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**File No. O-8318**  
**T. Macbeth/A. Dunbar**

<b>TO:</b>	<b>CHAIR AND MEMBERS PLANNING &amp; ENVIRONMENT COMMITTEE</b>
<b>FROM:</b>	<b>JOHN M. FLEMING MANAGING DIRECTOR, PLANNING AND CITY PLANNER AND MARTIN HAYWARD MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER</b>
<b>SUBJECT:</b>	<b>INDUSTRIAL LANDS COMMUNITY IMPROVEMENT PLAN AND OFFICIAL PLAN AMENDMENT  FILE: O-8318 MEETING ON JUNE 3, 2014</b>

<b>RECOMMENDATION</b>
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That, further to the direction of Municipal Council, the following actions **BE TAKEN** with respect to a Community Improvement Plan for Industrial land uses:

- (a) The proposed by-law attached hereto as Appendix 'A' **BE INTRODUCED** at the Municipal Council meeting of June 10, 2014, to designate all lands within the City, including lands outside the Urban Growth Boundary, as a community improvement project area for industrial land uses, attached as Schedule 1, in accordance with Section 28(2) of the *Planning Act*;
- (b) The proposed by-law attached hereto as Appendix 'B' **BE INTRODUCED** at the Municipal Council meeting of June 10, 2014, to adopt the Industrial Lands Community Improvement Plan for the City of London attached as Schedule 2, in accordance with Section 28(4) of the *Planning Act*;
- (c) The proposed by-law attached hereto as Appendix 'C' **BE INTRODUCED** at the Municipal Council meeting of June 10, 2014, to amend the following sections of Chapter 14 – Community Improvement Policies of the Official Plan:
  - i. **AMEND** Section 14.2.2 iii) (d) (Designation of Community Improvement Project Areas) to include all lands within the Urban Growth Boundary as being an eligible industrial area for community improvement;
  - ii. **DELETE** Section 14.2.2.iv) (b) Special Study Area;
  - iii. **AMEND** Section 14.2.2.iv) (c) Airport Area by re-numbering to policy 14.2.2.iv (b)
  - iv. **AMEND** Section 14.2.3.iii) to add phasing consideration for lands deemed by Council to be worthy of consideration to promote environmental, social and community economic development;
  - v. **AMEND** Section 14.3.3 (Industrial) to include the provision of financial incentives, land acquisition, or other programs and policies to encourage industrial development in designated Community Improvement Project Areas; and,
  - vi. **AMEND** Section 14.3.4 (Other Implementation Measures) to include new programs or policies as methods of assisting in the implementation of community improvement;
- (d) The Development Charges Grant Program described in the Industrial Lands Community Improvement Plan attached as Schedule 2 and the Industrial Development Charges

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Grant – Incentive Program Guidelines attached as Schedule 3 **BE APPROVED**, and the program be implemented effective January 1, 2015; noting that a 100% exemption for industrial development charges will remain in place until January 1, 2015 under the Development Charges By-law;

- (e) The Industrial Corridor Enhancement Grant Program described in the Industrial Lands Community Improvement Plan attached as Schedule 2 and the Industrial Corridor Enhancement Grant Program – Incentive Program Guidelines attached as Schedule 4 **BE APPROVED**, and that the program be implemented, effective January 1, 2015, not to exceed \$250,000 per year and **BE SUBJECT TO** 2015 budget approval; and
- (f) Staff **BE DIRECTED** to monitor the Industrial Community Improvement Plan programs and report back annually regarding program results; it being noted that the annual monitoring of programs may include, but is not limited to, the following factors: number of applicants; value of projects; number of jobs created; and acres of land developed and redeveloped.

<b>PREVIOUS REPORTS PERTINENT TO THIS MATTER</b>
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|-------------------|---|
| March 25, 2014    | “Draft Community Improvement Plan for Industrial Land Uses and Official Plan Amendment. File O-8318,” Planning and Environment Committee. |
| November 18, 2013 | “Industrial Land Development Strategy 2013-2023,” Strategic Priorities and Policy Committee.  |
| August 26, 2013   | “Strategic Change in Delivery of Development Charge Exemptions and Incentive Policies,” Strategic Priorities and Policy Committee.        |
| April 30, 2012    | “Initiation Report: 2014 Development Charges Background Study and DC By-law Update,” Strategic Priorities and Policy Committee            |
| November 26, 2008 | “Industrial Development Charge Policy,” Board of Control.   |

<b>PURPOSE</b>
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This report includes a final Industrial Lands Community Improvement Plan (CIP) that was prepared for the City and an Official Plan Amendment to provide for industrial land community improvement. The Community Improvement Plan provides policies to promote industrial development and includes a program to offset Development Charges in accordance with Council direction. Also, an amendment to the Official Plan is required to add new policies to Chapter 14 – Community Improvement to provide for industrial Community Improvement Plans. This report also contains an economic analysis pertaining to current budget affordability of implementing the proposed programs under the CIP at this time.

<b>BACKGROUND</b>
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*2014 Development Charges Study*

Municipalities in Ontario use legislation that allows them to recover growth related costs through development charges (DCs). The DC legislation in Ontario requires that municipal development charge by-laws be reviewed at least every five years. As such, the City of London is undergoing a 2014 Development Charge study, which is proceeding with a view to establishing new Development Charges rates in time for the expiration of the current DC rate by-law by August

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2014. In the current by-law, the City of London exempts industrial development from Development Charges.

Subject to Recommendation 2.a.ii, below, Strategic Priorities and Policy Committee resolved the following on August 26, 2013, regarding Industrial community improvement:

*2. The City Planner BE DIRECTED to prepare or amend Community Improvement Plans (CIPs), listed in order of priority, for the following forms and areas of development provide the basis for providing grants to individuals for a portion of, or all of, development charges paid:*

- a. *Existing exemptions/grants/discounts to be provided for in CIPs effective on the effective date of the 2014 Development Charges By-law (no later than August 4, 2014):*
  - i. *residential units, Downtown Area, Old East Village Area, and SoHo Area;*
  - ii. *new industrial buildings and expansions not exempt by statute, city-wide; and,*
  - iii. *hospitals, universities, places of worship/cemeteries and not-for-profit organizations that are exempt from taxation by the Assessment Act, city-wide (currently 50% of CSRF rate exempted).*

Council direction to introduce Community Improvement Plans no later than August 4, 2014, is so that CIPs are in force and effect prior to the expiration of the current DC By-law.

*Draft CIP Presented to Planning and Environment Committee – March 25, 2014*

As a result of August 2013 Council direction noted above, the draft Community Improvement Plan and the draft Official Plan Amendment were presented at the Planning and Environment Committee on March 25, 2014. Preparation of the Draft CIP was guided by the policies of the City of London's Official Plan, the goals of the City's Industrial Land Development Strategy and informed by a Best Practices Review of leading Ontario municipalities' CIPs for Industrial land uses. The Draft Industrial Lands CIP was provided in order to circulate for comment and initiate public consultation.

