



City of London

Industrial Lands Community Improvement Plan

(DRAFT FOR CONSULTATION)

DRAFT

Prepared By



March 2014

TABLE OF CONTENTS

Page

1.0	INTRODUCTION	
1.1	Background and Purpose	
1.2	Methodology and Consultation	
1.3	CIP Content	
2.0	LEGISLATIVE FRAMEWORK	
2.1.	Municipal Act, 2001	
2.2.	Planning Act	
2.3.	Development Charges Act	
3.0	POLICY FRAMEWORK	
3.1.	Provincial Policy Statement, 2014	
3.2.	Strategic Plan, 2011-2014	
3.3.	Path to Prosperity Plan	
3.4.	Official Plan	
3.4.1	Council Strategic Plan	
3.4.2	Vision Statement	
3.4.3	Planning Principles	
3.4.4	City Structure Policies	
3.4.5	Growth Management Policies	
3.4.6	Economic Development Strategy	
3.4.7	Environmental Strategies – Energy Conservation	
3.4.8	Industrial Land Use	
3.4.9	Urban Design Policies	
3.4.10	Community Improvement Policies	
4.0	CIP Goals	
4.1	Primary Goals	
4.2	Secondary Goals	
5.0	COMMUNITY IMPROVEMENT PROJECT AREA	
6.0	INCENTIVE PROGRAMS	
6.1	Approach	
6.2	General Program Requirements	
6.3	Industrial Development Charge Grant Program	
6.3.1	Purpose	
6.3.2	Description	
6.3.3	Program Requirements	

TABLE OF CONTENTS (Continued)

Page

6.4	Industrial Tax Increment Grant Program	
6.4.1	Purpose	
6.4.2	Description	
6.4.3	Program Requirements	
6.5	Industrial Landscaping Improvement Grant	
6.5.1	Purpose	
6.5.2	Description	
6.5.3	Program Requirements	
7.0	MUNICIPAL LEADERSHIP ACTIONS	
7.1	Property Acquisition, Servicing and Disposition	
7.2	Marketing	
7.3	Promoting Brownfield Redevelopment	
8.0	MONITORING PROGRAM	
8.1	Purpose	
8.2	Description	
8.3	Program Adjustments	
9.0	CONCLUSION	
Table 1	Monitoring Variables	
APPENDICES		
A	Glossary of Terms and Abbreviations	
B	Industrial DC Grant Program Administration	
C	Industrial Tax Increment Grant Program Administration	
D	Industrial Landscaping Grant Program Administration	

1.0 INTRODUCTION

1.1 Background and Purpose

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

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

1.2 Methodology and Consultation

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

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

Based on tasks a) to d) above, a Draft CIP was prepared. Goals were specified for the CIP, along with delineation of a recommended Community Improvement Project Area. Draft incentive programs and draft municipal leadership actions were developed to address the community improvement needs for industrial land development in London and achieve the goals of the CIP. The Draft CIP was forwarded to City Council on March 25th and Council authorized the Draft CIP to be released for purposes of consultation.

The Draft CIP was presented to the Development Charges External Stakeholder Committee on (insert date) and the Committee provided comments on the Draft Plan. A Public Open House was advertised and held on (insert date). Comments received during this consultation exercise were reviewed and utilized along with additional consultation with City staff to finalize the CIP contained herein.

1.3 CIP Content

This CIP is divided into the following sections:

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

Appendix A contains a glossary of key terms and abbreviations used in this CIP. Appendices B to D contain administrative guidelines for the incentive programs contained in this CIP.

DRAFT

2.0 LEGISLATIVE FRAMEWORK

2.1 Municipal Act, 2001

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

Prohibited actions include:

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

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

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

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

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

2.2 Planning Act

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

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

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

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

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

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

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

provides grants and/or loans to promote the development and redevelopment of designated industrial lands within the Urban Growth Boundary of the City of London.

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

Section 28(11) of the *Planning Act* allows a municipality to register an agreement concerning a grant or loan made under subsection 28(7) or an agreement entered into under subsection 28(10) against the land to which it applies and the municipality shall be entitled to enforce the provisions thereof against any party to the agreement and, subject to the provisions of the *Registry Act* and the *Land Titles Act*, against any and all subsequent owners or tenants of the land.

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

2.3 Development Charges Act

Section 5 of the *Development Charges Act* allows a municipality to exempt a type(s) of development from a development charge, but any resulting shortfall cannot be made up through higher development charges for other types of development. This allows upper and lower tier municipalities to offer partial or total exemption from municipal development charges (also known as a reduction of development charges) in order to promote community improvement. Because this financial incentive is normally offered before construction, i.e., at the time of building permit issuance, it is very attractive to developers and is a very powerful community improvement tool. This approach to providing a development charge incentive normally entails an amendment to a municipal development charges by-law.

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

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

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

- a coordinated strategy for economic development;
- additional flexibility for program management;
- enhanced monitoring and improved transparency; and,
- improved program evaluation and greater accountability.

DRAFT

3.0 POLICY FRAMEWORK

3.1 Provincial Policy Statement, 2005

The Provincial Policy Statement (PPS) is issued under Section 3 of the *Planning Act* and provides direction on matters of provincial significance related to land use planning and development. The latest version of the PPS was released on February 24, 2014 and the policies take effect April 30, 2014. The *Planning Act* requires that, "decisions affecting planning matters shall be consistent with policy statements issued under the Act". The vision for land use planning in Ontario in the PPS states that "the long-term prosperity and social well-being of Ontarians depends on planning for strong, sustainable communities for people of all ages, a clean and healthy environment, and a strong competitive economy".

Several policies in the PPS relate to and support the preparation of a CIP for industrial lands in London. For example, Policy 1.2.6.1 relates to land use compatibility and states that major facilities and sensitive land uses should be planned to ensure they are appropriately designed, buffered and/or separated from each other to prevent or mitigate adverse effects from odour, noise and other contaminants, minimize risk to public health and safety, and to ensure the long-term viability of major facilities. Conflict between existing industrial uses and sensitive uses has been identified as an ongoing issue in London, and this CIP presents an opportunity to encourage conflicting industrial uses on remnant parcels to relocate to more stable locations in industrial parks and other industrial areas.

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

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

Policy 1.3.2 notes that planning authorities:

- shall plan for, protect and preserve employment areas for current and future uses;
- shall protect employment areas in proximity to major goods movement facilities and corridors for employment uses that require those locations;
- may plan beyond 20 years for the long-term protection of employment areas.

