

# 2015 Review

**Industrial Land  
Development  
Strategy: An  
Investment in  
Our Future**

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# Covered in this review...

1. Strategy Purpose

2. Why us

3. Our Role

4. Who we target

5. Strategy targets

6. Marketing

7. 2014 in Review

8. Synthesis

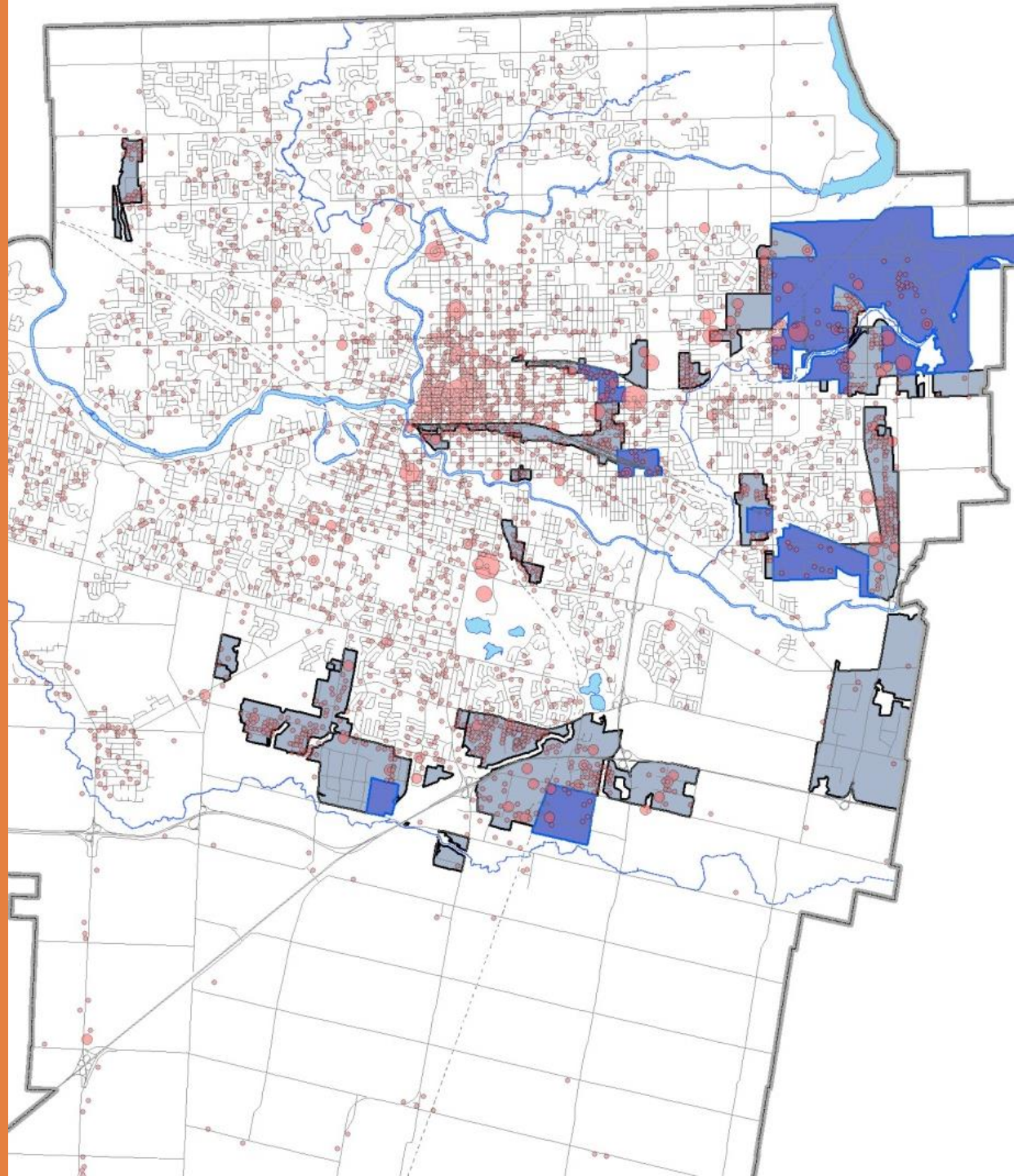
9. Next Steps

10. Recommendations

**30% of all  
employment**

**Strategy  
Purpose**

**More and better  
location  
opportunities  
= more jobs**



Why us



**Private Sector  
ROI**

**Public Sector  
ROI**

**Other  
Municipalities**

- Land sales value

- Land sales value

- Tax Revenue

- Job Creation

- Further industrial attraction

- Competition



# ROI for the City

## Forest City Industrial Park

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

# ROI for the City

## Innovation Park (Phases I – IV \*)

Gross Land Acquired by City	<b>264.3 ha (193 net ha)</b>
Cost of Land Acquired by City	\$12.2 million
Cost of Land Per Hectare	\$46,159/hectare
On-site Servicing Cost	\$36.7 million (\$19.2 million net after grants from other governments)
Net Internal Servicing Cost	<b>\$31.5 million</b>
Direct New Jobs Created	1,370
Indirect New Jobs Created	685
Total Jobs Created	<b>2,055 (to date)</b>
Increase in Assessment	\$93.8 million (to date)
