



July 21, 2014

Mayor Joni Baechler  
Members of the Planning and Environment Committee  
City of London  
P.O. Box 5035  
300 Dufferin Avenue  
London, ON, N6A 4L9

Respected Committee Councilors,

Re: **``Industrial lands Strategy`` and The Expansion of Urban Growth Area - Re-Think London Process**

We represent the owner of a 200 hectare land assembly block in the southwest area of the City of London identified as the "Wonderland Area". The land assembly has direct frontage on Colonel Talbot Road, Decker Drive and Wonderland Road. The parcel also abuts approximately 2,000m of Highway 401 frontage. We are the owner's agent and are authorized to make the following comments on his behalf.

The owner is aware of the Planning Staff report that was presented to Planning and Environment Committee on June 17, 2014. **The owner is concerned that the site selection process, as it has evolved does not adequately reflect the primary site selection criteria previously presented to the public and the Committee as documented in several Industrial Land selection reports and studies produced since 2012.** It is the purpose of this submission to provide an overview and evolution of these recent reports to clarify that the most recent position and recommendation (as to the amount and location of new industrial lands) appears to deviate from the basic criteria that has been established to identify the best locations for industrial land use expansion in the City of London.

The direction proposed by staff appears to promote a fragmented approach to the choice of new industrial lands by adding parcels to the existing 'light industrial' park in the Veterans Memorial Parkway area. We are concerned that the scope of expansion is not comprehensive or forward thinking enough to address the long term needs of the city. We will show that the constant theme until June 17<sup>th</sup> in previous studies is to consider as primary criteria larger parcels in a location that takes advantage of the Highway 401 and Highway 402 corridors.

It is our opinion that the parcel size and location criteria should be given a more substantive weight in the site selection process than the other criteria reported by staff in order to better reflect market realities and need. In addition, we must question an approach that appears to significantly limit the potential of the private sector in the acquisition and improvement of lands for industrial purposes. The current strategy proposes to continue taxpayer investment to finance the purchase of lands for industrial development rather than promote criteria that could facilitate private investment to identify market need and promote the city by attracting significant larger scale employers

It is therefore our opinion that the final approach and evaluation methodology does not adequately reflect the importance of 'location' or 'larger land block size' criteria as needs of the industrial land use developer. We are concerned that these criteria need to be weighted as recommended by the research to ensure that our client's lands are given fair consideration for industrial purposes.

It is essential that the Committee is aware that given the public cost of the staff recommended land assembly, the process proposed does not in our opinion sufficiently consider the role that the private sector can play in the assembly and development of prime industrial lands for medium and large scale development. The current strategy continues to promote a Municipally initiated land assembly that at best only incrementally adds to the City's existing light industrial parks while undermining our client's privately initiated land assembly to fulfill the identified needs of employers that are considering the London market area for large scale industrial development along the Highway Corridor(s).

In support of this position we respectfully discuss the historical context of this matter as well as some of

our own comments and opinions on each of what we feel have been the most relevant public portions of the process to this point.

#### INDUSTRIAL DEVELOPMENT STRATEGY - 2001

The initial Industrial Development Strategy – An Investment in London's Future ('2001 Strategy') was adopted by City Council ('Council') in 2001, with a recommendation to provide an inventory of 40 to 60 hectares of serviced and zoned land in proximity to the Highways 401 and 402 corridors and an indication that the City was "open for business". As a result of the directions provided in the 2001 Strategy, it was indicated that the City would be pro-active in its pursuit of new enterprises to the extent of investing municipal tax dollars to purchase and develop lands for industrial purposes to "provide a catalyst for economic growth". The theory of investment was to replace dormant private investment with active municipal investment. The Municipality became a developer for the betterment of its residents.

In retrospect, we offer that the program that was initiated in 2001 and carried forward has created an expanded inventory for small and medium size parcels; however, while adding to the available amount of industrial inventory, there remained a lack of parcels to accommodate both land and employment intensive (large scale) industrial activity. The challenge for Committee and Council is to now allow the private sector to direct industrial development by addressing market demand for larger better located parcels by reducing the Municipality's ownership of industrial land as it creates an artificial and unfair marketplace.