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

- promoting opportunities for economic development and community investment-readiness;
- optimization of the long-term availability and use of land, resources, infrastructure, electricity generation facilities and transmission and distribution systems, and public service facilities;
- promoting the redevelopment of brownfield sites;
- provision of an efficient, cost-effective, reliable multi-modal transportation system that is integrated with adjacent systems and those of other jurisdictions; and,
- promoting energy conservation and providing opportunities for development of renewable energy systems and alternative energy systems, including district energy.

3.2 Strategic Plan, 2011-2014

Council's Strategic Plan defines a new vision for London as the City of Opportunity. One of the key principles of the Strategic Plan is that the City invest wisely to continue to build the community while maintaining a solid financial position. Use of a CIP that provides a comprehensive framework for the promotion of industrial development in London rather than a single exemption under the DC By-law demonstrates fiscal responsibility.

One of the key results of Council's Strategic Plan is a strong economy. The Strategic Plan notes that a strong economy is innovative, dynamic, diverse, resilient and where the public and private sector work together to achieve these common goals. This CIP can help to achieve these economic goals. This CIP contains programs to help stimulate private sector industrial land development and public sector actions designed to ensure an adequate and appropriate future supply of industrial land in London.

The Strategic plan also notes that the key indicators of a strong economy are economic output and jobs. This CIP focuses on these key indicators and incorporates them into the incentives programs contained in the CIP. The Strategic Plan also recommends building on the City's Industrial Land Development Strategy (ILDS). The ILDS forms the major policy foundation for this CIP. This CIP complements and builds on the strategies identified in the ILDS.

Council's Strategic Plan identifies a Green and Growing City as another key result of the Plan. Evidence of a green and growing city can be seen through sustainability initiatives and responsible growth. Strategies identified in the Strategic Plan to help achieve a green and growing city include promoting a green culture and sustainability fundamentals, facilitating planned and managed growth, and establishing London as a leader in green technologies. This CIP incorporates sustainable building and planning design into the incentives programs contained in the CIP.

3.3 Path to Prosperity Report

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

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

3.4 Official Plan

An official plan provides the general land use framework and policies for a municipality by identifying generally how, where and when a municipality will develop over time. The City of London Official Plan (OP) was adopted by Council in 1989 and is currently being reviewed. The OP contains numerous policies that support and guide preparation of a CIP to promote industrial land development. These relevant policies are discussed below.

3.4.1 Council Strategic Plan

The key elements of Council's Strategic Plan in relation to this CIP were described in a previous section. However, it should be noted that Policy 2.1.5 of the OP specifies that it is the intent of Council to support the Vision and Goals of Council's Strategic Plan through the Official Plan and its implementation mechanisms. These implementation mechanisms include the preparation and adoption of CIPs by the City, and acquisition by the City of land for the purpose of implementing a CIP.

3.4.2 Vision Statement

The OP Vision Statement refers to managing growth and change to foster economic development, fulfilling growth related requirements for employment and commerce through the efficient utilization of existing serviced land, and applying urban design objectives and guidelines. This CIP incorporates all of these vision statement goals.

3.4.3 Planning Principles

A number of the planning principles that guide the objectives and policies in the OP are also reflected in this CIP. These include land use planning that promotes compatibility among uses, and attractive, functional and accessible building design.

3.4.4 City Structure Policies

The City Structure policies in the OP describe the range of characteristics associated with the nature and distribution of land uses in the City of London. The City Structure policies for industrial development (2.4.1 viii)) specify that industrial development will be encouraged to locate in planned industrial areas. The use of older industrial areas as a means of encouraging start-up industries is provided for by the OP. Economic growth and diversification shall also be encouraged through opportunities for the creation of business parks at locations outside of traditional older industrial areas.

Policy 2.4.1 xiv) encourages development that will broaden the distribution and range of employment opportunities in the City. Policy 2.4.1 xvii) encourages industrial infill and intensification through new development or redevelopment in the Industrial land use designation. Finally, Policy 2.4.1 xxi) supports forms of development that are designed to be pedestrian-oriented, supportive of public transit service and within the bounds set by the need to maintain or sustain environmental health, through redevelopment and in planning for areas of new development.

3.4.5 Growth Management Policies

Responsible growth management is a key element of the City of London's strategic approach to the accomplishment of its OP Vision and Strategic Priorities. Section 2.6.2 of the OP notes that growth will be directed to areas that are suitable for the provision of full municipal services in keeping with the City's long term servicing and financing plans, and that growth related capital costs will be recovered from revenues generated from new development.

3.4.6 Economic Development Strategy

The City of London Economic Development Strategy is intended to guide economic development planning and decision making over the long term. The Vision in the Economic Development Strategy encourages innovation and investment that will promote a sustainable economy that contributes to employment opportunities and benefits the entire community (policy 2.7.1 of the OP). Policy 2.7.3 of the OP clearly indicates that it is the intent of Council to support the Vision and Goals of the Economic Development Strategy through the OP and its implementing mechanisms.

3.4.7 Environmental Strategies – Energy Conservation

Policy 2.9.3 xvi) of the OP states that the City will promote energy conservation and improved air quality by incorporating energy conservation measures into site design, and into the design, construction and renovation of buildings, including the application of L.E.E.D. certification standards. This CIP includes an incentive that addresses this goal.

3.4.8 Industrial Land Use

Section 7 of the OP contains the Industrial Land Use designation policies. Industrial land uses in the OP are separated into three categories: General Industrial, Light Industrial, and Office Business Park. These categories are differentiated on the basis of the range of main permitted uses or industrial processes, the potential impacts such uses or processes would have on adjacent areas, and the scale and intensity of development allowed. The intent of the OP is to group industrial uses so as to maximize their compatibility and minimize any negative impacts on nearby residential or other sensitive land uses.

The OP stresses the following objectives for all industrial designations:

- Designate sufficient industrial land to accommodate growth anticipated during the planning period, including an adequate supply of available serviced land and an allowance for sufficient choice in terms of location, size of properties, services, and road and rail access;
- Promote an aesthetically pleasing form of development along major road and rail entrances to the City;
- Minimize any potentially adverse impacts from industrial development on surrounding land uses;
- Provide appropriate locations for industrial uses which have characteristics that may not be compatible with other land uses;
- Encourage industrial uses to locate in industrial parks;
- Encourage an efficient utilization of land within industrial areas;
- Develop office business parks that will provide appropriate locations for industries in the fields of research, advanced technology, and applied medicine;
- Provide opportunities within existing industrial areas for the introduction of new industries that are compatible with existing and surrounding land uses; and,

- Support the implementation of the City of London Economic Development Strategy.

