



Positioning London for Prosperity

January 23, 2012



Our Agenda

- Review Committee process, goals, objectives and evaluation criteria
- Confirm completeness of project list
- Discuss recommended projects for 2012

Goal & Objectives

Goal:

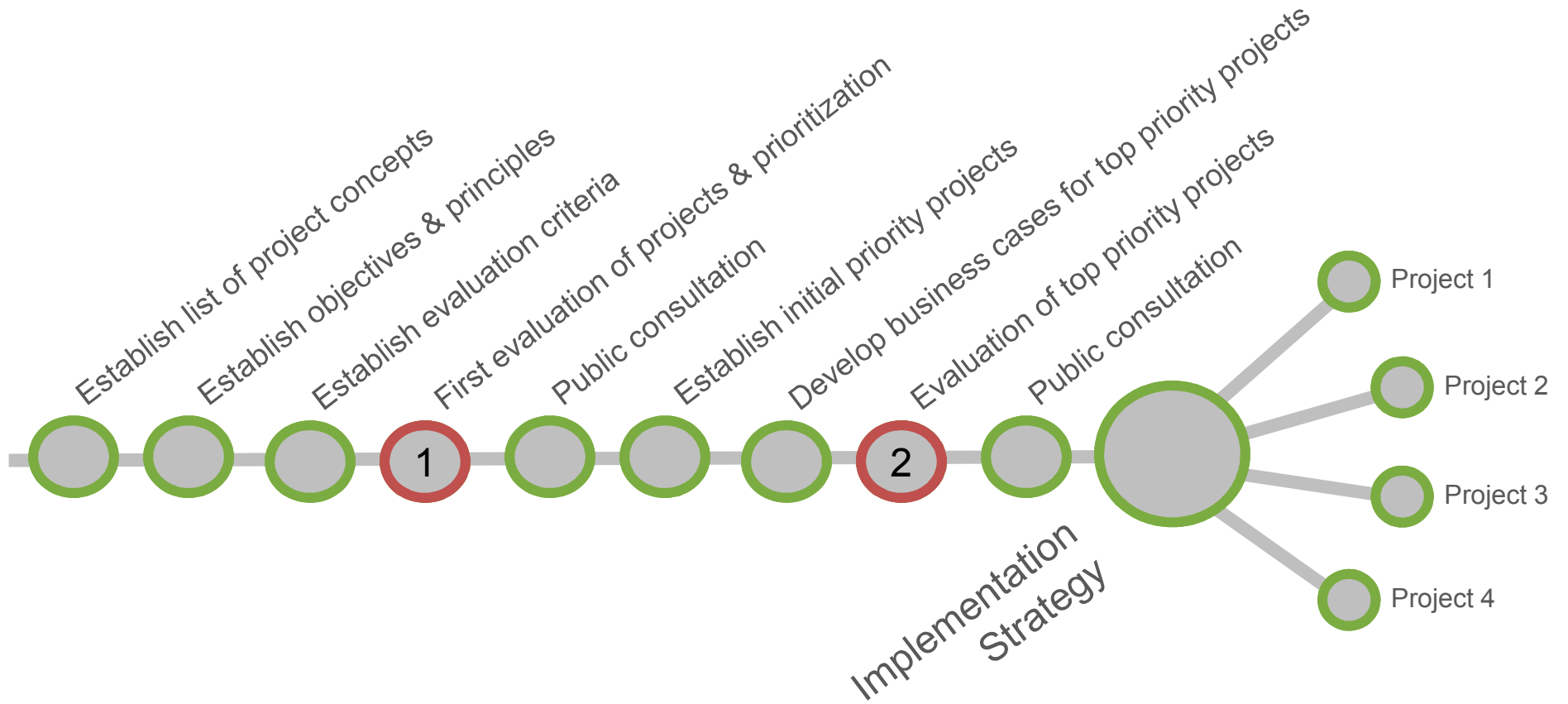
Accelerate the growth of a strong vibrant economy and foster private sector investment in the city.

