

O-8014: Industrial Lands Review

*Strategic Priorities and Policy Committee Meeting
December 4, 2012*



London
CANADA

Status of ILDS Update Report (March 19, 2012)

- Strategic Priorities and Policy Committee received a report from the Director of Land Use Planning & City Planner regarding the 21 recommendations contained in consultant Rob Panzer's 2011 Industrial Land Development Strategy Update
 - Staff requested to prepare all necessary analysis and background research required to assess the City of London's future industrial land needs
- Important initiatives related to the Industrial Land Study completed:
 - Council adoption of Altus Group Economic Consulting Growth Projections
 - Council adoption of the Southwest Area Secondary Plan

Purpose of the Industrial Land Study

- Review of Provincial Policy Statement (PPS) and Official Plan policies related to long-term planning for industrial land development;
- Examination of 20 year projected demand for industrial lands;
- Assessment of ability of existing industrial vacant land supply to accommodate future demand;
- Evaluation of land supply in relation to industrial land demand; and,
- Recommendations based on analysis.



Provincial Policy Statement and Official Plan Policies

■ Provincial Policy Statement

- Intensification and re-development
- 20 year time horizon for determining amount of land to accommodate growth
- New growth areas to be adjacent to existing built-up area
- Efficient use of land and infrastructure
- Economic development and competitiveness key to the future of municipalities
- Providing suitable sites for future industrial users
- Comprehensive review required for evaluating industrial land needs

■ City of London Official Plan

- Compact urban form
- Infill and intensification
- Sustainable development
- Optimization of infrastructure
- Target of 15-20 years of industrial land supply
- Evaluation of land needs based on projected demand
- Use of a contingency for determining land demand
- Impact on prime agricultural lands and natural heritage areas from a UGA expansion

Demand for Industrial Land

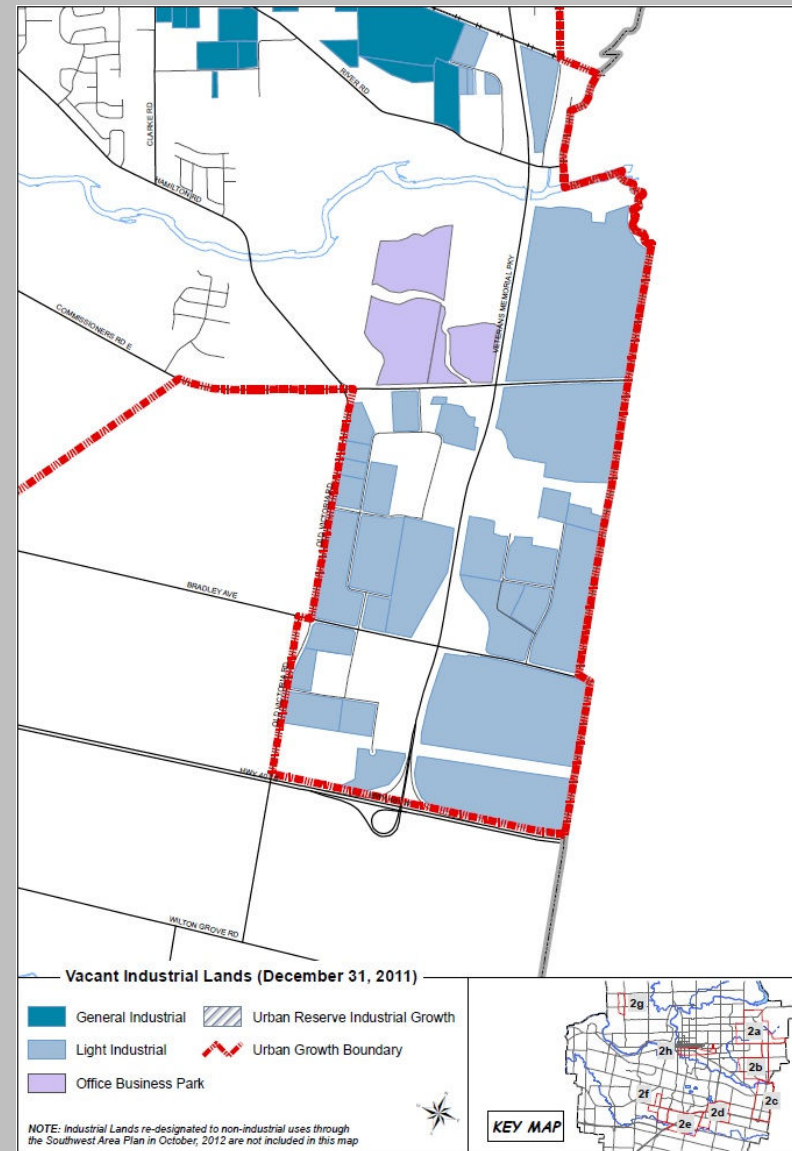
- Base information: Altus Economic Consulting Group's projected industrial floor space (new construction and expansions)
 - Industrial employment x sqm/employee = projected industrial floor space required
 - Manufacturing growing, but slower than in the past; increasing demand for logistics and warehousing
- Altus space projections translated into land demand by using a floor area ratio of 0.23 (10 year average)
- 25% of space to be absorbed on existing sites (intensification), 75% on previously undeveloped lands (greenfield)
- 10% contingency used for greenfield lands