This CIP has been developed to include incentive programs and municipal leadership actions that support these OP objectives.

3.4.9 Urban Design Principles

Section 11 of the OP contains urban design principles related to visual character, aesthetics and compatibility of land use. These urban design principles are to be used as a guideline in the review of development proposals. A number of these urban design principles are directly relevant to this CIP. These include:

- the promotion of a high standard of design for buildings to be constructed in strategic or prominent locations such as along the major entryways to the City, including the Highway 401/402 and Veterans' Memorial Parkway (VMP) corridors;
- The relocation or replacement of incompatible land uses and the redevelopment of derelict properties will be encouraged;
- Landscaping should be used to conserve energy and water, enhance the appearance of building setback and yard areas, contribute to the blending of new and existing development and screen parking, loading, garbage and service facilities from adjacent properties and streets; and,
- Gateways may be created through the placement of buildings, landscape features, or the design and architecture of the buildings or structures themselves that frame or create the gateway or entrance.

Furthermore, Policy 11.1.2 of the OP specifically identifies the preparation and implementation of CIPs as a means for Council to promote application of the urban design principles contained in the OP.

3.4.10 Community Improvement Policies (*refers to Section 14 of OP as amended*)

Section 14 of the OP contains comprehensive Community Improvement policies. Section 14.2.1 indicates that the selection of areas eligible for commercial or industrial community improvement is based on a number of criteria, including:

- older areas of predominantly commercial or industrial use, which are potentially stable and viable;
- land use problems associated with incompatible uses or an under-utilization of land, which detracts from the functioning and viability of the area; and,
- a demonstrated interest in community improvement by the private firms within an area.

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

Policy 14.2.2 notes that Council may designate by by-law, "Community Improvement Project Areas" anywhere in the city. This policy identifies certain areas within the city that are eligible for different types of community improvement, with eligible industrial areas for community improvement being:

- a) several older industrial areas of the City which have been delineated on the basis of their age and potential benefit from coordinated physical improvements;
- b) the area in proximity to London International Airport generally east of Airport Road and north of the C.P.R. and designated for industrial development;
- c) all lands designated for industrial use in the city; and,
- d) brownfield sites including vacant or underutilized lands and buildings located within the Urban Growth Area that have been contaminated as a result of previous development activity.

Policy 14.2.3 identifies a number of factors that will be considered in the selection and phasing of “Community Improvement Project Areas”. These factors include land deemed by Council to be worthy of consideration to promote environmental, social and community economic development.

Section 14.3 describes various initiatives that Council can undertake to implement CIPs. Policy 14.3.3 deals specifically with community improvement in industrial areas and states that Council may: encourage development, redevelopment, rehabilitation and/or adaptive reuse of properties or buildings for industrial uses in conformity with a community improvement plan through the provision of financial incentives, land acquisition, or other programs and policies to encourage industrial development in designated Community Improvement Project Areas. Furthermore, Policy 14.3.3 specifies that the purposes of industrial land community improvement can include:

- development and redevelopment city-wide;
- support of sustainable development objectives and environmental, social, and community economic development objectives; and,
- support of the economic development objectives outlined in the City’s Industrial Land Development Strategy (ILDS).

In summary, the Community Improvement Policies in the City’s OP enable and strongly support designation of a city-wide community improvement project area to promote industrial land development, with a focus on the economic development objectives outlined in the City’s ILDS, and the planning, urban design and sustainable development objectives outlined in the OP. This CIP has been developed to support these key community improvement objectives for industrial land development in the City of London OP.

3.5 Industrial Land Development Strategy (ILDS)

The City’s ILDS notes that in recent years, London’s economy has been affected by several inter-related economic forces that are well beyond the City’s control. These economic forces include fundamental shifts in the traditional economy such as the 2008 United States and global economic downturns; intense manufacturing competition from abroad; the decline of the automotive manufacturing sector, the consolidation of companies and their movement and concentration of headquarter offices into a few major cities across the country; and the concentration of immigration to Canada’s major urban centres of Vancouver, Calgary, Toronto and Montréal. London has recently lost some major industrial employers. These economic challenges 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 London is now in greater competition with other municipalities from across the province, country, and world for the attraction and retention of industrial companies and a top workforce.

The City’s first ILDS was prepared in 2001. The 2001 ILDS guided the City in its planning, acquisition, servicing and marketing of industrial land. This in turn, allowed the growth of the industrial sector in London. However, in addition to the economic forces described above, London is 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. Since 2001 there have also been shifts in the City’s targeted industrial sectors and the land, servicing, and design requirements of these sectors. The LEDC identified a number of strategic target industrial sectors. These include:

- Advanced manufacturing including:
 - Renewable and clean technology;
 - Automotive;
 - Agri-Food/Food Processing; and,
 - Defence and Aerospace;
- Life and Health Sciences;
- Information Technology and Digital Media;
- Enhanced Transportation and Logistics; and,
- Research and Development.

Based on pervasive economic challenges and shifts in the City's targeted industrial sectors and their land, servicing, and design needs, the City determined that it needed to update its 2001 ILDS in order to:

- a) accelerate the city's economic revitalization; and,
- b) meet the changing needs of prospective industries in strategically-important target sectors.

The City's new ILDS was approved by Council on (insert date). The new ILDS is a comprehensive strategy that consists of the following six main strategies:

1. Establishing an active role for the City in planning for, developing and selling industrial land;
2. Identifying the needs of industrial target sectors;
3. Ensuring an adequate supply of industrial land;
4. Establishing plans to deliver investment-ready lands;
5. Market London's industrial lands aggressively on an international stage; and,
6. Making London attractive to a high quality, skilled labour force and, in turn, more attractive to industrial investment.

The City's new ILDS forms the primary foundation of this CIP. The primary rationale for both the ILDS and this CIP is economic revitalization and development and the creation of employment opportunities. Therefore, the CIP has been designed to help implement the strategies contained in the ILDS. For example, the incentive programs contained in this CIP will enhance London's efforts to market industrial lands on an international stage (as well as a local and national stage), and will help to make London more attractive to industrial investment, i.e., strategies 5 and 6 above. The municipal leadership actions contained in this CIP also support strategies 1, 3, 4 and 5 in the ILDS.