Increase in Tax Revenue/year	<b>\$2.8 million (to date)</b>
Proceeds from Land Sales	<b>\$9.7 million (to date)</b>

\* Innovation Park approximately 50% sold





# Our Role

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

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



# Target Sectors

Advanced Manufacturing

Renewal and Clean Tech.

Automotive

Agri-food/Food processing

Defence and Aerospace

Life and Health Sciences

Information Technology and Digital Media

Enhanced Transportation and Logistics

Research, Development and Commercialization

Greatest benefit to us.

Greatest appeal to them.



We know what  
Target Sectors  
are looking  
for.....

Near  
Airport

Low Impact  
Neighbours

Large Sites

401 and 402 access

High Quality  
Buildings and  
Surroundings

Away from  
Odours, Noise,  
Dust (Heavy  
Industry)

Rail

Outdoor  
Storage

Away from Auto Traffic  
(Congestion)

High Capacity Roads

Odour, Noise  
and Vibration

High Water Use and Sewer discharge

Light  
Industrial

401 or 402 Frontage

High Employment to Land area Ratio



## **ILDS: Converts Target Sector needs to land development targets**

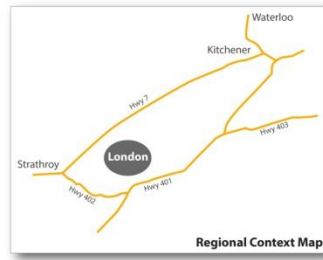
**Continuous supply of vacant, serviced industrial land in strategic locations**

