

# 2014 Industrial Land Development Strategy: An Investment in Our Future

# Covered in this strategy...

1. The municipal role

2. Target sectors

3. What are our target sectors looking for?

4. Evaluating our supply

5. A plan to increase supply

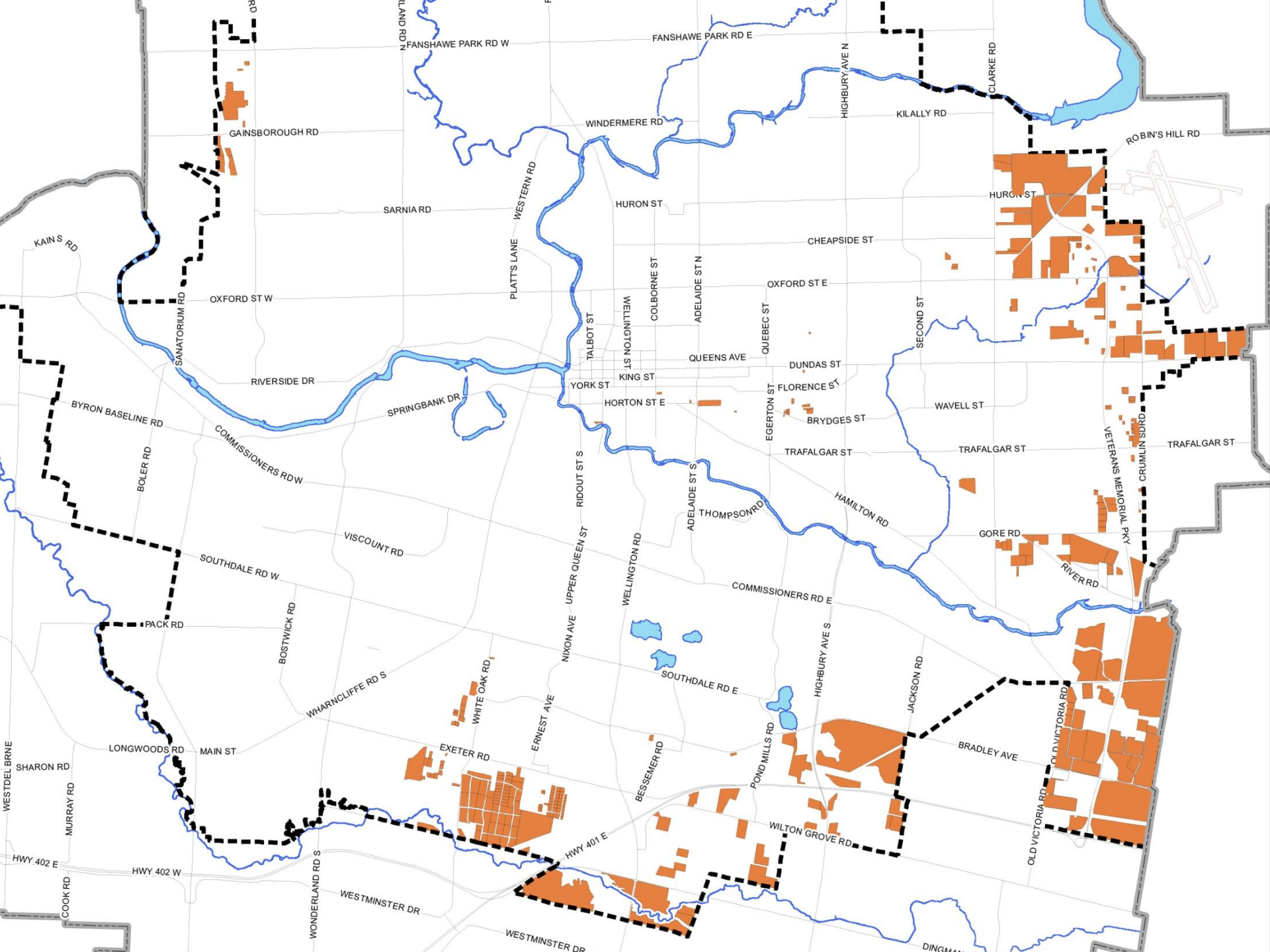
6. Where next?