The intent of the CIP presented was to identify a balanced approach that would meet the community's economic revitalization, sustainable development and environmental and community economic development objectives, as well as deliver long-term financial sustainability for incentive programs and improve clarity for financial reporting. Also, through such an approach, the aim was to achieve community and stakeholders' goals of cost effectiveness and support for industrial land development, business attraction and retention.

The Draft CIP proposed a number of financial incentives, including a Development Charges Grant program, a Tax Increment Grant program and an Industrial Corridor Enhancement Grant Program. The proposed structure of the programs included a combination of "automatic" grant monies available to all applicants and grant monies available based on achievement of performance criteria, such as economic performance criteria (e.g. creation of a specified number of industrial jobs and a minimum level of investment in the city through industrial land development) and planning, design and sustainability performance criteria (e.g. promotion of sustainability, energy efficiency and design, relocation of some industrial uses to more compatible sites, and promotion of brownfield redevelopment).

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In addition to the recommendations to table and circulate the Draft Community Improvement Plan and Official Plan Amendment to initiate consultation, the Planning and Environment Committee added the following recommendation at the meeting of March 25, 2014:

- d) *the financial incentives BE ENHANCED through a series of options that would not be less than the equivalent of 100% of the development charges exemptions and an economic analysis be reported to a future meeting of the Planning and Environment Committee;*

Recommendation ‘d’ highlights Council’s concern that performance criteria in a Development Charges grant could have the potential to reduce the incentive offered to certain industrial companies, and, therefore, the added recommendation was to ensure financial incentives offered under a CIP approach be at least equivalent to the incentive offered through the Development Charges By-law approach currently employed.

Also of note in section 8.3 of the CIP is that the criteria and scoring for any individual program or programs under the Community Improvement Plan will not constitute part of the Community Improvement Plan, therefore allowing addition, amendment or deletion of criteria and/or programs without the requirement of an amendment to the parent Community Improvement Plan. This is consistent with the City’s current practice, and allows Council to add, amend or discontinue community improvement programs and incentives without having to amend the Community Improvement Plan itself.

Municipal Leadership

In addition to incentive programs that may be implemented under a Community Improvement Plan, the City of London may also engage in the full range of actions permitted under Section 28 of the *Planning Act*, including but not limited to a program of property acquisition, development, and disposition by all means available to the municipality in accordance with provincial legislation. Land sales or exchange of City owned lands may also be considered in order to facilitate retention and relocation of industrial operations from areas of high land use conflict to areas that are more compatible for industrial uses within the Urban Growth Boundary.

**OVERVIEW: COMMUNITY IMPROVEMENT PLANNING**

Community Improvement Planning under the Act

Financial incentives can play a significant role in London’s industrial land development and the City’s related strategies. In addition to brownfields incentives to encourage the re-use and redevelopment of former industrial sites, the City does not presently collect development charges for industrial development.

As part of the Development Charges By-law update, it has been recommended that this incentive be included as part of an Industrial Lands CIP, and no longer as an exemption in the DC By-law. This incentive would be in addition to exemptions that are provided for under the *Development Charges Act*, which include mandatory exemptions for expansions of existing industrial buildings (generally up to 50%).

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

“community improvement” means the planning or replanning, design or redesign, resubdivision, clearance, development or redevelopment, construction, reconstruction and rehabilitation, improvement of energy efficiency, or any of them, of a community improvement project area, and the provision of such residential, commercial, industrial,

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public, recreational, institutional, religious, charitable or other uses, buildings, structures, works, improvements or facilities, or spaces therefor, as may be appropriate or necessary.

The *Planning Act* further states that:

For the purpose of carrying out a municipality’s community improvement plan that has come into effect, the municipality may make grants or loans, in conformity with the community improvement plan, to registered owners, assessed owners and tenants of lands and buildings within the community improvement project area, and to any person to whom such an owner or tenant has assigned the right to receive a grant or loan, to pay for the whole or any part of the eligible costs of the community improvement plan. For the purposes of subsection (7), the eligible costs of a community improvement plan may include costs related to environmental site assessment, environmental remediation, development, redevelopment, construction and reconstruction of lands and buildings for rehabilitation purposes or for the provision of energy efficient uses, buildings, structures, works, improvements or facilities.

As noted above, the CIP can include programs that would allow the City to make grants or loans that would further Council’s Industrial Land Development Strategy.

*Current City of London CIPs Related to Industrial Development*

The City of London, under Official Plan Chapter 14 – Community Improvement Policies has identified areas and land uses eligible for community improvement. Two of the current Community Improvement Plans are related to industrial development, including the “Community Improvement Plan for Brownfield Incentives” and the “Airport Area Community Improvement Plan”.

Under the Brownfield Community Improvement Plan, “Brownfields” are defined as abandoned, underutilized or vacant former industrial buildings or sites, which are encouraged to be remediated and redeveloped. The purpose of the Brownfield CIP is to: (1) increase employment opportunities and enhance viability of inner city neighbourhoods; and (2) encourage adaptive reuse and increasing property value and tax base, without additional land or resources required.

Under the Brownfield CIP, grant programs are for assistance with:

- Property tax assistance during rehabilitation and site redevelopment;
- Development charges rebates;
- Tax increment equivalent grants for a portion of the value of the increase in Assessment growth as a result of site rehabilitation and redevelopment; and
- Green Municipal Fund monies from the federal programs to assist with financing a variety of environmental projects related to brownfield redevelopment.

The Airport Area CIP is for specific industrial sectors and land uses located adjacent to the London International Airport. The Airport Area CIP supports the competitiveness of the aerospace, aviation and transportation cluster around the London International Airport, and applies to the following targeted sectors:

- Aerospace manufacturing and servicing companies;
- Scheduled air transportation companies;
- Non-scheduled air transportation companies, including specialty flying services and chartered air transportation;
- Scenic and sightseeing air transportation; and
- Specialized services and support for air transportation industries;
- Airport operations; and

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- Other support activities for air transportation, including air ambulance services.

Programs under the Airport Area CIP include incentives such as a Tax Increment Grant program for airport and aerospace-related industrial enterprises and supportive services located in the project area adjacent to the London International Airport.

While current Community Improvement Plans are geographically and sectorally specific, the City of London also has city-wide objectives regarding community improvement for industrial areas. As such, the city-wide Industrial Lands Community Improvement Plan was prepared. Key considerations in preparation of the city-wide Industrial Lands Community Improvement Plan and the programs available under the Community Improvement Plan include: the best approach for community improvement and economic development; affordability of the approach and programs introduced therein; and, ensuring responsiveness to Council direction and public feedback received.