#### Industrial Land Development Strategy Update - 2011

After 10 years of implementation and recognizing that conditions and needs were changing, Council requested an update to the 2001 Strategy noting that the lack of incentive for private industrial land development necessitated direct municipal involvement in the land supply even though the direct return on investment was limited. Council indicated a renewed commitment to an aggressive land acquisition and infrastructure program along with recognition of, among other matters, the following.

- An acquisition program needs to recognize the trend in land use demand to larger parcel and site development requirements and a need to build the inventory to respond to these directions.
- Council also recognized that it was necessary to identify long term economic needs within the Official Plan and place a more specific focus on development with proximity to the Highway 401 and 402 corridors.
- Council directed that policies are created to allow greater opportunity to develop "dry" industrial uses in proximity to the Highway 401 and 402 corridors.

#### INDUSTRIAL LANDS STUDY by R.W. Panzer - 2012

As a result of the findings of the 2011 update strategy, R.W. Panzer was commissioned by Council to investigate the matter further. Panzer's Industrial Lands Study (also known as the "Panzer Report") was completed in 2012 and submitted for Council's consideration.

The Panzer Report supported the general direction provided in earlier reports including the 2011 Strategy Review while providing additional input and background research needed in the ongoing Re-Think London Official Plan Review process. After considering all relevant Provincial Policy Statements ("PPS") as well as growth forecast data provided by the Altus Group, **Panzer recommended that the Urban Growth Area should be expanded "to increase the supply of industrial land up to 500 hectares"**.

It is our professional opinion that **Committee must give greater consideration to Panzer's conclusion that a more comprehensive and substantial industrial land assembly of up to 500 hectares is needed to ensure the economic viability of industrial development in the City.** Mr Panzer is well aware that an additional 500 ha of industrial land exceeds the strict limitation of a 20 year growth forecast

as indicated by section 1.1.3.8 of the PPS and it is clear that other sections of the PPS and Provincial policy allows Council latitude to determine how much Greenfield land should be included in the urban boundary for a wider range of industrial landuses to accommodate demand for future Industrial development. In this regard he stated the following on page 5 of his study.

- “Consideration must also be given to the importance that the PPS attaches to the promotion of economic development and competitiveness”.
- “Municipalities are expected to provide opportunities for a diversified economic base” and a development mix that is appropriate for the circumstances.
- Panzer noted that a diversified economic base is to be achieved by: “maintaining a choice of suitable sites (of sufficient size) to support a wide range of economic opportunities, protecting viable employment areas and providing the necessary infrastructure to support industrial uses”.

In support of Mr. Panzer’s recommendation that 500 Ha of Greenfield is needed for industrial growth of the City, we respectfully submit that Committee consider section 1.3.2.4 of the Provincial Policy Statement. This section highlights the importance of economic development by allowing for the planning of employment areas beyond the standard 20 year time frame. Although the PPS expresses its policy as “a time horizon of up to 20 years” it has done so in the broadest possible terms for accommodating “an appropriate range and mix of uses to meet projected needs”. As the purpose of this exercise is to ensure London is more competitive in the industrial market to attract all forms of industrial employment, we agree that Provincial policy allows Committee to consider a Strategy that includes 500 Ha of land.

In addition and as is evident throughout this exercise, the calculation of the “projected needs” in relation to industrial lands has been a moving target due to the interpretation of the variety of factors that are critical to the needs of the entrepreneurs that will eventually develop lands for industrial purposes. It is our position, that **the Strategy presented to Committee on July 17, 2014 is conservative and contrary to Panzer’s conclusion that larger Greenfield blocks are needed for industrial development to promote the City’s long term economic health.**

The studies completed have consistently indicated a trend in preference to larger parcels in locations with access to and visibility from the Provincial highways. The ‘parcel size’ and ‘location’ criteria appear paramount considerations by those searching for suitable industrial sites and should be given more weight for their importance in relation to other criteria.