Demand for Industrial Land

Period	Floor Space Req'd (sqm)	Allowance for Intensification [25%] (sqm)	Floor Space on Vacant Lands (sqm)	Greenfield Land Req'd [0.23 FAR] (ha)	Contingency [10%] (ha)
2011-2016	241,800	60,500	181,300	78.8	86.7
2016-2021	221,300	55,300	166,000	72.1	79.3
2021-2026	276,200	57,900	173,700	75.5	83.1
2026-2031	339,500	69,100	207,100	90.0	99.0
Total	1,078,800	242,800	728,100	316.4	348.1

Supply of Industrial Land

- Base information: Industrial Vacant Land Inventory (December 31, 2011)
 - City-wide vacant industrial lands by designation (General Industrial, Light Industrial, Office Business Park, Urban Reserve Industrial Growth)
 - Servicing status
 - Updated annually
 - Revised based on the Southwest Area Secondary Plan
 - Re-designated industrial lands removed
 - New land use designations applied



Supply of Industrial Land

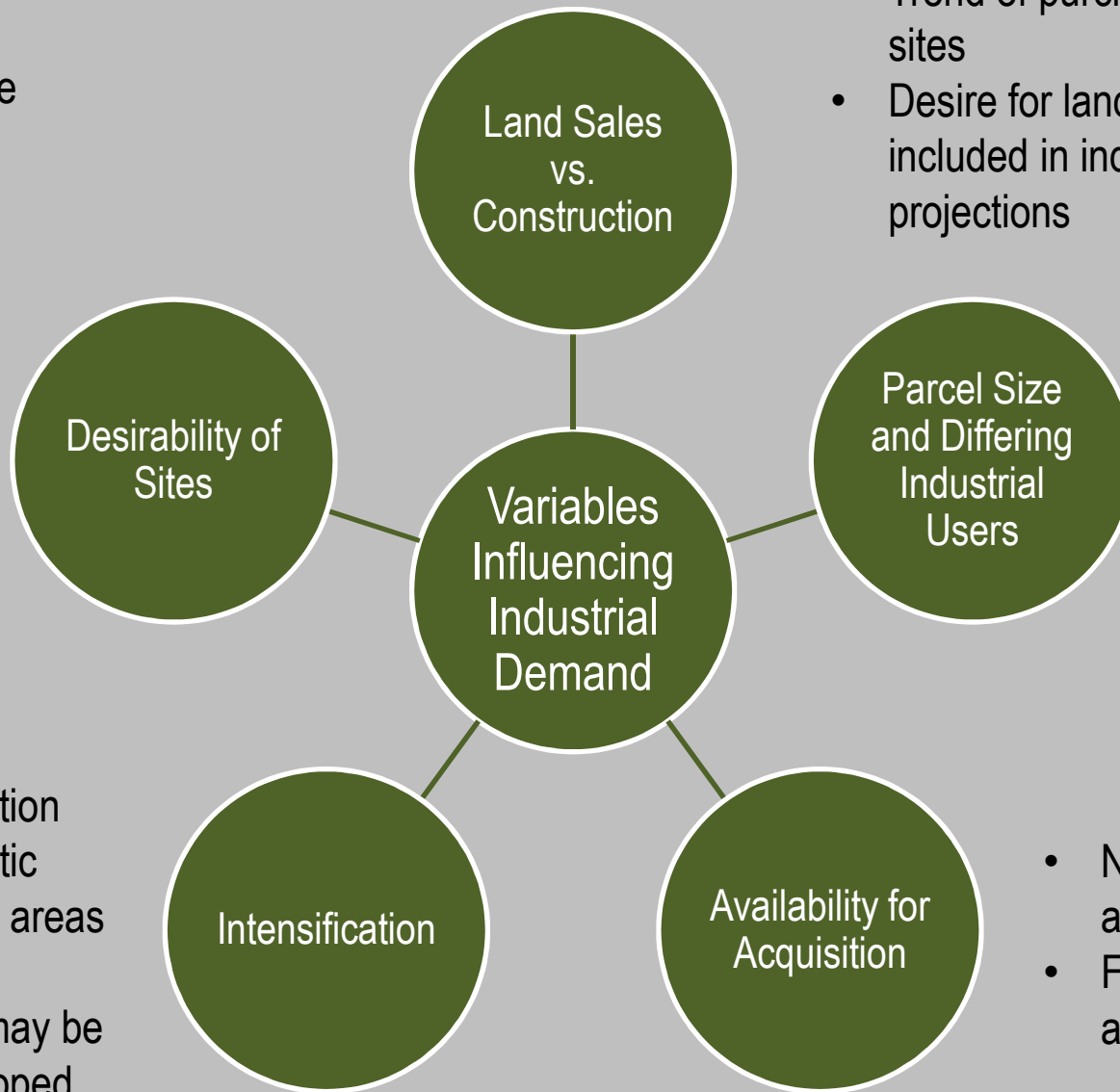
Designation	Area (ha)	Serviced (ha)	Unserviced (ha)
General Industrial	307	218	89
Light Industrial	789	428	361
Office Business Park	59	13	46
Urban Reserve Industrial Growth	121	0	121
Total	1276	659	617

