

**TO: CHAIR AND MEMEBERS
PLANNING & ENVIRONEMNT COMMITTEE**

**FROM: JOHN M. FLEMING
MANAGING DIRECTOR, PLANNING AND CITY PLANNER
AND
MARTIN HAYWARD
MANAGING DIRECTOR, CORPORATE SERVICES AND
CITY TREASURER, CHIEF FINANCIAL OFFICER**

**SUBJECT: INDUSTRIAL LANDS COMMUNITY IMPROVEMENT PLAN AND
OFFICIAL PLAN AMENDMENT
FILE O-8318
MEETING ON JUNE 3, 2014**

RECOMENTDATION

That, further to the direction of Municipal Council, the following actions **BE TAKEN** with respect to a Community Improvement Plan for Industrial Land Uses:

- (a) The proposal by-law attached hereto as Appendix "A" **BE INTRODUCED** at the Municipal Council meeting of June 10, 2014, to designate all lands within the City, including lands outside the Urban Growth Boundary, as a community improvement project area for industrial land uses, attached as Schedule 1, in accordance with Section 28(2) of the *Planning Act*;
- (b) The proposed by-law attached hereto as Appendix "B" **BE INTRODUCED** at Municipal Council meeting of June 10, 2014, to adopt the Industrial Lands Community Improvement Plan for the City of London attached as Schedule 2, in accordance with Section 28(4) of the *Planning Act*;
- (c) The proposed by-law attached hereto as Appendix "C" **BE INTRODUCED** at the Municipal Council meeting of June 10, 2014, to amend the following sections of Chapter 14 – Community Improvement Policies of the Official Plan:
 - i. **AMEND** Section 14.2.2 iii) (d) (Designation of Community Improvement Project Areas) to include all lands within the Urban Growth Boundary as being an eligible industrial area for community improvement;
 - ii. **DELETE** Section 14.2.2 iv)(b) Special Study Area;
 - iii. **AMEND** Section 14.2.2 iv)(c) Airport Area by re-numbering to policy 14.2.2 iv (b)
 - iv. **AMEND** Section 14.2.3 iii) to add phasing consideration for lands deemed by Council to be worthy of consideration to promote environmental, social and community economic development;
 - v. **AMEND** Section 14.3.3 (Industrial) to include the provision of financial incentives, land acquisition, or other programs and policies to encourage industrial development in designated Community Improvement Project Areas; and,
 - vi. **AMEND** Section 14.3.4 (Other Implementation Measures) to include new programs or policies as methods of assisting in the implementation of community improvement;
- (d) The Development Charges Grant Program described in the Industrial Lands Community Improvement Plan attached as Schedule 2 and the Industrial Development Charges Grant – Incentive Program Guidelines attached as Schedule 3 **BE APPROVED**, and the program be implemented effective January 1, 2015; noting that a 100% exemption for industrial development charges will remain in place until January 1, 2015 under the Development Charges By-law;

- (e) The Industrial Corridor Enhancement Grant Program described in the Industrial Lands Community Improvement Plan attached as Schedule 2 and the Industrial Corridor Enhancement Grant Program – Incentive Program Guidelines attached as Schedule 4 **BE APPROVED**, and that the program be implemented, effective January 1, 2015, not to exceed \$250,000 per year and **BE SUBJECT** to 2015 budget approval; and
- (f) Staff **BE DIRECTED** to monitor the Industrial Community Improvement Plan programs and report back annually regarding program results; it being noted that the annual monitoring of programs may include, but is not limited to, the following factors: number of applicants; value of projects; number of jobs created; and acres of land developed and redeveloped.

PREVIOUS REPORTS PERTINENT TO THIS MATTER

March 25, 2014	“Draft Community Improvement Plan for Industrial Land Use and Official Plan Amendment. File O-8318”, Planning and Environment Committee.
November 18, 2014	“Industrial Land Development Strategy 2013-2023”, Strategic Priorities and Policy Committee.
August 26, 2013	“Strategic Change in Delivery of Development Charge Exemptions on Incentives Policies”, Strategic Priorities and Policy Committee.
April 30, 2012	“Initiation Report: 2014 Development Charges Background Study and DC By-law Update”, Strategic Priorities and Policy Committee.
November 26, 2008	“Industrial Development Charge Policy”, Board of Control

PURPOSE

This report includes a final Industrial Lands Community Improvement Plan (CIP) that was prepared for the City and an Official Plan Amendment to provide for industrial land community improvement. The Community Improvement Plan provides policies to promote industrial development and includes a program to offset Development Charges in accordance with Council direction. Also, an amendment to the Official Plan is required to add new policies to Chapter 14 – Community Improvement to provide for industrial Community Improvement Plans. This report also contains an economic analysis pertaining to current budget affordability of implementing the proposed programs under the CIP at this time.