We respectfully submit that Committee considers our observations as they are supported by Mr. Panzer on Page 20 of his report... *“Over recent years, LEDC staff and other economic development proponents have expressed concerns that **the current inventory of vacant industrial land does not align very well with the location and size criteria sought after by many of the prospective land purchasers...They noted instances when an industry has preferred London but has located elsewhere**”.* Mr. Panzer opines that “...from a location perspective almost all of the inventory is in the Veterans Memorial Parkway corridor and may not be attractive to **businesses that are insistent on a Highway 401 or Highway 402 exposure...or...opportunity to choose industrial locations in the west end of the City**”. This observation highlights the importance of location defined by both exposure along Highway 401 and 402 corridors with easy access to interchanges.

#### STAFF REPORT – INDUSTRIAL LAND REVIEW – DECEMBER 4, 2012

As part of the presentation of the “Panzer” report, Staff submitted a further supporting report to the Strategic Priorities and Policy Committee on December 4, 2012 (‘staff report’). The staff report provided a summary of the 50 page Industrial Study and highlighted the following.

- That the industrial space demands were based on the Altus Group projections of 900 to 910 Sq/ft per employee building space demand for industrial purposes.
- The assumption that 25% of future industrial space needs would be accommodated through re-use and intensification of existing spaces.
- That the space factor would require a 10% contingency due to difficulty of determining demand in

- the market place.
- That the demand factors resulted in the need for 348 hectares over 20 years and approximately 550 hectares over 30 years.
  - The current inventory was heavily weighted to small and medium sized parcels.

The staff report also provides an alternative interpretation on the industrial land needs issue indicating...*"there are a significant number of variables involved in the evaluation of future industrial land needs that provide a strong rationale for the need for an expansion to the Urban Growth Area"*. These would include the trend to larger parcels, land availability, the lack of probability of industrial re-use in current urban areas, the trend of industrial transportation access and operational needs.

Staff concludes that ... *"although a quantitative evaluation of future land needs does demonstrate that the city will theoretically have a sufficient supply of industrial lands to meet anticipated future demands, the desirable industrial site will diminish over time. Without new options for strategically located industrial lands the City will be in an increasingly challenging position of not being able to offer sites to meet locational needs"*. **The importance of industrial land availability in strategic locations cannot be overstated... "larger parcels with access to and visibility from Highways 401 and 402" will secure the City's competitive edge for the next 30 years.**

Staff's summary report was concluded by reiterating Panzer's Industrial Study Recommendation that **"the City of London would be best served by an expansion to its Urban Growth Area of approximately 500 hectares for new industrial lands"**.

#### INDUSTRIAL DEVELOPMENT STRATEGY 2014

The 2012 Industrial Land Study ('Panzer report') and supporting Planning Report ('staff report') were followed in 2014 by the "new" "Industrial Land Development Strategy 2014" ('new strategy'). The new strategy continued to recognize that *"there is an identifiable mismatch between the target industrial sector demands for land and servicing and the quality of the City's current supply of available parcels in appropriate locations with appropriate servicing"*. The new strategy alters the direction of the previous study's recommendations to expand the urban boundary by 500 hectares and now recommends the inclusion of only 300 hectares of land in the boundary expansion in keeping with the calculated 20 year supply limit of the Provincial Policy Statement. The lands are to be located "south of the Thames River" with easy access to Highways 401 and 402, have a range of parcel sizes, and the ability to accommodate a wide range of industrial uses.

**This new strategy appears to technically comply with the direction of previous studies and reports; however, it is clear that it falls short of the intended goal of providing a suitable land base for the future economic well being of London.** We respectfully submit that the Committee should question this new strategy because it depends on very conservative statistical information along with the strict imposition of the PPS in dealing with a wide range of unknown industrial growth factors that we feel is contrary to the very economic growth goals that the PPS purports to support.