<b>PUBLIC CONSULTATION</b>
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To gather public and stakeholder feedback and address city-wide community improvement goals related to industrial land uses, a special meeting of the Development Charges External Stakeholder Committee and a non-statutory Public Open House were convened on April 3 and April 10, respectively. Several additional meetings were held to gather further feedback from industry and community stakeholder representatives. Through collaboration between Staff and the London Economic Development Corporation, community and industry stakeholders were identified and participation sought.

Submissions and comments received to date have included the following major considerations:

- Concerns raised were not regarding the introduction of the Community Improvement Planning approach, but rather regarding the specifics of proposed programs offered under the CIP, including introduction of performance criteria in a DC Grant program.
- Consideration of cost effectiveness and affordability of the proposed programs was also raised by community stakeholders, especially as it relates to value for money for taxpayer-funded grants.
- Industry stakeholder representatives showed strong consensus that the existing Development Charges “exemption” be brought over into a Community Improvement Plan as is, with no conditional performance criteria, no up-front costs to the applicants, and a guaranteed 100% grant for all industrial applicants. Performance criteria in a Development Charges Grant was considered too much of an uncertainty for business planning and was considered to be detracting from the overall attractiveness of the City’s offering, relative to surrounding municipalities which “exempt” Development Charges.
- Industry representatives noted that, provided there is continuity of a 100% Development Charge grant without performance criteria under the CIP, performance criteria may be an acceptable consideration for programs introduced in addition to the DC Grant.
- Strong concern was initially raised in written submissions that the March 25 report by Staff did not identify best practices from other Ontario Municipalities’ Industrial CIPs. Strong concern was then raised at the public open house meeting about providing the information from the Best Practices review of Ontario Municipalities’ Industrial CIPs, and providing information about the differences between (1) exemptions under a

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Development Charges By-law and (2) programs and approaches of other Ontario Municipalities' under industrial Community Improvement Plans.

Staff noted throughout the public consultation process that although different variations on incentive programs can be considered under the Community Improvement Plan, the Council-directed economic analysis must be conducted to provide clarity on financial affordability of implementing different programs or suites of programs.

<b>ECONOMIC ANALYSIS: AFFORDABILITY</b>
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As noted above, a minimum incentive equivalent to a 100% Development Charges Grant program is required through Council recommendation at March 25, 2014, Planning and Environment Committee, such that incentives under the Community Improvement Plan are at least equivalent to that which is offered under the current Development Charges By-law approach of "exemption".

As part of Council Recommendation 'd', any program or programs to be implemented under the CIP must include an economic analysis to assess financial implications and affordability. Section 6.1 of the Community Improvement Plan notes that:

*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 Industrial Lands Community Improvement Plan (CIP) (**Schedule 2**) discusses several incentive programs (see Section 6):

1. Industrial Development Charge (DC) Grant Program
2. Industrial Tax Increment Grant Program
3. Industrial Compatibility Grant/Loan Program
4. Industrial Corridor Enhancement Grant Program

The Industrial DC Grant Program is currently in place as a 100% exemption for industrial development charges under the Development Charges By-law. Recommendation (d) of this report recommends that this program be continued under the Industrial Lands CIP.

The Industrial Tax Increment Grant Program and Industrial Compatibility Grant/Loan Program are not being recommended at this time, but should be considered in future years as Administration monitors and reports back on the program results.

The Industrial Corridor Enhancement Program is recommended for approval (see Recommendation (e), effective January 1, 2015, with the total program cost not to exceed \$250,000 per year and is subject to 2015 budget approval.

Below is a financial analysis of the programs listed above, noting that only the Industrial DC Grant Program and the Industrial Corridor Enhancement Program are recommended for immediate implementation.

**Industrial Development Charge (DC) Grant Program (recommended for implementation)**

When the City provides a 100% exemption for industrial development charges, the City (taxpayer) must fund the industrial portion of growth projects as the capital projects are scheduled. The following table shows the capital levy (taxpayer contribution) that has been included in the growth portion of the capital budget for the last five years. The chart also shows City contributions to the Urban Works Reserve Fund (UWRF) associated with developer claims

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which have a component that benefits industrial development.

<b>Industrial Share of Growth Projects (\$ millions)</b>							
	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>5 Yr Total</b>	<b>Avg/Yr</b>
Capital Budget	\$4.2	\$6.1	\$2.2	\$0.7	\$3.7	\$16.9	\$3.4
UWRF Contributions	\$0.02	\$0.1	\$0.5	\$0.9	\$0.2	\$1.7	\$0.3
<b>TOTAL</b>	<b>\$4.2</b>	<b>\$6.2</b>	<b>\$2.7</b>	<b>\$1.6</b>	<b>\$3.9</b>	<b>\$18.6</b>	<b>\$3.7</b>

Going forward, the draft rate for industrial development charges in the 2014 DC Study is \$173.26 per square metre. Applying this rate to the amount of industrial space projected for the next five years provides a projection of the cost to the taxpayer to provide a 100% discount on industrial development charges (either through the CIP Industrial Development Charge Grant for new buildings or the DC exemption for building additions). The annual taxpayer contributions required to support the Industrial CIP DC Grant is \$6 million.

<b>Projected Cost of 100% Development Charge Exemption for Industrial</b>						
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
New Industrial (sqm)	34,391	34,391	34,391	34,391	34,391	171,955
Expanded Industrial (sqm)	11,464	11,464	11,464	11,464	11,464	57,320
<b>Total Projected Space (sqm)</b>	<b>45,855</b>	<b>45,855</b>	<b>45,855</b>	<b>45,855</b>	<b>45,855</b>	<b>229,275</b>
Rate/sqm	\$173.26	\$173.26	\$173.26	\$173.26	\$173.26	\$173.26
<b>Total (\$millions)</b>	<b>\$7.9</b>	<b>\$7.9</b>	<b>\$7.9</b>	<b>\$7.9</b>	<b>\$7.9</b>	<b>\$39.7</b>
Planned Contribution*	\$3.5	\$4.0	\$3.5	\$3.5	\$3.5	\$19.0
<b>Surplus/(Shortfall)</b>	<b>\$(4.4)</b>	<b>\$(3.9)</b>	<b>\$(4.4)</b>	<b>\$(4.4)</b>	<b>\$(4.4)</b>	<b>\$(20.7)</b>

\*represents planned contributions to the Industrial Oversizing Reserve Fund that is currently used to fund the City's industrial share of growth projects

The projected cost of the DC Grant program with the previous annual cost of the industrial DC exemption is not directly comparable due to the following factors:

- The previous exemption paid for the growth share of industrial capital projects at the time of construction. Several of the City's industrial parks were developed many years before building construction occurred; as such, major investments were made in previous years as "upfront" costs associated with the DC exemption, with fewer major industrial infrastructure projects constructed in recent years. Going forward, the City's investment in the DC Grant will be timed with when building construction is actually realized.
- Industrial infrastructure projects benefitted from grants/stimulus funding from senior governments over the past five years. 2014 DC rate calculations do not include a deduction for grants for industrial projects.
- Given that the City was funding the industrial exemption through contributions to growth capital projects, costs associated with the statutory exemption for building additions were largely underfunded given that the new industrial areas principally support new industrial buildings. Costs associated with the exemption for building additions will now be funded to ensure that the DC reserve funds are not short of money needed to pay for industrial infrastructure.
- The above information on the City's past investment in industrial growth infrastructure does not include taxpayer-supported debt associated with these projects that is still outstanding. The CIP grant based on the industrial DC rate includes costs associated with debt that was incorporated into industrial DC rate calculations.



