

<b>TO:</b>	<b>CHAIR AND MEMBERS STRATEGIC PRIORITIES AND POLICY COMMITTEE MEETING ON JUNE 9, 2015</b>
<b>FROM:</b>	<b>ART ZUIDEMA CITY MANAGER</b>
<b>SUBJECT:</b>	<b>INDUSTRIAL LAND DEVELOPMENT STRATEGY UPDATE</b>

<b>RECOMMENDATION</b>
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That, on the recommendation of the City Manager, the following actions **BE TAKEN**:

- a) This report providing an update on the 2015 Federal and Provincial Budgets **BE RECEIVED** for information; and
- b) Civic Administration **BE DIRECTED** to implement a short term Industrial Land Development plan based on the outcome of these budgets and the principles noted herein.

<b>PREVIOUS REPORTS PERTINENT TO THIS MATTER</b>
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- o March 9, 2015 – Strategic Priorities and Policy Committee

<b>BACKGROUND</b>
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Investing in industrial land is recognized in City Council’s *2015-2019 Strategic Plan* as a strategy towards “Growing our Economy.” The Strategic Plan indicates that the City of London will “buy and service industrial land to bring more jobs to London.” Industrial land development is also featured in other key documents including the draft London Plan, various Community Improvement Plans, and the London Economic Development Corporation (LEDC) strategic plan.

In 2014, London City Council approved the 2014 Industrial Land Development Strategy (ILDS). The ILDS establishes targets for the acquisition, development and sale of industrial lands in the City of London, with a goal to develop an ongoing supply of 200 hectares of strategically located and fully serviced industrial land. Ideally this supply would include at least 180 hectares which are within proximity to the 401/402 corridors and south of the Thames River, and with priority for large parcels of land. The ILDS identified a need for federal and provincial investment in order to be fully implemented as written.

The City of London submitted a business case titled “Unlocking Prosperity – the key to creating jobs in London and Southwestern Ontario”, seeking a \$40 million contribution each from the federal and provincial governments. “Unlocking Prosperity” was included in London’s federal and provincial pre-budget submissions, and advanced through discussion with government officials.

In March 2015, the Strategic Priorities and Policy Committee received an update on the ILDS. Administration was directed to report back once federal and provincial budgets were released.

*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.*

This report fulfils this resolution by providing an update on the 2015 Federal and Provincial Budgets, and recommending next steps.

## **2015 Federal and Provincial Budgets**

On April 21, 2015, the Government of Canada tabled its 2015 Budget, *Strong Leadership: A Balanced-Budget, Low-Tax plan for Jobs Growth and Security*. Investments in infrastructure feature in the budget, including a maintained commitment to the New Building Canada Plan. The City of London currently receives funds through this program. In 2014, the City received \$21 million dollars from the federal Gas Tax Allocation, which was used to for water, wastewater, roads, bridges, bicycle lanes, bus replacements and other capital projects within federal guidelines. There may be opportunities for the City of London to submit more specific applications under New Building Canada programs. The 2015 Federal Budget also included new funds for public transit and infrastructure tied to the Canada 150 celebrations, both of which the City of London will be pursuing.

On April 23, 2015, the Government of Ontario tabled its 2015 Budget, *Building Ontario Up, Growing the Economy and Creating Jobs*. This budget reflected an unprecedented \$130 billion investment in infrastructure over 10 years, including a new \$31 billion fund for public transit, transportation and other priority infrastructure projects. This program, called *Moving Ontario Forward*, includes two dedicated funds for priority infrastructure: \$16 billion in the Greater Toronto and Hamilton Area (GTHA) and \$15 billion for communities outside of the GTHA. The consultation process for funding outside of the GTHA will take place from June to September. It is anticipated that the City of London will be an active participant in this program.

While neither the federal or provincial budgets included a specific commitment for industrial land development in London, both included broader funding programs which may benefit the City of London. There may be opportunities to apply for funds for industrial land under the New Building Canada Plan, or through other funding opportunities.

## **Next Steps**

Industrial land remains an important way in which the City of London supports job creation and economic growth. The City has realized positive outcomes through past industrial land developments, and will continue to pursue this work as a key component of Council's *2015-2019 Strategic Plan* and broader efforts to support London's economy. This report recommends that Civic Administration implement a short term plan that reflects both available City funding and other funding opportunities to be explored, and based on the following principles:

- London is in competition with other municipalities and will continue to pursue market-ready industrial sites that meet the needs of our target employment sectors.
- Match short term ILDS development objectives and budgets to available funding.
- Maintain a relative importance for ILDS within the Community Economic Roadmap.
- Pursue land acquisition of key parcels so that funding opportunity applications can be articulated with specific development plans and costs.

- Prepare funding applications specific to available and applicable programs.
- Continue marketing efforts.

**Summary**

Although funding support for Industrial Land Development in London is not specifically articulated in recent Federal and Provincial Budgets, there are programs that could apply. Based on the above note principles, the Strategy will be tailored to the available funding in the City Budget and forecasts, and to focus on the creation of the best industrial site opportunities. Appropriate actions include the acquisition of specific lands which will be the subject of specific funding program requests. The upcoming budget will be restructured to recognize available funding and the specific development costs associated with target sites.

<b>PREPARED BY:</b>	<b>CONCURRED BY:</b>
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<b>CONCURRED BY:</b>	<b>RECOMMENDED BY:</b>
<b>JOHN BRAAM MANAGING DIRECTOR, ENVIRONMENTAL &amp; ENGINEERING SERVICES AND CITY ENGINEER</b>	<b>ART ZUIDEMA CITY MANAGER</b>

cc. Senior Leadership Team  
ILDS Team