The City's role in industrial land development is to ensure an adequate supply of industrial land but also to help ensure that supply is developed to increase investment and jobs, create better planned work environments, and sustainable use of industrial land and buildings. The City has had a Brownfield CIP in place since 2006, but this CIP addresses previously developed industrial lands. Because of their historical location in built-up areas that also include residential and other sensitive land uses, many of these brownfield sites are now transitioning to non-industrial uses as they are redeveloped. The ILDS notes that 90% of industrial development in London (by square metre of building space) since 2007 has taken place on previously undeveloped lands. Therefore, the City's ability to promote economic revitalization, job creation and the sustainable use of industrial land and buildings would be seriously compromised if the City focused its community improvement planning efforts only on previously developed land.

The ILDS identified that the current supply of vacant and serviced industrial land is not well aligned with the location, size and servicing requirements of prospective industrial enterprises. Furthermore, experience in London has shown that the private sector is unlikely to take a leadership role in developing industrial land in London. Therefore, the ILDS identifies a significant need for the City to maintain its active role in the planning, acquisition, servicing, and marketing of industrial land.

The ILDS recommends the City maintain a 10 year supply (200 ha) of vacant serviced industrial land, with 180 ha of this serviced land in strategic locations within reasonable proximity to major highway corridors. Chapter 7.0 of the ILDS contains a strategy for the City acquisition and development of industrial land which includes a locational strategy and criteria for the acquisition of additional City-owned lands. The Municipal Leadership Actions contained in Section 8.0 of this CIP support the City strategy for acquisition and development of industrial land in the ILDS.

The ILDS also sets out a plan to deliver market ready industrial land. Chapter 8.0 of the ILDS identifies a number of actions to deliver market ready industrial land. These include an expedited planning process, a financial plan, collaboration with partners, and consideration of alternative models for public management of industrial land. Furthermore, Chapter 9.0 of the ILDS contains a strategy to aggressively market London's industrial land and high quality of life.

Finally, Chapter 10 of the ILDS specifically recommends that a CIP be prepared and adopted to further industrial development in London. The ILDS specifies that the CIP may contain grants and loans to promote industrial development, and that the City may acquire, hold, prepare sell, lease, or otherwise dispose of land for industrial purposes.

3.6 Other Community Improvement Plans

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

- Airport Road CIP;
- Brownfield CIP;
- Downtown CIP;
- Heritage CIP;
- Old East CIP; and,
- SOHO CIP.

The Downtown, Old East and SOHO CIPs apply to specific commercial areas (Downtown and Old East) or mixed use neighbourhoods (SOHO) in the city. These CIPs contain incentives (loans, tax increment grants and DC grants) to promote various forms of commercial and mixed use building upgrades and façade improvement. The Heritage CIP applies to the entire city and includes a tax increment grant and DC grant to promote the preservation and rehabilitation of a designated heritage building/structure. The Brownfield CIP applies to all lands within the Urban Growth Boundary and includes an environmental study grant program, and a tax increment grant program and DC grant program that promotes the environmental remediation and redevelopment of brownfield sites. The Airport Road CIP applies to the London International Airport and adjacent industrial park lands. The Airport Road CIP contains a tax increment grant targeted to the aerospace and air transportation sectors.

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

DRAFT

4.0 CIP GOALS

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

The critical community improvement needs for industrial land development in London were then translated into primary and secondary goals for this CIP. The most important policy document guiding the identification of the goals for this CIP is the City's new ILDS. Considerable weight has also been given to the policy direction provided in the City's OP and other key City and provincial planning and economic development policy documents. The goals of the CIP were then used to guide development of the incentive programs and municipal leadership actions contained in this CIP. Primary goals are those that were of paramount importance and primarily guided the development of the incentive programs and municipal leadership actions contained in this CIP. The secondary goals, while also very important, were utilized to guide enhancements to the incentive programs and municipal leadership actions that already meet the primary goals of the CIP. The goals of the London Industrial Lands CIP are as follows:

4.1 Primary Goals

- Promote economic revitalization, economic diversification, economic development and prosperity in London;
- Improve the market attractiveness and competitiveness of industrial land in London;
- Increase investment in industrial land development in London;
- Increase employment on industrial land in London by creating new employment opportunities and retaining existing employment on both previously developed and previously undeveloped industrial land;
- Ensure an adequate supply of serviced and appropriately sized and located industrial land in London;
- Increase the long-term industrial assessment base and industrial land property tax revenues;
- Facilitate and promote the development and redevelopment of industrial land in London in conformity with the servicing, growth management, and other policies in the City's Official Plan;
- Ensure that financial incentive programs used to promote industrial development are transparent, accountable, financially sustainable, and that the effectiveness of these programs is monitored; and,
- Ensure that growth related capital costs are recovered from revenues generated by new development.

4.2 Secondary Goals

- Where necessary and possible, relocate incompatible industrial land uses to more stable industrial lands;
- Where appropriate, promote the redevelopment of brownfield sites for industrial use;
- Promote sustainable and energy efficient planning, site and building design, and enhanced landscaping for industrial development and redevelopment in London;

- Improve the design of industrial buildings constructed in strategically important locations such as the Highway 401/402 corridor and the VMP corridor;
- Meet the land development needs of targeted industrial sectors;
- Retain and attract businesses in targeted industrial sectors;
- Increase employment in targeted industrial sectors and broaden the range of employment opportunities available in London;
- Promote industrial development that includes enhanced amenities for employees; and,
- Aggressively market London's industrial lands.

DRAFT

5.0 COMMUNITY IMPROVEMENT PROJECT AREA

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

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

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

The challenges facing industrial land development in London are not restricted to certain industrial areas or industrial land types. Furthermore, the planning and economic development goals of this CIP apply to both previously developed and previously undeveloped industrial lands in London, and both these types of industrial land are spread across the city. Previously developed industrial lands exist in several built-up areas across the city. Large concentrations of previously undeveloped industrial lands exist along the Highway 401/402 and VMP corridors and near the London International Airport.

In order to properly address the community improvement needs for industrial development in London and in order to successfully achieve the goals of this CIP for all industrial land in London, it is recommended that the Community Improvement Project Area for the City of London Industrial Lands CIP be designated as **the entire geographic area of the City of London**. However, in order to ensure that the incentive programs contained in this CIP conform to both the *Planning Act* and the policies of the City of London OP, the incentive programs in this CIP will apply only to lands designated for industrial land use within the City's Urban Growth Boundary, as amended from time to time.