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- The projected cost of the DC Grant program reflects increased construction costs associated with major roads, sanitary sewers, stormwater management facilities, etc.

Using the draft industrial DC rate (\$173.26), a sample or illustrative cost of the 100% discount on industrial development charges can also be determined for select industrial sectors. These examples represent past experience in London and do NOT represent actual sectors or building size in the next five years.

<b>Illustrative Cost of 100% Development Charge Exemption for Industrial</b>		
<b>Industrial Sector</b>	<b>Building Size (square metres)</b>	<b>Cost of Grant (@173.26/sqm)</b>
Auto parts manufacturing	17,645	\$3,057,172
Building materials manufacturing	18,564	\$3,216,398
Food processing	12,083	\$2,093,500
Research & development	8,536	\$1,478,947
Large distribution centre	53,015	\$9,185,375

**Industrial Tax Increment Grant Program (*not recommended for implementation at this time*)**

The tax increment grant program described in the Industrial CIP would provide an annual tax increment based grant of up to 100% of the tax increment for 10 years following completion and occupancy of an industrial building. The percentage of the tax increment would depend on performance criteria such as construction value, direct employment, proximity to highways 401/402, etc. Using the same illustrative samples as above, the cost of this program is:

<b>Illustrative Cost of Industrial Tax Increment Grant Program (\$millions)</b>			
<b>Industrial Sector</b>	<b>Incremental 2013 Taxes</b>	<b>Range of Grant (25% to 100%)</b>	<b>Ten Year Cost</b>
Auto parts manufacturing	\$0.3	\$0.08 - \$0.3	\$0.8 - \$3.0
Building materials manufacturing	\$0.4	\$0.1 - \$0.4	\$1.0 - \$4.0
Food processing	\$0.3	\$0.08 - \$0.3	\$0.8 - \$3.2
Research & development	\$0.2	\$0.04 - \$0.2	\$0.4 - \$1.6
Large distribution centre	\$0.6	\$0.1 - \$0.6	\$1.5 - \$5.9
<b>Total</b>	<b>\$1.8</b>	<b>\$0.5 - \$1.8</b>	<b>\$4.5 - \$18.0</b>

**Industrial Compatibility Grant/Loan Program (*not recommended for implementation at this time*)**

Incentives that could be included under this program include grants and/or loans to help off-set the costs associated with the relocation of an eligible industrial use to a more compatible location within the Urban Growth Boundary. Eligible costs include the costs of development, redevelopment, rehabilitation and/or adaptive reuse of existing buildings at the new site, and/or the costs of site improvements at the new site associated with the relocating industrial use. Eligibility for the program would be subject to Council approval. The costs associated with this program may be outlined as Administration monitors and reports back on program results.

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**Industrial Corridor Enhancement Grant Program (*recommended for implementation*)**

The industrial corridor enhancement grant program described in the Industrial CIP would provide a financial incentive to promote improved landscaping (including tree planting), fencing, berming, screening, and public art on industrial properties that sufficiently improves the aesthetics of industrial sites. The grant would be 50% of the eligible cost up to a maximum of \$25,000 with a maximum of one application per property.

This program would be open to new or existing industrial properties. It is difficult to estimate how many properties would apply and be eligible in any given year; therefore the recommended program cap is \$250,000 per year, which is ten properties at the maximum amount available per property. This program is of value because it will enhance the public realm and improve the brand of the City of London along the NAFTA superhighway corridor by helping to establish a comprehensive identity City through landscaping and public art.

**AMENDMENT TO SECTION 14 OF THE CITY OF LONDON OFFICIAL PLAN**

In order to permit the proposed programs for community improvement noted above, an amendment to Official Plan Chapter 14 – Community Improvement Policies is required. The Amendment includes policy changes, as well as minor housekeeping changes to policy numbering. The policy changes to Chapter 14 are summarized below. The Official Plan Amendment is attached to this report.

*Delete policy 14.2.2.iii.b “Special Study Area”.* This policy no longer applies. The current policy states: An older industrial area extending south from Dundas Street to the C.N.R. rail lines east of Egerton Street where several industries have initiated a request for municipal attention to the improvement of municipal services in the area.

*Add new policy 14.2.2.iii.c) Industrial Area*  
*All lands designated for Industrial land uses. This applies to all lands in the City, including lands outside the Urban Growth Boundary, as indicated on Figure 14-1, Areas Eligible for Community Improvement.*

*Add new policy 14.2.3.iii Land deemed by Council to be worthy of consideration to promote environmental, social and community economic development.*

*Replace policy 14.3.3 Industrial with the following policy text:*

*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.*

*The purposes of Industrial Land Community Improvement include:*

- Development and Redevelopment city-wide;*
- Supports sustainable development objectives and environmental, social, and community economic development objectives; and*
- Supports economic development objectives of the City’s Industrial Land Development Strategy.*

The current policy states: Community improvements in industrial areas will either upgrade or provide municipal services such as curbs, gutters, sewers, sidewalks, streetlighting and roads to improve the function of the area and its potential attractiveness for new firms or expansion of existing firms. Council may also encourage redevelopment or infill development in conformity

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with a community improvement plan through the provision of loans to the owners of industrial properties.

*Add new policy 14.3.4.ix) "Other Implementation Measures" as follows:*

*The inclusion of programs or policies as methods of assisting in the implementation of community improvement.*

<b>CONCLUSION</b>
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An Official Plan Amendment and Industrial Lands Community Improvement Plan has been prepared based on August 2013 Council approval of a strategic change to the City's delivery of Development Charges and incentive programs, and the March 25, 2014, Planning and Environment Committee's recommendation to ensure incentives under the new CIP approach are at least equivalent to those offered under the Development Charges approach.

The Official Plan Amendment provides policy direction that permits proposed programs for industrial community development as well as minor housekeeping amendment to Official Plan policies of Chapter 14 – Community Improvement Policies.