**Most should be easily accessible to VMP, 401 or 402 corridors**

**Variety of lot sizes**

**Good supply of large blocks  
5 to 20 ha**

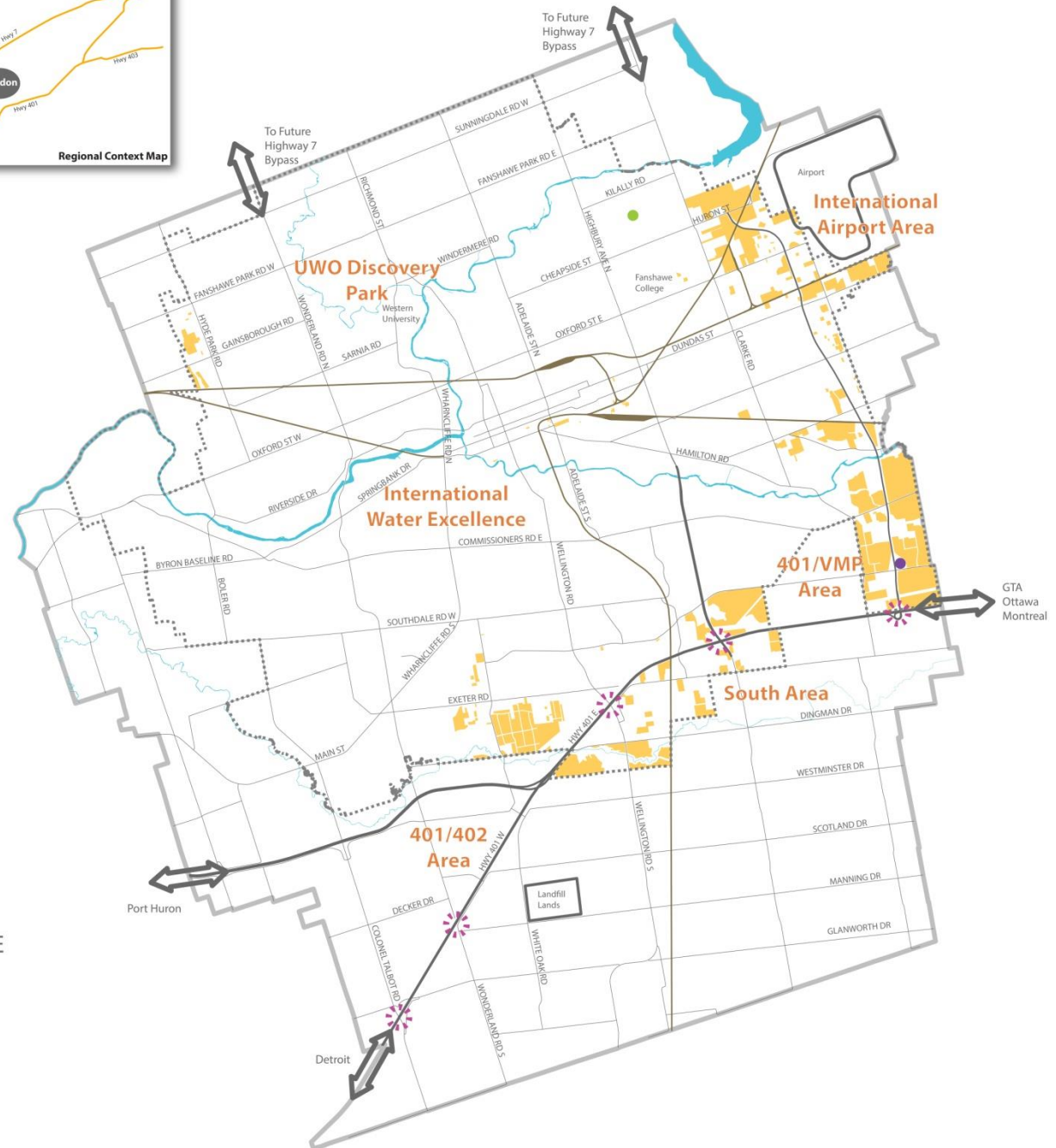
# Where should we develop?



- Major Roads
- Highways
- Rail Corridor
- City Boundary
- - - Urban Growth Boundary
- Vacant Industrial Lands
- ✱ Interchange Improvements

Existing Research and Development

- Fraunhofer Project Centre and WindEEE Dome and Research Institute
- Southern Crop Protection & Food Research Centre





# Acquisition Strategy

## Considerations

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

A nighttime photograph of a city street. In the foreground, a tall, light-colored Art Deco building with a Canadian flag on top is illuminated. The street below is lit with warm yellow lights, and cars are visible in the distance. The sky is a deep blue.

**Market  
Aggressively**

**Our land, people  
and places**

# Attracting Skilled Labour Force

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



# Partnership Opportunities

- Private sector may develop industrial land
- Seek funding partnerships with provincial and federal governments
- Partner with UWO, Fanshawe, hospitals, International Water Excellence Centre and others

An aerial photograph showing a large industrial complex with several large white buildings and parking lots. In the background, there is an airport with a long runway and taxiway. The surrounding area includes green fields, trees, and some residential buildings. The sky is blue with scattered white clouds.

# ILDS Summary

**Create Opportunities**

...for Target Sector jobs

**Minimize Risk**

...missing opportunities

**ILDS**

# Review of the First Year

Barometer check

Accomplishments



# Economic Climate

- 10 years -- unemployment up to 9.9% (2009).
- 7.4% and 8.2% (2014).
- Regional economy struggling out of a recession
- Job losses -- Electro-Motive Diesel, Kellogg's and Siemens.