#### LONDON STAFF PLANNING REPORT DATED JUNE 17/14:

The Staff report, presented at the Planning Committee meeting of June 17, introduced the draft Official Plan Amendment ('draft OPA') that identifies Greenfield properties that would be included into the expanded built urban boundary and re-designated for industrial landuse. Although the lands identified will add to the existing industrial inventory and satisfy the amount of land area recommended by the 2014 Strategy report, **the criteria for choosing future industrial lands does not give sufficient consideration to the importance of parcel size in locations along the Highway 401 and 402 corridors that we understand are noted in previous studies and preferred by large scale employment uses that prefer London.**

Staff Preferred Sites:

**We respectfully submit that Committee re-direct Staff to give stronger consideration to the**

**importance of 'large blocks of land' located in the Highway 401 and 402 area of the city.** These criteria must be given greater weight in the site selection process as determined by the background research presented in this letter. The research indicates that the City of London needs a significant land assembly with proximity to a superior transportation system to compete with other markets in the Greater Golden Horseshoe in order to attract large scale industrial investment and employment opportunities.

Staff's proposed land selections for industrial urban expansion is based on a non-weighted version of the Council endorsed land selection criteria. It is difficult to comprehend that a non-weighted selection criteria will result in a process that will produce the most appropriate site choices.

#### CONCLUSIONS AND PLANNING RECOMMENDATIONS:

In the interest of sound economic development decisions as well as good planning policy, it is our considered opinion that the principles of the land selection process should be re-evaluated and re-applied based on a more coherent understanding of the priorities of the industrial land end-user. **As such, we strongly recommend that the Committee re-direct staff to accomplish the following.**

- A weighted site selection criterion to give priority consideration to a) 'larger blocks' of land with b) superior transportation access to and exposure from Highways 401 and 402.
- A re-evaluation of the reports and studies commissioned by Council to consider the market trend with special attention to the end-user's preferences for site selection including larger land parcels to attract major employment tenants. Larger parcels are desirable to major industrial end-users as they provide flexibility for future expansion.

In addition, we recommend that Committee further instruct staff to consider the following additional observations.

- Floor space index per employee – which is different for selected industries and may impact overall land needs calculations.
- The amount of unsuitable industrial designated land that is within the land needs assessment as industrial.
- Issues of land use compatibility when evaluating potential land blocks in the Wonderland and Veteran's Memorial Parkway areas.
- The relative importance of continued agricultural practices within Wonderland given it is disconnected from other agricultural areas and compromised by traffic to and from Highways 401 and 402.
- The relative impact of travel time on industrial location when considering west central London as compared to the Veteran's Parkway area.
- Existing taxpayer investment(s) in interchanges planned or in construction.

The research reviewed indicates that industrial growth and development is perhaps the most difficult of all of the landuse types to forecast. There are a significant variety of industrial landuse types, each with their own characteristics and needs. As reflected in the background studies, only one characteristic is generally universal – the importance of proximity to transportation corridors. All superior economic opportunity is based on proximity to superior transportation routes whether for the delivery of goods or the supply of material to support a manufacturing sector. Access to superior transportation corridors must be considered a primary necessity in this industrial site selection exercise.

We respectfully submit that a Council endorsed Strategy should reasonably consider the following issues.

- Site selection criteria that is weighted to reasonably reflect industrial landuse needs rather than be totally unweighted. This perspective is supported by the previous studies commissioned by Council including the critical recommendations of the Panzer Report.
- A site selection process that is more open to participation of the private sector including sites beyond those selected in the current Strategy.
- A site selection process that provides primary consideration to locations that have superior proximity to highway corridors and are more substantial in area to accommodate all forms of

industrial development.

- A site selection process that identifies the best located sites/areas and then evaluates them against the remaining Council selection criteria.
- A site selection process that considers development in locations adjacent to and in the vicinity of taxpayer funded highway interchanges.

It is our professional opinion that 'large land area - block plan' development 'located in close proximity to Highway Corridors' are paramount criteria for a successful urban industrial land expansion strategy. We respectfully submit that the Committee considers that the City needs to include Highway development to be competitive and attract substantial employers including large scale employment intensive manufacturing jobs to the City of London. It is our professional planning opinion that due consideration of the aforementioned site selection strategy recommendations will favour the Wonderland area for new industrial enterprise instead of diminishing the area for consideration as noted in the staff report presented to Committee on July 17, 2014.

To further support our opinion, Committee should consider the following.