BACKGROUND

2014 Development Charges Study

Municipalities in Ontario use legislation that allows them to recover growth related costs through development charges (DCs). The DC legislation in Ontario requires that municipal development charge by-laws be reviewed at least every five years. As such, the City of London is undergoing a 2014 Development Charge Study, which is proceeding with a view to establishing new Development Charges rates in time for

the expiration of the current DC rate by-law by August 2014. In the current by-law, the City of London exempts industrial development from Development Charges.

Subject to Recommendations 2.a.ii, below, Strategic Priorities and Policy Committee resolved the following on August 26, 2013, regarding Industrial community improvement:

2. The City Planner BE DIRECTED to prepare or amend Community Improvement Plans (CIPs), listed in order of priority, for the following forms and areas of development provide the basis for providing grants to individuals for a portion of, or all of, development charges paid:

- a. Existing exemptions/grants/discounts to be provided for in CIPs effective on the effective date of the 2014 Development Charges By-law (no later than August 4, 2014):*
 - i. residential units, Downtown Area, Old East Village Area, and SoHo Area;*
 - ii. new industrial buildings and expansions not exempt by statute, city-wide; and,*
 - iii. hospitals, universities, places of worship/cemeteries and not-for-profit organizations that are exempt from taxation by the Assessment Act, city-wide (currently 50% of CSRF rate exempted).*

Council direction to introduce Community Improvement Plans no later than August 4, 2014, is so that CIPs are in force and effective prior to the expiration of the current DC By-law.

Draft CIP Presented to Planning and Environment Committee – March 25, 2014

As a result of August 2013 Council direction noted above, the draft Community Improvement Plan and the draft Official Plan Amendment were presented at the Planning and Environment Committee on March 25, 2014. Preparation of the Draft CIP was guided by the policies of the City of London's Official Plan, the goals of the City's Industrial Land Development Strategy and informed by a Best Practices Review of leading Ontario municipalities' CIPs for Industrial land uses. The Draft Industrial Lands CIP was provided in order to circulate for comment and initiate public consultation.

The intent of the CIP presented was to identify a balanced approach that would meet the community's economic revitalization, sustainable development and environmental and community economic development objectives, as well as deliver long-term financial sustainability for incentive programs and improve clarity for financial reporting. Also, through such an approach, the aim was to achieve community and stakeholders' goals of cost effectiveness and support for industrial land development, business attraction and retention.

The Draft CIP proposed a number of financial incentives, including a Development Charges Grant program, a Tax Increment Grant program and an Industrial Corridor Enhancement Grant program. The proposed structure of the programs included a combination of "automatic" grant monies available to all applicants and grant monies available based on achievement of performance criteria, such as economic performance criteria (e.g. Creation of a specified number of industrial jobs and a minimum level of investment in the city through industrial land development) and planning, design and sustainability

performance criteria (e.g. Promotion of sustainability, energy, efficiency and design, relocation of some industrial uses to more compatible sites, and promotion of brownfield redevelopment).

In addition to the recommendations to table and circulate the Draft Community Improvement Plan and Official Plan Amendment to initiate consultation, the Planning and Environment Committee added the following recommendations at the meeting of March 25, 2014:

d) the financial incentives BE ENHANCED through a series of options that would not be less than the equivalent of 100% of the development charges exemptions and an economic analysis be reported to a future meeting of the Planning and Environment Committee;

Recommendation 'd' highlights Council's concern that performance criteria in a Development Charges grant could have the potential to reduce the incentive offered to certain industrial companies, and, therefore, the added recommendation was to ensure financial incentives offered under a CIP approach be at least equivalent to the incentive offered through the Development Charges By-law approach currently employed.