Objectives:

Develop a plan that

1. Fuels transformational change in London's economy
2. Creates jobs
3. Leverages investment
4. Stimulates spin-off benefits
5. Builds beneficial partnerships
6. Benefits key targeted sectors

Committee Process



1 Narrow focus on priority projects

2 Second evaluation and selection

Recommendation

(i) The refined process, goals, objectives, and evaluation criteria identified within the attached report **BE ENDORSED** to guide the preparation of Council's Strategic Investment and Prosperity Plan over the course of 2012, to those areas/investments that will maximize returns for the community and at the same time recognize the limited resources available to apply to those investments, both staff and financial.

Communications & Engagement

- Report includes a proposed Communications and Engagement Plan
- IEP would work with Corporate Communications to develop strategic communication about the mandate, objectives, benefits to the community, how individuals can become involved, and how we will know if the plan is successful

Recommendation

(ii) Corporate Communications **BE DIRECTED** to work with the Investment and Economic Prosperity Committee to further develop the communications plan outlined in Appendix 6 as well as develop plans to engage and consult with the public throughout the process of developing investment priorities.

Unsolicited Proposals

- Draft policy included in report on a process to ensure that unsolicited proposals are dealt with fairly, and in alignment with the Committee's process
- Policy provides that proposals over \$1 million with a significant anticipated economic development benefit be forwarded directly to the IEP Committee

Recommendation

(iv) The draft Unsolicited Proposals Policy attached as Appendix 5 **BE RECEIVED** and Staff **BE DIRECTED** to conduct a public meeting on the draft policy for comment and feedback.

Projects Underway

- As reported on November 25, 2011, there are numerous economic development initiatives currently underway
- Each project follows a similar process from concept to execution (the “project roadmap”) where at each stage, the Committee has the ability to accelerate, slow down or stop a project

Projects Underway

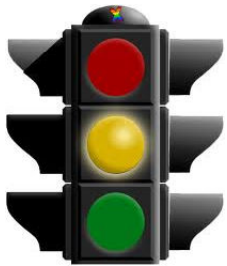


RED = Project is stopped

YELLOW = Project is on hold or delayed

GREEN = Project is moving forward

Project Roadmap



Concept

An idea is brought forward, either as a solicited or unsolicited proposal. The Committee reviews the concept based on the established investment principles to determine if it warrants further consideration, either now or in the future.

Project Roadmap



Planning Phase

The concept becomes more developed through more detailed planning which may include project definition, consultation, preliminary costing, or initial design work. The Committee determines whether the plans warrant further development into a full business plan, either now or in the future.

Project Roadmap



Business Case Development

The Committee can direct Administration to develop a detailed business case with full costing and project design. The business case would be presented to the Committee to seek funding. The community engagement plan identifies how members of the public may provide input at this stage.

Project Roadmap



Initial Funding Approved

The Committee identifies a source of funding to support the project. Funding could be committed through the existing economic development reserve fund, inclusion in the capital budget, or in the future through other economic development dollars. This phase may include an RFP or other procurement process.