- The Strategy before Committee is proposed to satisfy the supply of industrial land needs for the municipality for at least a twenty year planning horizon.
- **Council spent considerable time and taxpayer resources to construct a Hwy 401 interchange at Wonderland Road** and in the process created the opportunity for employment land in the Wonderland Area.
- A strategy that includes the Wonderland Area would capitalize taxpayer funding including money spent at the Municipal, Federal and Provincial levels.
- To exclude the Wonderland Area in this urban expansion exercise is inconceivable as the Wonderland/ Highway 401 interchange is the only one being constructed.
- The aforementioned points are further supported by the fact that Wonderland has superior Highway 401 and 402 access with lands located between two (2) Highway 401 interchanges at Colonel Talbot Road and the interchange under construction at Wonderland Road.
- These interchanges would be underutilized if the Strategy does not consider including the Wonderland Area in this urban expansion for industrial employment lands.

#### Wonderland Land Assembly

We are directed to advise Committee that our client has assembled a number of significant land parcels in the Wonderland Area that can form the basis of London's industrial land expansion ('Wonderland Land Assembly'). We respectfully submit that Committee direct staff to re-consider the Wonderland Land Assembly specifically (against a weighted criterion for site selection) rather than within the entire Wonderland Area for the following reasons.

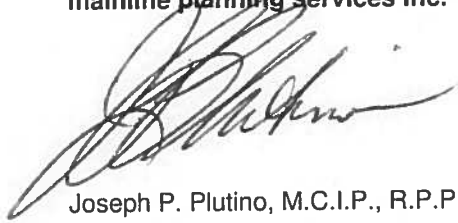
- The Wonderland Land Assembly has superior proximity to and exposure from Provincial Highways.
- The Wonderland Land Assembly is significant in land area (200 Hectares).
- The Wonderland Land Assembly has 2,000 meters frontage on Hwy 401 between the existing Colonel Talbot highway interchange and the taxpayer funded interchange at Wonderland Road that is now in construction.
- The Wonderland Land Assembly is a cohesive parcel with significant frontage on Colonel Talbot Road, Decker Drive, and Wonderland Road.
- The Wonderland Land Assembly is buffered from all incompatible residential and commercial use areas.
- The Wonderland Land Assembly is disconnected from prime agricultural lands by Provincial Highway Corridors and is therefore better suited for industrial development.
- The Wonderland Land Assembly can be made accessible via public transit.
- The Wonderland Land Assembly can be functionally serviced with municipal piped sanitary and water as intended in the City's master plan.

We trust that the Committee will strongly consider our recommendations which are supported by the research, reports, and studies previously approved by Council and funded by the taxpayer. Good planning begins with weighted site selection criteria to allow the Committee to select sites with sufficient land area to accommodate market demand in locations best suited for industrial development for the next 20 to 30 years. Consideration of the Wonderland Land Assembly specifically will ensure that all available lands proposed for industrial development are reasonably considered in this urban boundary expansion strategy.

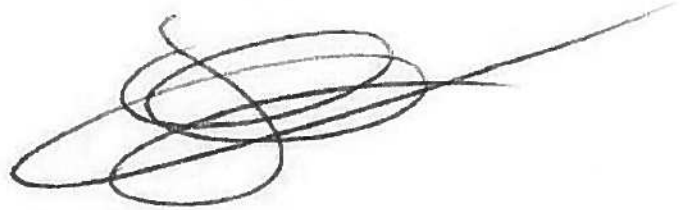
In our opinion, it is good planning to support a Strategy that includes a significant land assembly in the Wonderland Area. It would be a tremendous oversight to exclude Wonderland as the city plans for urban industrial development planning for the next 20 to 30 years as major capital expenditures for infrastructure would remain grossly underutilized.

Finally, perhaps it is time for London to consider that the municipally funded seeds they sowed in 2001 to grow an industrial market is now advanced to the point that private sector development can assume the responsibility for the provision of suitable lands.

Sincerely,  
**mainline planning services inc.**



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James R. Uram, M.C.I.P., R.P.P.

cc. City Council  
Heather Pilot - London Economic Development Corporation