# Economic Climate

- Significant, positive activities in 2014 -- expect gradual recovery.
- Dr. Oetker, Hanwha, KL Products and Sodecia
- Rise in automotive production / recovery in the U.S economy / lower CDN \$ → all make for better employment conditions here.
- The Conference Board of Canada: GDP to grow by over 2% by 2017.

# Marketing

## LEDC in 2014

- Innovation Park recognized under Ontario's Investment-Ready Program
- GTA land promotion seminars
- Advertising campaigns
- Site selector tours
- Website improvements



# Sales Activity

An aerial photograph showing a large-scale construction project. A wide, light-colored road or embankment runs vertically through the center of the site. The surrounding areas are filled with earth, gravel, and construction equipment tracks. In the background, there are green fields, trees with autumn foliage, and several residential buildings. The foreground shows a paved road with a few cars and a grassy area.

- \$25 M sales since 2001 -- 200 ha.
- \$6.5 M annual tax revenue.
- \$240 M in building construction.
- In 2013, 24.3 ha sold or under contract for \$2,040,000
- In 2014, 2.2 ha sold for \$354,250.

# Budget is in Place

- \$120 million placed in the budget forecasts for servicing and development.
- Partnerships assumed for two-thirds.
- tax supported funding is also available for land acquisition.
- The approved 2015 property tax supported budget is \$68.8 million over the next ten years, including \$5.9 million in 2015.



# Funding Partnerships

- Submit “Unlocking Prosperity – the key to creating jobs in London and Southwestern Ontario”
- Ongoing discussions.
- Awaiting:
  - federal and provincial budgets to be introduced later this year.
  - announcement by the province of the intake process and eligible funding categories for large communities under the Provincial Territorial Infrastructure Component (PTIC) of the new Building Canada Plan.

# Development Charges Grant Program

- new Community Improvement Plan (CIP) for Industrial Development -- includes Development Charge Grant Program
- city-wide within the Urban Growth Boundard
- grant equivalent to 100% of the development charge

# Industrial Lands Urban Growth Boundary Expansion

## Industrial Land Development Strategy :

- adequate supply of industrial land available
- supply of large parcels of land in strategic locations was severely constrained

## Southwest Area Secondary Plan:

- re-designated 180 Ha

## White Oak Industrial Area:

- re-designate 120 Ha

## Urban Growth Boundary :

- 300 hectares of strategically located for the future
- PEC March 23

# Synthesis

## Economic climate and sales:

Steady interest in London's industrial lands.

- LEDC regularly arranges site selection tours for companies.
- Several local manufacturing companies are expanding

No immediate signs of significant foreseeable demand for large parcels – wary of lost opportunities.

## Budget

- sufficient budget in the short term to fund land purchases;
- Tax, Water and Wastewater Budgets include funding

## Land Use Planning

- future industrial development -- Urban Growth Boundary expansion is under consideration to make available the most desirable industrial land.



# Summary

Strategy basis and goals remain valid at this time.

Key funding sources are critical to the overall schedule and land inventory goals.

# Next Steps

## Land Acquisition Strategy

- Action: Consider the confidential report

## Planning

- Action: Council's consideration of an Urban Growth Boundary Expansion for future industrial lands

## Financial Plan / Budget Required

- available funds for the tasks at hand.
- present unknown potential for partnership funding with senior governments.
- Action: review, analyze and report back on Fed / Prov budgets

# Next Steps



## Land Development

- Action: Continue to develop existing inventory as shovel ready parcels.

## Marketing

- Action: LEDC to continue site selector tours, investment missions.
- Action: Market through website, information seminars, traditional advertising and participation in government led land promotion initiatives.

## Implementation Team

- Action: Review the implementation model within funding partnership update report later this year.

# Recommendations

That, on the recommendation of the City Manager, with the concurrence of the Managing Director of Planning and City Planner, the Managing Director Environmental and Engineering Services and City Engineer, and the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, the following actions **BE TAKEN** with respect to the Industrial Land Development Strategy:

- a. this report **BE RECEIVED** for information; and,
- b. Civic Administration **BE DIRECTED** to review upcoming Federal and Provincial Budgets, analyze impacts of these on the Industrial Land Development Strategy, and report back with recommendations.