Project Roadmap



Final Authorization

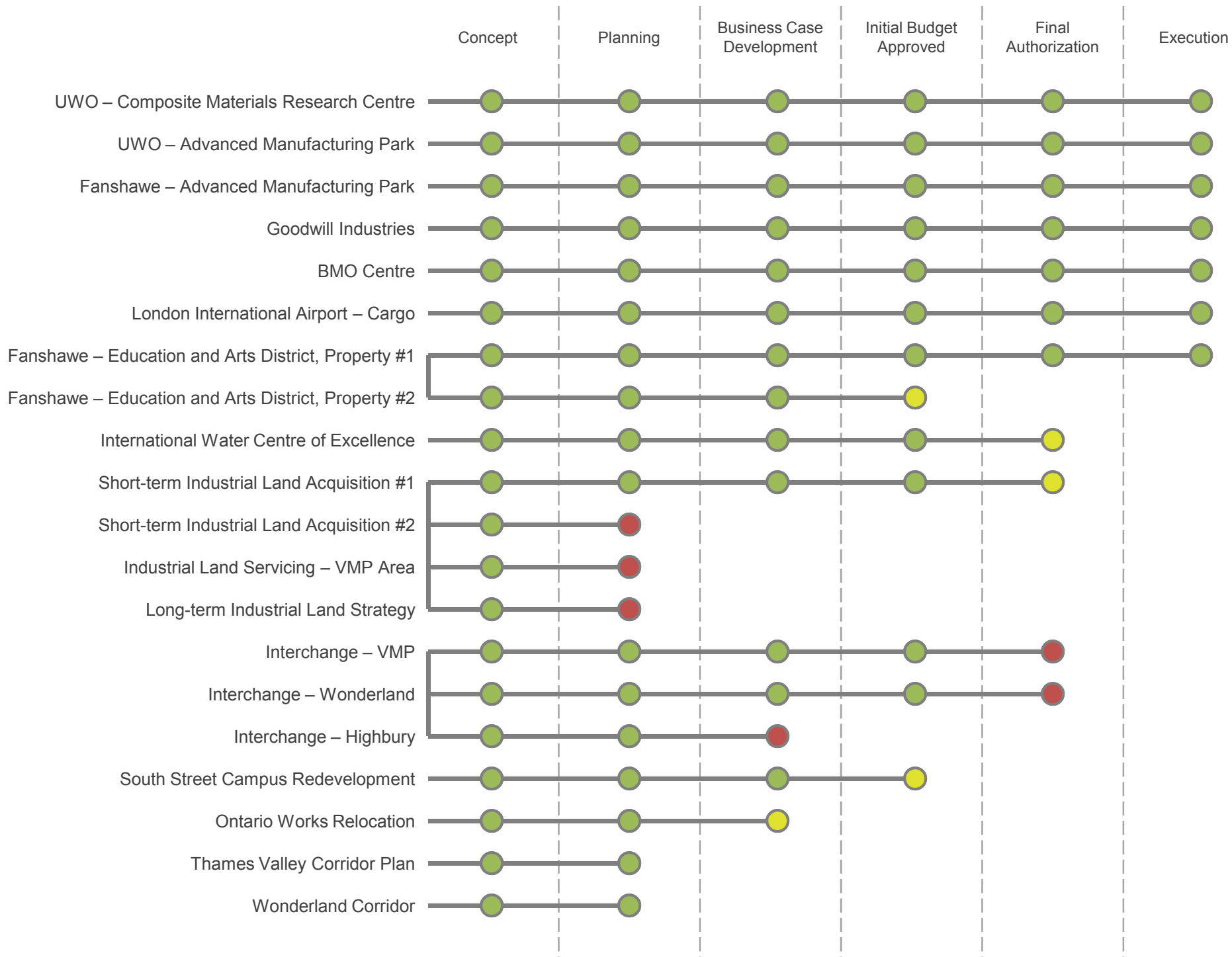
At this stage, budget transfer is authorized, legal agreements are in signed, and construction/implementation can begin.

Project Roadmap



Execution

Implementation is underway, moving the project towards completion. Maintenance and monitoring processes begin.





Projects Underway

- Many projects already complete (execution phase) or past the “point of no return” (final authorization), and several projects already progressing (initial budget approved)
- Focus going forward will be on prioritizing projects to advance a feasible number from concept to planning, planning to business case, etc.
- At next meeting, will report back with further detail on all projects in the first four phases so Committee can begin prioritization process

\$150
million

Funded: \$X

Unfunded: \$X

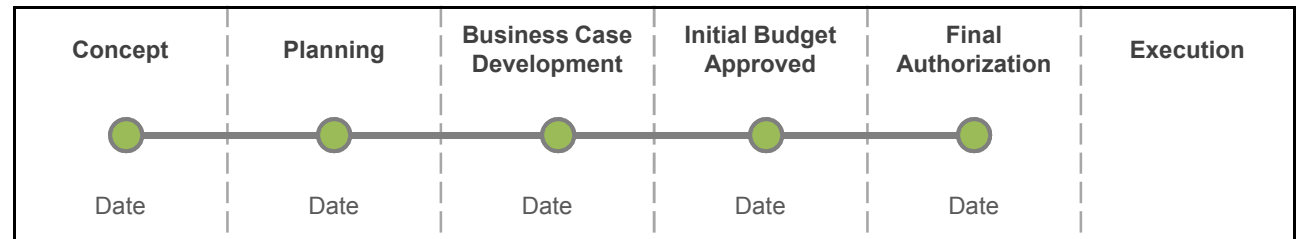
Source(s) of funding:

