

то:	CHAIR AND MEMBERS INVESTMENT AND ECONOMIC PROSPERITY COMMITTEE MEETING ON JANUARY 28, 2013
FROM:	HARVEY FILGER DIRECTOR OF CORPORATE INVESTMENTS AND PARTNERSHIPS
SUBJECT:	INVESTMENT AND ECONOMIC PROSPERITY PROPOSAL ASSESSMENT PROCESS UPDATE

RECOMMENDATIONS

That on the recommendation of the Director of Corporate Investments and Partnerships the following actions **BE TAKEN** regarding the proposed investment and economic prosperity proposal assessment process:

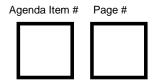
- a) The updated investment and economic prosperity proposal assessment plan BE ENDORSED to guide the timeline by which proposals will be developed and the process by which selected proposals will evolve from ideas to executable projects; including the proposed public engagement plan.
- b) The synopsis of the January 12, 2013 public consultation BE RECEIVED.

PREVIOUS REPORTS PERTINENT TO THIS MATTER

- 1. September 20, 2011 "Industrial Land Development Strategy"
- 2. November 16, 2011: "Industrial Land Purchase Strategy- Confidential"
- 3. January 23, 2012: "Developing a Strategic Investment and Economic Prosperity Plan, City Treasurer and City Planner"
- 4. June 9, 2012: "Investment and Economic Prosperity Overview, City Treasurer"
- 5. September 25, 2012: "A Paradigm for Economic Prosperity, Director Corporate Investments and Partnerships"
- 6. November 27, 2012: "Investment and Economic Prosperity Proposal Assessment Process, Corporate Investments and Partnerships"
- 7. December 18, 2012: "A Path to Prosperity: Community Business Ideas to Stimulate our Economy, Corporate Investments and Partnerships"

BACKGROUND

By way of background, on January 23, 2012 Municipal Council was presented with the 'Developing a Strategic Investment and Economic Prosperity Plan' report, where a process was proposed for the purpose of developing the Strategic Investment and Prosperity Plan. Outlined in that report was a proposed process by which selected projects would move from conception



to implementation. As a result the City of London received 49 ideas from members of our community. All delegates who brought forth a proposal, and for which contact information was available and communication direction provided, were asked to complete the due diligence checklist for short listing projects.

As part of the due diligence review, the submission and satisfactory completion of the specific elements listed within the checklist were essential for the proposal to move forward. For the proposals where a completed checklist was not submitted a fair review and categorization took place. The primary evaluation of the proposals was based on careful review and analysis of the proposed ideas in relation to the listed definition of economic development; this analysis allowed for the appropriate classification of the proposals based on the four proposed categories: Economic Development, Social Prosperity, Idea Bank, or Other.

December 18, 2012, the Corporate Investments and Partnerships staff prepared a report for the Investment and Economic Prosperity Committee (IEPC) that presented a shortlist for the purpose of accelerating London's economy and fostering private sector investment in the City. The report discussed the Industrial Lands Development Strategy and analyzed 49 proposals/ideas that were brought forward to the IEPC in June of 2012, in an effort to present business ideas that would stimulate the economy and would help to grow prosperity in the City. This report presented five proposals best suited to the advancement of the goal and objectives of London's Prosperity Plan:

The Goal: The investment and Economic Prosperity Committee is developing a 10-

year plan that will move London's Economy forward faster and ensure

long term prosperity for our community.

The Objectives: Create Jobs; Leverage Investment; Stimulate spin-off benefits; Build

beneficial partnerships; Benefit key sectors; Fuel transformational change

in London's economy.

DISCUSSION

1. Public Engagement Plan

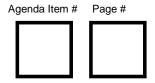
With the support and guidance of the Corporate Communication services area, the following public engagement plan has been developed:

Target audiences:

- The community at large
- Various municipal groups/institutions

Activities:

- Create an informational and call to action brochure, to be distributed to libraries and community centers and also to be used as a take away for speaking engagements (COMPLETE)
- Create presentation and communication materials outlining the 5 recommendations (COMPLETE)
- Host a public engagement station at the Jan 12, 2013 Build a Budget Workshop (COMPLETE)
- Develop a brief PowerPoint for public speaking engagements, Appendix A. (COMPLETE)



