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Planner: A. WATSON/T. MACBETH

TO:	CHAIR AND MEMBERS PLANNING & ENVIRONMENT COMMITTEE
FROM:	JOHN M. FLEMING MANAGING DIRECTOR, PLANNING AND CITY PLANNER
SUBJECT:	INFORMATION REPORT PUBLIC ENGAGEMENT PROCESS FOR THE EVALUATION OF COMMUNITY IMPROVEMENT PLAN INCENTIVES MEETING ON AUGUST 22, 2016

RECOMMENDATION

That, on the recommendation of the Managing Director, Planning and City Planner, the following actions **BE TAKEN** regarding the review of the City's Community Improvement Plans (CIPs) and associated incentive programs and potential new CIPs and associated incentives:

- a) the attached report regarding the review of the City's Community Improvement Plans and associated programs and incentives, including a summary of the public consultation undertaken to date, and a preliminary review of potential new Community Improvement Plans and programs **BE RECEIVED** for information;
- b) that, based on the review of the potential new Community Improvement Plans that have been identified for future implementation, **NO FURTHER ACTION BE TAKEN** with respect to the proposed new Community Improvement Plans to provide for development charges grants for Sports and Recreation Programs or Private/Not-for-Profit Education Facilities, as the proposals do not meet the intent of community improvement as defined in the *Planning Act*, and,
- c) that, based on the review of the City's current Community Improvement Plans and the associated programs and incentives, the following programs **BE RETAINED**, noting that staff will further refine the program guidelines for these programs to incorporate success measures and identify possible funding revisions for Municipal Council consideration:
 - SoHo, Old East Village and Downtown Upgrade to Building Code Program
 - SoHo, Old East Village and Downtown Façade Improvement Loan Programs
 - Old East Village and Downtown Tax Increment Grant Program
 - Brownfield Tax Increment and Property Tax Assistance Grant Program
 - Brownfield Assessment Study Grant Program

IT BEING NOTED THAT staff will continue to review possible program changes to the current development charges grant programs available for industrial and residential development, including further public consultation on any possible program changes, and report back to Municipal Council in November regarding any changes to those programs

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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February 1, 2016	PEC – Evaluation of Community Improvement Plan Incentives
May 19, 2015	PEC - Development Charges Grant Program for Downtown and Old East Village CIP Areas
April 7, 2015	PEC - Evaluation of Community Improvement Plan Incentives
March 23, 2015	PEC - Fibre Optic Connection Grant Pilot Program for Downtown London
March 2, 2015	PEC - Development Charges Grant Program for Downtown and Old East

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<p>Feb. 2, 2015</p> <p>August 26, 2013</p>	<p>Village CIP Areas</p> <p>PEC - Development Charges Grant Program for Downtown and Old East Village CIP Areas</p> <p>Strategic Priorities & Policy Committee – Strategic Change in Delivery of Development Charge Exemptions and Incentives Policies. This is the report that lead to the small business incentives</p>
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PURPOSE AND SUMMARY

The purpose of this report is to provide an update to Council on the consultation undertaken to date as part of the review relating to the range of financial incentives offered through the City's existing CIP programs, a description and evaluation of the current Community Improvement Plans and programs, and a description and preliminary evaluation of the potential new Community Improvement Plans and programs that have been proposed to Council for consideration.

RECOMMENDATIONS	FURTHER ANALYSIS REQUIRED/REPORT BACK
<ul style="list-style-type: none"> - No CIP for Sports and Recreation Programs - No CIP for Private/Not-for-Profit Education Facilities - Retain Upgrade to Building Code Loan Programs (Downtown, Old East, SoHo) - Retain Façade Improvement Loan Programs (Downtown, Old east, SoHo) - Retain Tax Increment Grant Programs (Downtown, Old East) - Retain Brownfield Tax Increment Grant Program and Property Tax Assistance Program - Retain Brownfield Assessment Study Grant Program 	<ul style="list-style-type: none"> - Downtown and Old East Residential DC Grant Program - Industrial DC Grant Program - Airport Tax Increment Grant Program - Increasing the value of Building Code Loans - Increasing the value of Façade Improvement Loans - Consider Tax Increment Grant Program caps - Lambeth CIP Programs (potential) - Hamilton Road CIP Programs (potential) - Expansion of Downtown CIP Boundary/ Programs - Incentives for Environmentally Sustainable Buildings/Communities - Industrial Corridor Enhancement Program - SoHo Tax Increment Grant Program - SoHo Residential DC Grant Program - Heritage Building Assessment/Condition Grant Program (Downtown, Old East) - Façade Improvement Grant Program - Forgivable Upgrade to Building Code Grant Program - Non-street Façade Loan Program - Awning, Signage and Decorative Lighting Grant Program - Tax Holiday Grant Program

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BACKGROUND

Municipal Council Direction to Review Incentive Programs

On February 17, 2016, Council resolved that a service review be undertaken to consider and evaluate all Community Improvement Plans and the financial incentives offered under those CIPs.

Council resolution identified the following directions for Civic Administration in order to undertake the service review:

- Consider and evaluate all existing CIPs and existing incentive programs, as well as the potential for new incentive programs under new Community Improvement Plans.
- Amongst the range of options considered as part of the comprehensive review, consider and evaluate two (2) potential program changes to the Development Charges (DC) incentives. These two programs to consider are: first, the potential for a \$10 million “cap” to the City’s contribution to residential DC grants which are currently an unlimited rebate of 100% of the development charges for applicable residential projects in applicable areas; and, second, a targeted approach, such as strategic alignment with the Industrial Land Development Strategy (ILDS), for the Industrial DC rebate incentive, which is also currently an unlimited rebate of 100% of DCs.
- Undertake rigorous public and stakeholder consultation as part of the service review; and
- That the consideration of new CIPs and attendant incentives is to be consideration and evaluation of an identified list of potential new candidate CIPs which have previously been requested of Council by members of the public and interested stakeholders.

Staff have begun the service review and public engagement process, and through this report are providing an update on the process, key considerations, and feedback received to date, as well as next steps in the CIP service review process.

Objective of CIPs

Planning Act (Section 28)

The Community Improvement provisions of the *Planning Act* provide the opportunity to re-plan, redesign, redevelop, and rehabilitate older areas of the City. Under Section 28 of the Planning Act, municipalities may designate "Community Improvement Project Areas" within which the City may prepare improvement plans, and undertake various community improvement projects and works to implement these plans.

The *Planning Act* defines community improvement as "...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, public, recreational, institutional, religious, charitable or other uses, buildings, structures, works, improvements or facilities, or spaces therefor, as may be appropriate or necessary."

The *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."

Official Plan (Chapter 14)

The Official Plan for the City of London contains policy and framework for the selection and designation of "Community Improvement Project Areas", and for the preparation and implementation of community improvement plans.

The following extract identifies the City’s objectives related to Community Improvement:

COMMUNITY IMPROVEMENT OBJECTIVES

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It is intended that the application of the Community Improvement Policies shall be directed towards the following objectives:

- i) Provide for the designation of "Community Improvement Project Areas" in areas of the City that exhibit problems of instability, building deterioration, inadequate municipal services and facilities, or inappropriate arrangement of land uses.*
- ii) Promote the long term stability and viability of designated "Community Improvement Project Areas".*
- iii) Encourage the co-ordination of municipal expenditures and planning and development activity within designated "Community Improvement Project Areas".*
- iv) Stimulate private property maintenance and reinvestment activity.*
- v) Enhance the visual quality of designated "Community Improvement Project Areas" through the recognition and protection of heritage buildings.*
- vi) Reduce the detrimental effects of incompatible land uses in designated "Community Improvement Project Areas".*
- vii) Upgrade physical services and social and recreational facilities in designated "Community Improvement Project Areas".*
- viii) Promote the improvement of energy efficiency standards for residential, commercial, industrial, public, recreational, institutional, religious, charitable or other uses within the designated community improvement project areas.*
- ix) Support the creation of Affordable Housing by considering any municipally-owned, undeclared surplus land for Affordable Housing before any other use is considered subject to policy 12.12.2.2. ix) of this Plan.*
- x) Support the implementation of measures that will assist in achieving sustainable development and sustainable living.*
- xi) Support the retention of heritage properties or areas.*

Similarly, The London Plan identifies the importance of Community Improvement:

Community improvement plans are intended to provide City Council with the necessary tools to stimulate reinvestment and redevelopment, inspire appropriate infill and intensification, coordinate planning efforts, improve the physical infrastructure, support community economic development, preserve neighbourhood and cultural heritage value, and lead to the establishment of an improved neighbourhood. The tools to implement community improvement plans may include incentives and targeted private and/or public investment to achieve the vision, key directions and policies in The London Plan. Council may also acquire, clear and dispose of land to support community improvement and economic development, or use any other methods to support community improvement or environmental, social or community economic development that is permitted by the legislation

The London Plan also sets out the objectives of Community Improvement:

Community improvement is intended to meet the following objectives:

- 1. Maintain and improve the public realm, including such things as streets, sidewalks, street lights, street trees, pathways, parks, open spaces, and public buildings.*
- 2. Maintain and improve municipal services including such things as the water distribution system, the sanitary and storm sewer systems, mobility network, transit services, and neighbourhood services.*
- 3. Encourage the coordination of municipal servicing expenditures with planning and development activity.*
- 4. Stimulate private sector property maintenance, repair, rehabilitation, redevelopment and other forms of private sector investment and reinvestment activity.*
- 5. Maintain and improve the physical and aesthetic amenities of streetscapes in both the public and private realms.*
- 6. Encourage the conservation, restoration, adaptive re-use and improvement of*

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cultural heritage resources.

7. Encourage the eventual elimination and/or relocation of incompatible and conflicting land uses and where this is not possible, encourage physical improvements to minimize the incompatibility/conflict.

8. Promote the improvement of energy efficiency standards for residential, commercial, industrial, public, recreational, institutional, religious, charitable or other uses.

9. Foster the revitalization and continued improvement of the Downtown and other existing commercial districts including but not limited to the Old East Village, the SoHo Area, and other established business districts.

10. Upgrade social and recreational facilities and support the creation of affordable housing.

11. Support the implementation of measures that will assist in achieving sustainable development and sustainable living.

12. Improve environmental and social conditions.

13. Promote cultural and tourism development.

14. Facilitate and promote community economic development.

15. Promote and improve long-term community stability, safety and quality.

Community improvement plans allow municipalities to focus public attention on local priorities and municipal initiatives; target areas in transition or in need of repair, rehabilitation and redevelopment; facilitate and encourage community change in a coordinated manner; and stimulate private sector investment through municipal incentive-based programs.

DESCRIPTION AND EVALUATION OF CURRENT COMMUNITY IMPROVEMENT PLANS

Presently, the City of London has seven Community Improvement Plans through which a variety of financial incentives have been funded. The following chart illustrates the programs currently in place. Between the various CIPs there may be similar and overlapping incentives a property owner might choose to apply for related to a specific property. Each CIP provides specific program guidelines for each financial incentive program.

City of London CIP Incentive Program Overview

CIPs	Financial Incentive Programs Offered				
Downtown	Last Mile Grant	Façade Improvement	Upgrade to Building Code	Tax Grant Program	DC Grant
Old East Village	Façade Improvement		Upgrade to Building Code	Tax Grant Program	DC Grant
SoHo	Façade Improvement			Upgrade to Building Code	
Heritage	Tax Increment Grant			Development Charge Equivalent Grant	
Airport Area	Tax Increment Grant				
Brownfield	Tax Increment Equivalent Grant	Contamination Assessment Study Grant Program	Development Charge Rebate	Property Tax Assistance Program	
Industrial Lands	Development Charge Grant				

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Visions, Goals & Objectives of Existing City of London CIPs

The City’s existing CIPs do not include measurement or monitoring criteria and therefore do not explain what ‘success’ looks like. As a result, a large part of this review process includes the creation of review criteria that can be used to determine what the *success* of each CIP entails.

Although all CIPs are fundamentally created to provide the opportunity to re-plan, redesign, redevelop, and rehabilitate older areas of the City, each CIP is unique in that it was created to address specific priorities and circumstances. The following chart provides a high level summary of goals and potential targets of each of the City’s existing CIPs.

Overview of Success Review Criteria for the CIP Program

Program:	Indicator of Success:	Target:	Means of Measurement:
<i>Airport Area Community Improvement Plan:</i>	Increase in the long-term economic viability of the aerospace industry in London	Reach and maintain a level of aerospace industry competitive with comparable municipalities	Labour market data NAICS codes
<i>Brownfield Community Improvement Plan:</i>	Increase in site remediation project	All brownfield sites remediated to encourage redevelopment	Number of contaminated sites cleaned up
<i>Downtown Community Improvement Plan:</i>	Encourage the coordination of municipal expenditures and planning and development activity	Downtown becomes a place where people are attracted to live, work, shop, and play	Population census data Labour market data
<i>Heritage Community Improvement Plan:</i>	Increase the retention and rehabilitation of heritage resources	Create a sense of place through the retention of the City’s built heritage	Creation of HCD Property modification & adaptive re-use activity
<i>Industrial Community Improvement Plan:</i>	Increase the market attractiveness and competitiveness of industrial land in London	1 new targeted industrial use per year located in London	Labour market data NAICS codes
<i>Old East Village Community Improvement Plan :</i>	Revitalization of the four districts of Old East Village	Creation of a complete community with recreational/entertainment opportunities, pedestrian-oriented areas, and commercial corridors	NAICS codes # of businesses
<i>SOHO Community Improvement Plan:</i>	Stimulate reinvestment for infill and intensification	Facilitate the redevelopment of a vibrant neighbourhood that benefit surrounding communities	Population census data

Goals of Existing City of London CIPs

The CIP project areas within the City where the City has prepared community improvement plans and undertaken various community improvement projects have different goals and programs associated with them to achieve those goals. The intent and goals of these CIPs reflect the local needs, priorities and circumstances for which each of the CIPs were adopted.

For the purpose of this review, the term “goals” is used to represent the Visions, Goals and Objectives identified within the various existing CIPs. The following section shows the Goals of each CIP and a proposed Evaluation Matrix reflecting the identified goals.

Airport (applied to lands owned by the Airport)

The goal of the Airport CIP is to encourage long-term economic development in the industrial lands around London International Airport by encouraging aerospace industries to locate at the Airport.

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Proposed Airport Area CIP Evaluation Matrix

Indicator of Success	Target	Means of Measurement	Applicable Incentive
Increase in the amount of aerospace-related employment	Maintain an employment rate in the aerospace industry competitive with comparable municipalities	Labour market information	Tax Grants
Increase in the amount of manufacturing related to the aerospace industry in the area	Reach and maintain a level of manufacturing related to the aerospace industry competitive with comparable municipalities	Labour market data NAICS codes	
Increase in the proportion of Fanshawe aviation technician graduates that stay in London for work	80 % of aviation graduates find work in London	Fanshawe College data	n/a
Increase in the amount of aerospace-related lands	At least 75% of the industrial in the Airport Area are occupied and utilized for aerospace use	NAICS codes	Tax Grants
Reduction in the vacancies within the Airport Industrial land	Maintain a minimum of 80 % occupancy rate for aerospace use	NAICS codes	

Brownfield (applied City-Wide)

The goals of the Brownfield CIP are to encourage site restoration and redevelopment of brownfield sites throughout the City by remediating these sites so that they are available for redevelopment, and to undertake studies to determine the extent of any site contamination on those lands.