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Funding Partners:

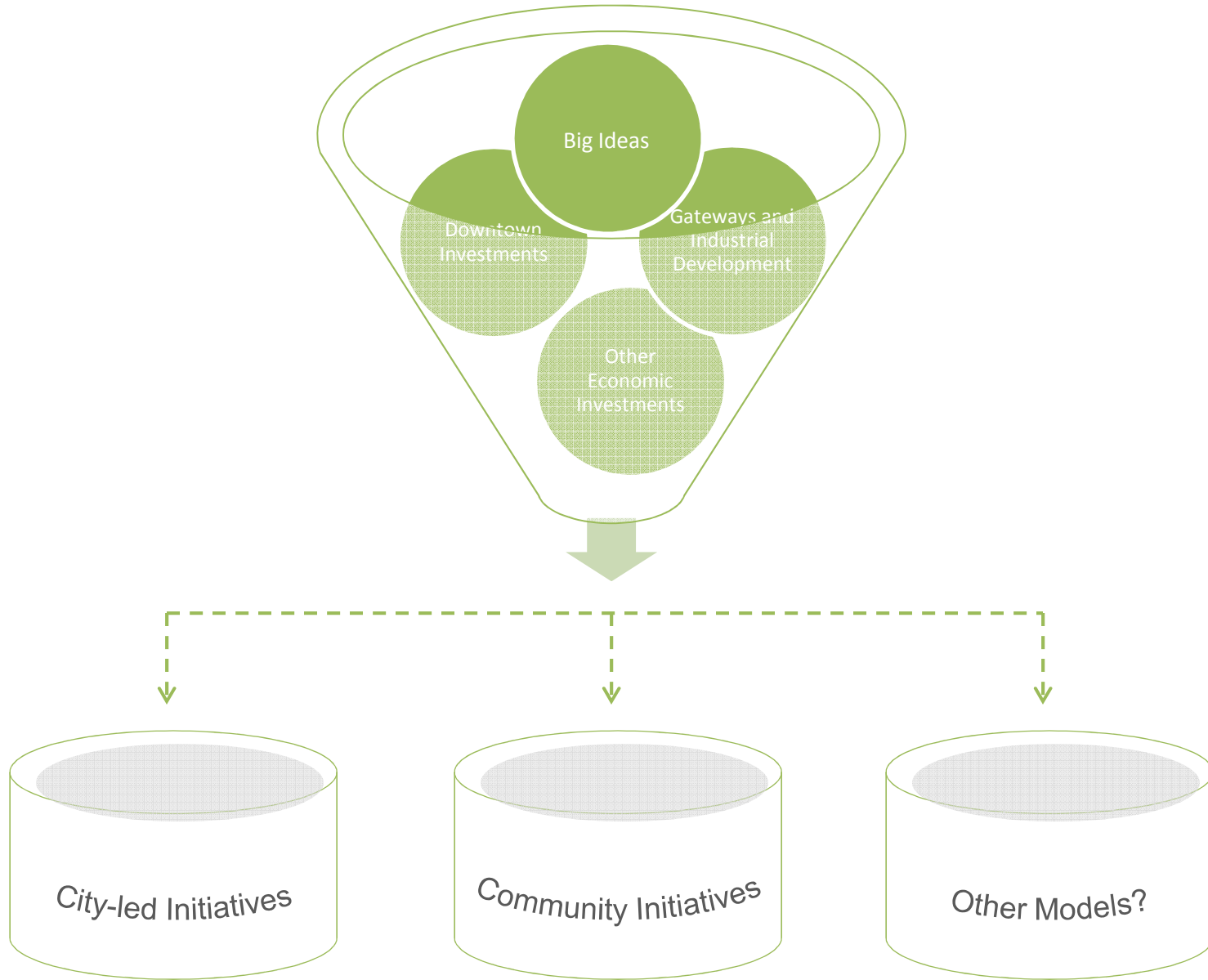
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Project Name