- Send email blasts to Londoners (ReThink database) asking interested residents to read the report and provide comment at prosperityforlondon.ca (COMPLETE)
- Encourage feedback through the comment wall on the prosperityforlondon.ca website, email and the budget twitter hashtag (ONGOING)
- Set up speaking engagements to gather feedback; explain the report's recommendations; the selection process; and to answer questions or concerns (IN
- Host a second public consultation concerning the business plans for the selected projects (TBD)

Next Steps within the Public Engagement Plan

The Corporate Investments and Partnerships team will prepare for speaking engagements with the following organizations:

- Chamber of Commerce
- London Development Institute
- ReThink London
- Urban League
- **Tourism Board**
- Culture and Heritage Boards
- Downtown London BIA
- **Emerging Leaders**

Purpose: to receive feedback on the December 18th, 2012 recommendations, the process and answer any questions and/or concerns.

2. Results of the 1st Public Consultation: January 12, 2013

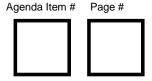
Industrial Land: The first public consultation with regards to the Industrial Lands strategy revealed that the public is on the fence as to whether there really is a need for the development of industrial land; some believe that servicing land along the 401 is needed, while others have a difference in opinion. An in depth discussion surrounding the issue of already existing serviced land took place. Londoner's are wondering whether more serviced land is required, or whether the existing serviced land that is currently underutilized could be

"I support the recommendation, as long as it isn't agricultural land!"

made better use of. A request was made for a focused Industrial Land strategy, and that more attention needs to be placed on retention and density of situated sites.

Kilmer Brownfield: Feedback received regarding the redevelopment of the hydro lands at 111 Horton St. East by Kilmer Brownfield Equity Fund L.P. was generally supportive. Citizens responded positively to: the environmental impacts associated with the clean-up of a brownfield; further residential intensification in the downtown; and indicated that such a development would be a considerable improvement of prime riverfront real estate. Citizens cautioned that the City of London should not sell London Hydro and that this development should not impact wildlife habitat, park lands, trails or pathways. Concerns were also voiced about the floodplain of the Thames River, the proximity of Labatt's brewery and that the cost to move London Hydro would play an important role in decision making. Please note: this cost will be investigated in the next steps of the process.

<u>Performing Arts Centre:</u> The initial public consultation revealed that there is community support towards the Arts and Culture sector. Londoner's expressed their interest in a new Performing Arts Centre and the idea of a residential/ commercial development with additional parking, as they believe the mixed use development could potentially contribute to the creation of a more vibrant downtown. However, much of the discussion surrounded the issue of utilizing



vacant buildings for the purpose of redevelopment, particularly for the development of a new Performing Arts Centre i.e. Western Fair, Vacant Churches, replace Centennial Hall. Further, a request was made that partnerships be created as a result of the new development with Fanshawe and Western, as well as other private partners.

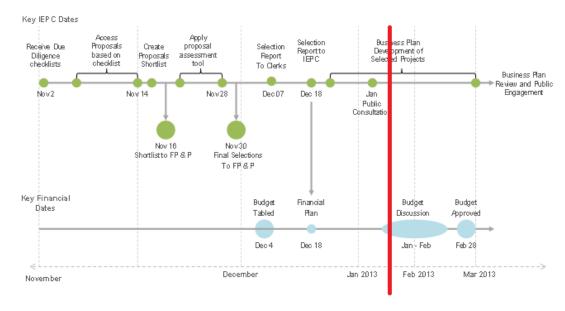
<u>Medical Research Fund:</u> Public response to the recommendation associated with the medical research fund was positive. Citizens comments included: "Best idea of all"; "Good Investment"; "Sounds good, we will have money coming right back to the city". Conversely, concerns were raised that the City of London should not support research as this is the responsibility of higher levels of government. Further discontent was expressed based on the worry that the City of London would be working with lower tier research projects as top performers would obtain funding through traditional means.

Employment Support Programs: Londoner's have expressed that their main priority is putting people back to work, and the proposed investment of \$101,883 is a small contribution that could have a significant impact on the unemployment rate.

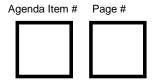
Further, a request was made that Londoner's become more open-minded towards immigrants and that more importance is placed on the attraction and retention of skilled immigrants. It was also requested that better performance measures be put in place to represent the true number of job matches that were realized, as there is a concern that many job matching statistics are misrepresented. As a result of the first public consultation it may be concluded that majority of the public expressed support towards the recommendation.