Proposed Brownfield CIP Evaluation Matrix

Indicator of Success	Target	Means of Measurement:	Applicable Incentive:
Brownfields play an important role within the context of development for the entire City	5% of London's development on remediated brownfields sites	Area (ha) of available Brownfields industrial lands	Property Tax Assistance Tax Increment Grant Development Charge Rebate
Long-term stability and vitality of area surrounding Brownfield Site	1 brownfield site remediated for future redevelopment per year	Industrial data information	
Private investment activity in Brownfields is strong	5 % private investment activity is on brownfield lands	Development permits	
The reduction in the amount of vacant, under-utilized or abandoned areas within the urban growth boundary	1 brownfield site remediated for future redevelopment per year	Development permits	
Enhancing the viability of inner-city	1 brownfield site remediated for future redevelopment per year	Development permits	
Increased intensification of existing infrastructure	1 brownfield site remediated for future redevelopment per year	Development permits	
Increase in property tax revenue (ex. Municipal tax base)	Redeveloped, remediated sites generate municipal taxes 50 % higher than pre-remediation	Property tax collected	

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Downtown (applied to lands within the Downtown Area)

The goals of the Downtown CIP are consistent with those of Downtown London and include:

- Enhancing Downtown as a unique community and the heart of the City. The Downtown shall be a place where people are attracted to live, work, shop and play;
- Encouraging the preservation of significant heritage resources;
- Encouraging and assisting private property owners to rehabilitate buildings in the Downtown to ensure their long-term economy viability;
- Focusing municipal efforts that address the provisions of streetscape improvements, municipal services, and infrastructures; and,
- Promoting the continuous development of the Downtown as the primary business, office, cultural and administrative centre for the City, and as a regional centre for Southwestern Ontario.

Proposed Downtown CIP Evaluation Matrix

Indicator of Success	Target	Means of Measurement	Applicable Incentive
The residential neighbourhood plays an important within the context of the entire City	Minimum of 5% of London's population resides within the Downtown's boundaries Improvements in "upstairs" apartments over commercial space	State of the Downtown Report	
The neighbourhood can support a supermarket	Minimum population sufficient to support a community scale supermarket Interest from multiple supermarket companies	Labour market information	
Residential growth is strong for an identified period	Minimum of 750 residential units are constructed within a consecutive 5-year period	Building permits	Façade Improvement Loan
The neighbourhood caters to a wide array of socio-economic groups	Minimum of 15% of the area's population fits within each of the City's four household income quartiles	Census information	Upgrade to Building Code Loan
The neighbourhood provides a significant stock of affordable housing	Minimum 25% of all rental housing is affordable	Market surveys	
Vacancies are low and storefronts are well occupied	Maximum 5% vacancy rate on ground level commercial spaces, as well as residential space	State of DT Report	Tax Grant
Quality uses on key storefronts	Minimum 75% of ground floor uses on key commercial streets are targeted uses	State of DT Report	DC Grant
Active streets	Minimum hourly pedestrian counts on key commercial streets on a selected Friday during the month of September for the following periods (1) 8-9AM; (2) Noon-1PM; (3) 5-6PM and (4) 8-9PM	Pedestrian activity count	
Quality facades and storefronts	Minimum 80% façade and storefront graded A or B Condition (City rating)	State of DT Report	

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Heritage (City-Wide)

The goal of the Heritage CIP is to ensure that the City of London's unique built heritage is preserved through the retention, restoration and adaptive re-use of identified heritage properties.

Proposed Heritage CIP Evaluation Matrix

Indicator of Success	Target	Means of Measurement	Applicable Incentive
Increased property stability	Creation of a sense of place, maintenance of the identity of London	Property turnover Length of residency	
Increase in property re-investment	Maintenance of the identity of London, stimulation of private property re-investment	Property modification, adaptive re-use activity # heritage alteration permits # of requests for demolitions # of demolitions Value of improvement	Tax Increment Grant
Increase in property viability/ property maintenance	Ensure that the City's built heritage is retained Recognition of and protection of heritage properties	Property modification, Adaptive re-use activity # heritage alteration permits # of requests for demolitions # of demolitions	Development Charge Equivalent Grant

Industrial (applied to Industrially-designated lands, City-Wide)

The primary goals of the Industrial Lands CIP include:

- Promote economic rehabilitation, revitalization, economic diversification, economic development and prosperity in London;
- Improve the market attractiveness and competitiveness of industrial land in London;
- Increase investment in industrial land development in London;
- Increase employment on industrial land in London by creating new employment opportunities and retaining existing employment;
- Ensure an adequate supply of serviced and appropriately sized and located industrial land in London; and,
- Increase the long-term industrial assessment base and industrial land property tax revenues.

Proposed Industrial CIP Evaluation Matrix

Indicator of Success	Target	Means of Measurement	Applicable Incentive
Increase employment rate in the industrial areas	Maintain an employment rate equal or greater than the Provincial rate	Labour market data NAICS codes	Development Charges
Increase in the # of businesses and companies in the Industrial area	Tax grant incentives are no longer required	Labour market data NAICS codes	
Increase in the # of manufacturing jobs in the area	Minimum of 15% of London's population employed in the manufacturing (as of 2011 it was 12.4%)	Labour market data NAICS codes	
Reduction in the # of existing businesses moving out of London	No targeted industries move out of London	Market surveys LEDC data	
Increase in the value-added GDP for the City of London	Increase/maintain level of industrial GDP	Market surveys	
Increase in the retention of highly skilled employees and young Londoners in the City	Retention of 75 % or more Fanshawe College and UWO graduates	Fanshawe College & UWO data Employer data	
Increase in the amount of immigrants and newcomers being employed in the industrial sector	Unemployment rate of immigrant population equal to the general population	London & Middlesex Local Immigration Partnership data	
Retention of UWO and Fanshawe graduates in London's labour market	Increase % of College and University educated employees to meet future job trends	Fanshawe College & UWO data	
Reduction in the vacancies within the Industrial Lands Area	Maintain 10 % or less vacancy rate	Market review	
Increase in innovative methods to combat climate change through energy efficiency and sustainable industrial buildings	London's net carbon emissions is equal to or less than comparator Municipalities	Carbon counting data	

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Old East Village (applied to lands within the OEV Area)

The goals of the Old East Village CIP are that the Old East Village shall:

- to serve as a focal point for the surrounding residential community;
- offer goods and services which are useful to, and used by, the surrounding community;
- offer some goods and services for a broader City-wide market;
- offer a range of entertainment, arts, and cultural uses; and,
- foster a pedestrian-oriented streetscape.

Proposed Old East Village CIP Evaluation Matrix

Indicator of Success	Target	Means of Measurement	Applicable Incentive
The residential neighbourhood plays an important within the context of the entire City	Population remains stable/increases over census period	5 year census	
Residential growth is strong for an identified period	Minimum of 150 residential units are constructed within a consecutive 5-year period	Building permits	Façade Improvement Loan
The neighbourhood provides a significant stock of affordable housing	Minimum 25% of all rental housing is affordable	Market surveys	
Vacancies are low and storefronts are well occupied	Maximum 5% vacancy rate on ground level commercial spaces	OEV BIA data/City	Upgrade to Building Code Loan
Quality uses on key storefronts	Minimum 75% of ground floor uses on key commercial streets are targeted uses	OEV BIA data/City	Tax Grant
Active streets	Minimum hourly pedestrian counts on key commercial streets on a selected Friday during the month of September for the following periods (1) 8-9AM; (2) Noon-1PM; (3) 5-6PM and (4) 8-9PM	Pedestrian activity count	DC Grant
Quality facades and storefronts	Minimum 80% façade and storefront graded A or B Condition (City rating)	OEV BIA data/City	

SOHO (applied to lands within the SOHO Area)

The goal of the SOHO CIP is to stimulate reinvestment by:

- accommodating appropriate infill & intensification;
- stimulating investment along the commercial corridors;
- harmonizing the delivery of recreational & social services;
- preserving neighbourhood & heritage character; and
- facilitating the redevelopment of a vibrant neighbourhood resulting in benefits for the neighbouring communities of Old South and Downtown.

Proposed SOHO CIP Evaluation Matrix

Indicator of Success	Target	Means of Measurement	Applicable Incentive
The residential neighbourhood plays an important within the context of the entire City	Population remains stable/increases over census period	5 year census	
Residential growth is strong for an identified period	Minimum of 50 residential units are constructed within a consecutive 5-year period	Building permits	Façade Improvement Loan
The neighbourhood provides a significant stock of affordable housing	Minimum 25% of all rental housing is affordable	Market surveys	
Vacancies are low and storefronts are well occupied	Maximum 5% vacancy rate on ground level commercial spaces	City survey	Upgrade to Building Code Loan
Quality uses on key storefronts	Minimum 75% of ground floor uses on key commercial streets are targeted uses	City survey	Tax Grant
Active streets	Minimum hourly pedestrian counts on key commercial streets on a selected Friday during the month of September for the following periods (1) 8-9AM; (2) Noon-1PM; (3) 5-6PM and (4) 8-9PM	Pedestrian activity count	DC Grant
Quality facades and storefronts	Minimum 80% façade and storefront graded A or B Condition (City rating)	City survey	

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Financial Incentives Provided Through CIPs

Presently the City of London has seven Community Improvement Plans through which 37 financial incentive programs have been approved (some of the programs have, however, never been funded and some have had funding discontinued). The financial incentive programs consist primarily of loans and grants; however, there are variety programs which can generally be summarized into the four types as shown in following chart.

Program Type	Program Examples	Description
Loans	Upgrade to Building Code Facade Improvement Non-street Façade Improvement Loan	No interest loans that are paid back to the City over a 10 year period. The loans are capped (current max. \$50,000 and based on percentage of cost of improvements). <i>This type of incentive is seen as being low cost to the City. The cost is cash-flow to cover the loans.</i>
Tax Grant	Brownfield Tax Increment Equivalent Grant Rehabilitation & Redevelopment Grant Heritage Tax Increment Grant Airport Tax Increment Grant	Tied to the increase in municipal property taxes that result from property/building improvement. The City provides a grant back of a portion of the tax increase. The City receives tax payments no less than prior to improvement. <i>This type of incentive is seen as being low cost to the City. The cost is delaying the receipt of increased tax.</i>
Other Grants	Forgivable Upgrade to Building Code Forgivable Facade Improvement Awning, Signage & Decorative Lighting Grant Tax Holiday Grant Industrial Corridor Enhancement Grant	Typically tied to small scale property and/or building improvement projects or site specific studies. These grants are capped (current max. \$25,000 and based on percentage of cost of improvements) <i>This type of incentive is seen as being moderate cost to the City.</i>
DC Grants	Industrial Residential Brownfield Heritage Development Charge Equivalent Grant	Widely used for a variety projects. There is no cap on the maximum value of the grant for the Industrial, Residential or Airport CIP programs, however the Heritage and Brownfield programs are capped based on costs of site improvement/remediation and/or cost of the heritage restoration. <i>This type of incentive is seen as being high cost to the City. The cost is foregone fees which cover capital costs associated with new growth, and that the costs are not fixed (no dollar value upset limit).</i>

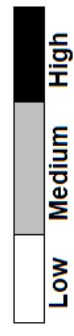
Evaluation of CIP Programs

The following matrix summarizes the initial review criteria being used to evaluate the programs currently offered by the City of London through the existing Community Improvement Plants.

Evaluation of CIP Programs

The matrix below provides an un-weighted scale from a hollow circle to a solid circle that is used to rate the existing incentive programs, with white box representing the most favourable or high condition and a black-filled box represents the most favourable condition or high. Black-filled represents High; grey-filled represents Medium; and white-filled represents Low.

Review Criteria	AIRPORT CIP		BROWNFIELD CIP			SoHo / D / OEVCIP		D / OEVCIP		INDUSTRIAL CIP		HERITAGE CIP	
	Tax Increment Grant	Property Tax Assistance	DC Rebate	Tax Increment Equivalent Grant	Contamination Assessment Study Grant Program	Façade Improvement	Upgrade to Building Code	Tax Grant	DC Grant	DC Grant	Tax Grant	DC Equivalent Grant	
Cost of Program	Medium	Medium	High	Medium	High	Medium	Medium	Medium	High	High	High	High	
Application Volume	Medium	Medium	Medium	Medium	High	Medium	Medium	Medium	High	High	High	High	
Sustainability based on funding source	Medium	Medium	Medium	Medium	High	Medium	Medium	Medium	High	High	High	High	
Link to Strategic Plan	High	High	High	High	High	High	High	High	High	High	High	High	
Are the CIP objectives being achieved?	Medium	Medium	Medium	Medium	High	Medium	Medium	Medium	High	High	High	High	
Impact of removal of program	High	High	High	High	High	High	High	High	High	High	High	High	
Impact of moderating program	Medium	Medium	Medium	Medium	High	Medium	Medium	Medium	High	High	High	High	



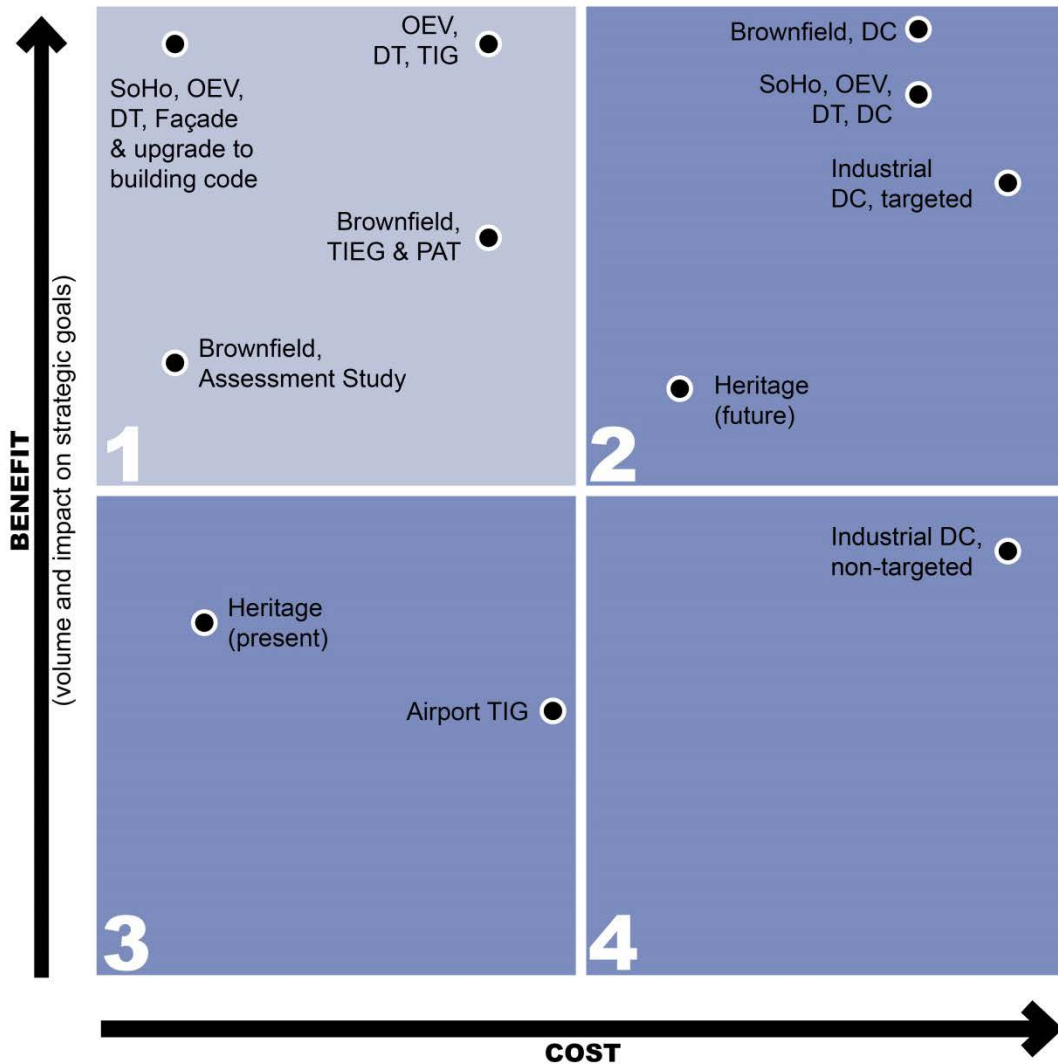
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Evaluation of CIP Objectives Being Achieved

Using the same ranking system as previously described, the figure below illustrates what the initial cost-benefit analysis of the existing incentive programs. Box 1 identifies low cost/high benefit; Box 2 identifies high cost/high benefit; Box 3 identifies low cost/low benefit, and Box 4 identifies high cost/low benefit to the City.