6.0 INCENTIVE PROGRAMS

6.1 Approach

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

The first is the Industrial Development Charge (DC) Grant Program. This program provides a grant equal to between 50% and 100% of the City development charge paid by an applicant on an industrial land development project. The percentage of the DC Grant is tied to the project's achievement of specific economic, planning, urban design and sustainability performance criteria that reflect the primary and secondary goals of this CIP.

The second program is the Industrial Tax Increment Grant Program. This program provides an annual grant equal to 50% of the City property tax increment generated by an industrial land development project for a period of five (5) years after project completion.

The third program is an Industrial Landscaping Improvement Grant. This program provides a grant equal to 50% of the cost of eligible fencing, landscaping and planting on industrial properties with the maximum grant per property/project capped at \$25,000, with a maximum of one application per property/project.

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

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

Appendices B to D contain information on the administration of the incentive programs. These appendices do not form part of the CIP, and therefore may be changed from time to time as required, without amendment to this Plan.

6.2 General Program Requirements

All of the incentive programs contained in this CIP are subject to the following general requirements as well as the individual requirements specified under each incentive program. The general and program specific requirements contained in this CIP are not necessarily exhaustive, and the City reserves the right to include other requirements and conditions as deemed necessary on a property specific basis:

- a) An application for any financial incentive program contained in this CIP:
 - i) can be made only for development, redevelopment, rehabilitation, and/or adaptive reuse of a building for industrial use within the Urban Growth Boundary (see Appendix A for the definition of "industrial building");

- ii) must be submitted to and approved by the City prior to the commencement of any works to which the incentive program will apply and prior to application for building permit; and,
 - iii) must include plans, drawings, studies, reports, urban design briefs, cost and other studies, details and information as required by the City to satisfy the City with respect to project eligibility, design, performance and conformity with the CIP.
- b) The City may require that the applicant submit professional urban design briefs, studies and/or professional architectural/ design drawings that are in conformity with any applicable urban design guidelines;
 - c) The City may require that the applicant submit a Business Plan that contains information on the proposed project as specified by the City, and said plan must be to the satisfaction of the City;
 - d) Review and evaluation of an application and supporting materials against program eligibility requirements will be done by City staff, who will then make a recommendation to Council or Council's designate. The application is subject to approval by Council or Council's designate;
 - e) Each program in this CIP is considered active if Council has approved implementation of the program, and Council has approved a budget allocation for the program (as applicable);
 - f) As a condition of application approval, the applicant may be required to enter into a Grant Agreement with the City. This Agreement will specify the terms, duration and default provisions of the incentive to be provided. This Agreement is also subject to approval by Council or Council's designate;
 - g) Where other sources of government and/or non-profit organization funding (Federal, Provincial, Municipal, Federation of Canadian Municipalities, etc...) that can be applied against the costs of the development project are anticipated or have been secured, these must be declared as part of the application. Accordingly, the grant may be reduced on a pro-rated basis;
 - h) The City reserves the right to audit the cost of any and all works that have been approved under any of the financial incentive programs, at the expense of the applicant;
 - i) The City is not responsible for any costs incurred by an applicant in relation to any of the programs, including without limitation, costs incurred in anticipation of a grant;
 - j) If the applicant is in default of any of the general or program specific requirements, or any other requirements of the City, the approved grant may be delayed, reduced or canceled, and the applicant may be required to repay part or all of the approved grant;
 - k) If a building developed, redeveloped, rehabilitated or adaptively reused using a grant provided under this CIP is demolished prior to expiry of the grant period, the grant is terminated and any grant amount paid is repayable to and will be recovered by the City;
 - l) The City may discontinue any of the programs contained in the CIP at any time, but applicants with approved grants will still receive said grant, subject to meeting the general and program specific requirements;

- m) Proposed land uses must be in conformity with the Official Plan, Zoning By-law and other planning requirements and approvals;
- n) If part or all of a building(s) in a project approved for a grant is converted to a non-industrial use at any time after project completion, but prior to the cessation of grant payments, the amount of the remaining grant payments will be adjusted accordingly on a go forward basis to reflect only the remaining industrial use;
- o) All proposed works approved under the incentive programs shall conform to provincial laws and City guidelines, by-laws, policies, procedures, and standards;
- p) All works completed must comply with the description of the works as provided in the application form and contained in the grant agreement, with any amendments as approved by the City;
- q) All construction and improvements made to buildings and/or land shall be made pursuant to a Building Permit, and/or other required permits, and constructed in accordance with the Ontario Building Code and all applicable zoning requirements and planning approvals;
- r) Where required by the City, outstanding work orders, and/or orders or requests to comply, and/or other charges from the City must be satisfactorily addressed prior to grant approval or payment;
- s) Property taxes must be in good standing at the time of program application, approval and throughout the entire length of the grant commitment;
- t) City staff, officials, and/or agents may inspect any property that is the subject of an application for any of the incentive programs offered by the City;
- u) The City may require that the applicant submit a project completion report, and the City may conduct inspections to ensure compliance of the project with the general program requirements and program specific requirements specified this CIP and the executed grant agreement, and the City may make adjustments to incentive levels to reflect actual project performance in relation to program requirements and the executed grant agreement;
- v) Applicants approved for the programs contained in this CIP will be required to complete the eligible works within specified timeframes;
- w) Eligible applicants can apply for one, more or all of the incentive programs contained in this CIP and incentive programs contained in other applicable CIPs, however, in order to avoid "double dipping" (use of two or more incentive programs to pay for the same eligible cost), if an applicant is eligible to apply for the same program type (tax increment grant, DC grant/rebate), under this CIP and any other applicable CIP, the applicant can apply for that type of program under only one CIP; and,
- x) The total of all grants, loans and tax assistance provided in respect of the particular lands and buildings for which an applicant is making application under the programs contained in this CIP and any other applicable CIPs shall not exceed the eligible costs of the improvements to those particular lands and buildings under all applicable CIPs.