Comparison of Land Needs To Supply

Year	Projected Demand for Industrial Land (ha)	Projected Supply of Vacant Industrial Lands (ha)
2011	-	1171 ^a
2016	87	1084
2021	79	1005
2026	83	922
2031	99	823

^a An adjustment has been made from the total industrial vacant land supply to account for servicing required to support the development of the industrial lands

- Fewer attractive sites to market over time
- Risk of losing prospective industrial businesses



- Trend of purchasing larger sites
- Desire for land banking not included in industrial demand projections

- 50% of parcels in industrial inventory < 1 ha
- Skews macro-level supply vs. demand

- 25% intensification may be optimistic
- Older industrial areas have obsolete buildings and may be better re-developed for non-industrial uses

- Not all existing sites available for purchase
- Fewer sites = higher acquisition costs

Industrial Land Strategy Recommendation

■ Recommendation:

- Initiate an Official Plan Amendment for the expansion of the Urban Growth Area by approximately 500 hectares

■ Rationale

- Securing London's Competitive Advantages
- Replacing Re-designated Industrial Lands (452 hectares)
- Ensuring Locational Choice
- Enabling Affordable and Available Land Acquisition
- Maximizing Strategic Investments in Infrastructure
- Phasing New Development Over Time



Proposed Evaluation Criteria (Panzer)

- Alignment with economic development objectives and priorities
- Suitability/affordability for municipal servicing
- Proximity to Highway 401, Highway 402 or the Veterans Memorial Parkway
- Site topography and configuration
- Environmental/natural heritage constraints
- Existing land use/compatibility issues
- Landowner interest in development
- Agricultural land considerations/Minimum Distance Separation (MDS) requirements
- Suitability for the extension of transit service
- Compact urban form/logical extension of the urban area
- Return on investment in previous infrastructure projects
- Parcel sizes and suitability for land assembly
- Opportunity for spin-off benefits

Industrial Lands Study Implementation Process

- **Public Consultation**
 - Feedback re: Industrial Lands Study and submissions of land for consideration
 - Timeline: January – February 2013

- **Staff Review of Candidate Sites**
 - Analysis of sites best able to meet the needs of future industrial users
 - Timeline: December 2012 – Mid 2013

- **Recommended Urban Growth Area Expansion**
 - Public Participation Meeting for lands to be added to the Urban Growth Area
 - Timeline: Mid 2013

- **Future Processes**
 - Secondary Plan, servicing, subdivision of lands
 - Timeline: Completed by end of 2014