Also of note in Section 8.3 of the CIP is that the criteria and scoring for any individual program or programs under the Community Improvement Plan will not constitute part of the Community Improvement Plan, therefore allowing addition, amendment or deletion of criteria and/or programs without requirement of an amendment to the parent Community Improvement Plan. This is consistent with the City's current practice, and allows Council to add, amend or discontinue community improvement programs and incentives without having to amend the Community Improvement Plan itself.

Municipal Leadership

In addition to incentive programs that may be implemented under a Community Improvement Plan, the City of London may also engage in the full range of actions permitted under Section 28 of the Planning Act, including but not limited to a program of property acquisition, development and disposition by all means available to the municipality in accordance with provincial legislation. Land sales or exchanges of City owned lands may also be considered in order to facilitate retention and relocation of industrial operations from areas of high land use conflicts to areas that are more compatible for industrial uses within the Urban Growth Boundary.

OVERVIEW: COMMUNITY IMPROVEMENT PLANNING

Community Improvement Planning under the Act

Financial incentives can play a significant role in London's industrial land development and the City's related strategies. In addition to 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 CIP, and no longer as an exemption in the DC By-law. This incentive would be in addition to exemptions that are provided for under the *Development Charges Act*, which include mandatory exemptions for expansions of existing industrial buildings (generally up to 50%).

A CIP is a Plan adopted under the *Planning Act* that provided the opportunity for a municipality to make grants or loans to support community improvement. Community improvement is defined in the Act as follows:

“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 uses, buildings, structures, works, improvements or facilities, or spaces therefor, as may be appropriate or necessary.

The *Planning 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. For the purposes of Subsection (7), the eligible costs of a community improvement plan may include costs related to environmental site assessment, environmental remediation, development, redevelopment, construction and reconstruction of lands and buildings for rehabilitation purposes or for the provision of energy efficient uses, buildings, structures, works, improvements or facilities.

As noted above, the CIP can include programs that would allow the City to make grants or loans that would further Council’s Industrial Land Development Strategy.

Current City of London CIPs Related to Industrial Development

The City of London, under Official Plan Chapter 14 – Community Improvement Policies has identified areas and land uses eligible for community improvement. Two of the current Community Improvement Plans are related to industrial development, including the “Community Improvement Plan for Brownfield Incentives” and the “Airport Area Community Improvement Plan”.

Under the Brownfield Community Improvement Plan, “Brownfields” are defined as abandoned, underutilized or vacant former industrial buildings or sites, which are encouraged to be remediated and redeveloped. The purpose of the Brownfields CIP is to: (1) increase employment opportunities and enhance viability of inner city neighbourhoods; and (2) encourage adaptive reuse and increasing property value and tax base, without additional land or resources required.

Under the Brownfield CIP, grant programs are for assistance with:

- Property tax assistance during rehabilitation and site redevelopment;
- Development charges rebate;
- Tax increment equivalent grants for a portion of the value of the increase in Assessment growth as a result of site rehabilitation and redevelopment; and
- Green Municipal Fund monies from the federal programs to assist with financing a variety of environmental projects related to brownfield redevelopment.

The Airport Area CIP is for specific industrial sectors and land uses located adjacent to the London International Airport. The Airport Area CIP supports the competitiveness of the aerospace, aviation and transportation cluster around the London International Airport, and applies to the following targeted sectors:

- Aerospace manufacturing and servicing companies;
- Scheduled air transportation companies;
- Non-scheduled air transportation companies, including speciality flying services and chartered air transportation;
- Scenic and sightseeing air transportation; and
- Specialized services and support for air transportation industries;
- Airport operations; and
- Other support activities for air transportation, including air ambulance services.

Programs under the Airport Area CIP includes incentives such as a Tax Increment Grant program for airport and aerospace-related industrial enterprises and supportive services located in the project area adjacent to the London International Airport.

While current Community Improvement Plans are geographically and sectorally specific, the City of London also has city-wide objectives regarding community improvement for industrial areas. As such, the city-wide Industrial Lands Community Improvement Plan was prepared. Key considerations in preparation of the city-wide Industrial Lands Community Plan and the programs available under the Community Improvement Plan include: the best approach for community improvement and economic development; affordability of the approach and programs introduced therein; and, ensuring responsiveness to Council direction and public feedback received.

PUBLIC CONSULTATION

To gather public and stakeholder feedback and address city-wide community improvement goals related to industrial land uses, a special meeting of the Development Charges External Stakeholder Committee and a non-statutory Public Open House were convened on April 3 and April 10, respectively. Several additional meetings were held to gather further feedback from the London Economic Development Corporation, community and industry stakeholders were identified and participation sought.