6.3 Industrial Development Charge (DC) Grant Program

6.3.1 Purpose

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

6.3.2 Description

This program will provide a grant to an applicant of between 50% and 100% of the City development charge¹ paid on an industrial building that is constructed within the Urban Growth Boundary. The City will collect the full amount of City Development Charges on industrial buildings owing at the time of building permit issuance. All industrial building projects approved under this grant program will then automatically receive a DC Grant equal to 50% of the City development charge paid on the building after project completion, final building inspection and occupancy. The percentage of the DC Grant to be paid to the applicant can then be increased up to 100% if the “as-built project” achieves certain economic, planning, urban design and sustainability performance criteria as specified in Appendix B. The DC Grant will be calculated and paid only after construction completion, final building inspection and occupancy. The amount of the DC grant will be determined based upon the total amount of City development charges owing after all exemptions, reductions and credits are applied in accordance with the Development Charges By-law.

6.3.3 Program Requirements

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

- a) All development charges owing under the City's Development Charges By-law must be paid in full at or before the issuance of building permit;
- b) Applicants applying for this program cannot apply for a DC Grant program under any other applicable CIP; and,
- c) For projects on brownfield sites, the owner shall meet all applicable program eligibility requirements of the Brownfields Development Charge Rebate Program in the City's CIP for Brownfield Incentives, including filing in the Environmental Site Registry of a Record of Site Condition (RSC) for the property signed by a qualified person, submission to the City of the signed RSC, and proof that the RSC has been acknowledged by the Ministry of Environment (MOE).

6.4 Industrial Tax Increment Grant Program

6.4.1 Purpose

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

¹ This program applies only to City development charges and does not apply to Education development charges or any other development charges.

6.4.2 Description

This program will provide an annual tax increment based grant equal to 50% of the tax increment for up to five (5) years following completion and occupancy of an industrial building constructed within the Urban Growth Boundary. The annual grant would be offered on a “pay-as-you go” basis, i.e., the applicant would initially pay for the entire cost of the industrial building project. Then, when the project is complete and the following conditions have been met, the applicant would then be paid an annual grant by the City:

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

Grant payments will cease when the total tax increment grant along with all other grants, loans and tax assistance provided equals the eligible cost of improvements under all applicable CIPs, or after five (5) years, whichever comes first.

6.4.3 Program Requirements

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

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

6.5 Industrial Landscaping Improvement Grant Program

6.5.1 Purpose

This program provides a financial incentive to promote improved landscaping (including tree planting), fencing, berming, screening and public art in the development, redevelopment, rehabilitation and/or adaptive reuse of buildings for industrial use.

6.5.2 Description

This program will provide a grant equal to 50% of the cost of eligible landscaping (including tree planting) fencing, berming, screening and public art on industrial properties that sufficiently improves the aesthetics of industrial sites, and/or provides effective screening of outside storage areas so as to mitigate the visual impact of said industrial uses. This program applies to industrial properties where development, redevelopment, rehabilitation and adaptive reuse is taking place. The maximum grant per property will be \$25,000, with a maximum of one application per property/project.

It is recommended that this program be offered for a period of five (5) years in order to kick-start enhanced landscaping, fencing, berming, screening and public art for industrial development, redevelopment, rehabilitation and adaptive reuse projects. Depending on program results, Council can extend the program for up to another five (5) years without amendment to this Plan.

6.5.3 Program Requirements

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

- a) The following costs are eligible for a grant under grant program: material and labour costs of landscaping (including tree planting), fencing, berming, screening and public art that conforms to applicable City urban design guidelines, and any other applicable City guidelines; and,
- b) Applicants applying for this program will be required to submit urban design briefs, studies and/or professional design drawings that are in conformity with any applicable urban design guidelines.

DRAFT

7.0 MUNICIPAL LEADERSHIP ACTIONS

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

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

- i) acquisition, holding, clearance, grading or other preparation of land for community improvement;
- ii) construction, repair, rehabilitation or improvement of buildings on land acquired or held by the City in conformity with this CIP; and,
- iii) sale, lease, or other disposition of any land and buildings acquired or held by the City in conformity with this CIP.

7.1 Property Acquisition, Servicing and Disposition

The ILDS recommends that the City always maintain a 10 year supply (200 ha.) of vacant, serviced land overall and, within this total supply, 180 ha. of serviced land in strategic locations within reasonable proximity to the Highway 401/402 and VMP corridors, south of the Thames River. The ILDS also notes that this supply 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. Reasonable industrial land options should also be offered close to the Airport, in General Industrial designations and in strategic Office Business Park locations that may emerge over time. In order to achieve this goal, the ILDS notes that the City must purchase 200 ha (net) and develop 300 ha (net) of industrial land over the next 5 years.

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

- a) Engage in the acquisition of land within the Community Improvement Project Area by means as permitted under provincial legislation;
- b) Use the criteria for acquisition of additional City-owned lands and the Locational Strategy specified in the ILDS to guide the City acquisition of land for industrial development purposes;
- c) Continue to pursue funding from the Federal and Provincial Governments and other funding partners for the acquisition and servicing of industrial land;
- d) Pursue non-Development Charge sources of funding for future construction of the Bradley/VMP Parkway;
- e) Ensure an expeditious planning process by completing scoped secondary plans, including required engineering, planning, and environmental assessment studies;
- f) Assemble an internal staff team to quickly move these secondary plans through the planning process;
- g) Address subdivision and zoning processes concurrently with scoped secondary plans in the case of City-owned lands; and,

- h) Consider different administrative models for public management of industrial land, including but not necessarily limited to an Industrial Land Development Corporation or a more formalized Action Team of pre-identified departmental staff and management.

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

7.2 Marketing

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

- a) Create a comprehensive identity for Highway 401 and 402 as an "Investment Corridor", including upgrades to the unique London highway bridge crossings, enhancements of public and private lands, and investments in formalized tree plantings, landscaping, and possibly public art;
- b) Pursue an improved web presence for available City-owned industrial lands;
- c) Continue to improve its quality of life by supporting a more engaged downtown, main streets and public realm with more gathering places; and,
- d) Support and promote ongoing city-building efforts.

7.3 Promoting Brownfield Redevelopment

While most future industrial land development in London will take place on previously undeveloped lands, in order to help ensure an adequate supply of serviced industrial land, it is important for the City to promote the redevelopment, rehabilitation and adaptive reuse of previously developed land (including brownfields) for industrial use, where appropriate. Therefore, it is recommended that the City continue to support and fund the incentive programs contained in the CIP for Brownfield Incentives.