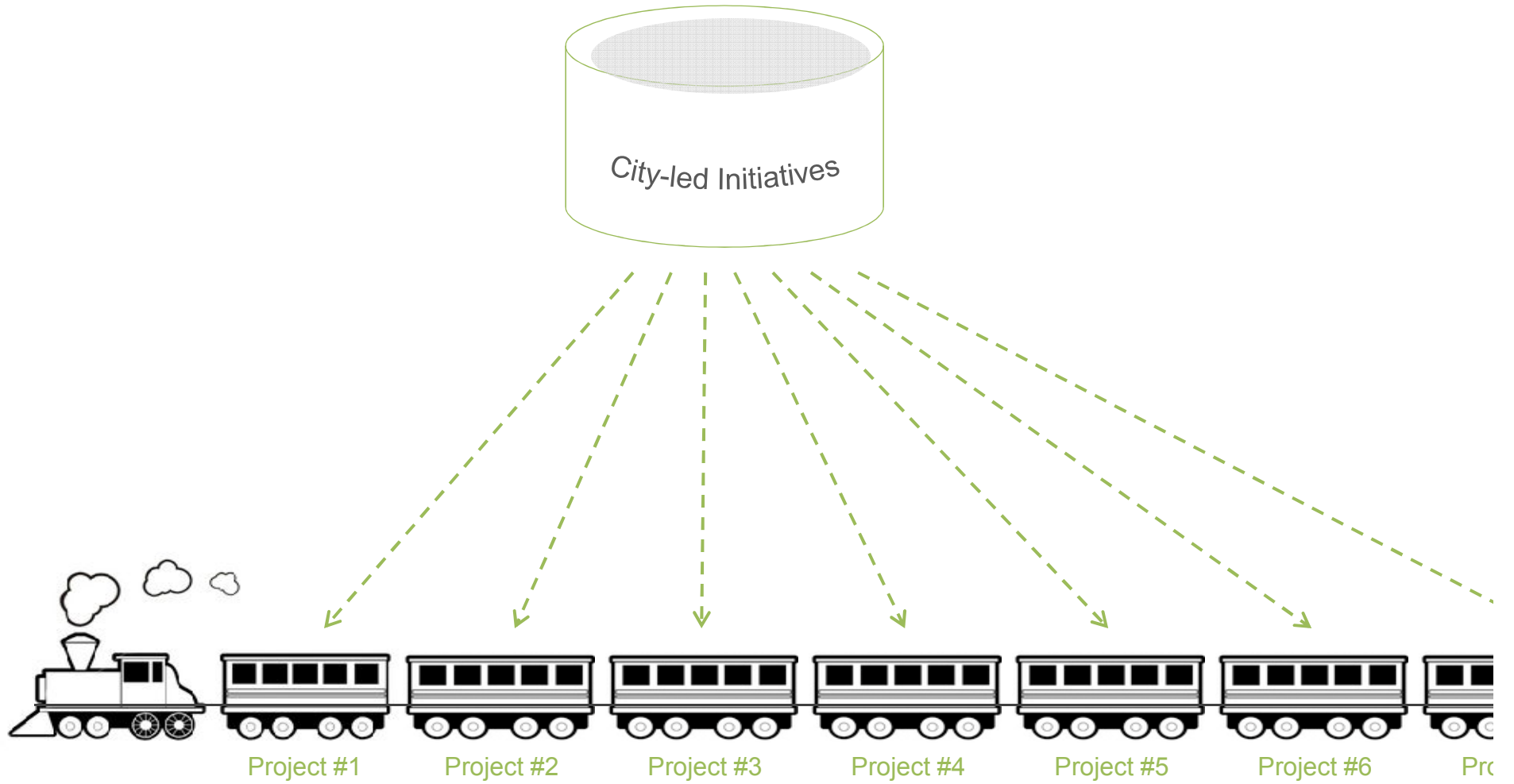


Project Description:

Status Update:



... to be explored at next meeting



Questions for Discussion

- Are we missing any projects from the list?
- Does this summary reflect your understanding of the status of each project?
- Is there anything that should come off the list?

Recommendation

(iii) the project list in the attached report **BE RECEIVED** and Staff **BE DIRECTED** to make additions and revisions to the list based on Committee and Council feedback and to return at a future meeting of the Investment and Economic Prosperity Committee with a revised list and the attached information template completed for each project.