3. Next Steps for Prosperity Recommendations:

The block line in the below diagram outlines our current position in the prosperity proposal process. As different projects require different resources and are in varying states of maturity, next steps are addressed individually by project in the corresponding sections below.



All dates are tentative and contingent upon responses from delegates and timelines from other service areas



Industrial Lands Development Strategy

Recommendation: Development of Strategically Located Serviced Lands for LEDC to Market.

Cost: A present value of \$ 40 million over ten years to be matched by the province and federal governments.

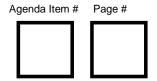
Return:

- The city lacks appropriate strategically "shovel ready" lands necessary to attract the business facilities that would stimulate economic growth and employment opportunities.
- This recommendation would allow for the attraction of \$ 1 billion in new investment over the next decade and would therefore involve leveraging the City: 11 to 1.
- This would provide the lands necessary for LEDC to market; taking advantage of the benefits offered by the London region, and to be able to use London's other assets for the purpose of leveraging significant investment.

Initial Stakeholder and Partner Identification:

Stakeholders	Internal Partners	External Partners
Citizens, Project	Finance, Planning,	LEDC, Project Proponent,
Proponent, Land Owners,	Engineering,	Land Owners, Upper
Finance, Planning,	Purchasing, Realty,	Tames River
Engineering, LEDC,	Legal	Conservation Authority,
Purchasing, Realty,		Industrial land experts
Legal, Industrial land		
experts, Upper Tames		
River Conservation		
Authority		

Public Engagement	Project Review and Evaluation
Continue public consultation on project ideas (February, 2013)	Through the industrial land development strategy, a business case outlining the need for the strategic acquisition of industrial land has been presented
Report back to IEPC on result of public consultation process (February, 2013)	(Complete)
	Legal review of recommendation (February, 2013)
	In association with internal and external partners, locate appropriate sites for strategic industrial land development (Ongoing)
	4. In association with the Intergovernmental and Community Affairs office, a plan to leverage additional funds from other levels of government would be created (Ongoing)
	5. Report back to IEPC (As applicable)



Kilmer Brownfield Equity L.P.

Recommendation: The City of London enter into more formal discussions with Kilmer Brownfield Equity Fund L.P. and London Hydro regarding the potential sale and redevelopment of the land at 111 Horton St. East.

Cost: No direct cost to the City of London has been identified as the land would be sold to Kilmer Brownfield Equity Fund L.P. and any value created through the remediation efforts would be shared with the City of London. A potential cost associated with the relocation of London Hydro would be investigated through the recommended discussions.

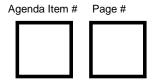
Return:

- The redevelopment of a brownfield into a large residential-commercial mixed use property fronting the Thames River.
- The potential creation of 500 long term jobs and several hundred short term jobs. An
 opportunity to develop a relationship with one of Canada's premier brownfield
 developers.

Initial Stakeholder and Partner Identification:

Stakeholders	Internal Partners	External Partners
Citizens, Project	Finance, Planning,	Project Proponent,
Proponent, London	Engineering,	London Hydro, Labatt's,
Hydro, Planning, LEDC,	Development,	Upper Tames River
Purchasing, Realty,	Purchasing, Realty,	Conservation Authority
Legal, Upper Tames	Legal	
River Conservation		
Authority		

Public Engagement	Project Review and Evaluation
Continue first public consultation on project ideas (February, 2013)	Legal review of recommendation (February, 2013)
Report back to IEPC on result of public consultation process (February, 2013)	 Internal partner review of project proposal and recommendation (February - March, 2013)
 3. Complete second public consultation on business case (April, 2013) 4. Report back to IEPC on result of public consultation process (April, 2013) 	3. Where appropriate, external partner review of project proposal and recommendation (February - March, 2013)
	Develop project business case (March – April 2013)
	5. Review and evaluate business case (April, 2013)
	6. Report back to IEPC (April – May, 2013)



Medical Research Fund

Related Proposals: London Health Sciences Foundation and St. Joseph's Health Care Foundation

Recommendation: Building on ideas presented in the June 15, 2011 Mayor's Economic Prosperity Council Report and Summary, it is recommended that the City of London investigate the possibility of committing \$1.0 million per year over 10 years to support a medical research fund. This initial investment would be used to leverage additional support from the private sector and other levels of government.