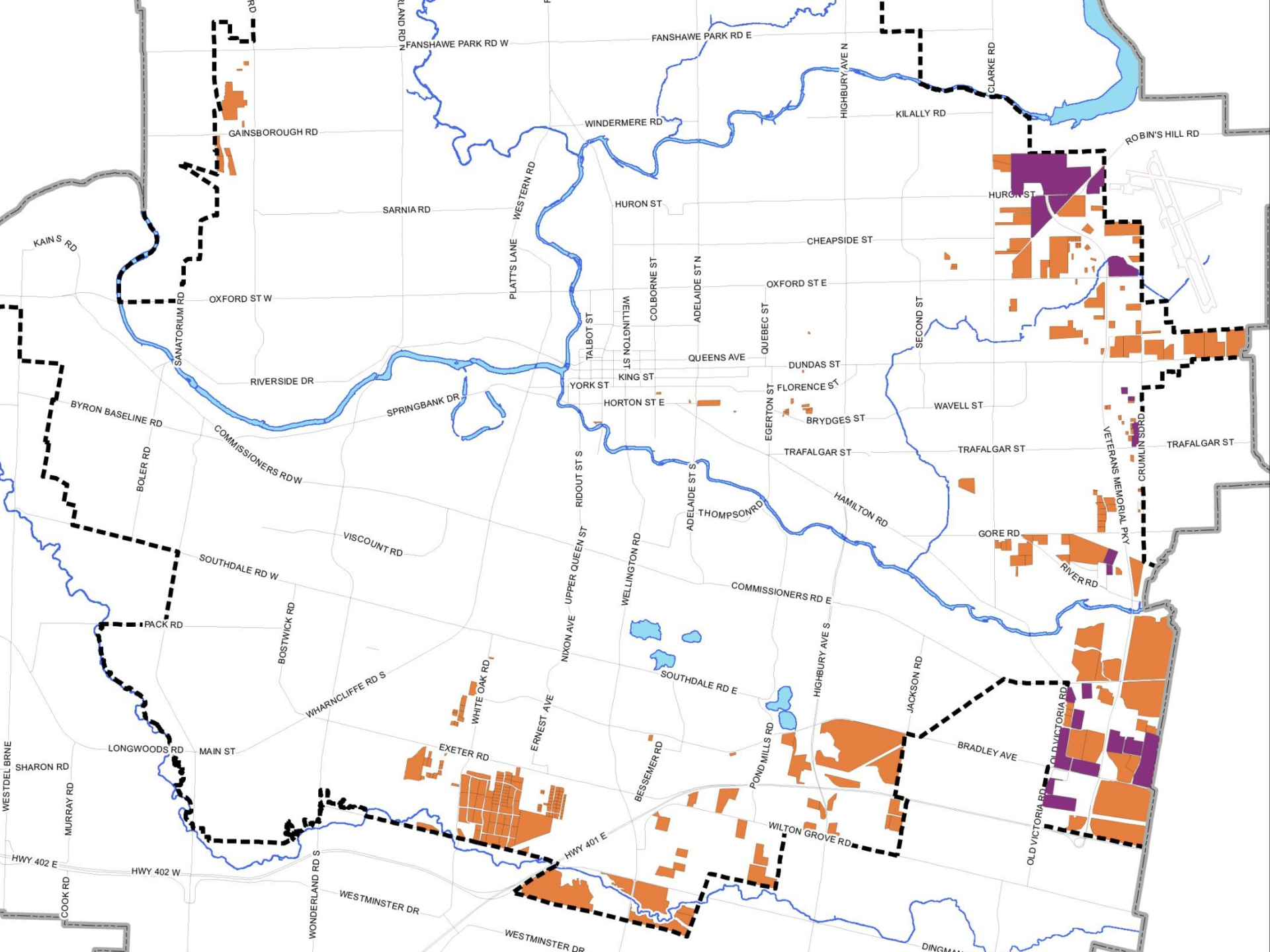
7. Industrial Land Development Action Team