Plan for 2012

- Recommendation to move forward in 2012 on two projects that present unique and emergent opportunities and have immediate need for action:
 1. South Street Campus Re-development
 2. Short-term Industrial Land Acquisition

South Street Campus



South Street Campus



South Street Campus

- SOHO Community Improvement Plan complete
- Agreements with Hospital, Province, and City for decommissioning
- Demolition and decommissioning can begin in 2012
- The \$3.2M contribution for demolition and remediation is already planned for, through temporary financing pending the ultimate sale of the land
- Significant positive impact on the City's image and identity
- Will create short-term and long-term jobs, assessment and tax revenue

Recommended Approach

- Maximize the value of the land – develop in phases through RFP process
- Develop overall redevelopment plan creating a new, urban neighbourhood
- Flagship development integrating sustainability, affordability, heritage preservation, and quality urban design
- Create construction jobs and full time employment opportunities
- Grow assessment

Work for 2012

- Prepare a development phasing plan including a vision, concept, a natural heritage retention plan, a recreational amenity plan and urban design guidelines
- Prepare a servicing scheme, addressing all infrastructure and utilities
- Work with the Upper Thames River Conservation Authority
- Work with other landowners
- Advance necessary Official Plan and Zoning By-law amendment processes
- Develop a request for expressions of interest & qualifications and a subsequent request for proposals

Recommendation

(v) A staff team, led by the City Treasurer and CFO and the Director of Land Use Planning and City Planner, **BE DIRECTED** to initiate a process for the redevelopment of the South Street Campus lands, beginning with a report to the Investment and Economic Prosperity Committee that identifies the approach, proposed process, timeline, required consulting resources, and an identified source of financing for securing these resources, it being noted that the City's contribution of \$3.2 million towards the remediation and decommissioning of these lands has been planned through temporary financing, pending the ultimate sale of the land.

Industrial Land Acquisition

- Industrial Land Development Strategy identified a trend whereby new industrial are now seeking out larger industrial parcels to allow for growth and expansion
- The City owns a significant amount of land, but there is a lack of large serviceable parcels (40-50 acres) making acquisition difficult and creating a risk of missed opportunities
- Industrial land has shown high return on investment – for example, \$11.7m in acquisition costs for Innovation Park resulted in \$50m in new assessment, \$1.6m per year in tax revenue, and 1,800 jobs

Return on Investment

	Forest City Industrial Park	Innovation Park
Land Acquired by City	178 acres (145 ac net)	653 acres (477 ac net)
Cost of Land Acquired by City	\$5.08M	\$11.7M
Cost of Land Per Acre	\$28,558/acre	\$17,887/acre
On-site servicing cost	\$9.4M (\$6.6M net after senior government. grants)	\$34.8M (\$18.4M net after senior government grants)
Total Cost to City of London	\$11.7M	\$30.1M
Direct Jobs Created	1,200	300 (not including Dr. Oetker and Sango)
Indirect Jobs Created	600	150
Total Jobs Created	1,800	450 (not including Dr. Oetker and Sango)
Increase in Assessment	\$50M	\$30M
Increase in Tax Revenue	\$1.6M per year	\$1.3M per year

Note: Imperial, rather than metric, measure has been used as this is the convention of the real estate industry in London