Programs proposed under the CIP include:

- 1) **Industrial DC Grant Program** - This program provides a grant equal to 100% of the City development charges paid by an applicant on an industrial development project. This program is currently in place as a direct exemption under the Development Charges By-law. This program was directed by Council and confirmed through consultation with the community and industry stakeholders as the priority program under the Community Improvement Plan. Based on the projected growth in industrial space and using the draft 2014 industrial DC rate, the projected incremental cost of this program could be approximately \$4.4 million per year. This program is recommended for implementation.
  
- 2) **Industrial Tax Increment Grant Program** - This program provides an annual grant of up to 100% of City property tax increment generated by an industrial development project for a period of ten (10) years after project completion, subject to eligibility through performance criteria to be determined by the City at the time of program implementation. This program is not recommended for implementation at this time as costs are not budgeted and performance criteria need to be developed, but this program should be considered in future years as Administration monitors and reports back on the program results.
  
- 3) **Industrial Compatibility Grant/Loan Program** – This program could potentially provide grants and/or loans for eligible costs include the costs of development, redevelopment, rehabilitation and/or adaptive reuse of existing buildings at the new site, and/or the costs of site improvements at the new site associated with the relocating industrial use. This program is not recommended for implementation at this time, as costs are budgeted and performance criteria need to be developed, but this program should be considered in future years as Administration monitors and reports back on the program results.
  
- 4) **Industrial Corridor Enhancement Grant Program** – This program provides a grant equal to 50% of the cost of eligible fencing, landscaping, tree planting and public art on industrial properties up to a cap of \$25,000 with a maximum one application per property/project and a program cap of \$250,000 per year. This program is recommended for approval effective January 1, 2015, subject to future budget approval.

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The proposed programs address a range of goals that are in alignment with city-wide community improvement objectives and the *Planning Act*. Goals of the CIP and its constituent incentive programs include economic revitalization, sustainable development, and environmental, social and community economic development objectives. As identified in the Community Improvement Plan, implementation of proposed programs is through activation by Council and approval based on budgetary implications.

Consistent with the City's current practices for Community Improvement Plans, programs under the CIP are contained within appendices to the Plan and therefore allow Council opportunity to add or amend programs without having to amend the Community Improvement Plan itself. Annual program monitoring and reporting, including an economic analysis, is recommended to ensure on-going financial affordability. Monitoring may also offer future opportunity for Council to implement additional programs or amend programs based on financial affordability in future City budgets, potential impacts on other City of London priorities and programs, opportunities to improve return on investments or to strategically allocate limited funding.

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**File No. O-8318  
T. Macbeth/A. Dunbar**

<b>PREPARED BY:</b>	<b>PREPARED BY:</b>
<b>TRAVIS MACBETH PLANNER II, LONG RANGE PLANNING AND RESEARCH</b>	<b>ALAN DUNBAR MANAGER, FINANCIAL PLANNING AND POLICY</b>
<b>SUBMITTED BY:</b>	<b>CONCURRED BY:</b>
<b>GREGG BARRETT, AICP MANAGER, LONG RANGE PLANNING AND RESEARCH</b>	<b>MARTIN HAYWARD MANAGING DIRECTOR, FINANCE AND CORPORATE SERVICES AND CITY TREASURER</b>
<b>RECOMMENDED BY:</b>	
<b>JOHN M. FLEMING, MCIP, RPP MANAGING DIRECTOR, PLANNING AND CITY PLANNER</b>	

May 16, 2014  
TM & AD/tm & ad  
Attach.

Y:\Shared\policy\CITY INITIATED FILES\8318O - Industrial CIP\June 3 PEC Report – Industrial CIP v2.docx

Cc: A. Zuidema, City Manager  
M. Hayward, Managing Director, Corporate Services, City Treasurer and Chief Financial Officer  
J. Braam, Managing Director and City Engineer, CAO, Regional Water Supply, Environmental and Engineering Services and City Engineer  
G. Kotsifas, Managing Director, Development and Compliance Services and Chief Building Official  
J. Barber, Managing Director, Corporate Services and City Solicitor  
K. Graham, Manager, Corporate Initiatives  
B. Warner, Manager, Realty Services  
M. Henderson, Director, Business Liaison  
K. Lakhotia, General Manager, London Economic Development Corporation

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T. Macbeth/A. Dunbar**

**Appendix "A"**

Bill No.  
2014

By-law No. C.P.-\_\_\_\_\_

A by-law to designate all lands within the city as a community improvement project area for industrial land uses.

WHEREAS the Official Plan for the City of London Planning Area - 1989 contains provisions relating to community improvement in the municipality;

AND WHEREAS subsection 28(2) of the *Planning Act* permits municipal Council to designate the whole or any part of an area covered by such an Official Plan as a community improvement project area;

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

1. All lands within the City of London, including lands outside the Urban Growth Boundary, as shown on attached Schedule 1, are hereby designated as a Community Improvement Project Area for Industrial land uses.
2. This by-law shall come into effect on the day it is passed.

PASSED in Open Council on June 10, 2014.