8. Market aggressively

9. Establishing an identity – the Corridor

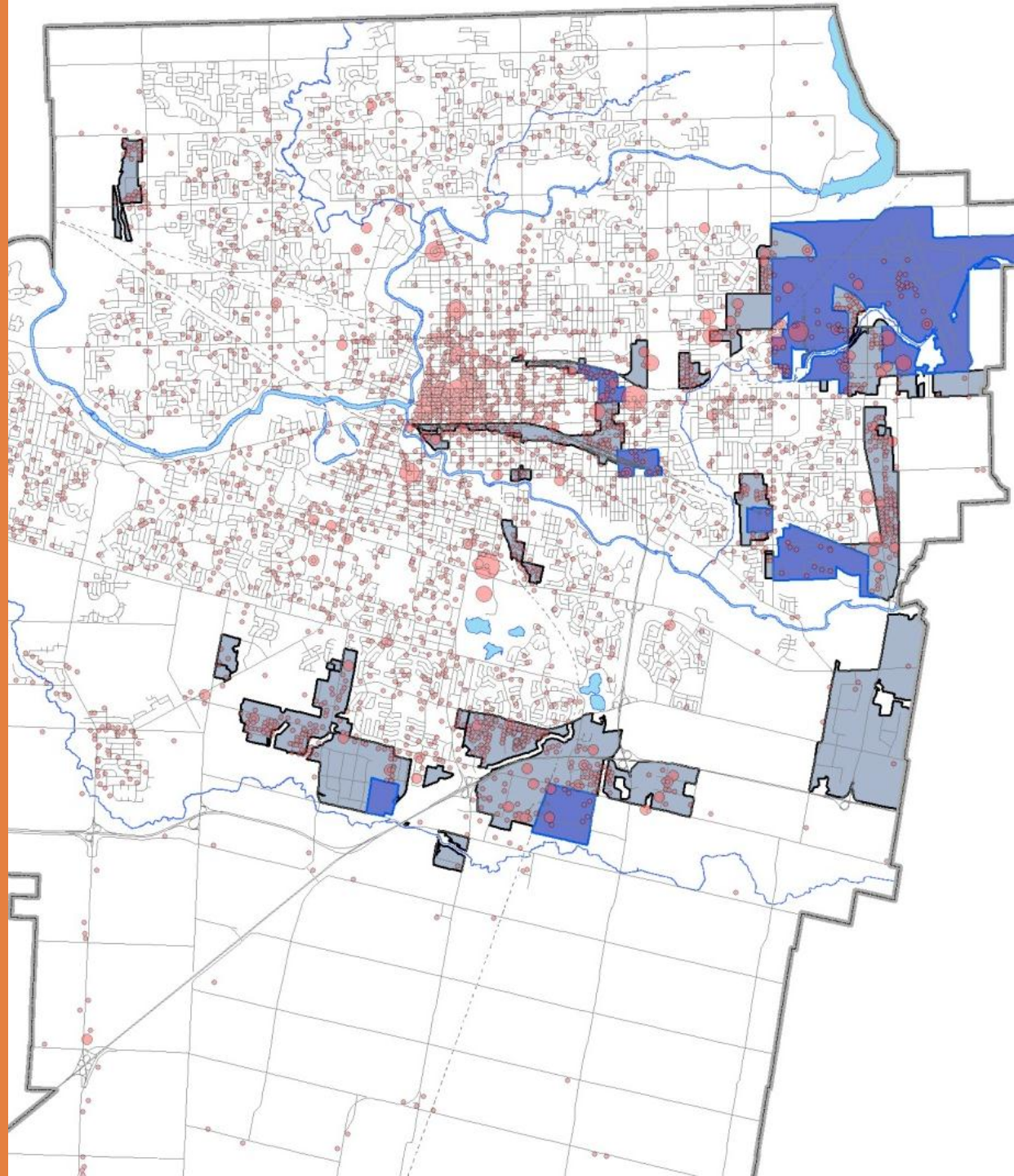
10. Putting the pieces together





# The Municipal Role

30% of all  
employment



# ROI for the City

## Forest City Industrial Park

Gross Land Acquired by City	86.3 ha (54.2 net ha)
Cost of Land Acquired by City	\$5.2 million
Cost of Land Per Hectare	\$60,255/hectare
On-site Servicing Cost	\$9.6 million (\$7.1 million net after grants from other governments)
Net Internal Servicing Cost	\$12.3 million
Direct New Jobs Created	1,306
Indirect New Jobs Created	650
Total Jobs Created	1,956
Increase in Assessment	\$56.9 million
Increase in Tax Revenue/year	\$1.6 million
Proceeds from Land Sales	\$6.7 million

# ROI for the City

	Innovation Park (Phases I – IV *)
Gross Land Acquired by City	264.3 ha (193 net ha)
Cost of Land Acquired by City	\$12.2 million
Cost of Land Per Hectare	\$46,159/hectare
On-site Servicing Cost	\$36.7 million (\$19.2 million net after grants from other governments)
Net Internal Servicing Cost	\$31.5 million
Direct New Jobs Created	1,370
Indirect New Jobs Created	685
Total Jobs Created	2,055
Increase in Assessment	\$93.8 million (to date)
Increase in Tax Revenue/year	\$2.8 million (to date)
Proceeds from Land Sales	\$9.5 million (to date)

\* Innovation Park approximately 50% sold



# Private Sector ROI

- Land sales value
- ~~Tax Revenue~~
- ~~Job Creation~~
- ~~Further industrial attraction~~



# Our Role

- Strategic planning
- Servicing strategy
- Acquisition
- Planning approvals
- Develop/service
- Market (collaborative with LEDC)

*If we don't take on this role,  
we will miss opportunities*

# Target Sectors



# London Targets

Advanced Manufacturing

Renewal and Clean Tech.

Automotive

Agri-food/Food processing

Defence and Aerospace

Life and Health Sciences

Information Technology and Digital Media

Enhanced Transportation and Logistics

Research, Development and Commercialization

What Are  
Target Sectors  
Looking For?

# Comparative Requirements of Target 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

# Comparative Requirements of Target 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
High employment to land area ratio	Yes	No	No	No	Yes	Yes	Yes	Yes