1	Keep	2,3,4	Evaluate further
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The following summarizes the Based on this assessments, staff would as a preliminary suggestion looks at three groupings, which would be subject to:

- Box 1: Keep programs, consider minimal changes to program guidelines, and possible funding revisions
- Boxes 2-4: Further evaluation of these programs, consider changes to eligibility of program, and potential funding changes for cost savings

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OTHER MUNICIPAL INCENTIVES OFFERED (NOT THROUGH CIPS)

There are a number of financial and other incentives that the City of London offers in addition to those financial incentives that are part of a Community Improvement Plan and its identified project area. These other types of incentives include height and density bonusing and a range of municipal activities related to economic development and land development activities within the city.

Through the public consultation meetings, Staff described the types of things that would be eligible for Community Improvement Plan incentives subject to Section 28 of the *Planning Act*, and other forms of "incentives" that do not require a community improvement plan. It was also noted that a Community Improvement Plan is required to establish community improvement incentives, and where such a Plan does not exist, there is a process that must be undertaken to first develop a Community Improvement Plan, and that any program developed under these Plans would each have their own requirements and eligibility. It was also described through the public consultation process that it is only through an adopted Community Improvement Plan that a City is able to make grants or loans to a business.

Forms of incentives outside of those provided through Community Improvement include bonusing and municipal investments and the provision of infrastructure

Height and Density Bonusing: *Planning Act*, Section 37

Municipalities may allow for Bonus Zones as provided under the Planning Act. This is a process to allow buildings to exceed the height and/or density of development otherwise permitted by zoning by-laws in exchange for community benefits. The City of London's Official Plan has policies and criteria that would permit a bonus, and numerous projects have been approved with a bonus provision. Bonusing permits increases in height and density of a development in return for the provision of facilities, services, or matters that benefit the community and results in public benefits such as public art or transit improvements to be provided to the community without increasing the financial burden on municipalities or their taxpayers.

Height and Density Bonusing supports intensification, growth management, transit and other community building objectives. It often provides site amenities to enhance the development site and the surrounding neighbourhood. Availing of a bonus in height and density is an incentive to developers, because it permits the development of more units to be sold or rented than would otherwise be permitted by the Zone.

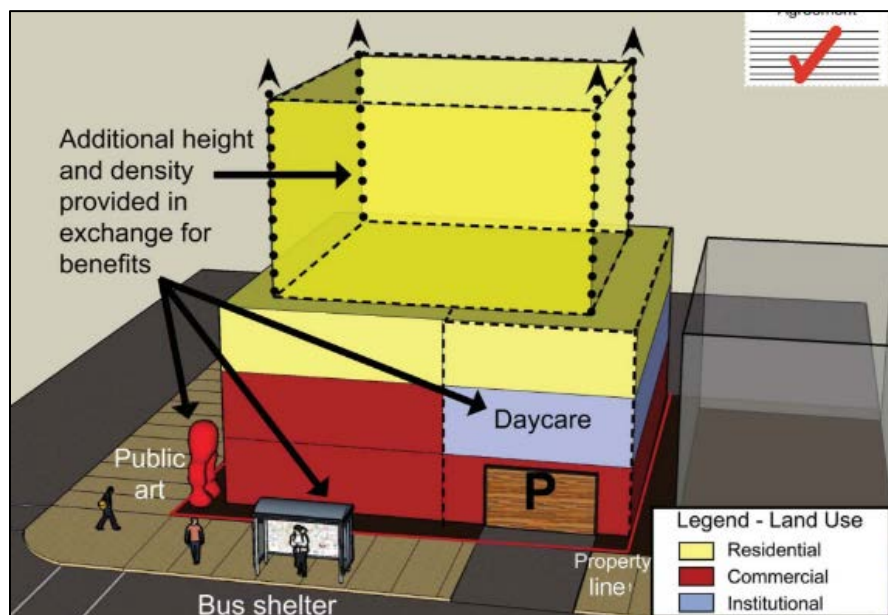


Image 1:
Example of Height & Density Bonusing

Source:
<http://www.mah.gov.on.ca/AssetFactory.aspx?did=7027>

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Municipal Investments and the Provision of Infrastructure

As a tool to foster and facilitate economic development and employment, the City of London actively undertakes planning, acquisitions, the provision of infrastructure and servicing, and the marketing and sale of employment lands for future industrial users. This is identified in the City of London’s Industrial Land Development Strategy 2014.

In addition to the incentive programs under the Industrial Lands Community Improvement Plan, the Industrial Land Development Strategy ensures that that industrial land sale prices of London’s industrial land is competitive compared to surrounding municipalities. The City also ensures that level of municipal investment in infrastructure such as roads and sanitary servicing is provided at a higher level to meet the needs of industrial users. The City also has an aggressive program of land acquisition to ensure that there is an adequate supply “shovel ready” serviced lands.

SUMMARY OF PUBLIC CONSULTATION

Who Was Contacted about the Review

In addition to the identified groups for inclusion in the public/stakeholder engagement process in Council’s resolution, Staff identified a number of additional key stakeholders to consult in the process. The range of stakeholders represents ratepayers, community and business groups, development industry, municipal staff, consultants, business representatives, and financial institutions. In addition to the public liaison asking the general public to participate in meetings, the list below identifies stakeholders who were invited to a series of meetings to provide input into the comprehensive review. The identified stakeholders were:

Ministry of Municipal Affairs and Housing	London Association Of Architects
London International Airport	London Consulting Engineers of Ontario
London Economic Development Corp.	London Area Planning Consultants
London Development Institute	Sifton Properties
London Chamber of Commerce	Corlon Properties/Sunningdale Golf Course
London Manufacturing Council	Bluestone Properties
Urban League of London	Auburn Developments
Argyle BIA	Drewlo Holdings
Downtown London BIA	Tricar
Old East Village BIA	Execulink
Hamilton Road Business Association	Z Group
Hyde Park Business Association	Fusion Homes
Old South Business Association	Norquay Developments
Lambeth Community Association	Sierra Construction
Gym World	Rembrandt Homes
Ontario Registered Music Teachers Assoc’n	Dancor

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Public Consultation Meetings

During the past number of months, the public and the identified stakeholders listed above were invited to a number of public meetings. A number of meetings organized by the individual stakeholder organizations were also held. The meetings held to date are listed below. In early June, four public meetings were also held, two of which were during business hours and two of which were held in the evening. Meetings were open to discuss all of the CIPs; however, to frame the discussion, two of the meetings (one daytime and one evening each) were focused on an “economic/employment” category of CIPs (Airport, Industrial and Brownfield), and the other two meetings were focused on the more “neighbourhood/residential” CIPs (Downtown, Old East, SoHo, and Heritage). Proponents requesting new CIPs were invited based on the subject matter of the proposed new CIP.

Meeting Dates:

- April 4 Building and Development Liaison Forum
- May 16 London Economic Development Corporation & Chamber of Commerce
- June 7 2 Public Stakeholder Meetings at the Stronach Community Recreation Centre
- June 8 2 Public Stakeholder Meetings at the Stronach Community Recreation Centre
- June 14 London Development Institute
- June 22 London Regional Manufacturing Council
- June 30 Progress London
- July 6 London Advisory Committee on Heritage

Framework for the Public/Stakeholder Consultation Discussion

In order to frame the CIP incentives review discussion, Staff presented a number of key considerations and messages regarding the incentive service review. These key messages and considerations included:

1. An overview of the February 2016 Council resolution;
2. What a Community Improvement Plan includes (including evaluation through Section 28 of the *Planning Act*, approval by Council, and the identification of a Community Improvement Plan project area where any subsequent incentives or other municipal actions may be undertaken in conformity with the CIP);
3. An overview of the seven CIPs within the City of London, the incentive programs under the existing CIPs, and the Council-approved but as of yet unfunded incentive programs in existing CIPs;
4. That, in addition to financial incentives through Community Improvement Plans, other forms of “incentives” are offered through different provisions of the *Planning Act* outside of Community Improvement, and also through municipal leadership actions of the City of London;
5. A summary of the categories of incentive programs including the general costs (to the municipality) and degree of certainty (fix versus unfixed costs) associated with different types of programs (i.e. Loans vs. Tax Grants vs. Other Grants vs. Development Charges Grants);
6. That based on the generally higher costs per grant application for Development Charges Grants compared to other forms of incentives, the focus of possible adjustments to programs will be on the higher cost incentive programs related to Development Charges;
7. The Multi-Year Budget has established a “budget envelope” for all CIPs and all incentive programs. Also noted was that although different reserve funds exist for different CIPs, there is only one municipal budget from which all programs may draw. Any modification to existing programs or introduction of new CIPs with new programs would be required

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to remain within the allotted budget developed within the Multi-Year Budget, unless Council was to consider additional funds for new or expanded CIP incentives.

8. Finally, in order to monitor and improve the existing CIPs and evaluate the effectiveness of incentive programs, objectives and monitoring are required. Similarly, any new CIPs with new incentives will require the identification of objectives and community goals and ways to quantify or qualify success in order to evaluate their eligibility or appropriateness for new plans and new programs.

Summary of Comments: “What We Have Heard” To Date

CIP	Public Comments Received to date
Airport Area	CIP remains in its infant stages. Continuation of this program is important to make the London International Airport a viable operation.
	How much vacant land is left in this CIP area?
	How many businesses have taken advantage of the program?
Brownfield	This CIP needs to be in place as new projects come forward over time. The programs are essential to redevelopment of sites (such as the former McCormick factory site) that may not otherwise redevelop because of significant financial burdens.
	How many brownfield sites have been identified?
	Is the incentive for new residential development only or could it be used to clean a site for new industrial uses?
	How many projects have taken advantage of this program?
Downtown	Does this program meet the PPS to provide infill and intensification projects?
	The impact of the existing incentives to retain existing and recruit new business to downtown should be studied and quantified to allow a thorough evaluation of the impact of incentives
	How many new residents have moved downtown?
	What is the effect of adding Richmond Row to the BIA DC exemption?
Heritage (City Wide)	What potential is there for redevelopment in the downtown?
	This is a program that will have to stay in place as new heritage properties come forward for redevelopment. These programs are essential to redevelopment of sites that provide future enjoyment of the built heritage but may not otherwise redevelop because of significant financial burdens, including the former McCormick factory site.
Industrial Area	How many buildings have used this program?
	Industrial growth is a strategic priority of London’s, including the 2014 Industrial Land Development Strategy: An Investment in Our Future; and CIP Incentives are a priority identified in the ILDS. When the CIP was introduced it was intended to bring high employment companies to the city like manufacturing plant not large warehousing buildings that only employ a few staff. This needs to be reviewed so that the original intent of the incentive is met.
	Waiving the industrial DCs is one of the only options available to the city to attract new industrial or manufacturing companies to come to London. Multiple Industrial companies have identified that without the 100% DC Grant, they would not have located in London or expanded in London. The London Regional Manufacturing Council recommends no reduction to the 100% DC Grant.
	Industry contributes \$5 billion to London’s GDP and approximately \$24 million in annual tax revenue to the city. London’s industries comprise over 500 established

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	<p>companies in sectors including: automotive, aerospace and defense, food and beverage processing, building supplies, automation and robotics, sporting goods, advanced materials and others.</p> <p>City needs to ask itself it wants Industrial jobs and Industrial growth, because if it does, then it needs to be competitive and that competition includes incentives to attract and retain Industrial businesses. To ensure London remains competitive, it must offer a value proposition competitive with peer communities. Incentives play an integral role in maintaining London’s competitive position. London has to stay competitive with Brantford, Kitchener and Dorchester. London needs to look at what other locations offer as incentives in peer municipalities – and to know that the peer municipalities are competitors all across North America, including “right to work” states.</p> <p>Industrial land is a buyers’ market, and companies have the choice of going wherever the mix of business costs are best (including incentives, labour, utilities, land costs, development fees, etc.).</p> <p>The City needs to see London as a “product”, and any negative response amongst Industry, such as would happen by introducing Development Charges, will reflect poorly on the “brand” of London and the “product” of locating in London or expanding in London</p>
	Is this a City wide incentive?
	What is the amount of tax dollar increase for lands granted this incentive in the past?
	Growth and investment is based on a mix of business costs, including: corporate tax rates; available talent and wages; utility rates; price of serviced land; property taxes; regulatory and development fees; and available incentives.
	Studies indicate Industry has a job multiplier effect of 1.8, much higher than other sectors of the economy.
CIP	Public Comments Received to date
Old East Village	The new residential development by Medallion in Old East Village is a prime example of the need for this CIP.
	When was this program initiated?
	Re-instating small grant components of the Financial Incentive Programs which encourage targeted types of business in our economic drivers of Food, Artisanal Producers, Arts, Culture and Unique Retail. Re-instating loans to improve the rear façade of buildings, many of which face on to the soon to be renovated Municipal Parking lots.
	Implement a program to encourage small scale, mixed use, infill developments by offering a commercial development charge exemption for small scale developments
	Designing the residential development charge exemptions to ensure that there is stability and clarity about what will be available. Real Estate is a long term investment and creating short deadlines which rush projects and create uncertainty will not incentivise well designed developments which support the City’s official plan goals for intensification on Rapid Transit Corridors. Modify the proposed Residential Development Charge Exemptions to prevent one area, or only a few developments from using all available grants.
	The removal of the vacancy tax breaks for commercial buildings, which provide a tax break to commercial buildings which are kept vacant. These vacant buildings hinder the success of adjacent businesses and developments as well as the renewal of the corridor as a whole.
SOHO	Area of incentive needs to expand beyond just the lots fronting onto Wellington Road.

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	<p>There should be no DC incentive for the South Street property because of the investment already made by the City in the cleanup and reconstruction of surrounding streets and services.</p>
	<p>Is this incentive now in place?</p>
NEW	<p>There should be a two tiered commercial DC recognizing that small business does not require the same level of infrastructure as major commercial development.</p> <p>Commercial recreation is understood as being a three legged table that represents the municipal role that the City of London plays in the delivery of sport and recreational programming:</p> <ol style="list-style-type: none"> 1. The municipality provides infrastructure for large venue activities and the organization of basic entry level participation of different activities 2. The non-profit sect administers activities at a basic level using municipal facilities and other high level programming catering to competitive athletes and teams 3. The private (for profit) entities, for the most part are small business run by local people who have a passion for their areas of expertise to fill in the gaps by providing an array of opportunities for area residents to enjoy <p>It is understood that without a balance in these three areas the whole system will fail. The City is facing a serious, systemic problem with respect to the ability of the private, for profit, Commercial Recreation sector to function within the current legislative requirements (e.g. bylaws, building code and development changes that must be adhered to). The City needs to be a partner in providing financial support to accommodate the supply of these activities.</p>
	<p>Criteria need to be determined to set a standard for when a program has been successful. What is the phase out plan for the incentives?</p>
ALL	<p>A cost benefit analysis needs to be conducted to determine that tax increase for properties that use the DC incentive. Has a cost benefit analysis been conducted to determine the benefit of future taxes compared to the amount of tax base paying the DC charge</p>
	<p>What is the dollar value spent on each program to date and what has been the tax increase on the properties? What is the amount of increase tax base from each CIP?</p>
	<p>Is there any record of the number of jobs created? How many construction and permanent jobs have been created within this area?</p>

In general, the feedback received to date has either been (1) support for the continuation of existing programs or rationales for the existing programs, or else (2) questions and requests for clarification. The questions have included the measurements to quantify program success, or clarifications on monetary value of programs, value of investments, number of users of program(s), or number of sites (or land area) that have availed of a given program. A number of the questions and clarifications require further study. A complete response to all public comments received will be included in the final staff recommendation report at the end of this service review.