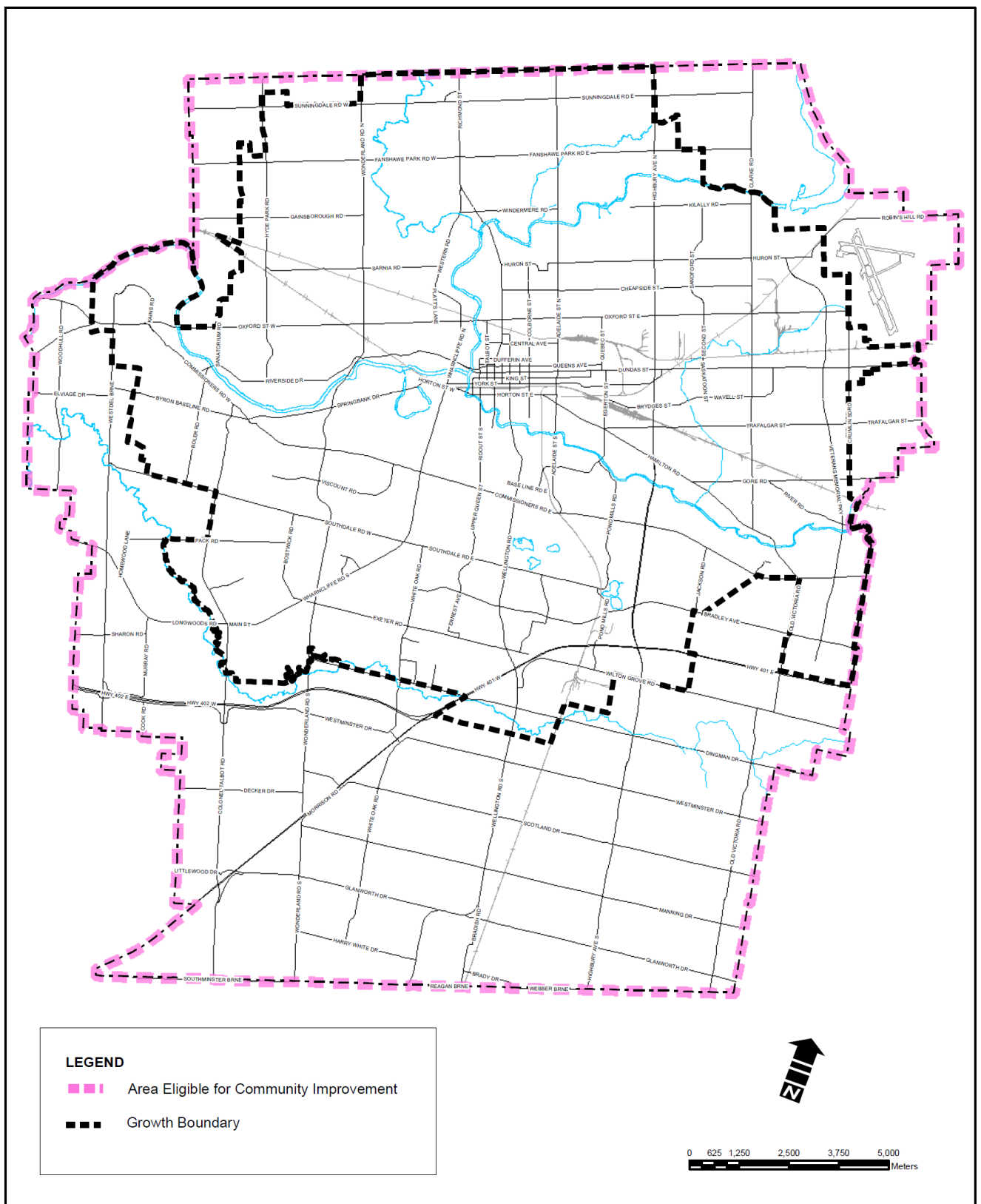
Joe Fontana  
Mayor

Catharine Saunders  
City Clerk

First Reading – June 10, 2014  
Second Reading – June 10, 2014  
Third Reading – June 10, 2014

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Schedule 1



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**File No. O-8318  
T. Macbeth/A. Dunbar**

**Appendix "B"**

Bill No.  
2014

By-law No. C.P.- \_\_\_\_\_

A by-law to adopt the Community Improvement Plan for Industrial land uses.

WHEREAS subsection 28(4) of the *Planning Act* enables the Council of a municipal corporation to adopt community improvement plans within designated areas;

AND WHEREAS The Council of the Corporation of the City of London has, by By-law No. C.P.- \_\_\_\_\_ designated a community improvement project area identified as the Industrial Community Improvement Project Area;

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

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

1. The Industrial Lands Community Improvement Plan dated May 2014, attached hereto as Schedule 2, is hereby adopted as the Community Improvement Plan for the area defined therein.
2. The Incentive Program Guidelines of the Industrial Development Charges Grant program, attached hereto as Schedule 3, is hereby adopted.
3. The Incentive Program Guidelines of the Industrial Corridor Enhancement Grant Program, attached hereto as Schedule 4, is hereby adopted.
4. This by-law shall come into effect on the day it is passed.

PASSED in Open Council on June 10, 2014.

Joe Fontana  
Mayor

Catharine Saunders  
City Clerk



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**File No. O-8318**  
**T. Macbeth/A. Dunbar**

First Reading – June 10, 2014  
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Third Reading – June 10, 2014

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**File No. O-8318  
T. Macbeth/A. Dunbar**

Schedule 2

INDUSTRIAL LANDS COMMUNITY IMPROVEMENT PLAN

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**File No. O-8318  
T. Macbeth/A. Dunbar**

Schedule 3

Industrial Development Charges Grant – Incentive Program Guidelines

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**File No. O-8318**  
**T. Macbeth/A. Dunbar**

**Industrial Development Charges Grant – Incentive Program Guidelines**

**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.

**Description/Funding**

- This program will provide a grant to an eligible applicant equal to 100% of the City development charge paid on an industrial building that is constructed within the Urban Growth Boundary.
- This grant will be paid by the City at the time of building permit issuance.
- The amount of the DC grant will be determined based upon the total amount of City development charges owing after all exemptions, reductions and credits are applied in accordance with the Development Charges By-law.

**Area of Application**

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

**Definitions**

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

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

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

**“Commercial Truck Service Establishment”** means a premises purpose designed for repair and servicing of freight carrying trucks, including truck tractors and truck trailers, and shall include the storage and sale of parts accessory to such vehicles;

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

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**T. Macbeth/A. Dunbar**

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

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

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

**“DC”** means Development Charges.

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

- a) manufacturing, producing, fabricating, assembling, compounding or processing of raw materials, goods, component parts or ingredients where the physical condition of such materials, goods, parts or components are altered to produce a finished or semi-finished tangible product, or the packaging, crating, bottling, of semi-processed goods or materials, but not including any of these activities where they primarily serve retail purposes to the general public;
- b) storing or distributing something derived from the activities mentioned in a) above and for greater certainty, shall include the operation of a truck terminal, warehouse or depot and does not include self storage warehousing for use by the general public or retail sales associated with the goods stored or distributed, or accessory storage of a commercial building;
- c) research or development in connection with activities mentioned in (a) above;
- d) retail sales of goods produced by activities mentioned in section a) at the site where the manufacturing, producing or processing from raw materials or semi-processed goods takes place and for greater certainty, includes the sale of goods or commodities to the general public where such sales are accessory or secondary to the industrial use, and does not include the sale of goods or commodities to the general public through a warehouse club;
- e) office or administrative purposes, if they are carried out:
  - i. with respect to the activity mentioned in section a), and
  - ii. in or attached to the building or structure used for activities mentioned in section a) and
  - iii. for greater certainty, shall include an office building located on the same property as, and used solely to support, the activities mentioned in section a);
- 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.

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

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

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**T. Macbeth/A. Dunbar**

**“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.

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

**General Program Requirements**

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

1. An application for the Industrial Development Charges Grant program contained in this CIP:
  - a) can be made only for development, redevelopment, rehabilitation, and/or adaptive reuse of an industrial building within the Urban Growth Boundary;
  - b) must be submitted to and approved by the City prior to the commencement of any works to which the incentive program will apply and prior to application for building permit; and
  - c) must include plans, drawings, studies, reports, urban design briefs, cost and other studies, details and information as required by the City to satisfy the City with respect to project eligibility, design, performance and conformity with the CIP.
  