# Evaluating Our Supply

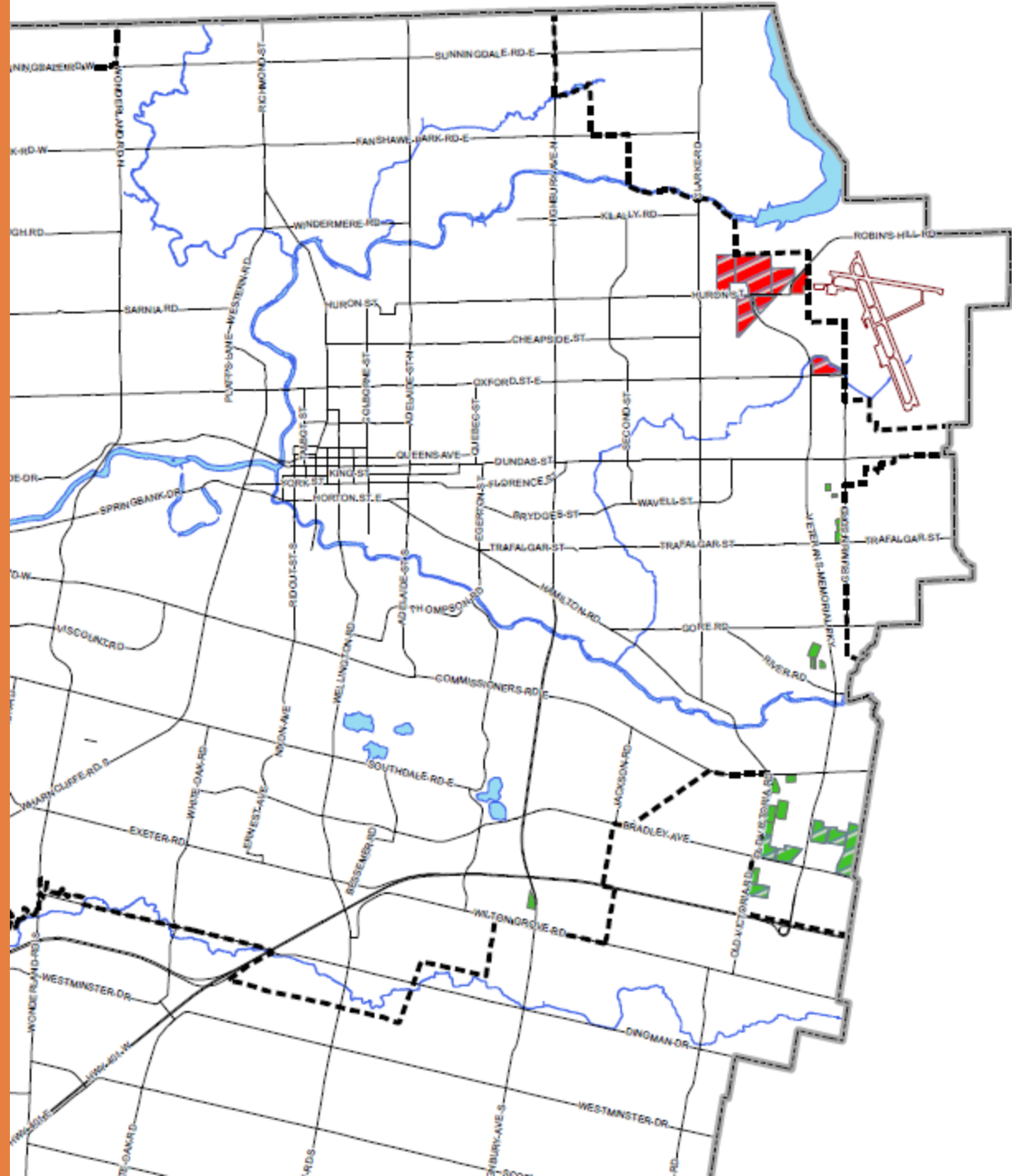




# How much do we have?

- 215 ha is City-owned.
- 94 ha is serviced.
- 65 ha of serviced is south of the Thames River and in parcels larger than 5 ha.
- 37 ha of this 65 ha are constrained for development.
- Only 28 ha (3 parcels) meet all our target sectors' needs of:
  - Serviced;
  - In proximity to Highways;
  - Easily developable; and
  - In large parcels over 5 ha.

London's  
supply is  
critically  
low!



**Risk of...**

**...missing opportunities**

# A Plan to Increase Supply

# Acquisition and Development Targets: Minimum Continuous Supply

200 ha of vacant, serviced industrial land in strategic locations

180 ha of this supply should be easily accessible to VMP, 401 or 402 corridors

Variety of lot sizes

Good supply of large blocks 5+ha

# Acquisition and Development Targets

## Overview of our Acquisition and Development Targets

### Land

- Maintain a minimum 200 net hectare supply of vacant, serviced land.
- Create a program for assembly of additional un-serviced lands for future needs.
- To achieve this goal, the City must purchase 200 ha (net) and develop 300 ha (net) of industrial land over the next 5 years.

### Cost

- The estimated cost is \$120 million for servicing over the next 5 years.
- We seek to share the estimated \$120 million servicing cost with the Federal and Provincial governments, with contributions of \$40 million each.
- The City will contribute \$40 million for servicing and 100% of land acquisition costs.