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DESCRIPTION OF POTENTIAL COMMUNITY IMPROVEMENT PLANS

As part of the review process, the potential Community Improvement Plans and incentive programs are described below. These potential programs have been organized as New CIPs and Programs, Existing, but Unfunded Programs, and Former Programs, Currently Unfunded.

New CIPs and Programs

Hamilton Road CIP

Staff are currently preparing the study for a new CIP for Hamilton Road in response to the Council direction of February 16, 2016. This study was initiated in June 2016, and anticipated project completion is in April 2017.

Recommendation: Any new incentive programs stemming from the Hamilton Road CIP process will be considered as part of this incentive review. Possible sources of funding will be identified as part of the November report.

Lambeth Road CIP

Staff are currently preparing the study for a new CIP for Lambeth in response to the Council direction of February 16, 2016. This study was initiated in June 2016, and anticipated project completion is in April 2017.

Recommendation: Any new incentive programs stemming from the Lambeth CIP process will be considered as part of this incentive review. Possible sources of funding will be identified as part of the November report.

Expansion of Downtown CIP Boundary

In order to make changes to a CIP, including the plan boundary, the City would have to undertake a public review of the CIP. This process may also include an Official Plan amendment. Any potential boundary change would not guarantee alignment with the new boundaries of boundaries of the Downtown London Business Improvement Area, nor would any additional areas be eligible for intensive programs under the Downtown CIP.

This project is not on the Planning Services work plan for 2016-2017, and may be included in the 2018-2019 work plan.

Recommendation: Review the potential cost implications of applying the current Downtown CIP programs in an expanded Downtown CIP boundary to report out in the November report.

DC Rebate for Private, Publicly Accessible Sports & Recreation Facilities

The City of London builds, maintains and programs facilities for sports and recreational activities for all residents to enjoy. City recreational facilities do not meet the needs of some specialized activities and elite athletes, and these facilities are provided by private businesses. These specialized sports and recreational facilities often look to use existing building stock located within established areas, often in industrial building with high ceilings and large building footprints that can be converted for recreational use.

In addition to the costs associated with the building conversion, operators may also be required to apply for a zoning by-law and/or official plan amendments, undertake site plan improvements and pay development charges related to a change of use.

The City has been asked to consider developing a CIP that would establish a development charge grant for these types of uses. As noted in the introduction of this report, the purposes of community improvement are outlined in the *Planning Act*. In the *Act*, 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, public, recreational, institutional, religious, charitable or other

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uses, buildings, structures, works, improvements or facilities, or spaces therefor, as may be appropriate or necessary. The *Act* further states that a community improvement project area means a municipality or an area within a municipality, the community improvement of which in the opinion of the council is desirable because of age, dilapidation, overcrowding, faulty arrangement, unsuitability of buildings or for any other environmental, social or community economic development reason. From these definitions in the *Act*, the actual use of a building is not a basis for community improvement, it is the “age, dilapidation, over-crowding, faulty arrangement or unsuitability of buildings” of the buildings themselves. The conversion of a building from one use to another is not a matter considered as community improvement.

Recommendation: No further action be taken regarding the preparation of a Community Improvement Plan for private, publicly accessible sports and recreation facilities.

DC Rebate for Private/ Not-For-Profit Education Facilities

There are a number of exemptions the City of London’s Development Charge By-law including: publicly owned lands; those owned, used and occupied solely by a university, college, community college or school as defined in the Education Act; owned, used and occupied solely by a non-profit philanthropic, religious or educational seminary of learning or land leased and occupied by any of them if the land would be exempt from taxation if it was occupied by the owner; Land used as a theatre that contains fewer than 1,000 seats and that is used predominantly to present live performances of drama, comedy, music or dance; and large non-profit theatres.

The City has been asked to consider providing this exemption to not-for-profit educational facilities, including music schools as part of this Community Improvement Plan review. These facilities would also not meet the intent of community improvement in the same way that the provision of private, publicly accessible sports and recreation facilities would not meet the intent of community improvement as described above.

Recommendation: No further action be taken regarding the preparation of a Community Improvement Plan for private/not-for-profit education facilities.

Incentives for Environmentally Sustainable Buildings/Communities

Sustainable building refers to both a structure and the using of processes that are environmentally responsible and resource-efficient throughout a building's life-cycle: from site location, to design, construction, operation and maintenance. This can also include the renovation and restoration of buildings in older built up areas. New technologies are constantly being developed to complement current practices, the common objective of sustainable development is to reduce the overall impact of the built environment on human health and the natural environment. Following the province's direction, the City of London’s strives to “*plan for strong, sustainable and resilient communities for people of all ages...*” The City’s Official plan includes policies for the preservation of structures and natural areas as well as those for height and density bonusing of projects that “*support innovative and environmentally sensitive development which incorporates notable design features, promotes energy conservation, waste and water recycling and use of public transit*”.

“Improvement of energy efficiency” is a matter of community improvement as defined in the *Act*. The City’s current CIPs could be amended to provide programs related to energy efficiency, or a new, specific city-wide CIP could be prepared.

Recommendation: Review potential incentives under the City’s current CIPs to promote energy efficiency, including potential program costs, to report in November.

DC Rebate for Small Businesses

Defining “small business” for the purposes of a program that would meet the intent of community improvement is difficult. As part of this consultation exercise, staff have been discussing what small business means with various stakeholders. There is no consensus on

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what the appropriate parameters/definition would be (e.g. number of employees, size of property, size of building, size of addition).

Once defined, the small businesses that may be eligible for incentives could be aligned with the types of industries identified as targeted industries in the City’s Industrial Lands Development Strategy.

Recommendation: Review a potential small business incentive program as part of the Development Charges incentive program review to report in November.

Existing, but Unfunded Programs

Industrial Corridor Enhancement Program

The existing Industrial Corridor Enhancement Program was approved by Council as part of the Industrial CIP. This project is meant to help industrial property owners improve their properties where such properties are visible from important corridors such as the Veterans Memorial Parkway or Highway 401. The program however has never been funded.

Recommendation: Implement program provided savings can be realized through changes to the existing programs.

SOHO Tax Increment Grant Program and Residential DC Grants

As part of the SOHO CIP, Council approved a number of financial incentive programs in 2011, including the upgrade to building code and façade improvement loans, as well as a DC Grant and a Tax Grant. However, neither the DC nor Tax Grants have ever been funded. As a result no property owners have ever availed of these grants and consequently, the City has not been able to identify the success of these programs.

Recommendation: Implement the Residential Tax Increment Grant Program provided savings can be realized through changes to the existing programs. Review the DC Grant program as part of the DC program review, and implement the program provided savings can be realized through changes to the existing DC programs.

Former Programs, Currently Unfunded

Heritage Building Assessment/Condition Grant Program (Downtown/OEV)

This grant program offered assist owners of properties identified as priority 1 or 2 listed properties on the City’s Inventory of Heritage Resources or designated under Part IV of the Ontario Heritage Act that are located within the identified areas. The funds provide expert heritage/building assessment of the existing condition of a structure with respect to the conservation/restoration of the heritage features. The grant was a one-time payment that covered 50% of the cost of eligible consulting fees to a maximum of \$5,000 per building.

Recommendation: Implement the program provided savings can be realized through changes to the existing programs. Alternatively, consider changes to the Upgrade to Building Code and/or Façade Improvement Loan programs to include this program as an eligible cost.

Façade Improvement Grants (Downtown/OEV)

This grant program offered a chance for property owners in identified areas with street front façade improvements to obtain a no interest loan from the City, and subject to edibility criteria, a maximum of 50% of the annual loan repayments would be forgivable and granted back to the applicant. Loans are set at a maximum of \$25,000 per building, but may be increased by an additional \$5,000 if the property owner chooses to implement design details consistent with the City’s Facility Accessibility Design Standards, and increased by another \$5,000 if the property is designated under Part IV of the Ontario Heritage Act. Loans are provided to cover up to 50% of the cost of the eligible works that related to each discrete building, and are capped at \$25,000.

Recommendation: Implement the program provided savings can be realized through changes to the existing programs.

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Forgivable Upgrade to Building Code Grants (Downtown/OEV)

This grant program offered a chance for property owners in identified areas with upgrade to building code improvements that are often necessary to ensure older buildings comply with today's Building Code Requirements to obtain a no interest loan from the City, and subject to edibility criteria, a maximum of 50% of the annual loan repayments would be forgivable and granted back to the applicant. Loans are set at of 50% of the eligible costs to a maximum of \$50,000 per building, but may be increased by an additional \$5,000 if the property owner chooses to implement design details consistent with the City's Facility Accessibility Design Standards.

Recommendation: Implement the program provided savings can be realized through changes to the existing programs.

Non-Street Façade Loans (Downtown/OEV)

This program offered financial incentive to property owners within the identified areas to enhance non-street front façades, meaning portions of a non-street front building that is visible from an adjacent street or alleyway. Loans are set at a maximum of 50% of the eligible costs to a maximum of \$25,000 per building, but are eligible to be increased by an additional \$5,000 if the property owner chooses to implement design details consistent with the City's Facility Accessibility Design Standards, and increased by another \$5,000 if the property is designated under Part IV of the Ontario Heritage Act.

Recommendation: Implement the program provided savings can be realized through changes to the existing programs.

Awning, Signage, Decorative Lighting Grant (Downtown/OEV)

This grant provided financial assistance to property owners in designated areas for eligible street front exterior building improvements including awnings, signs and lighting. The grant was a one-time payment that covered 50% of the cost of the eligible works per building to a maximum of \$3,000 per building.

Recommendation: Implement the program provided savings can be realized through changes to the existing programs

Reactivating Tax Holiday Grant (Downtown/OEV)

This grant program offered financial incentive to property owners within the identified areas to encourage the leasing of ground floor space to a targeted uses, as identified by the respective CIP programs. The City of London provided a grant for a portion of the municipal property taxes paid which was based on the percentage of the total building area actively occupied by a ground level target use. The grant was provided on an annual basis and available for 5 years, starting in 2008 and ending in 2013.

Recommendation: Implement the program provided savings can be realized through changes to the existing programs

As part of the review to identify potential cost savings in existing programs that could support new programs, the implementation of approved, unfunded programs or the re-instatement of former programs, the costs associated with the Loan and Tax Increment Grant Programs will be reviewed to determine the actual costs to the City of these programs, as the loans are fully paid back to the City, and the Tax Increment Grant programs are funded through the increased municipal assessment attributed to the individual projects.

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RECOMMENDED NEXT STEPS

1. Continue the consultation program to:
 - a. Review and seek input on the proposed changes to existing incentive programs with a focus on the Residential Development Charges Grant Program and the Industrial Development Charges Grant Program.
 - b. Review and seek input on any proposed new programs to identify success measures, program requirements, and program costs.
2. Report back in the fall with recommendations regarding any new programs or changes to current programs that require consideration as part of the 2017 budget discussions.
3. Report back in the Fall with recommendations regarding any new programs or changes to current programs that can be achieved through cost savings to the current programs

PREPARED BY:	PREPARED BY:
AMANDA-BREA WATSON, MCIP, RPP PLANNER II, URBAN REGENERATION	TRAVIS MACBETH, MCIP, RPP PLANNER II, LONG RANGE PLANNING AND RESEARCH
SUBMITTED BY:	RECOMMENDED BY:
GREGG BARRETT, AICP MANAGER, LONG RANGE PLANNING AND RESEARCH	JOHN M. FLEMING, MCIP, RPP MANAGING DIRECTOR, PLANNING AND CITY PLANNER

July 27, 2016
AW/TM/GB
"Attach"

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Written Responses to Consultation

Stakeholder	Submission	Date
London Region Manufacturing Council	London Region Manufacturing Council Position on Industrial Development Charges	July 17, 2016
London International Airport	Letter Re: London Airport – Community Improvement Plan	May 30, 2016
Mike Inglis (Commercial Recreation)	Overview of the current state of the private commercial recreation sector in London Copy of Ministry of Tourism and Recreation Act (R.R.O. 1990, Regulation 797) Recreation Programs Letter of Support from Dive Canada Re: Proposed Multi-Sport Training Centre Development by Gymworld Inc.	June 7, 2016
Progress London	Letter Re: City's Community Improvement Programs Review	June 29, 2016
Sierra Construction	Letter Re: City Invetive Program Review	July 5, 2016
Old East Village	Cover Letter to Planning Old East Village CIP Incentive Report Letters from: - London Potters Guild - Root Cellar - Medallion - Ken Keane	July 18, 2016
London Society of Architects	Email	July 19, 2016

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**London Region Manufacturing Council Position on
Industrial Development Charges**

Contents

1. Introduction
2. Manufacturing in London
3. Current Conditions and trends
4. Industrial Development Charges Review
5. Program Changes Under Consideration
6. Potential Impacts to London's Economy – Case Studies
7. LRMC Recommendations
8. Appendix: Letters from London Mfg's Opposing any Changes to Current IDC Policy

July 17th, 2016

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2. Manufacturing in London

The manufacturing sector generates an estimated \$5-Billion-dollar contribution to London’s Gross Domestic Product and approximately \$24 Million in annual tax revenue for the city. It is comprised of over 500 established companies in sectors including: automotive, aerospace and defense, food & beverage processing, building supplies, automation & robotics, sporting goods, advanced materials, and others.

StatsCan CANSIM Table 282-0131, Geography = London, Ontario

North American Industry Classification System (NAICS)	2011	2012	2013	2014	2015
Total employed, all industries	237.7	242.3	240.4	243.0	252.0
Agriculture	2.0	2.4	3.1	3.5	3.8
Forestry, fishing, mining, quarrying, oil and Gas	x	x	x	x	x
Utilities	x	2.0	x	x	x
Construction	15.5	14.6	16.4	16.4	16.8
Manufacturing	29.2	29.0	27.4	27.1	32.0
Wholesale and retail trade	34.2	36.6	39.7	37.2	37.2
Transportation and warehousing	9.5	11.2	11.2	11.8	9.8
Finance, insurance, real estate, rental and leasing	20.1	18.8	17.0	16.4	18.4
Professional, scientific and technical services]	13.8	15.6	13.8	12.6	14.6
Business, building and other support services	12.0	11.0	11.2	12.0	15.0
Educational services	22.1	19.5	18.1	22.5	22.6
Health care and social assistance	35.1	35.9	37.8	36.7	35.8
Information, culture and recreation	8.8	9.9	8.9	10.0	7.1
Accommodation and food services	14.8	14.9	17.7	17.4	19.0
Other services (except public administration)	12.5	10.6	7.8	8.2	8.9
Public administration	6.8	9.8	8.6	9.9	9.8



Advanced Manufacturing
 London's advanced manufacturing future will rely on high automation, robotics and technology to produce high value products.