2. The Industrial Development Charges Grant is considered active if Council has approved implementation of the program, and Council has approved a budget allocation for the program;
  
3. The City is not responsible for any costs incurred by an applicant in relation to any of the program(s), including without limitation, costs incurred in anticipation of a grant;
  
4. If the applicant is in default of any of the general or program specific requirements, or any other requirements of the City, the approved grant may be delayed, reduced or canceled, and the applicant may be required to repay part or all of the approved grant;
  
5. The City may discontinue the Development Charges Grant Program at any time, but applicants with approved grants will still receive said grant, subject to meeting the general and program specific requirements;
  
6. Proposed land uses must be in conformity with the Official Plan, Zoning By-law and other planning requirements and approvals;
  
7. If part or all of a building(s) in a project approved for a DC grant is converted to a non-industrial use, the City may require a change of use permit, with associated costs to be paid by the applicant.

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**T. Macbeth/A. Dunbar**

8. All proposed works approved under the incentive programs shall conform to provincial laws and City guidelines, by-laws, policies, procedures, and standards;
9. All works completed must comply with the description of the works as provided in the application form and contained in the grant agreement, with any amendments as approved by the City;
10. All construction and improvements made to buildings and/or land shall be made pursuant to a Building Permit, and/or other required permits, and constructed in accordance with the Ontario Building Code and all applicable zoning requirements and planning approvals;
11. Where required by the City, outstanding work orders, and/or orders or requests to comply, and/or other charges from the City must be satisfactorily addressed prior to grant approval or payment;
12. Property taxes must be in good standing throughout the time of program application and approval.
13. City staff, officials, and/or agents may inspect any property that is the subject of an application for incentive program(s) offered by the City;
14. Eligible applicants may apply for one or more of the implemented incentive programs that are contained in the Industrial Lands CIP and/or other applicable CIPs; however, in order to avoid use of two or more incentive programs to pay for the same eligible cost, if an applicant is eligible to apply for the same program under this CIP and any other applicable CIP, the applicant can apply for DC Grant program under one CIP only;
15. The total of all grants, loans and tax assistance provided in respect of the particular lands and buildings for which an applicant is making application under the programs contained in this CIP and any other applicable CIPs shall not exceed the eligible costs of the improvements to those particular lands and buildings under all applicable CIPs.
16. For projects on brownfield sites, the owner shall meet all applicable program eligibility Requirements of the Brownfields Development Charge Rebate Program in the City's CIP for Brownfield Incentives, including filing in the Environmental Site Registry of a Record of Site Condition (RSC) for the property signed by a qualified person, submission to the City of the signed RSC, and proof that the RSC has been acknowledged by the Ministry of Environment (MOE).
17. The applicant(s) must be the registered property owner(s) for the subject.
18. Separate applications must be made for each discreet property under consideration for the Development Charges Grant program.
19. Industrial Development Charges Grants will not be given retroactively to recognize projects that have begun without application to this program. To be eligible for this

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**T. Macbeth/A. Dunbar**

program a complete application must be received prior to any works being done which relate to the associated building permit application.

**General Procedure and Administration**

- A building permit application must be submitted coincident with the application for funding under the Industrial DC Grant program.
- As a condition of application approval, the applicant shall be required to enter into a Grant Agreement with the City. This Agreement will specify the terms and provisions of the incentive to be provided.
- At time of the application, Development Charges fees will be calculated by the Chief Building Official or designate. The total dollar value calculated will be the total Industrial DC Grant available for the given project.
- The administrative process by City of London Staff will ensure the following:
  - i) the Chief Building Official, or designate, advises the Finance Service Area of the value of the Development Charges calculated for the eligible project; and
  - ii) the value of the calculated grant be transferred directly to the Reserve Fund for Development Charges. This direct transfer is instead of Staff collecting 100% of DCs from applicants and then providing applicants with a 100% Grant to rebate the monies collected.

**Grant Agreement**

1. Participating property owners in the Industrial Development Charges Grant program shall be required to enter into an agreement with the City.
2. This agreement shall include but is not limited to, identification of the dollar value of the grant and confirmation of applicant’s agreement with the administrative process.
3. The agreement is intended to encapsulate all of the terms and conditions included in these Incentive Program Guidelines.

**Discontinuation of Program**

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



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**File No. O-8318  
T. Macbeth/A. Dunbar**

Schedule 4

Industrial Corridor Enhancement Grant – Incentive Program Guidelines

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**File No. O-8318**  
**T. Macbeth/A. Dunbar**

## **Industrial Corridor Enhancement Grant – Incentive Program Guidelines**

### **Purpose**

- This program provides an incentive program to enhance the public realm of industrial lands directly abutting the highway. Enhancement will be through incentives to invest in public realm improvements to landscaping, screening and public art.
- This program supports the creation of a unified brand and comprehensive identity for the City of London along the Highway 401/402 Investment Corridor, in alignment with the Industrial Land Development Strategy.

### **Description/Funding**

- 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.
- This program provides a grant equal to 50% of the cost of eligible landscaping, 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 is \$25,000, with a maximum of one application per property.
- The City of London funding for this program is not to exceed \$250,000 per year, subject to approval of annual City budget.

### **Area of Application**

- This program applies to all industrial land uses within the Urban Growth Boundary that directly abuts Highway 401 and Highway 402.

### **Definitions**

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

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

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**T. Macbeth/A. Dunbar**

**“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.

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

- h) 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;
- i) storing or distributing something derived from the activities mentioned in a) above and for greater certainty, shall include the operation of a truck terminal, warehouse or depot and does not include self storage warehousing for use by the general public or retail sales associated with the goods stored or distributed, or accessory storage of a commercial building;
- j) research or development in connection with activities mentioned in (a) above;
- k) 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;
- l) office or administrative purposes, if they are carried out:
  - iv. with respect to the activity mentioned in section a), and
  - v. in or attached to the building or structure used for activities mentioned in section a) and
  - vi. 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);
- m) a business that stores and processes data for retrieval, license or sale to end users and are on lands zoned for industrial uses; or
- n) businesses that develop computer software or hardware for license or sale to end users that are on lands zoned for industrial uses.

**“Public Art”**, unless otherwise specified, is defined in accordance with the City of London Public Art Policy and Program.

**“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.

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**T. Macbeth/A. Dunbar**

**“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.

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

**General Program Requirements**

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

1. An application for the Industrial Corridor Enhancement Grant program contained in this CIP:
  - a) can be made only for the following eligible costs under the 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, Public Art Policy and any other applicable City guidelines;
  - b) must be submitted to and approved by the City prior to the commencement of any works to which the incentive program will apply; and
  - c) must include plans, drawings, studies, reports, urban design briefs, cost and other studies, details and information as required by the City to satisfy the City with respect to project eligibility, design, performance and conformity with the CIP.
  