8.0 MONITORING PROGRAM

8.1 Purpose

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

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

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

8.2 Description

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

Table 1 presents a list of the data variables, including economic impacts, that should be collected and monitored on an individual project and aggregate basis for all projects taking advantage of the incentive programs contained in this CIP. In addition to these quantitative economic measures, the staff should also monitor:

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

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

Table 1 Monitoring Variables

Program	Monitoring Variable
1. Industrial DC Grant	<ul style="list-style-type: none"> • Number of applications; • DC Grant %; • DC Grant amount (\$); • Value of construction (\$) • \$ amount spent on each of: enhanced urban design features, building/site sustainability features, energy efficiency features, landscaping features, and employee amenities; • Ha. (acres) of a land developed/ redeveloped; • Square footage of industrial space created by type (development, redevelopment, rehabilitation, adaptive reuse) and sector; • Square footage of accessory space (retail, office commercial, etc...) created by type (development, redevelopment, rehabilitation, adaptive reuse) and sector; • New FT and FTE jobs created by type (development, redevelopment, rehabilitation, adaptive reuse) and sector; • Increase in assessed value of participating property; • Increase in municipal and education property taxes of participating property; • Number and \$ amount of program defaults.
2. Industrial Tax Increment Grant	<ul style="list-style-type: none"> • Number of applications • Annual Tax Increment Grant (\$) and total Tax Increment Grant (\$) over grant period; • Value of construction (\$); • Ha. (acres) of a land developed/ redeveloped; • Square footage of industrial space created by type (development, redevelopment, rehabilitation, adaptive reuse) and sector; • Square footage of accessory space (retail, office commercial, etc...) created by type (development, redevelopment, rehabilitation, adaptive reuse) and sector; • New FT and FTE jobs created by type (development, redevelopment, rehabilitation, adaptive reuse) and sector; • Increase in assessed value of participating property; • Increase in municipal and education property taxes of participating property; • Number and \$ amount of program defaults.
3. Industrial Landscape Improvement Grant	<ul style="list-style-type: none"> • Number of applications; • Amount of Grant (\$) by type of eligible expense (fencing, landscaping, berming/screening, public art); • Total Amount (\$) spent by applicant per eligible expense (fencing, landscaping, public art); • Number of trees planted. • Number and \$ amount of program defaults.

8.3 Program Adjustments

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

DRAFT

9.0 CONCLUSION

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

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

DRAFT

APPENDIX A

Glossary of Terms and Abbreviations

DRAFT

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

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

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

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

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

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

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

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

“**DC**” means Development Charges.

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

“**IPEC**” means the Investment and Economic Prosperity Committee.

“**Industrial Building**” means a building used for:

- a) manufacturing, producing, fabricating, assembling, compounding or processing of raw materials, goods, component parts or ingredients where the physical condition of such materials, goods, parts or components are altered to produce a finished or semi-finished tangible product, or the packaging, crating, bottling, of semi-processed goods or materials, but not including any of these activities where they primarily serve retail purposes to the general public;
- b) storing or distributing something derived from the activities mentioned in a) above and for greater certainty, shall include the operation of a truck terminal, warehouse or depot;
- c) research or development in connection with activities mentioned in (a) above;
- d) retail sales of goods produced by activities mentioned in section a) at the site where the manufacturing, producing or processing from raw materials or semi-processed goods takes place and for greater certainty, includes the sale of goods or commodities to the general public where such sales are accessory or secondary to the industrial use, and does not include the sale of goods or commodities to the general public through a warehouse club;

- e) office or administrative purposes, if they are carried out:
 - i. with respect to the activity mentioned in section a), and
 - ii. in or attached to the building or structure used for activities mentioned in section a) and
 - iii. for greater certainty, shall include an office building located on the same property as, and used solely to support, the activities mentioned in section a);
- f) a business that stores and processes data for retrieval, license or sale to end users and are on lands zoned for industrial uses; or
- g) businesses that develop computer software or hardware for license or sale to end users that are on lands zoned for industrial uses.

“LEDC” means the London Economic Development Corporation;

“LEED” means Leadership in Energy and Environmental Design.

“MPAC” means the Municipal Property Assessment Corporation.

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

“OP” means the City of London Official Plan.

“PPS” means the Provincial Policy Statement, 2014.

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

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

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

“Targeted industrial sectors” means the following economic sectors as listed in Table 3 of the City’s Industrial Land Development Strategy, and as may be amended from time to time:

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

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

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

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

DRAFT

APPENDIX B

Industrial DC Grant Program Administration

DRAFT

B-1 Application Evaluation

All industrial building projects approved under this grant program will automatically receive a DC Grant equal to 50% of the City development charge paid on the building. The percentage of the DC Grant to be paid can then be increased up to 100% of the City development charge paid on the building if the as-built project achieves certain economic, planning, urban design and sustainability performance criteria as shown in the table below:

Performance Criteria for the Industrial Development Charge Grant Program

Economic Performance Criteria (Maximum of +30% as shown below)		
Goal	Criteria	% added to Automatic 50% DC Grant
Increase investment in industrial land development	Construction value of industrial building (N.B. does not include value of equipment)	If construction value of building is: - \$1 Million to \$5 Million – add 5% ; - \$5 million to \$10 million – add 10% ; - Over \$10 million – add 15% ;
Increase industrial employment	Direct full-time (FT) for full-time equivalent (FTE) jobs. (N.B. does not include construction jobs created by the project)	If project creates 50 or more direct FT or FTE jobs - add 10% ; AND those jobs are in one or more of the City's targeted industrial sectors ² - add 15%
Planning, Urban Design and Sustainability Performance Criteria (Maximum capped at +20% even if project meets multiple criteria below).		
Goal	Criteria	% added to Automatic 50% DC Grant
Promote well-designed, sustainable, and energy efficient industrial buildings that incorporate enhanced landscaping and employee amenities	Review of as-built project to be done by City's Urban Design Peer Review Panel	If project includes any of the following – add 10% : - enhanced urban design features; - enhanced building/site sustainability features; - enhanced energy efficiency features; - enhanced landscaping features; - employee amenities; AND the project is located in the Highway 401/402 or VMP corridor as shown on the map below – add 15%
Relocate incompatible industrial land uses	N/A	If project is a relocation of a conflicting industrial land use currently located in London – add 10%
Promote the redevelopment of brownfield sites for industrial use	N/A	If project is the redevelopment of a brownfield ³ for industrial use – add 10%

² The City's "Targeted Industrial Sectors" are defined in the Glossary of Terms.