EMPLOYED: 32,000+



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3. Current Conditions and Trends

It is no secret manufacturing in London struggled immensely during the global economic recession. The province of Ontario shed thousands of jobs as large multi-national plants shut down operations permanently, notably including: Electro-Motive Diesel / Caterpillar (560 jobs) and Kellogg’s (500 jobs) in London. Manufacturing employment reached a low of 27,100 by the end of 2013. However, London’s manufacturing sector has enjoyed a resurgence over the past few years, reaching 32,000 employed by the start of 2016. Nearly 4000 jobs were added in the manufacturing sector in 2015. The majority of plants are busy, many growing and preparing for expansion and adding to their workforces.

London FreePress / Stats Canada – Jan 29th, 2016

- 31,700: Number employed in the manufacturing sector in December 2015
- 27,900: Number employed in the manufacturing sector in December 2014

However, continued growth and new investment in the city depends on a complicated mix of business costs companies assess when choosing a location to grow and invest, including:

- Corporate Tax Rates
- Availability of Talent and Wage Rates
- Utility Rates (Electricity, Gas, Water)
- Price for fully-serviced land
- Property Taxes
- Regulatory and Development Fees
- Available Incentives

Strengths

- Low Canadian dollar directly benefits exporters. Due to London’s close proximity to the massive U.S. market, London’s manufacturing sector serves nearly 150,000 consumers within a one-day transport truck drive.
- Historically low interest rates are conducive to investment.
- Highly educated workforce. The strength of Canada’s public school system and the existence of renowned educational institutions with engineering and practical manufacturing techniques means the region is well known for talent.
- Generally low predisposition to union activity. Estimated at less than 7% outside the public sector.
- Research facilities such as Fraunhofer Project Centre for Composites Research, The WindEEE Dome facility for Wind Research, and the new Fanshawe Canadian Centre for Product Validation are all rare North American resources for innovative manufacturers.

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Challenges

- Over the past decade, energy costs have increased from just under 6 cents per kilowatt to just under 10 cents, with further increases to come. Ontario has gone from one of the cheapest jurisdictions for energy costs in North America to one of the most expensive.
- Federal and Provincial levels of government are committed to enhancing public pensions, resulting in higher payroll taxes for employers. And both governments are determined to fight global warming, with the Ontario government preparing to join a cap and trade system to lower emissions. That too will raise the costs of doing business for manufacturers in Ontario.
- The endlessly expanding compliance of the province’s regulatory conditions manufacturers face.
- Wage rates. In an increasingly global economy, London is competing with China, Southeast Asia, Mexico and many other nations with lower average costs for labour.
- Different rules for different jurisdictions on the practice of directly incenting a business to locate in an area through financial “bonusing” or waiving of taxes.

In order to ensure London remains an attractive location for growth and investment in manufacturing, it must offer a value proposition competitive with our peer communities. Incentive programs play an integral role in maintaining London’s competitive position.

4. Industrial Development Charges Review

This incentive program constitutes part of Council’s [Industrial Land Development Strategy](#), designed to make London competitive in attracting new industrial uses and noted as “An Investment in our Future”.



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As part of the strategy, and the associated community improvement plan, the City develops industrial subdivisions, purchasing land and fully grading and servicing it, to sell to prospective industrial uses at prices competitive to other communities vying for investment. The London Economic Development Corporation & The London Region Manufacturing Council have expressed strong support for the program in the past, recognizing long term planning as an important part of London's efforts to continue growing existing industrial facilities and attracting new plants to the city.

"Financial Incentives can play a large role in London's Industrial Land Development Strategy. In addition, 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 Community Improvement Plan (CIP)." (Page 41)

The CIP provides a grant for 100% of development charges owing for industrial development. The development charges are not paid by the developer and a municipal contribution is made to the City Services Reserve Funds. It is intended to attract and grow industries stimulating job growth and creating long term economic benefit to London's economy because of the unrivaled "Multiplier Effect" of manufacturing as compared to other sectors.

What is a manufacturing "Multiplier Effect"?

Studies have indicated that for everyone 1 manufacturing job, 1.8 other jobs are created.

<http://www.industryweek.com/global-economy/competitive-edge-manufacturings-multiplier-effect-its-bigger-you-think>

<http://www.themanufacturinginstitute.org/Research/Facts-About-Manufacturing/Economy-and-Jobs/Multiplier/Multiplier.aspx>

https://www.rockwellautomation.com/resources/downloads/rockwellautomation/pdf/about-us/company-overview/Multiplier_Effect.pdf

No other industry has that great of a multiplier. Investment in manufacturing has a greater impact on other sectors than any other industry, and creates jobs in other sectors, including:

- Construction
- Sales and Marketing
- Logistics
- Tools and Equipment
- Property Maintenance
- Software and IT support
- Automation
- Safety Supplies and Janitorial Supplies
- Food Services
- Accounting services
- Etc.

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For context, below is a list of our peer communities offering Zero industrial development charges as an incentive to induce investment and growth:

- Woodstock
- Ingersoll
- Middlesex County
- Chatham
- Windsor
- Niagara
- Hamilton
- Sault Ste. Marie
- Halton Hills

Recent History of Major Industrial Investments Attracted to London

Company	Recent Activity	Date (Year)	Employment
Natra	Purchase of 100,000 SQF industrial building for chocolate manufacturing to serve as hub for North American production.	2013	60 f/t jobs
Samsung	Lease of 100,000 SQF building for solar panel manufacturing.	2013	200 f/t jobs
Dr. Oetker	Greenfield Investment – Purchased 66 acres and erected a 250,000 SQF pizza manufacturing factory in Innovation Park to be hub of North American production.	2012	150 f/t jobs
Columbia Sportswear	Purchased two industrial buildings totaling 750,000 SQF.	2012	190 f/t jobs
Arvin Sango	Greenfield Investment – Purchased 13 acres and erected a 130,000 SQF autoparts manufacturing facility in Innovation.	2011	100 f/t jobs
The Original Cakerie	Greenfield Investment – Purchased 25 acres and erected a 150,000 SQF cake manufacturing facility in Innovation Park to be hub of North American production.	2008	150 f/t jobs
Hanwha	Greenfield investment – Purchased 25 acres in Innovation park and erected 150,000 SQF factory for counter top manufacturing.	2008	150 f/t jobs

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5. Program Changes Under Consideration

City Staff believe that significant savings to existing incentive programs may be possible. While all the incentives should be evaluated through a service review, two specific opportunities are highlighted and should be considered through a thorough public engagement process. Following that process Staff can report to Council with proposed changes to the relevant Community Improvement Plans for consideration. The two areas recommended for consideration through the engagement program are:

- a) Consider a more targeted approach to the development charges grants for industrial uses, such that the program aligns with the attraction of key industrial sectors and those types of industrial uses that generate the highest levels of employment.*
- b) A stepping down of the development charge grant should also be considered.*

6. Potential Impacts to London’s Economy – Case Studies

Manufacturer #1) – Mid-Sized Multigenerational London Manufacturing Company

“Hundreds of thousands of dollars in charges would have forced us to look into more economical long term places to set up shop. And honestly operating in London even without the charges is probably not the best option in the area for most small/mid-sized manufacturers economically - including us.

Strategically any move away from supporting the manufacturing sector is a strategic disaster for any economy because it is a primary service with so much spin-off (far more than the technology sector I suspect). Once someone sets up or expands their facilities in London I have to believe the ongoing return for the city far outweighs a one-time fee that could scare a lot of people away.”

Manufacturer #2) – Small Manufacturer, rapidly growing.

“We are already exploring another addition for the future, possibly doubling our size currently (from 30000sq ft to 60000sq ft). If the City instituted any industrial development charges, I definitely would not go ahead with it.”

Manufacturer #3) – Midsize “High Tech” Privately Owned Manufacturing Company

“This would have a negative impact on our future expansion plans. Low interest rates and a low Canadian dollar are now providing the kindling necessary for local manufacturers to consider business expansion. These factors heavily influenced our decision in 2014 to proceed with our business expansion and have since become even more favourable in recent months. These conditions are a golden egg for the City; they come at no cost. Were DC’s to be enacted the City would likely need to offset them with other incentives to attract business expansion. So, why enact DC’s in the first place?

Should the City proceed with DC’s this will negatively impact our plans for future expansion and we would have to consider other locations.”

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Manufacturer #4) – Large Multi-National Corporation with Plant in London

"We would take a hard second look at expanding in London if we had to pay industrial development charges. We have plants elsewhere, also in Ontario and the fact that we don't currently have DCs in London is a compelling reason to invest here.

The City is taking a very short term view on this topic. Also to consider are the spin off benefits of an industrial construction project, including investment multipliers, direct and indirect jobs etc etc (see below – provided by LEDC). We pay \$200,000 per year in property taxes. From a City service perspective, we really don't receive many services from the City. So if the City instituted industrial DC's & we chose not to invest here how long would it take the City to recover the cost of us not expanding here? There would be no revenue from DC's and no increased tax revenues.

The argument from the City is that businesses/development should pay their own way. I have a hard time seeing where it doesn't pay for itself and more if the City would focus on the long game. Every other major investment like roads, the Bud Gardens, sewers, the proposed BRT, is a long term investment. The City's support of businesses new or existing that want to invest in the City should also be seen as a long term investment."

In this particular case, based on the proposed \$15 million investment and addition of 15 jobs, the following spin-offs are projected:

Direct and Indirect Jobs (using economic multipliers)	30
Expected increase in earnings	\$1.5 million
Direct and Indirect investment (using economic multipliers)	\$26 million
Construction impact:	
- New assessment increase	\$7 million
- Annual contribution to municipal taxes	\$300,000 annually
- Employment created through construction	65
- Income created through construction	\$5 million

Keep in mind, along with the 4 expansions detailed above comes significant job creation at each facility. The examples above would create upwards of 100 new jobs at the 4 plants alone, plus all the spin-off jobs.

These were only 4 examples. Now consider that in 2015 alone, the city of London received 68 Industrial Building Permit requests at a value of \$22,080,990.

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CHART 5 | Building Construction Activity (in \$millions)

Source: City of London

	2012		2013		2014		2015	
	Permits	Value	Permits	Value	Permits	Value	Permits	Value
Residential	2459	\$485.88	2472	\$519.43	2745	\$601.12	2495	\$432.90
Commercial	515	\$125.99	468	\$83.72	411	\$95.66	439	\$130.07
Industrial	83	\$33.18	91	\$43.37	76	\$24.00	68	\$22.08
Institutional	172	\$129.23	189	\$81.26	198	\$92.84	169	\$123.68
Other	1012	\$4.44	1091	\$4.22	1016	\$4.89	876	\$2.90
Total	4241	\$778.72	4311	\$732.00	4176	\$818.53	4047	\$711.63

This does not account for the untold millions lost in year to year tax generation both through jobs and property tax assessment.

7. LRMC Recommendations

It is the recommendation of the London Region Manufacturing Council NO CHANGES be made to existing industrial development charge policies. We believe strongly any reduction in the incentives available to local industry is short-sighted and will result in the loss of thousands of existing and potential jobs, as well as future tax assessment of exponentially higher value than short term gains in the form of one-time development charges for industrial construction. London would threaten its residual tax revenue by jeopardizing its appeal to industrial investors and risking the loss of countless dollars in long term annual tax revenues and job stimulus generated at new and growing industrial facilities.

Following a long period of austerity in manufacturing as the sector aimed to survive a global economic recession and given that Export Development Canada predicts manufacturing exports to increase 11 per cent in 2015 and another 6 per cent in 2016, there are valid reasons to believe manufacturers are poised to make significant investments in the region. A change to industrial development charges could result in London losing out on its share of these investments.

In conclusion, there is little doubt the lack of industrial development charges in London have played a strong role in attracting new business and spurring the growth of existing industrial businesses in the city. Changes to this incentive have the potential to harm London's economy in the long term, risking the livelihood of local citizens for short term gains while sending a clear message to manufacturers around the world and at home that London does not wish to compete for their investment.

Sincerely,
Jason Bates
General Manager
London Region Manufacturing Council

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8. Appendix:

For consideration of London City Council;
Implementing any level of Development charges for Industrial Development would expectedly eliminate London from consideration by new companies looking to locate in the area. These companies have many location or expansion options available to them to consider and DC's are a common non-starter. Additionally, many local London companies would second guess planned expansions if they had to pay DC charges. This would undermine planned local company growth or even prompt them to look at other jurisdictions to move their business into that favoured the planned expansion. Since it is commonly understood that municipalities look to attract manufacturing businesses to the area to strengthen the local economy, why would the municipality look in favour on any policy that directly opposed this effort?

Realistically, any expected economic benefit from collecting development charges would not be actually realized because these DC's would eliminate any interest from the potential companies. By losing the opportunity to attract the new company, London would also lose out on long term annual tax revenues, lost jobs, lost work for local industry and the lost multiplier effect in the community from those relationships. We oppose any implementation of Industrial development charges.

Respectfully,

Kevin Schildroth

General Manager

Abuma Manufacturing Limited

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I am very concerned to hear that the City of London is considering the implementation of industrial development charges in the future. This change, should it move forward, would put London in a very uncompetitive position relative to surrounding communities and would have a negative impact on our ability / desire to continue to grow our manufacturing business in this region. The absence of industrial development charges was definitely one of the key reasons that we selected London as the location for our new facility back in 2006. The implementation of a development charge scheme will be a step backward for the City of London in terms of attracting and retaining manufacturers.

Sincerely,

Chris Campbell, P.Eng, MBA
Chief Executive Officer



Voice 519.451.9995 Ext 227
Mobile 519.851.1651
Fax 519.451.3230
ChrisCampbell@tubeform.ca
www.tubeform.ca

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TriHQ Inc has been in operation in London for 45 years on September 1, 2016. Our existence has and continues to rely almost completely on the existence of manufacturers in the city of London. We are that add on company, and those multiplier jobs, created because manufacturing exists here. No other industry will drive the additional jobs that manufacturing does and will; the facts make that statement simply undisputable.

It's a competitive world and if we as a city want to continue to grow, to be relevant, manufacturing will be the key. As a city we should be looking at how we improve our competitive position to attract advanced manufacturing not at how to minimize the negative impact of our choices.

Start with where the jobs will come from and the rest will follow.

Bill Smith
Vice President & General Manager



POWERING INDUSTRY SINCE 1971
FLUID POWER SERVICES | HOSE HEADQUARTERS | PARKER STORE

1012 Hubrey Road, London, ON N6N 1B5
PH 519.681.1182 | CELL 519.878-3983 | FAX 519.681.2636
bill.smith@trihq.ca | www.trihq.ca

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July 12, 2016

Jason Bates
London Region Manufacturing Council
519-854-7001

Dear Jason,

As you are aware Bosco and Roxy's has been growing significantly over the last 5 years. We join you and the LRMC in opposing any further financial impediments to our growth that are being contemplated by the city of London-specifically industrial development charges. While in our accelerated growth mode capital is always a carefully managed variable. My wife and I are constantly making decisions about when and how to grow our company while working within the constraints of our access to funding.

At Bosco and Roxy's we are always evaluating if we have sufficient space to accommodate our growth and we have even consulted with city officials about the idea of expanding in our current location. This expansion would come at considerable cost, if we also had to include the cost of development fees we will be forced to examine other options that may include relocating. Of course, a jurisdiction nearby without those fees would be an option definitely worthy of consideration and I can only assume any prospective manufacturer considering London would contemplate the same.

I believe a longer term strategy where the city of London fosters a robust environment where industry can thrive and stand out among a competitive field should be pursued. The long lasting effects of greater employment and tax revenue will endure the short term gains of charging manufacturers more to locate in London.