Source: London Economic Development Corporation

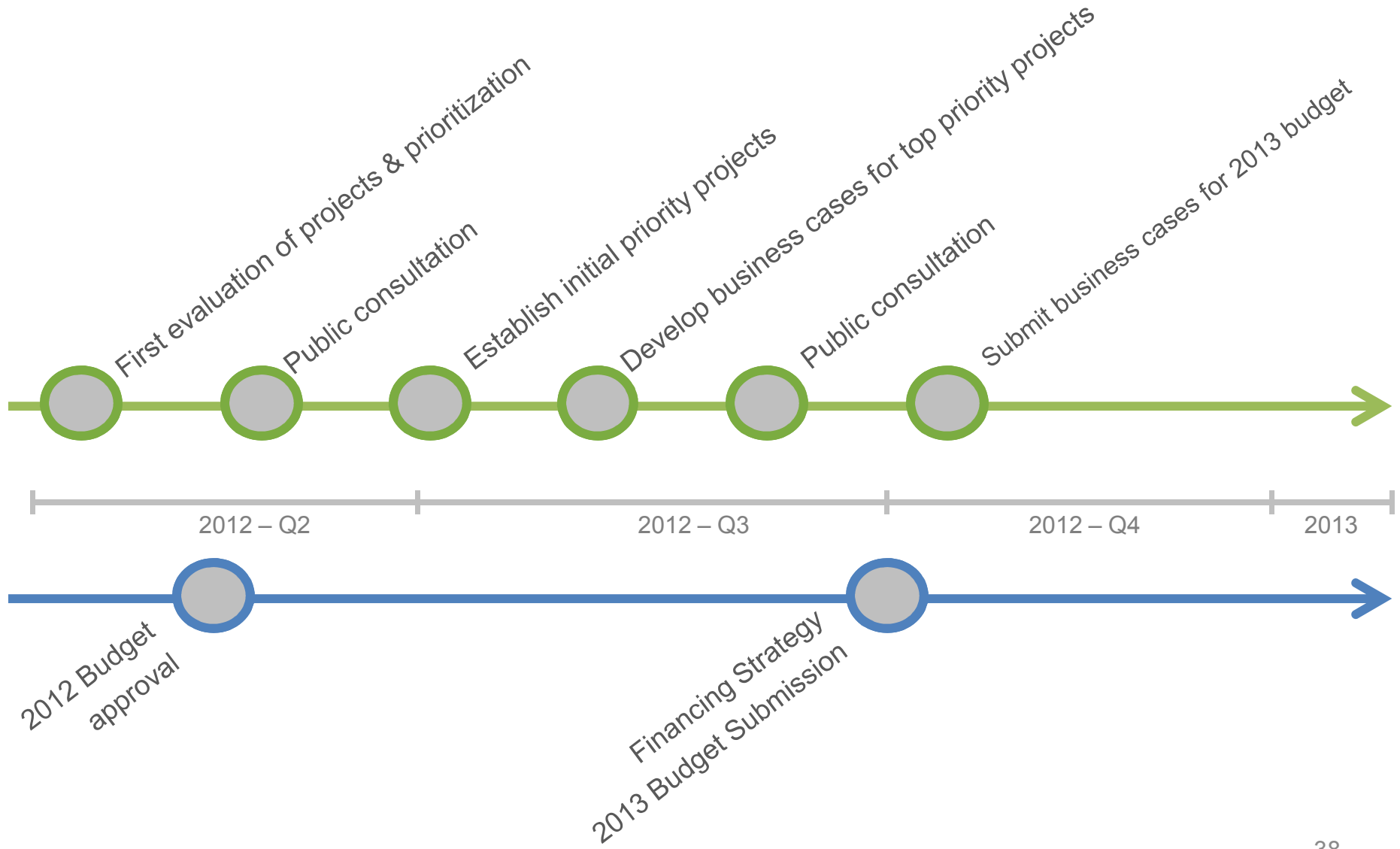
Industrial Land Acquisition

- It typically takes many years to acquire, plan and service lands
- Recognizing this lag time between funding, purchasing and development emphasizes the need to take action immediately to fund and begin process of purchasing lands in 2012, particularly as the provincial and federal governments look for investments

Recommendation

(vi) Staff **BE DIRECTED** to prepare a comprehensive industrial land acquisition and servicing plan for the next 20 years – the plan should identify and evaluate potential industrial park opportunities and estimate development costs to the municipality. The plan will provide a basis for attracting senior government infrastructure funding; attracting new industry to London; and will allow Council to consider future investment in industrial land development against other investment opportunities and strategies.

Plan for 2012



Next Meeting

- Receive detailed status report on projects in concept to initial budget phases
- Explore options and tools for project implementation
- Begin prioritization process

An aerial photograph of a city grid, overlaid with a semi-transparent green filter. The grid consists of numerous rectangular blocks and streets, with some taller buildings visible. The overall tone is a muted green. Centered on the image is the word "Questions?" in a large, white, sans-serif font.

Questions?