# Partnership is Paramount: Paths to Meet Acquisition and Development Targets

**Option 'A': City of London realizes servicing partnership goal of full \$80 million from Federal and Provincial Government funding partners, and Council allocates the City's requisite amount.**

**Option 'B': City of London does not realize full servicing partnership goal, and City continues ILDS with reduced funding ability.**

Option 'A' creates opportunity for:

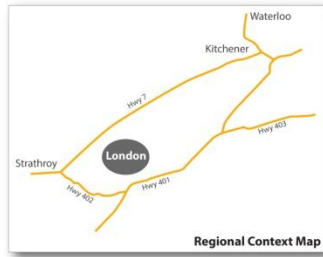
- An aggressive, pro-active approach;
- Acceleration of the delivery of the components of the ILDS;
- Acquiring and servicing the target of 300 net ha within 5 years (by 2018);
- A focus on timeliness, including available sites ready for market as soon as possible, maximizing London's opportunities for investment and job creation; and
- A focus on time that results in concentration on sites with more certainty and fewer land use, engineering, or environmental requirements or constraints.

Option 'B' would result in:

- Less aggressive, more incremental approach;
- A diminished capacity to develop lands and thereby reach economic competitiveness and attract new industrial enterprises;
- The City never meeting the target of a sustainable land supply for either serviced or un-serviced lands;
- Continuing to miss opportunities for investment and job creation by not having sites market ready;

Where Next?





— Major Roads

— Highways

— Rail Corridor

— City Boundary

--- Urban Growth Boundary

■ Vacant Industrial Lands

✱ Interchange Improvements

Existing Research and Development

● Fraunhofer Project Centre and WindEEE Dome and Research Institute

● Southern Crop Protection & Food Research Centre



# Considerations

- Timeliness
- Size
- Topography
- Developable area
- Environmental issues
- MDS
- Compatibility
- Other constraints
- Servicing costs
- Cost of acquisition
- Trigger interchange (Bradley/VMP)
- Acquisition concerns
- Inside or outside UGB
- Proximity to clusters
- Target demands

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# Industrial Land Development Action Team



# Industrial Land Action Team

- Multi-disciplinary
- No new staff
- Bring experts together in formalized team
- Meet regularly
- Work closely with LEDC
- Work together to expedite processes
- Coordinated and collaborative

# Industrial Land Action Team

Roles	Planning	Realty Services	LEDC	Environmental and Engineering Services	Development Services & Business Liaison	Development Finance	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)				■	▲		
Incentives	●		▲		▲	●	▲
Land Acquisition/Sales/Negotiations		●	▲				
Land Marketing		▲	■				
Facilitation of Private Site Selection		▲	■		▲		
Private/Public Liaison		▲	■		▲		●
Strategic Direction for Economic Development	▲	▲	■	▲	▲	▲	▲

Key
● Regulatory Lead
■ Development Lead
▲ Other Related City Responsibilities

Market  
Aggressively



# Attracting Skilled Labour Force

- Downtown
- Thames River Corridor
- Sports, arts, culture, entertainment...
- Strong schools and institutions
- Great neighbourhoods
- Quality of life
- Affordability



# Marketing

- Improve our industrial land web site
- Ontario's Investment-ready Program
- LEDC



# Establishing An Identity

The 401/402  
Investment  
Corridor

# Putting the Pieces Together

# Partnership Opportunities

- Private sector may develop industrial land in some areas
- Seeking funding partnerships with provincial and federal governments
- UWO, hospitals, International Water Excellence Centre and other centres of excellence

# Next steps

- Civic Administration will continue discussions with federal and provincial partners regarding their support for the City of London's Industrial Land Development Strategy.
- Report back to Council on models for establishing a dedicated team going forward with industrial land development, focusing on the Action Team model and the Development Corporation model.
- Continue processes and practices to implement the ILDS.