Sincerely,

Jaymie Crook

J. Crook
President, Bosco and Roxy's

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Planner: A. WATSON/T. MACBETH



Date: 12th July 2016

Subject: Proposed Industrial Development Charge Policy Changes

To: London Regional Manufacturing Council

To whom it may concern,

On behalf of The Original Cakerie, I would like to indicate our strong opposition to any changes to the city's current industrial development charge policy.

As I stressed at the recent meeting; the decision to open The Original Cakerie facility that was established here in London 7 years ago, was made following extensive consideration of other locations both in Canada and the US. It is our opinion that without the incentives provided through the existing industrial development charge policy, it is likely that the facility and the 250 jobs provided here in London would have gone elsewhere.

Also, it is important to reiterate that at the time this facility opened we were under the ownership of a Canadian family and they were clearly committed to establishing and maintaining a business presence in Canada, providing the business case was evident and the current policy supported that case.

However, we have been owned by a San Francisco based private investment group since January of this year and their objective is to grow the business two-fold in the next 5 years.

This added dimension makes the current policy even more important in terms of retaining the attraction of business growth here in London, because our new owners are clearly fully aware of the incentives being offered in the US and this could take business and jobs away from this region.

Once again let me reiterate that The Original Cakerie is firmly opposed to any changes in the current policy and arrangements, and we feel that any changes would have a significant negative impact on the growth of this and other businesses, as well as damaging the local economy.

Thank you
Regards

A handwritten signature in blue ink, appearing to read 'Brian Gallacher', with a horizontal line underneath.

Brian Gallacher
Senior Manager of Employee Experience
& Corporate Health and Safety

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Checkfluid Inc.
4070 Eastgate Cr.
London, ON,
N6L 1B2
Ph: 519-652-6373
Fax: 519-652-0392
www.checkfluid.com

July 12, 2016

To whom it may concern,

I am writing to express my opposition to the City of London's potential new industrial development charges.

Over the last few years, Checkfluid has seen considerable growth. Five years ago we purchased a building that had extra land available to allow for future expansion. We have spent considerable time and money working with the City to get City sewer and water to our property. We need the services to allow for future expansion and growth. If the city were to move forward with the industrial development charges, it would be another major obstacle and frustration in continuing our planned growth and expansion.

I sincerely hope that you look at the LRMC's data and my company's business situation and stop any industrial development charges.

Best regards,

A handwritten signature in black ink that reads "Mike Hall".

Mike Hall
President
Checkfluid Inc.
4070 Eastgate Crescent,
London, Ontario, Canada
N6L 1B2
Phone: 519-652-6373
mhall@checkfluid.com

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July 12, 2016

To Whom It May Concern;

Please be advised that we strongly oppose any plan to begin applying a development charge should any London manufacturer decide to expand their current facility or build a larger facility within London. Many other local communities in very close proximity to London do not apply development charges, providing an easy path to move out of London all other costs being relatively equal.

We wholeheartedly agree with the LPMC Recommendations which state "... We believe strongly any reduction in the incentives available to local industry is short-sighted and will result in the loss of thousands of existing and potential jobs, as well as future tax assessment of exponentially higher value than short term gains in the form of one-time development charges for industrial construction. London would threaten its residual tax revenue by jeopardizing its appeal to industrial investors and risking the loss of countless dollars in long term annual tax revenues and job stimulus generated at new and growing industrial facilities. ..."

We respectfully submit that no changes be made to the existing development charge process.

Sincerely,

Richard Boothroyd
General Manager
Modus Medical Devices Inc.
1570 North Routledge Park
London, ON Canada N6H 5L6

www.modusQA.com
rboothroyd@modusQA.com

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Planner: A. WATSON/T. MACBETH

Mr. Jason Bates
EMC Canada



July 11, 2016

Dear Jason,

I am writing this letter on behalf of the owners of Starlim North America Corporation in support of the London Regional Manufacturing Council's position not to change the industrial development charge exemption.

As you are aware, our company is planning a significant expansion to its London manufacturing facility. We are adding over 165,000 square feet which is an expansion of over two times our existing size. The total investment is in excess of \$25 million and we plan to add a significant number of jobs over the next 5 years as we continue to bring new production equipment online. This capital investment would not have occurred if the cost to expand in London were not in line with the cost to expand elsewhere.

As a foreign owned corporation, our parent company makes yearly decisions on where to allocate strategic capital investments. With manufacturing plants in Germany, Italy, Austria and Ontario (Guelph) we compete for those directed funds to grow our own market. The last thing we need is a reason for the investment to go to another location.

I fully understand the City's position that "growth should pay for growth". However, I would urge the City to take a more holistic approach and bear in mind the benefits that manufacturing companies bring to the City. Unlike retail industries, manufacturing companies bring in external dollars and redistribute them within the City. We are hiring people who are buying houses and paying taxes and creating spin off benefits that far exceed the cost of a development charge that may be levied against it. Further, the vast majority of manufacturing companies in London today are not the stodgy, dirty and old facilities we typically envision when we speak about manufacturing. They are advanced manufacturers, meaning they operate state-of-the-art automation and utilize technology that is unique to the province, country and sometimes the world. Most importantly, they need people to operate their equipment. Our manufacturing companies invest time and resources to train a pool of skilled people that become unique and in-demand in the industries in which they operate. This is the type of holistic, long-term thinking that the City should recognize when entertaining an idea that would make it more costly to expand in London.

The City of London has an opportunity in front of it by keeping the industrial development charge exemption as is. In the long run, by maintaining the status quo, the City will retain its competitive advantage and not provide a reason for investments to go elsewhere.

Sincerely,

Vijai Lakshmiathan
Vice President



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Planner: A. WATSON/T. MACBETH



May 30, 2016

Mr. J.M. Fleming
Managing Director, Planning and City Planner
Corporation of the City of London

Dear Mr. Fleming:

Re: London Airport – Community Improvement Plan

London International Airport continues to grow and fulfill its mission as a “world class airport that connects our community to the world and enhances the economic and social prosperity of our region”. The Airport is an incorporated non-shared company that together with its many businesses contributes over \$250 million in Economic Impact to the region, over 1000 jobs, and close to \$2 million in Municipal Property Tax.

The Airport continues to have an excellent relationship with the City of London and works closely with the London Economic Development Corporation, Tourism London, The London Chamber of Commerce and other organizations in further developing our community. The Airport Area Community Improvement Plan (CIP) designation that we received in 2007 is an important tool that we use to attract and retain aviation businesses. It has been used successfully by several businesses since its inception, but we believe it remains in its infant stages and the benefits of the program are now beginning to pay dividends.

Airport and aviation development has long planning cycles and we continue to talk to numerous aviation companies that are interested in London. Many of these companies require skilled employees with post-secondary training. With both Fanshawe College and Western University having aviation programs there is growing interest in the aviation sector in our community. We have been actively promoting the benefits of the CIP over the last several years and we believe the relevance and benefits of this program are going to bring tangible economic benefits and employment to our community.

We appreciate the excellent partnership that we continue to foster with the City of London and we strongly advocate for the continuation of the CIP program.

Sincerely,

Michael Seabrook
President and C.E.O.

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Overview of the current state of the private commercial Recreation sector in London.

To para-phrase the words of Bill Coxhead the head of the Parks and Recreation Dept.- Commercial Recreation is understood as being a three legged table that represents the municipal role that the city of London plays in the delivery of sport and recreational programming.

1. the municipality provides infrastructure for large venue activities such as ice arenas, outdoor soccer fields and baseball diamonds and the organization of basic entry level participation of different activities.
2. the non-profit sector administers activities such as soccer, baseball and other organized activities at a basic level utilizing municipal facilities and other higher level programming catering to competitive athletes and teams across a wide range of sports
3. the private (for profit entities), for the most part are small businesses run by local men and woman who have a passion for their areas of expertise to fill in the gaps providing an array of opportunities for area residents to enjoy activities such as Rock Climbing, karate, dance, Cheerleading, Gymnastics, Volleyball as well as specialized indoor Baseball, hockey and multi-sport training centres.

It is understood that without a balance in these three areas, the whole system will fail.

The City of London is facing a serious, systemic problem with respect to the ability of the private, for profit, Commercial Recreation sector to function within the current environment of legislative requirements. ie: current bylaws, building code requirements and development charges that are deemed to be adhered to.

There was once a time when specialized recreational activities were run out of church basements and back alley warehouses. However today, policies exist that require operations to be located on Arterial roads or secondary collectors, not be located in industrial areas where rents are lower and are to conform with current building codes, as well as life safety and accessibility standards. This fact is creating a situation whereby there is a shrinking supply of suitable facilities for this sector to operate out of. Some existing businesses are finding themselves in non-compliant facilities, others are in need of adding capacity, but are finding themselves financially strapped in their ability to expand. A new supply of suitable facilities need to be built to meet the demands of a growing city, as the general public has a desire for "Great recreational spaces" as the London plan states.

The city is full of entrepreneurial men and woman, running small businesses in this sector and want to invest in their areas of interest, providing a required community need-but need some support.

A city-wide CIP designed to support this sector to survive and flourish is required to help the programs we are all accustom to , and allow them to meet the needs of this growing city, today and into the future.

Massive investments are required to provide the needs of specialized sport and recreational activities including music and arts programs. The city needs to be a partner in providing financial support to accommodate the supply of these activities.

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Currently there are NO direct programs available to help support Children's Commercial Recreation establishments. Given the hundreds of thousands of dollars that can be required to meet statutory requirements including the cost of zoning changes where CR zoning it not already applicable, building code requirements, as commercial recreation within the building code requires A2 occupancy; requiring in most cases a sprinklered facility, as well as meeting all Accessibly and Life safety requirements, not to mention the Development charges that may be applicable under a change of use permit.

As a real life example, our business Gymworld Inc. was established over 14 years ago and is struggling to expand and provide our services that the public is demanding. Gymnastics in London has been at capacity for a couple of years now. All of the larger clubs have wait lists every session and have a growing number of higher level athletes that require updated facilities to train in. Ours, like many other facilities in London, share our specialized facilities with other unique groups to provide training facilities that are not obtainable else where. In our case, we partnered many years ago with the Forest City Diving club to house their dry land training, that has helped their athletes obtain amazing result on the national as well as international stage. Please see attached letter of support from Dive Ontario, dated Feb 17, 2015 from when we addressed the SPPC regarding support for relief from DC's.

The problem is there are NO suitable buildings in our area that exist to house our specialized needs. We are at a loss as to how to come up with a business case to invest literally millions of dollars to build what is required, when the user fees that are deemed acceptable do not cover the investment or carrying cost of the investment required if privately made. Unless our sector can find some relief to the "cost" of doing business, there many very well be a "new" higher user cost of providing our services that may be too much for the average consumer to pay. Or as an alternative the true cost of doing business may not allow for existing enterprises to continue.

This sector requires monetary support from the municipality.

A reasonable program that could exist within a city wide CIP to support this sector would be a Tax levy supported program, by which there could be a significant reduction of the corresponding property taxes for a qualifying business or other direct funding policies. Language has already been developed by the previous Federal government in determining a qualifying children fitness activity, (as well as music and art based activities), as well the Ontario government has also defined Children Recreational Providers. This method could help existing, expanding or new business carry the load of whatever crimping costs they may come across such as development charges, rectifying building code deficiencies, meeting accessibility standards or covering the costs of commercial rents/mortgages that a suitable facility will cost.

Small businesses that operate in this sector have different needs, but the common thread is a need for supplemental funding support to provide " Great recreational" programming. We hope by bring this situation forward, that more questions than answers presents themselves, and that staff and council elevate the current state of affairs as a priority to deal with.

Thank you.

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Ministry of Tourism and Recreation Act

R.R.O. 1990, REGULATION 797

RECREATION PROGRAMS

Consolidation Period: From December 16, 2004 to the e-Laws currency date.

Last amendment: O.Reg. 400/04.

This is the English version of a bilingual regulation.

1. In this Regulation,

"band" and "council of the band" have the same meaning as in the *Indian Act* (Canada); ("bande", "conseil de la bande")

"local services board" means a Local Services Board under the *Northern Services Boards Act*; ("régie locale des services publics")

"recreation program" means a program for the provision of facilities for recreation or for the supervision, encouragement and guidance of recreational activity; ("programme de loisirs")

"recreation program for children" means a recreation program for persons under the age of 18 that is conducted by a children's recreation service provider that is listed in the Schedule; ("programme de loisirs pour les enfants")

"school board" means a "board" as defined in the *Education Act*, all or part of whose jurisdiction is in territory without municipal organization. ("conseil scolaire") R.R.O. 1990, Reg. 797, s. 1; O. Reg. 109/93, s. 1; O. Reg. 533/00, s. 1.

2. (1) The following may appoint a recreation committee, in the manner provided:

1. The council of a local municipality, by by-law.
2. The councils of two or more local municipalities, by by-law.
3. The council of the band, by by-law.
4. The councils of two or more bands, by by-law.
5. The council of one or more local municipalities and the council of one or more bands, by by-law.
6. A school board, by resolution.
7. Two or more school boards, by resolution.
8. A local services board, by by-law. O. Reg. 533/00, s. 2.

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2. A recreation committee may conduct one or more recreation programs, including recreation programs for children. O. Reg. 533/00, s. 2.

3. A recreation committee shall be composed of at least five persons of whom at least two shall be members of the appointing body or bodies. R.R.O. 1990, Reg. 797, s. 3.

4. (1) The council of a local municipality, the council of the band, a school board or a local services board may apply for a grant to conduct a recreation program, including a recreation program for children. O. Reg. 533/00, s. 3.

(2) An application under subsection (1) shall be made between the 1st day of January and the 1st day of April in any year, on a form provided by the Minister, for a grant for that year. R.R.O. 1990, Reg. 797, s. 4 (2).

5. The Minister may, in his or her discretion, approve or refuse an application for a grant. O. Reg. 109/93, s. 2.

6. Revoked: O. Reg. 109/93, s. 2.

7. Revoked: O. Reg. 109/93, s. 2.

SCHEDULE

CHILDREN'S RECREATION SERVICE PROVIDERS

1. Recreation committees appointed by,
 - i. the council of a local municipality,
 - ii. the councils of two or more local municipalities,
 - iii. the council of the band,
 - iv. the councils of two or more bands,
 - v. the council of one or more local municipalities and the council of one or more bands,
 - vi. a school board,
 - vii. two or more school boards,
 - viii. a local services board.
2. Recreation camp organizations accredited by the Ontario Camping Association.
3. Sports organizations that are members or affiliates of provincial sports organizations that are recognized by the Ministry.
4. Ministry agencies.
5. Ministry of Tourism agencies and attractions.
6. Organizations that are recognized as children's recreation service providers by a resolution passed by the entity described in subparagraph i, ii, iii, iv, v, vi, vii or viii of paragraph 1 that appointed the recreation committee in the jurisdiction in which the organization operates.

O. Reg. 533/00, s. 4.

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Canadian Amateur Diving Association (Ontario) Inc.
Toronto Pan Am Sports Centre
Suite 2037, 875 Morningside Avenue
Toronto, ON M1C 0C7
contactus@diveontario.com

February 17, 2015

Via Email

STRATEGIC PRIORITIES AND POLICY COMMITTEE
The Corporation of the City of London
300 Dufferin Avenue
PO Box 5035
London, ON N6A 4L9

Dear Sirs:

Re: Proposed Multi-Sport Training Centre Development by Gymworld Inc.

Please accept this letter as an indication of Dive Ontario's whole-hearted support for the Multi-Sport Training Centre development proposed by Gymworld Inc. and its application for a municipal grant to offset any associated development charges.