³ "Brownfield" is defined as per page 6 of the City of London CIP for Brownfield Incentives (see Glossary of Terms). Also, all brownfield redevelopment projects must file a Record of Site Condition (RSC) and meet all other applicable program eligibility requirements as required in the Development Charge Rebate Program in the City of London CIP for Brownfield Incentives.

*** (Insert map showing 401/402/VMP Corridors here) ***

DRAFT

B-2 Application Administration

The administration of the DC Industrial Grant Program will generally take place as follows:

- a) Staff will hold a pre-application consultation meeting with the applicant to review program eligibility requirements and details of the proposed project;
- b) If eligible to make an application for this program, the applicant will be instructed to complete and submit an application (including all required supporting documentation) to the City;
- c) City staff will review the application and supporting documentation and advise the applicant if additional information and/or supporting documentation is required.
- d) Once a complete application (including supporting documentation) is received, staff will evaluate the complete application to determine if the proposed project is eligible for the 50% automatic DC Grant, and if the project is eligible for any increase in the percentage of the DC Grant based on the proposed economic, planning, urban design and sustainability performance of the project;
- e) Where approval of a DC Grant is being recommended by staff, staff will submit a report to Council or Council's designate, together with a grant agreement;
- f) If Council or Council's designate approves the grant application and agreement, the grant agreement outlining the terms and conditions of the approved grant will be executed between the City and the applicant;
- g) The property owner will provide payment for the full amount of development charges required under Development Charges By-law at or prior to the issuance of the building permit;
- h) After project completion, final inspection and building occupancy, the applicant will submit to the City a request for payment of the grant;
- i) Staff will check to ensure that all program and grant agreement requirements have been met, and if so, staff will calculate the DC Grant payment⁴ and issue the grant payment to the applicant;
- j) If the applicant has applied for an increase in the 50% automatic DC Grant for incorporation of economic and/or other eligible performance criteria, the applicant will provide the City with a project completion report that includes adequate information and verification regarding the conformity of the "as-built" project with the applicable performance criteria;
- k) The project completion report will be reviewed and evaluated by staff, and staff will conduct a site inspection (as necessary) to verify project performance;
- l) Staff will then calculate the final DC Grant percentage and payment⁴ and issue the grant payment to the applicant.
- m) Staff will monitor the project, periodically checking that the project is in compliance with all program and grant agreement requirements. Staff will take appropriate remedies as specified in the grant agreement if the applicant defaults on the agreement.

⁴ The amount of the DC grant will be determined based upon the total amount of City development charges owing after all exemptions, reductions and credits are applied in accordance with the Development Charges By-law.

APPENDIX C

Tax Increment Grant Program Administration

DRAFT

C-1 Application Administration

The administration of the Tax Increment Grant Program will generally take place as follows:

- a) Staff will hold a pre-application consultation meeting with the applicant to review program eligibility requirements and details of the proposed project;
- b) If eligible to make an application for this program, the applicant will be instructed to complete and submit an application (including all required supporting documentation) to the City;
- c) City staff will review the application and supporting documentation and advise the applicant if additional information and/or supporting documentation is required;
- d) Once a complete application (including supporting documentation) is received, staff will evaluate the complete application to determine if the proposed project is eligible for the Tax Increment Grant;
- e) Where approval of a grant is being recommended by staff, staff will:
 - i) utilize the base rate and an estimated post-project assessment value and applicable tax rates to calculate the estimated post-project property taxes, municipal tax increment, and the estimated annual and total grant amount to be provided⁵;
 - ii) submit a report to Council or Council's designate, together with a grant agreement;
- f) If Council or Council's designate approves the grant application and agreement, the grant agreement outlining the terms and conditions of the approved grant will be executed between the City and the applicant;
- g) Once the project is complete, an occupancy permit has been issued, and the property has been re-valued by the MPAC, the property owner will be issued a new tax notice based on the post-improved assessment value;
- h) After the property owner has paid in full the new property taxes for one (1) year, staff will check to ensure that:
 - i) the applicant has not filed any assessment appeals;
 - ii) the property is not in tax arrears; and,
 - iii) all program and grant agreement requirements have been met.
- i) If all requirements in h) above have been met to the satisfaction of the City, then staff will calculate the actual tax increment and grant payment and issue the grant payment to the applicant; and,
- j) Staff will monitor the project, periodically checking that the project is in compliance with all program and grant agreement requirements. Staff will take appropriate remedies as specified in the grant agreement if the applicant defaults on the agreement.

⁵ This step is optional.

APPENDIX D

Industrial Landscaping Grant Program Administration

DRAFT

D-1 Application Administration

The administration of the Industrial Landscaping Grant Program will generally take place as follows:

- a) Staff will hold a pre-application consultation meeting with the applicant to review program eligibility requirements and details of the proposed project;
- b) Staff will conduct an initial site inspection of the property (as required);
- c) If eligible to make an application for this program, the applicant will be instructed to complete and submit an application (including all required supporting documentation) to the City;
- d) The applicant will be required to submit:
 - i) photographs of the existing building, landscaping and fencing;
 - ii) urban design briefs, studies and/or professional design drawings that are in conformity with any applicable urban design guidelines; and,
 - iii) two (2) cost estimates for eligible work provided by a licensed contractor.
- e) If the application is approved, and the applicant elects to engage the contractor who provided the highest cost estimate, the City's grant contribution will be based on the lowest cost estimate;
- f) City staff will review the application and supporting documentation and advise the applicant if additional information and/or supporting documentation is required;
- d) Once a complete application (including supporting documentation) is received, staff will evaluate the complete application to determine if the proposed project is eligible for the grant and the eligible works;
- e) Where approval of the grant is being recommended by staff, staff will submit a report to Council or Council's designate together with a grant agreement;
- i) If Council or Council's designate approves the grant application and agreement, the grant agreement outlining the terms and conditions of the approved grant will be executed between the City and the applicant;
- g) Once the project is complete, the applicant will submit a request for payment of the grant to the City including the following:
 - i) photographic evidence of the completed works;
 - ii) invoices clearly showing the amount paid for eligible works; and,
 - iii) written verification that all contractors who worked on the eligible works have been paid in full;
- h) If all program and grant agreement requirements have been met to the City's satisfaction, then staff will calculate the actual grant payment and issue the grant payment to the applicant; and,
- i) Staff will monitor the project, periodically checking that the project is in compliance with all program and grant agreement requirements. Staff will take appropriate remedies as specified in the grant agreement if the applicant defaults on the agreement.