Cost: \$10 million. \$1.0 million per year over 10 years

Return:

- This investment has the potential to further London's reputation as a leader in health research and encourage the creation of spinoff businesses.
- Given the breadth of research talent, medical expertise and potential for commercialization opportunities, the coupling of London's strengths in health care and research leverages existing competitive advantages and serves to directly support economic development in London.

Initial Stakeholder and Partner Identification:

Stakeholders	Internal Partners	External Partners
Citizens, Project	Finance, Purchasing,	LEDC, Project Proponent,
Proponents, Research	Legal	Research Institutions,
Institutions, Medical		Medical Institutions,
Institutions, Research		TechAlliance, Western-
focused businesses,		WorldDiscoveries,
Finance, Planning,		Research focused
LEDC, Purchasing,		businesses
Legal, TechAlliance,		
Western-		
WorldDiscoveries		

Public Engagement	Project Review and Evaluation
Complete first public consultation on project ideas (February, 2013)	Legal review of recommendation (February, 2013)
Report back to IEPC on result of public consultation process (February, 2013)	Internal partner review of project proposal and recommendation (February - March, 2013)
 3. Complete second public consultation on business case (April, 2013) 4. Report back to IEPC on result of public consultation process (April, 2013) 	 External partner review of project proposal and recommendation; representing the first step of many in mutually beneficial collaborative endeavors (February - March, 2013) Develop project business case (March – April 2013)

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	5. Review and evaluate business case (April, 2013)
	6. Report back to IEPC (April – May, 2013)

Investment in the Downtown

Related Proposals: Music London and The Grand Theatre

Music London

- The proposal is requesting: \$10 million over 10 years to support the creation of a 1200-1400 seat music and entertainment centre named 'Celebration Centre'; at an estimated cost of \$40.75 million,
- The centre would also leverage a 20 storey, 234 unit condominium development constructed by Auburn Developments valued at \$50 million.
- An opportunity also exists to construct a 12 storey, 150 000 square foot office building valued at \$80-\$90 million.
- Depending on the size and scope of the project, the proposal estimates the creation of hundreds jobs and attraction of 100 000 visits to the downtown core.

The Grand Theatre

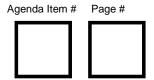
- A mixed use development between public and private investment; *Auburn, Sifton and Old Oak Properties*.
- The project is seeking a land transfer that would see the City of London donate the cityowned parking lot on Queens Ave. to the Grand Theatre.
- Proposed expansion to include a new concert hall, a 400-seat theatre; additional office, wardrobe and props space; two levels of below grade parking and a 12 storey residential condominium (Dufferin St.).
- A 2nd development on the Queens Ave.; residential tower and additional parking.
- The project has the potential to create: hundreds of jobs; more vibrancy and density downtown and more parking.

Two Related Proposals: Music London vs. The Grand Theatre

A mixed use development was proposed; both proposals focus on an expansion or development of a new arts centre and a multi-unit residential and/or commercial development.

Cost:

The Grand Theatre	Music London
The City to transfer over a City asset; Parking Lot #5, Queens Lot (South side) between Clarence and Richmond (estimated market value \$2 million).	\$10 million to be provided over 10 years.



Recommendation: The two proponents would prepare a fairness report to bring forward for review at a public consultation. The community would then review the two proposals and make an independent suggestion as to the most logical investment opportunity for the City.

Return:

- Strengthen and embrace London's diversity and cultural identity
- Build vibrancy in the downtown
- Attract more people/tourists to the vibrant core of the City for entertainment purposes
- Increase spinoff benefits to many local businesses i.e. restaurants, hotels and other service industries
- Lead to a significant increase in tax revenue for the City

Initial Stakeholder and Partner Identification:

Stakeholders	Internal Partners	External Partners
Citizens, Project	Culture, Finance,	Project Proponent, Land
Proponents, Land	Planning, Purchasing,	Owners, Upper Tames
Owners, Entertainment	Development,	River Conservation
focused businesses,	Engineering, Realty,	Authority, Entertainment
Finance, Planning,	Legal	focused businesses
LEDC, Purchasing,		
Realty, Legal, Upper		
Tames River		
Conservation Authority		

Public Engagement	Project Review and Evaluation
 Complete first public consultation on project ideas (February, 2013) 	Legal review of recommendation (February, 2013)
Report back to IEPC on result of public consultation process (February, 2013)	Internal partner review of project proposal , and recommendation; including site selection review (February - March, 2013)
Complete second public consultation on business case (April, 2013)	Sciedicit review (February Wateri, 2010)
Report back to IEPC on result of public consultation process (April, 2013)	3. Where appropriate, external partner review of project proposal and recommendation (February - March, 2013)
	4. Identification and selection of the third party that will complete a fairness review (March, 2013)
	5. Develop project business case based on fairness review (March – April 2013)