As President of Dive Ontario (the governing body for springboard and tower diving in Ontario) and Past President of London's own Forest City Diving Club (FCDC), I am quite familiar with the challenges faced by high performance sports' organizations in gaining access to adequate facilities. In the sport of diving, one of the primary obstacles is the lack of suitable dryland training facilities, including gymnastics equipment, trampolines, overhead harnesses and riggings, dryboards and foam landing pits. In order to compete at the highest levels, competitive divers require intensive dryland training with this specialized equipment 5-6 days per week.

During my term as its President, FCDC had the pleasure to establish a very beneficial relationship with Gymworld. Specifically, Gymworld arranged for FCDC's competitive divers to utilize Gymworld's existing trampoline and gymnastics equipment. Furthermore, Gymworld installed certain diving specific equipment including a dryland springboard and overhead rigging at its facilities. There is no doubt that Gymworld's willingness to understand the need and to provide access to these facilities has expedited and enhanced the development of young divers in the city of London. FCDC has become known as one of the premiere diving clubs in all of Canada and its young athletes are now achieving more significant national and international success than ever before.

Dive Ontario and FCDC are extremely grateful for all that Gymworld has done to accommodate FCDC within its current location. There is, however, even more that can be done. As an example, the existing facilities lack safe landing pits required for higher levels skill development. In this regard, Gymworld has advised that it is prepared to design space within its proposed new Multi-Sport Training Centre development that will include new and safe landing pits and the other amenities that FCDC requires to afford an optimum training environment for all levels of divers.

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Canadian Amateur Diving Association (Ontario) Inc.
Toronto Pan Am Sports Centre
Suite 2037, 875 Morningside Avenue
Toronto, ON M1C 0C7
contactus@diveontario.com

Working closely with Dive Canada, we at Dive Ontario understand that we play a pivotal role in supporting Canada's clubs to insure that they have the tools required to develop our country's top athletes. Sport governing bodies like ours truly do appreciate when municipalities step up in support of our amateur athletes. Cities that are willing to assist by fostering the development of appropriate training venues play a vital role in their pursuit of excellence.

Thank you very much to the City of London and the Strategic Priorities and Policy Committee for considering the very worthwhile development proposed by Gymworld, together with its application for a municipal grant to offset development charges, which we strongly support. Your approval will play a significant role in creating an environment that will afford our local London youth the opportunity to pursue the highest level of achievement in sport.

Sincerely,

A handwritten signature in blue ink, consisting of a large, stylized loop followed by a horizontal line extending to the right.

Bernie Olanski
President
Bernie@Lexcor.ca
(519) 854-5030

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Planner: A. WATSON/T. MACBETH



June 29, 2016

City of London
300 Dufferin Avenue
London, On, N6A 4L9

Attn.: Amanda-Brea Watson

Re: City's Community Improvement Programs (CIPs) Review

This letter is being submitted by the member organizations of Progress London, the unified voice of growth and development in London regarding the existing CIPs and potential CIPs that City Council has asked to be reviewed and considered. Progress London has an interest in moving London business forward through promoting jobs and growth. Growth does not happen if jobs are not available to drive it. Development Charge (DC) incentives for Industrial development and residential development in the downtown area were first introduced in the mid 1990's at the discretion of City Council and more incentive programs have been introduced since then.

The existing CIPs are:

- Airport Area CIP
- Brownfield CIP
- Downtown Area CIP
- Heritage CIP
- Industrial Lands CIP
- Old East Village Area CIP
- SOHO CIP

Unfortunately, there were no criteria established to determine the success of these programs when they were introduced. Wisely, the City is reviewing these incentives and will need to create review criteria and establish indicators of success for each of the CIPs. Progress London agrees that now is the time to create criteria and to consider the potential timing for phasing out of incentives for each of the existing CIPs and setting rules for any new CIPs.

The objectives of the CIPs will have to be achieved in light of the various plans that are in play today including but not limited to: the London Plan, Council's Strategic Plan, the Community Economic Road Map and more recently the Bus Rapid Transit corridors and associated Transit Villages.

The challenge for the city will be the merging of these objectives into a series of common goals that can be achieved through a well thought out program of incentives contained in the above noted CIPs. Some of the incentives provide a bigger bang for the money invested but each program needs to be reviewed on its individual merit.

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We understand the concern that waiving the DCs as an incentive is not free and that the difference is subsidized by the taxpayers to keep the DC fund viable. This makes the development of review criteria and an assessment of the return on taxpayer investment essential. One concern with only looking at the cost to the tax base is overlooking the value of the ongoing future increase to the municipal tax revenue for new infill or redevelopment projects and the benefit for retention of existing businesses. For example, the Downtown Residential incentive has been very successful to date when you compare the state of the downtown today to twenty years ago. In addition to the incentives encouraging residential growth, there has also been an influence on the retention of downtown businesses and the filling of vacant retail-commercial buildings. This should not be overlooked.

Progress London will need additional information to complete our review of each of the incentive programs as follows along with general comments on each program:

AIRPORT AREA CIP:

Questions

- What is the boundary of the area included in this program
- How much vacant land is left in this area
- How many businesses have taken advantage of the program
- How many construction and permanent jobs have been created within this area
- What is the amount of increase tax base from this CIP
- Is there any record of the number of jobs created

Comments

- Continuation of this program is important to make the London International Airport a viable operation

BROWNFIELD CIP:

Questions

- How many brownfield sites have been identified
- Is the incentive for new residential development only or could it be used to clean a site for new industrial uses
- How many projects have taken advantage of this program
- What has been the tax increase for these lands
- Does this program meets the PPS to provide infill and intensification projects

Comments

- This project will need to be in place as new projects come forward over time

DOWNTOWN AREA CIP:

Questions

- What has been the dollar value of the tax increase for the downtown since the beginning of the incentive
- How many new residents have moved downtown
- What is the affect of adding Richmond Row to the BIA DC exemption
- Has a cost benefit analysis been conducted to determine the benefit of future taxes compared to the amount of tax base paying the DC charge
- What potential is there for redevelopment in the downtown
- What is the phase out plan for this incentive

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Comments

- We would like to be involved in any discussions of the phase out of this program
- Properties are sold at a premium based on the owner allowing for the reduced DC payment and the phase out needs to consider this
- Don't kill the goose that lays the golden egg for increased tax base and downtown redevelopment
- The impact of the existing incentives to retain existing and recruit new business to downtown should be studied and quantified to allow a thorough evaluation of the impact of incentives.

HERITAGE CIP:

Questions

- How many buildings have used this program
- What is the dollar value spent on this program to date and what has been the tax increase on these properties

Comments

- This is a program that will have to stay in place as new heritage properties come forward for redevelopment over time

INDUSTRIAL LAND CIP:

Questions

- Is this a citywide incentive
- Is there any discussion on phasing out this incentive
- What is the amount of tax dollar increase for lands granted this incentive in the past

Comments

- We understand that when the incentive was introduced that it was intended to bring high employment companies to the city like a manufacturing plant not large warehousing buildings that only employ a few staff. This needs to be reviewed so the original intent of the incentive is met.
- Waiving the industrial DCs is one of the only options available to the city to attract new industrial or manufacturing companies to come to London
- London has to stay competitive with Brantford, Kitchener and Dorchester

OLD EAST VILLAGE CIP:

Questions

- When was this program initiated
- How much has it cost the tax base to date
- What has been the increase in taxes in this area due to the incentive

Comments

- The new residential development by Medallion in Old East Village is a prime example of the need for the CIP
- criteria need to be determined to set the standard for when the program has been successful
- A cost benefit analysis needs to be conducted to determine the tax increases for properties that use the DC incentive

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- The impact of the existing incentives to retain existing and recruit new business to downtown should be studied and quantified to allow a thorough evaluation of the impact of incentives.

SOHO CIP:

Questions

- Is this incentive now in place
- What area is included in the CIP

Comments

- Area of incentive needs to expand beyond just the lots fronting onto Wellington Road
- There should be no DC incentive for the South Street property because of the investment already made by the city in the cleanup of the property and reconstruction of surrounding streets and services

NEW CIP INCENTIVES:

Progress London's comments on new CIPs is limited until we have a better understanding on the level of success of the existing programs.

Comments

- A full review of existing programs should be undertaken to determine the success of the CIP incentive looking at the number of applications and dollar value of tax increases
- Some current programs should be phased out if they have met their goals to allow new programs
- There should be a two tiered commercial DC recognizing that small business does not require the same level of infrastructure as major commercial development

Progress London is providing these comments as preliminary comments and we would like to be involved in any further discussions as more information becomes available.

Respectfully on behalf of the members of Progress London:

Labourers' International Union of North America (LIUNA) Local 1059
 London Chamber of Commerce
 London Development Institute
 London & District Concrete Forming Contractors Association;
 London & District Construction Association
 London & District Construction Trades Council
 London District Heavy Construction Association
 London Home Builders' Association
 London and St. Thomas Association of REALTORS.®



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Planner: A. WATSON/T. MACBETH



Tuesday, July 05, 2016

Amanda-Brea Watson
Planning Services
City of London
206 Dundas Street
London, Ontario N6A 4L9

RE: City Incentive Program Review

Dear Ms. Watson,

Thank you for an opportunity to provide comments on the City of London's CIP review. As owners of the 1156 Dundas Street, the former McCormick factory, changes to the CIPs have the potential to significantly impact our redevelopment of this property.

1156 Dundas Street was offered for sale by the City of London in 2013 as a municipal tax sale. When considering whether to respond to the City's RFP, we completed a financial analysis concerning the redevelopment of this property. As part of this review, the City's Heritage and Brownfield CIPs were identified as crucial to the successful redevelopment of the property. The Development Charge Equivalent Grant and Development Charge Rebate programs are of particular importance.

We purchased the property on March 15, 2016 and are currently completing applications for both the Heritage and Brownfield CIPs. We respectfully request that the City of London retain the financial incentives offered under both CIPs, as they allow owners like us to redevelop heritage and brownfield sites that may not otherwise be redeveloped due to their significant financial burdens. These incentives are essential for the redevelopment of our site and others throughout the City, and will ensure that future residents of London will be able to enjoy the City's built heritage.

Thank you for your time. Please keep us informed of any potential changes and future public meetings on this issue.

Sincerely,

Jennifer Gaudet
Planner / Development Co-ordinator
Sierra Construction

1401 Dundas Street, P.O. Box 20053
Woodstock, Ontario
N4S 8X8

Telephone: (519) 421-7413
Fax: (519) 421-2018
www.sierraconstruction.ca

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Planner: A. WATSON/T. MACBETH



Mr. John Fleming
Managing Director, Planning and City Planner
Planning Services, City of London
206 Dundas Street
London, ON N6A 1G7

July 18, 2016

Dear Mr. Fleming,

Re: Evaluation of Community Improvement Plan Incentives

In response to the *Evaluation of Community Improvement Plan Incentives Report* to the Planning and Environment Committee on February 1, 2016, attached please find the *Old East Village Information Report* on the Old East Village Community Improvement Plan incentives. We request that this report, its information, recommendations and letters of support be considered by staff and council when reviewing and amending the incentive programs. In particular, we are requesting a continuation of the reciprocal relationship to review, design, implement and evaluate these programs going forward between the City of London staff, the Old East Village BIA and Old East Village Development Corporation.

These programs have been instrumental in kick starting the revitalization in the Old East Village, and they are essential to ensuring its continued renewal. Thank you for your consideration of this important matter.

Sincerely,

A handwritten signature in blue ink that reads "M. Drangova".

Maria Drangova
Board Chair, Old East Village BIA
Director, Old East Village DC

A handwritten signature in blue ink that reads "J. Pastorius".

Jen Pastorius
Manager, Old East Village BIA

A handwritten signature in blue ink that reads "Sarah T. Merritt".

Sarah Merritt
Executive Director, Old East Village DC
Economic Development Officer, Old East Village BIA

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Evaluation of Community Improvement Plan Incentives:

Old East Village Information Report

The Old East Village BIA is pleased to participate in the review of the City Incentive Programs. These programs have played a key role in beginning the Old East Village's renewal and they remain crucial to future revitalization of the commercial corridor. Our work with builders, property owners and businesses has demonstrated the incentive package does not reward behaviour, it incentivizes development and restoration that otherwise would not have come to fruition.

Since 2005 the Old East Village BIA, through the guidance of the Community Improvement Plan, have facilitated these programs in partnership with the city. The incentive programs are designed to create opportunities for improvement and therefore should include measures of success. The Old East BIA has significant data which demonstrates that the CIP incentive package has provided both financial and social value. The Development Charge exemptions which incentivized Medallion to develop 900 units within the 3 Revo on King apartment buildings in the Old East Village also by extension incentivized a variety of new businesses to locate on the commercial corridor because of the significant increase in customers and nearby residents. Many of those businesses have since utilized the smaller incentive programs which further beautify the corridor and therefore generate both financial and social gain.

Investment and Residential Developments

To date the Old East Village BIA has leveraged \$27.5 million in public investment (CIP Grants and Loan, Municipal and Federal investment in Affordable Housing, and Residential Development Charges exemptions) to realise over \$193 million of investment in the Old East Village. This will increase further with the completion of the 3rd Phase of Medallion's Revo on King development at King St and Lyle St. Since 2008 the Old East Village has realised \$6 in private investment generated by every \$1 in public investment.

To date the Old East Village has seen 3 large scale residential developments, the Medallion Corporation's Revo on King Phases 1, 2 & 3.

- These residential towers will create 900 new apartments and bring in approximately 1,800 new residents.
- Future developments are risked if changes to the Residential Development Charge exemptions significantly reduce the value of the exemptions or create uncertainty over their availability.
- The BIA is working with several property owners and developers that have indicated the Residential DC exemption is critical to their investment decision.

Old East Village CIP – Financial Incentive Programs

Through the OPPI's Planners Action Team Report, the Old East Village BIA and City staff established measures for the evaluation of the Community Improvement Plan progress. The BIA would like to collaborate with City staff and use measures to set criteria and identify what is considered significant progress. More evaluation is needed to review and improve the existing incentives that are available as well as developing evaluation criteria for the newly proposed innovative programs. The BIA is in the process of reviewing the existing incentive programs, including all aspects of the program from project design, application, approval to completion.

- 16 Commercial Properties have renovated their facades using the Façade Improvement Loan Programs, and 5 more are currently undergoing renovation.
- 18 Commercial Properties have renovated their interiors using the Upgrade to Building Code Loan Program, and 6 more are currently under renovation.
- There are 23 vacant properties, at least 11 buildings are currently in disrepair and require renovations in order to be brought up to code, or restore the façade.

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Important to determining success is a breadth of data from a variety of sources. The Old East Village BIA asks that Council consider a three part evaluation process. First, quantitative measures gathered through tax base increase, building permit applications, parking revenues and other data that could be provide by the city as their contribution to the evaluation. Second is on the ground data generated through the BIA offices such as local surveys, calculation of public and private investment in the area and media tracking. Third, evaluation from the perspective of program applicants and developers is also critical. The BIA office has scheduled in September of 2016 a forum for property owners to offer their feedback on the current and previous incentive programs. The BIA works with property owners and City staff from application to ribbon cutting. We hope to be included in the creation of the evaluation criteria for current and potential incentives. We are pleased to provide data which will demonstrate the significant social and economic impacts of the entire CIP incentive package.

- The Old East Village’s tax base has increased 41% from 2002 to 2012. This is less than half of the increase seen in the downtown and shows that investment has been increasing but would be vulnerable to removal of incentives.
- Municipal parking revenues have more than doubled from 2008 to 2015. This is set to increase even further with the upcoming parking lot improvements and adjacent property renovations bringing in more tenants and businesses.
- The Old East Village Commercial Corridor has 140 Commercial Units on it, with a vacancy rate that has dropped from 34% in 2002 to 16% in 2015.

