investment in clean water technologies.

Background:

The International Water Excellence Centre (IWCE) being established in London is a partnership of the City of London, the University of Western Ontario, the London Economic Development Corporation (LEDC) and private sector partners Trojan Technologies and Purifics. The IWCE will be London's node in the SOWC. The Centre will make London, Ontario the leading site for industrial water treatment technology commercialization, validation and testing in Canada. The Fed Dev contribution will go toward the purchase and installation of equipment related to setting up the water system components and assist in the refurbishment and preparation of onsite testing facilities at London's Greenway Pollution Control Plant.

This world unique facility which will address comprehensive wastewater treatment issues from research to full scale validation will provide the critical link between the private and public sectors as part of a strategic initiative with industry, academic institutions, municipalities and the Ontario and Canadian governments.

iii) London Gateway

Issue:

London is seeking federal funding to assist in the 401 interchanges upgrades as well as the servicing and development of new employment lands in industrial parks in proximity to London's 401 corridor.

Key Messages:

- The City of London looks forward to working with the federal government in developing a new infrastructure plan
- Many of the options are cost intensive, so London will require strong planning, opportunity analysis and government support to provide long term growth and development in the Highway 401 corridor.

Background:

London is planning to acquire and service approximately 150-200 additional hectares (ha) of industrial land in close proximity to the London Highway 401 corridor including additional water and wastewater treatment plant capacity and the addition of enhanced interchanges at 401 and the Veteran's Memorial Parkway (VMP), Highbury, and Wonderland Road. This would provide London with a continued growth opportunity and take advantage of its strategic location and opportunities on the 401 corridor. The City would also be able to acquire and service approximately 100 ha of land in the Wonderland Road 401/402 area.

iv) Free Trade Zone for London International Airport

Issue:

The growth of cargo operations at the London International Airport would be enhanced with the upgrading of the Federal Transshipment Centre designation to a Free Trade Zone.

Key Messages:

- Regulatory changes that facilitate foreign investment and abolish barriers that hamper trade would allow the testing of a Free Trade Zone at the airport.
- London International Airport is working with Vancouver and Halifax airports on a proposal for a trial of Free Trade Zones at the three airports

Background:

The new \$11M Cargo Complex of the London International Airport is 30% full in its first year of operation with approximately 30 employees. Private sector companies have invested close to \$500,000 acquiring the necessary handling equipment for the aircraft and freight and eighteen different cargo airlines have used the facility in the last year. London International Airport continues to work on opportunities for new tenants and expanded cargo services.

Currently there are some 575 Free Trade Zones operating in 90+ countries around the world, including 235 in the United States. Canada remains the only G-8 nation without FTZs and one of only a handful of the 29 OECD countries without the zones. This would allow value to be added to the shipment and create jobs in finish manufacturing, component integration, assembly and warranty and repair service. A trial of FTZs at London, Vancouver and Halifax would provide an excellent case study of the effectiveness of this strategy.

2. Fed Dev Ontario

The University of Western Ontario (UWO) has received funding from Fed Dev for Phase 2 funding of the International Water Excellence Centre. UWO will also be applying to Fed Dev Ontario for funds for Phase 2 of the Fraunhofer Composites Research Centre which is expected to create an additional 80 jobs. The London Economic Development Corporation (LEDC) has applied for funding of the Digital Media Centre of Excellence. UWO and the Ontario Brain Institute are applying for a new Brain and Imaging Centre and two private sector applications have been filed for growth and expansion opportunities. In 2012, Fanshawe College will be filing applications for initiatives that will be finalized early in the year. Another private sector application is expected to also be filed early in 2012.

3. High Speed Rail – Windsor-Quebec City Corridor

Issue:

London and other communities along the Quebec City-Windsor corridor would like the opportunity to be involved in a public engagement process following the release of the feasibility study on implementation of high speed rail along the corridor.

Key Messages:

- Consultation with the communities along the Quebec City-Windsor corridor is essential
- The government must consider the economic benefits that would result from construction of the entire corridor prior to reaching a decision on implementation
- London supports the construction of the entire corridor

Background:

The federal-Ontario-Quebec feasibility study on High Speed Rail along the Quebec-City-Windsor Corridor was released in November 2011. The report indicated that while feasible, implementation will be very expensive, and that an incremental approach might be appropriate. The executive summary of the report is available at <http://www.tc.gc.ca/eng/mediaroom/releases-2011-h110e-6532.htm>.

4. China Mission

Mayor Fontana led a Team London trade mission to China November 20 to 30 that involved the London Chamber of Commerce, CSTAR (Canadian Surgical Technologies and Advanced Robotics), and Trudell Medical. The team visited the cities of Chongqing, Chengdu, Beijing, and London's sister city, Nanjing. This was a scoping mission in preparation for a larger follow-up mission in April 2012 that aims to attract new business and investment to the City of London, specifically, but not exclusively, in the field of life sciences, and to promote London's competitive edge to an international audience of Chinese companies looking to invest and expand in the Canadian and NAFTA markets. It also aims to support and encourage the development of partnerships between local business, educational, medical, and cultural institutions and organizations. In the November mission, Mayor Fontana participated in the annual conference of the Canada-China Business Council. In Chongqing the team was hosted by Jinshan Group with which London has developed a Memorandum of Understanding setting out a desire to cooperate on mutually beneficial research, clinical trials, and investment. The team received excellent guidance from both the federal and provincial trade offices in China. Further details are available at www.londontochina.ca.

A full report of the China Mission will be made available to Council in the New Year.

A follow-up mission is being planned for April 2012 that will involve the Chamber, our educational and medical communities as well as the wider business sector.