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	6. Review and evaluate business case (April, 2013)
	7. Report back to IEPC (April – May, 2013)

Employment Program Support

Related Proposals: Employment Sector Council London Middlesex and London Middlesex Immigrant Employment Council

Recommendation: It is recommended that the joint proposal receive City funding in the amount of \$101,980 for the first year of program delivery. An update to be provided in the 4th quarter of program delivery for re-evaluation; for a potential 2nd yr funding in the amount of \$105,669.

Cost: Total cost for year one of program delivery \$101, 980: ESCLM: \$50,192-yr.1; LMIEC: \$51,788-yr.1

Return:

- · London's prosperity rides on all Londoners working.
- Matching job seekers with the right job is critical to the growth of the local economy.
- The two organizations work collaboratively to efficiently:
 - Match the unemployed with proper jobs
 - Match employers with properly skilled workers

Initial Stakeholder and Partner Identification:

Stakeholders	Internal Partners	External Partners
Citizens, The	Finance, Purchasing,	Project proponents, Other
unemployed, Business	Legal, Ontario Works,	employment agencies,
owners, Project	Neighborhood and	Business owners
Proponents, Finance,	Children Services	
Purchasing, Legal,		
Ontario Works,		
Neighborhood and		
Children Services		

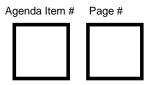
Public Engagement	Project Review and Evaluation	
Complete first public consultation on	A business case outlining the need for	
project ideas (February, 2013)	funding related to two employment support	
Report back to IEPC on result of public	programs was received in November of 2012.	
consultation process (February, 2013)	Legal review of recommendation (February, 2013)	
Complete second public consultation on business case (April, 2013)		
Report back to IEPC on result of public consultation process (April, 2013)	Internal partner review of project proposal and recommendation (February – March, 2013)	

4. Prepare a formalized contribution agreement (prepare a contract as well as reporting and performance measures) (February - March 2013)
5. Review and evaluate results of the success of the program after one year (number of job matches) for a potential 2 nd year of funding (November -December, 2013)
6. Report back to IEPC (December, 2013)

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PREPARED AND SUBMITTED BY:	PREPARED AND SUBMITTED BY:	
CATHY DZIEDZIC SPECIALIST, CORPORATE	MAT DALEY SPECIALIST, CORPORATE	
INVESTMENTS AND PARTNERSHIPS	INVESTMENTS AND PARTNERSHIPS	
REVIEWED AND RECOMMENDED BY:	REVIEWED AND RECOMMENDED BY:	
HARVEY FILGER	MARTIN HAYWARD	
DIRECTOR, CORPORATE INVESTMENTS AND PARTNERSHIPS	MANAGING DIRECTOR, CORPORATE SERVICES, CITY TREASURER, CHIEF	
AND FARTNERSHIPS	FINANCIAL OFFICER	

cc: John Fleming, Managing Director, Planning and City Planner Grant Hopcroft, Director, Intergovernmental and Community Liaison Elaine Gamble, Director, Corporate Communications

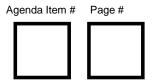


Appendices:

Appendix A: The 5 Recommendations (Power Point Presentation for Public Engagement)