2. The Industrial Corridor Enhancement Grant is considered active if Council has approved implementation of the program, and Council has approved a budget allocation for the program;
  
3. The City is not responsible for any costs incurred by an applicant in relation to any of the program(s), including without limitation, costs incurred in anticipation of a grant;
  
4. If the applicant is in default of any of the general or program specific requirements, or any other requirements of the City, the approved grant may be delayed, reduced or canceled, and the applicant may be required to repay part or all of the approved grant;
  
5. The City may discontinue the Industrial Corridor Enhancement Grant Program at any time, but applicants with approved grants will still receive said grant, subject to meeting the general and program specific requirements;
  
6. Proposed land uses must be in conformity with the Official Plan, Zoning By-law and other planning requirements and approvals;
  
7. Site Plan approval shall be required for all properties, regardless of participation in the incentive programs offered through the Industrial Corridor Enhancement Grant Program;

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8. If part or all of a building(s) in a project approved for a Corridor Enhancement grant is converted to a non-industrial use at any time after project completion, but prior to the cessation of grant payments, the City may require a change of use permit, with associated costs to be paid by the applicant;
9. All proposed works approved under the incentive programs shall conform to provincial laws and City guidelines, by-laws, policies, procedures, and standards;
10. 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;
11. 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;
12. 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;
13. Property taxes must be in good standing throughout the time of program application and approval.
14. City staff, officials, and/or agents may inspect any property that is the subject of an application for incentive program(s) offered by the City;
15. Eligible applicants may apply for one or more of the implemented incentive programs that are contained in the Industrial Lands CIP and/or other applicable CIPs; however, in order to avoid use of two or more incentive programs to pay for the same eligible cost, if an applicant is eligible to apply for the same program under this CIP and any other applicable CIP, the applicant can only apply under one CIP for incentives to pay for the eligible works described the Corridor Enhancement Grant;
16. 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.
17. The applicant(s) must be the registered property owner(s) for the subject.
18. Separate applications must be made for each discreet property under consideration for the Industrial Corridor Enhancement Grant program.
19. Corridor Enhancement grants will not be given retroactively to recognize projects that have begun without application to this program. To be eligible for this program a complete application must be received prior to any works being done which relate to the associated building permit application.

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**T. Macbeth/A. Dunbar**

**General Procedure and Administration**

- An application for funding under the Industrial Corridor Enhancement Grant program must be submitted coincident with the site plan application.
- As a condition of application approval, the applicant shall be required to enter into a Grant Agreement with the City. This Agreement will specify the terms and provisions of the incentive to be provided.
- At time of the grant application, the value of proposed works eligible under the Corridor Enhancement Grant program will be calculated as part of Site Plan application. Fifty percent (50%) of the total dollar value calculated, up to a maximum of \$25,000 will be the total Industrial Corridor Enhancement Grant available for the given project.
- The administrative process by City of London Staff will ensure the following:
  - i) Through Site Plan review and approval processes, the Finance Service Area will be advised of the value of the proposed works eligible under the Corridor Enhancement Grant program;
  - ii) A Grant Agreement will be entered into that identifies the value of the works and terms of the incentive;
  - iii) The applicant will undertake the works identified in the Grant Agreement; and
  - iv) Upon completion of the eligible works, an administrative process will ensure a grant rebate is provided to the applicant for the agreed-upon monetary value.

**Grant Agreement**

4. Participating property owners in the Industrial Corridor Enhancement Grant program shall be required to enter into an agreement with the City.
5. This agreement shall include but is not limited to, identification of the dollar value of the grant and confirmation of applicant’s agreement with the administrative process.
6. The agreement is intended to encapsulate all of the terms and conditions included in these Incentive Program Guidelines.

**Discontinuation of Program**

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

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T. Macbeth/A. Dunbar**

**Appendix "C"**

Bill No.  
2014

By-law No. C.P.1284(\_\_\_\_) - \_\_\_\_\_

A by-law to amend the Official Plan for the City of London, 1989, relating to the Community Improvement Plan for Industrial Land Uses.

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

1. Amendment No. \_\_\_\_\_ to the Official Plan for the City of London Planning Area – 1989, as contained in the text attached hereto and forming part of this by-law, is adopted.
2. This by-law shall come into effect in accordance with subsection 17(38) of the *Planning Act, R.S.O. 1990, c.P.13*.

PASSED in Open Council on June 10, 2014.

Joe Fontana  
Mayor

Catharine Saunders  
City Clerk

First Reading – June 10, 2014  
Second Reading – June 10, 2014  
Third Reading – June 10, 2014

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**File No. O-8318**  
**T. Macbeth/A. Dunbar**

**AMENDMENT NO.**

**to the**

**OFFICIAL PLAN FOR THE CITY OF LONDON**

**A. PURPOSE OF THIS AMENDMENT**

The purpose of this Amendment is:

1. To amend Chapter 14 of the Official Plan for the City of London to add Industrial Area to the list of areas that are eligible for community improvement, and to include the provision of new programs and policies for industrial properties for the purpose of carrying out community improvement.

**B. LOCATION OF THIS AMENDMENT**

1. This Amendment applies to all lands within the City of London.

**C. BASIS OF THE AMENDMENT**

This amendment has been prepared to address city-wide community improvement objectives related to industrial land uses, including economic revitalization and sustainable development objectives, and environmental, social and community economic development objectives. The Industrial Land Development Strategy and the 2014 Development Charges Study, and their recommendations serve as the basis for adding Industrial Area to the list of areas that are eligible for community improvement, and the inclusion of the provision for new programs and policies for industrial properties. The proposed Official Plan Amendment implements the recommendations contained in the Industrial Land Development Strategy and 2014 Development Charges Study to achieve city-wide community improvement objectives related to industrial land uses.

**D. THE AMENDMENT**

The Official Plan for the City of London is hereby amended as follows:

1. Section 14.2.2 iii) of the Official Plan for the City of London is amended by adding the following:

\_) Citywide Industrial Area

All lands within the City, including lands outside the Urban Growth Boundary, are an eligible industrial area for community improvement.

2. Section 14.2.2 iii) of the Official Plan for the City of London is amended by deleting the following subsection:

b) Special Study Area

An older industrial area extending south from Dundas Street to the C.N.R. rail lines east of Egerton Street where several industries have initiated a request for municipal attention to the improvement of municipal services in the area.

and re-numbering subsequent subsections of Section 14.2.2 iii) accordingly.



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3. Section 14.2.3 – Phasing of the Official Plan for the City of London is amended by adding the following:

Consideration    \_) Land deemed by Council to be worthy of consideration to promote environmental, social and community economic development.

4. Section 14.3.3 - Industrial of the Official Plan for the City of London is amended by deleting it in its entirety and replacing it with the following:

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.

The purposes of Industrial Land Community Improvement include:

- Development and Redevelopment city-wide;
- Support sustainable development objectives and environmental, social, and community economic development objectives; and
- Support economic development objectives of the City's Industrial Land Development Strategy.

5. Section 14.3.4 - Other Implementation Measures of the Official Plan for the City of London is amended by adding the following:

Programs and Policies   \_) the adoption of new programs or policies as methods of assisting in the implementation of community improvement.