Incentive Programs for Consideration

There are innovative and creative new incentives proposed in the February 2nd report to the Planning and Environment Committee. We believe that targeted programs for small businesses would further assist the commercial community of the Old East Village. Through our research it has been determined the Old East Village economic drivers are unique shops, culture and food. Previously provided grant programs were tied to targeted uses. Therefore the programs motivated small unique shops, culture venues and food businesses to locate in the area. We are very interested in new incentives that can further our revitalization trajectory, however, it is important that quantitative and qualitative evaluation criteria are embedded in the program.

The Old East Village BIA and Old East Village DC would like to suggest consideration be given to following incentives:

- Re-instating small grant components of the Financial Incentive Programs which encourage targeted types of business in our economic drivers of Food, Artisanal Producers, Arts, Culture and Unique Retail.
- Re-instating loans to improve the rear façade of buildings, many of which face on to the soon to be renovated Municipal Parking lots.
- Implement a program to encourage small scale, mixed use, infill developments by offering a commercial development charge exemption for small scale developments
- Designing the residential development charge exemptions to ensure that there is stability and clarity about what will be available. Real Estate is a long term investment and creating short deadlines which rush projects and create uncertainty will not incentivise well designed developments which support the City’s official plan goals for intensification on Rapid Transit Corridors.
- Modify the proposed Residential Development Charge Exemptions to prevent one area, or only a few developments from using all available grants.
- The removal of the vacancy tax breaks for commercial buildings, which provide a tax break to commercial buildings which are kept vacant. These vacant buildings hinder the success of adjacent businesses and developments as well as the renewal of the corridor as a whole.

The proposed changes to the Development Charge Grant Program reflect an interest in creating parity, however a one size fits all approach may become problematic if this creates a race every two years to be the first developments which

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Planner: A. WATSON/T. MACBETH

use all available grants. The Residential Development Charge Exemptions in the Old East Village CIP are crucial for the continued development of the area since these programs represent the vast majority of municipal investment in the Old East Village. We cannot risk losing access to the largest allocation of incentive dollars to the Old East Village simply because developments in other areas are ahead in line. Further, with the interest in other areas to create number of new BIA's and CIPs in London, there is the potential that BIA's will be competing for funds. Incentives should not divide areas of the city into winners and losers. Instead, we should be collaborating to share skills and experiences, and working together for the betterment of our areas and, by extension, for the entire city. The Old East Village BIA would support efforts to spread the exemptions out across more developments, and will consult with property owners and developers to determine what the breaking point development charge exemption is.

Next Steps: The Old East Village Development Corporation

Although significant renewal is occurring in the Old East Village CIP area, the timing and impact of the changes to the Residential Development Charges Rebate Grant Program from 2017 onwards would constitute a serious threat to further large scale residential and economic development in this part of the city. Business Improvement Areas have limited ability to attract investment from alternative sources and engage in economic development initiatives. To address this need, the BIA has created a non-profit development corporation, the Old East Village Development Corporation (DC) and written an Old East Village Commercial Corridor Economic Development Plan (EDP).

The EDP will inform the actions of the Old East Village BIA, and Old East Village DC over the next 10 years. This includes a focus on increasing investment in the Old East Village, including increasing local ownership and affordability of businesses, buildings and housing. This will be undertaken by developing partnerships with financial institutions, foundations, housing institutions, cooperative institutions and others to provide affordable access to capital, commercial space, and housing. In addition, support will be provided for the creation of new business, building and home ownership models linked to our economic drivers.

With the creation of the Old East Village DC, there is increased potential to leverage the investment and attract more private investment to the area. This improves the City of London's tax base and supports the City's Strategic Plan and draft London Plan by promoting denser, mixed use, transit oriented development along rapid transit corridors. The Old East Village DC would like to continue and strengthen the reciprocal and collaborative relationship with the city to design, implement and evaluate the existing and proposed incentive programs.

Conclusion

The CIP Incentives have made a huge impact on the Old East Village revitalization to date, and are crucial to its continued progress in the future. Despite the progress on the corridor, there are still many vacant buildings in need of repair, a need for more businesses serving the needs of the community, and a number of vacant sites prime for residential and commercial development. Through the work of the BIA we have seen these incentives act as motivators which incentivise investment in the Old East Village. Our research and experience has identified that the current progress in the neighbourhood is not yet at a tipping point, and more support is needed to get us to that point. These incentives programs represent the vast majority of public investment in the neighbourhood, and their elimination or reduction would significantly hinder our ability to continue the revitalization of the Old East Village. Redeveloping inner city brownfields require significant investment, and these incentives offer a needed "carrot" to make the Old East Village as a viable location for investment. We look forward to the day that these incentives will no longer be necessary, however until such time, we look forward to working with Council and City staff to continue to facilitate the incentive programs which have fuelled the urban regeneration of the neighbourhood.

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Planner: A. WATSON/T. MACBETH



July 11, 2016

To whom it may concern at The City of London,

I represent a group of small cooperative businesses in Old East Village. On The Move Organics started in OEV in June 2008 at the Farmers market. In September 2011, with the help of the incentive programs available on the Dundas corridor, we began renovations of 623 Dundas st. If it were not for the incentives that were available at that time, our landlord would not have initiated the needed upgrades to the building, and we would not have been interested in renovating to move in. We opened our door of The Root Cellar Organic Cafe in July 2012. We still recall the excitement around seeing the Medallion towers climb into the sky at we chipped away at our relatively smaller construction project. The site of those towers being built helped instill the confidence we needed to continue our work and shaped our decision to locate where we did – 1200 potential new customers was an attractive opportunity.

With the development and growth of The Root Cellar Café after the first year, we recognized we had made the right decision to locate where we did. We decided to advance the size and scale of our 19 seat bar-service café to a full table-service 65 seat restaurant. Another renovation spanning 8 months allowed us to expand into the unit next door to accommodate the extra space needed. This, as it turns out, was the appropriate move. Again, assurance was had that if we failed to fill the seats, we would aggressively market to those towers for support. We never needed to do so as they were naturally inclined to explore the surroundings of their new homes. In September 2014, we launched Anglophone Canada’s first worker owned co-operative brewery and exclusively had it on tap at The Root Cellar with a small retail pop up shop once a month.

Having knowledge of a third tower being built in the fall of 2015, and having access to incentive support from the city, we decided to renovate the second floor of The Root Cellar. We will be launching a special events space this fall (2016) – which, if it were not for both the knowledge of yet another tower holding 600 more potential customers, compounded by the city incentives, we would most likely not have moved forward with the project.

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Planner: A. WATSON/T. MACBETH

Thank you for taking the time to read this letter. We hoped to clarify our position on how the results of the Development Charge Grants from the city that incentivized the Medaliion Group to build in OEV as well as the “bringing building up to code” incentives were a catalyst for us to locate in the OEV. Otherwise, we may never have agreed to move forward with these projects all together.

Thank you,

Jeff Pastorius
The Root Cellar Organic Restaurant
Rootcellarorganic.ca
On The Move Organics
Onthemoveorganics.ca
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Planner: A. WATSON/T. MACBETH



664 Dundas Street
London, ON. N5W 2Y8
Tel: 519.434.1664
www.londonpottersguild.org

July 11, 2016

Dear Planning and Environment Committee Chair and Members,

In 2007 members of The London Potters Guild were looking for a new home – to establish the London Clay Arts Centre. The Guild envisioned a space that offered studio space for artists and teaching, display space and presented opportunities for retail. We looked in many areas of the city and had a variety of options before we decided on purchasing 664 Dundas Street in the Old East Village. The building upon purchase was severely dilapidated and required extensive restoration. The Guild ran a capital campaign to raise the funds to complete the project, however, the Upgrade to Building Code and Façade loans with the forgivable grant portion were instrumental in the renovation. In fact, the existence of these programs - of which the OEV BIA informed us prior to purchase - played a vital role in the preparation of our business plan before purchase and during the fundraising stages. The BIA worked closely with Guild volunteers to facilitate application for the incentives by working with the appropriate City staff throughout the process.

Since we completed our renovation and exterior restoration many others on Dundas St. have done the same. Over the past 8 years, the London Clay Arts Centre and the London Potters Guild have seen significant urban renewal adjacent to our building, including numerous façade improvements and greater foot traffic due to the many new neighbours in the Medallion development. The Old East Village has become a home of which we are immensely proud, but we believe that additional investment – by maintaining or growing the entire CIP incentive package – is still necessary to enhance the economic and social growth of our community.

Kindest Regards,

Judy Sparkes
Board of Directors, Chair
London Potters Guild/London Clay Art Centre

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Planner: A. WATSON/T. MACBETH

To City Planning Department,

As a building owner and business proprietor in the Old East Village for over 20 years and as the BIA Board Chair for 9 years I believe strongly that the entire CIP incentive package is essential to the further revitalization of the Old East Village.

As a pawn shop I was unable to utilize the incentive programs however, our business still benefited from their existence. We saw a significant increase in customers when the first and second Medallion towers were complete and the grant portion of the Façade and Upgrade to building code incentives incentivized many businesses with targeted uses to locate in the Old East Village. This resulted in consumer oriented shops and services to locate in the neighbourhood that reflected the economic drivers of the area: unique shops, culture venues and food businesses.

Because of the improvements initiated by property owners through these incentives, the overall property values of the corridor have increased and the lingering stigma about the area is not as pronounced. However, this momentum may be lost if considerable incentives such as the Development Charge Grants are not made available to developers. There is still a significant amount of land to be developed in the area and access to development grants incentivizes residential builders to consider our area over others in the city. This program, in tandem with the façade, upgrade and tax incentives creates solid reasons for builders, property owners and businesses to locate in the Old East Village.

Sincerely,



Ken Keane

Old East Village BIA Board Chair
2006-2015

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Planner: A. WATSON/T. MACBETH



970 Lawrence Ave. W., Suite 304, Toronto, Ontario M6A 3B6 Tel: 416-256-3900 Fax: 416-256-0070

July 13, 2016

Jen Pastorius
BIA Manager
Old East Village
Business Improvement Area
900 King Street
London, ON N5Y 5P8

Dear Jen,

Re: Old East Village Incentive Program

On April 1, 2014, in a letter to Mayor Fontana and Council Members, we went on record to stress the essential importance of the Old East Village incentive program in our decision to pioneer development in the Old East Village. As we stated then, "The Development Charge exemption and the inclusion in the CIP were critical to Medallion's entry into the Old East Village". We strongly urged the Mayor and Council Members to maintain the program within the Old East community.

In our opinion, the program is still very critical in attracting development to the area. It is clear that the area has not matured to the point where these incentives are no longer needed. Some of the basic indicators for removing the program are not in place. The area does not yet provide basic services for the 900 units that we are currently developing.

In addition, some of the historic social issues in the area have not been resolved to the point that residents would feel comfortable walking and shopping in the area.

Medallion is committed to being a partner in the revitalization of the Old East Village.

As such, we fully support your submission to the Council to maintain the incentives programs thereby ensuring further development in the Old East Village.

Yours truly,

MEDALLION CORPORATION

A handwritten signature in cursive script that reads "Aaron M. Bleeman".

Aaron Bleeman
Vice President

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Planner: A. WATSON/T. MACBETH

Sent: Tuesday, July 19, 2016 5:18 PM

To: Watson, Amanda-Brea <awatson@london.ca>

Cc: tom.tillmann@attr.ca; Jason McIntyre <jmcintyre@cornerstonearchitecture.ca>; ahannay@cornerstonearchitecture.ca

Subject: City of London Community Improvement Plan and Financial Incentive Review Comments

Amanda-Brea Watson, MCIP, RPP
Planner II, Urban Regeneration
Planning Services
City of London

Dear Ms. Watson

On behalf of the London Society of Architects, I am respectfully providing preliminary comments regarding the City of London's comprehensive review of the Community Improvement Plans (CIPs) and Incentive Programs. There is much to consider given the number and diversity of CIPs, and the constraints and possibilities for structuring the financial incentives. At this preliminary and formative stage of the City's review, we encourage the City to maintain a balanced set of objectives of the CIPs and Incentive Programs including:

- Promote strategic community improvement goals
- Promote design excellence and exemplary development
- Promote the growth of the local economy
- Promote greater awareness of, and access to, the Incentive Programs

We welcome the opportunity for further participation in the review of the Community Improvement Plans and Incentive Programs.

Sincerely
Walter Derhak, LSA Vice-Chair

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Appendix “A”

City of London Council Resolution:
Direction to undertake CIP and Incentive Review

The February 17, 2016, Council resolution, in its entirety, is as follows:

“That, on the recommendation of the Managing Director, Planner, the following actions be taken with respect to the City of London’s various financial incentives offered through Community Improvement Programs in the City of London:

- a) *the Civic Administration BE DIRECTED to undertake a service review process in 2016 to consider and evaluate the range of financial incentives offered through the City’s existing Community Improvement Plan programs and to report on the cost, strategic benefit, and affordability of such programs, as well as any potential savings that could be realized through changes to these programs;*
- b) *the Civic Administration BE DIRECTED to consider, amongst other potential changes to existing programs, the potential for the following two program changes:*
 - i) *instituting a \$10 million cap on the funding assigned to the Residential Development Charges Rebate Grant Program, between the years 2017 to 2019; it being noted that if the \$10 million cap is reached (ie. grants have been issued at any time between 2017 and 2019 totalling \$10 million), additional projects, or portions of projects, constructed in that period would be required to pay development charges and no grant would be offered; it being further noted that for the year 2020 and beyond, a similar cap or a program of stepping down the amount of the development charge rebate grant should be considered; and,*
 - ii) *taking a more targeted approach to the development charges grant for industrial uses, such that the program aligns with the attraction of key industrial sectors and those types of industrial uses that generate the highest levels of employment; it being noted that a stepping down of the development charge grant should also be considered;*
- c) *the Civic Administration BE DIRECTED to undertake a rigorous public engagement program for the service review process identified in parts a) and b), above, to include the Downtown London BIA, the Old East Village BIA, other interested business and resident groups, the London Economic Development Corporation, the London Development Institute, the London Chamber of Commerce, the London Manufacturing Council, the Urban League of London and other members of the building and development community;*
- d) *as part of the service review process relating to existing community improvement plans, the Civic Administration BE DIRECTED to consider and evaluate the following incentive programs that have been posed to the Municipal Council in the past and to report on the cost, strategic benefit and affordability of such programs:*
 - i) *a new incentive program stemming from the Hamilton Road Community Improvement Plan process;*
 - ii) *a new incentive program stemming from the Lambeth Community Improvement Plan process;*
 - iii) *the expansion of the Downtown Community Improvement Area to align with the new boundaries of the Downtown London Business Improvement Area;*
 - iv) *a new incentive program granting a development charge rebate for new buildings, or additions, to accommodate publicly accessible sports and recreation services;*
 - v) *a new incentive program granting a development charge rebate for new buildings, or additions, to accommodate private, or not-for-profit educational facilities, including music schools;*
 - vi) *a new incentive program for environmentally sustainable buildings or communities;*

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Planner: A. WATSON/T. MACBETH

- vii) *a new incentive program providing development charge rebates for new buildings, or additions, to accommodate small businesses;*
- viii) *funding the existing Brownfield Contamination Assessment Study Grants incentive program to help proponents assess their property for the presence and extent of brownfield contamination, assess risk and determine the best means for remediating those sites; and,*
- ix) *fund the existing Industrial Corridor Enhancement Program to help industrial property owners improve their properties (landscaping, screening, tree planting, etc.), where such properties are visible from important corridors such as the Veterans Memorial Parkway or Highway 401;*