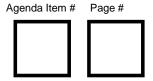


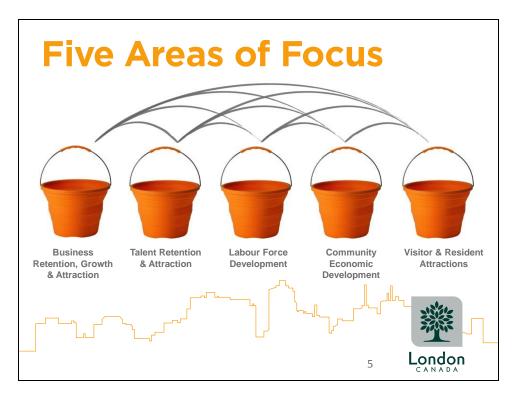


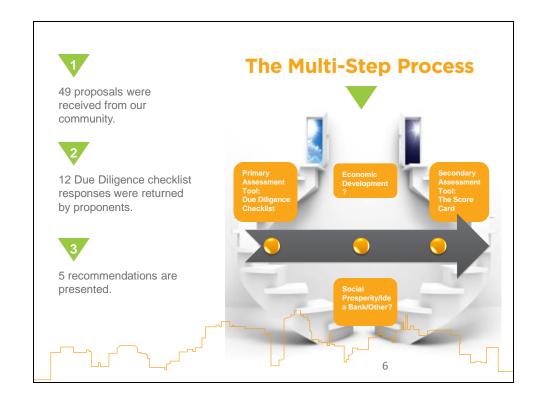


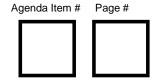














Industrial Lands Development Strategy

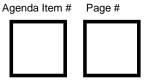
Business Retention, Growth & Attraction

Recommendation: Development of Strategically Located Serviced Lands for LEDC to Market.

Cost: A present value of \$ 40 million over ten years to be matched by the province and federal governments.

Return: This recommendation would allow for the attraction of \$1 billion in new investment over the next decade and would therefore involve leveraging the City: 11 to 1. It would also provide the lands necessary for LEDC to market; taking advantage of the benefits offered by the London region, and to be able to use London's other assets for the purpose of leveraging significant investment.

8



Kilmer Brownfield Equity L.P.

Business Retention, Growth & Attraction

Recommendation: The City of London enter into more formal discussions with Kilmer Brownfield Equity Fund L.P. and London Hydro regarding the potential sale and redevelopment of the land at 111 Horton St. East.

Cost: No direct cost to the City of London has been identified as the land would be sold to Kilmer Brownfield Equity Fund L.P. and any value created through the remediation efforts would be shared with the City of London. A potential cost associated with the relocation of London Hydro would be investigated through the recommended discussions.

Return: The redevelopment of a brownfield into a large residential-commercial mixed use property fronting the Thames River. The potential creation of 500 long term jobs and several hundred short term jobs. An opportunity to develop a relationship with one of Canada's premier brownfield developers.

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Medical Research Fund

Retain & attract

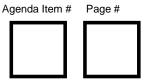
Related Proposals: London Health Sciences Foundation and St. Joseph's Health Care Foundation

Recommendation: Building on ideas presented in the June 15, 2011 Mayor's Economic Prosperity Council Report and Summary, it is recommended that the City of London investigate the possibility of committing \$1.0 million per year over 10 years to support a medical research fund. This initial investment would be used to leverage additional support from the private sector and other levels of government.

Cost: \$10 million. \$1.0 million per year over 10 years.

Return: This investment has the potential to further London's reputation as a leader in health research and encourage the creation of spin-off businesses. The coupling of London's strengths in health care and research leverages existing competitive advantages and serves to directly support economic development in the City.

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Investment in the Downtown

Visitor Attractions

Related Proposals: Music London and The Grand Theatre

Recommendation: The Civic Administration believes that the Arts and Culture Sector plays a crucial part in the economic future of the City of London, and recommends that a mixed use development/investment in the downtown be considered.

Cost >

The Grand Theatre	Music London
The City to transfer over a City asset; Parking Lot #5, Queens Lot (South side) between Clarence and Richmond (estimated market value \$2 million).	\$10 million to be provided over 10 years.

Return: A mixed use investment will help to; Strengthen and embrace London's diversity and cultural identity; Build vibrancy in the downtown; Attract more people/tourists to the vibrant core of the City for entertainment purposes: Increase spinoff benefits to many local businesses i.e. restaurants, hotels and other service industries; Lead to a significant increase in tax revenue for the City.

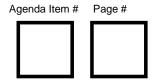
Employment Program Support

Related Proposals: Employment Sector Council London Middlesex and London Middlesex Immigrant Employment Council

Recommendation: It is recommended that the joint proposal receive City funding in the amount of \$101,980 for the first year of program delivery. An update to be provided in the 4th quarter of program delivery for reevaluation; for a potential 2nd yr funding in the amount of \$105,669.

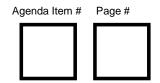
Cost: Total cost for year one of program delivery \$101, 980.

Return: London's prosperity rides on all Londoners working. Matching job seekers with the right job is critical to the growth of the local economy. There are many benefits to the two organizations as they collaboratively work to efficiently match the unemployed with proper jobs and match employers with properly skilled workers which in turn fill labor shortages and raise productivity. 12











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