Submissions and comments received to date have included the following major considerations:

- Concerns raised were not regarding the introduction of the Community Improvement Planning approach, but rather regarding the specifics of proposed programs offered under the CIP, including introduction of performance criteria in a DC Grant program.
- Consideration of cost effectiveness and affordability of the proposed programs was also raised by community stakeholders, especially as it related to value for money for taxpayer-funded grants.
- Industry stakeholder representatives showed strong consensus that the existing Development Charges “exemption” be brought over into a Community Improvement Plan as is, with no conditional performance criteria, no up-front costs to the applicants, and a guaranteed 100% grant for all industrial applicants. Performance criteria in a Development Charges Grant was

considered too much of an uncertainty for business planning and was considered to be detracting from the overall attractiveness of the City's offering, relative to surrounding municipalities which "exempt" Development Charges.

- Industry representatives noted that, provided there is continuity of a 100% Development Charge grant without performance criteria under the CIP, performance criteria may be an acceptable consideration for programs introduced in addition to the DC Grant.
- Strong concern was initially raised in written submissions that the March 25 report by Staff did not identify best practices from other Ontario Municipalities' Industrial CIPs. Strong concern was then raised at the public open house meeting about providing the information from the Best Practices review of Ontario Municipalities' Industrial CIPs, and providing information about the differences between (1) exemptions under a Development Charges By-law and (2) programs and approaches of other Ontario Municipalities' under industrial Community Improvement Plans.

Staff noted throughout the public consultation process that although different variations on incentive programs can be considered under the Community Improvement Plan, the Council-directed economic analysis must be conducted to provide clarity on financial affordability of implementing different programs or suites of programs.

ECONOMIC ANALYSIS: AFFORDABILITY

As noted above, a minimum incentive equivalent to a 100% Development Charges Grant program is required through Council recommendation at March 25, 2014, Planning and Environment Committee, such that incentives under the Community Improvement Plan are at least equivalent to that which is offered under the current Development Charges By-law approach of "exemption".

As part of Council Recommendation 'd', any program or programs to be implemented under the CIP must include an economic analysis to assess financial implications and affordability. Section 6.1 of the Community Improvement Plan notes that:

The incentive programs contained in the CIP are referred to as a "toolkit" because once the CIP is adopted and approved, the incentive programs in the CIP can be activated by Council, one or more at a time, based on Council approval to the implementation of each program, subject to the availability of funding.

The Industrial Lands Community Improvement Plan (CIP) (**Schedule 2**) discusses several incentive programs (see Section 6):

1. Industrial Development Charge (DC) Grant Program
2. Industrial Tax Increment Grant Program
3. Industrial Compatibility Grant/Loan Program
4. Industrial Corridor Enhancement Grant Program

The Industrial DC Grant Program is currently in place as a 100% exemption for industrial development charges under the Development Charges By-law. Recommendation (d) of this report recommends that this program be continued under the Industrial Lands CIP.

The Industrial Tax Increment Grant Program and Industrial Compatibility Grant/Loan Program are not being recommended at this time, but should be considered in future years as Administration monitors and reports back on the program results.

The Industrial Corridor Enhancement Program is recommended for approval (see Recommendation (e)), effective January 1, 2015, with the total program cost not to exceed \$250,000 per year and is subject to 2015 budget approval.

Below is a financial analysis of the programs listed above, noting that only the Industrial DC Grant Program and the Industrial Corridor Enhancement Program are recommended for immediate implementation.

Industrial Development Charge (DC) Grant Program (*recommended for implementation*)

Where the City provides a 100% exemption for industrial development charges, the City (taxpayer) must fund the industrial portion of growth projects as the capital projects are scheduled. The following table shows the capital levy (taxpayer contribution) that has been included in the growth portion of the capital budget for the last five years. The chart also shows City contributions to the Urban Works Reserve Fund (UWRF) associated with developer claims which have a component that benefits industrial development.

Industrial Share of Growth Projects (\$ millions)							
	2009	2010	2011	2012	2015	5 Yr. Total	Avg./Yr.
Capital Budget	\$4.2	\$6.1	\$2.2	\$0.7	\$3.7	\$16.9	\$3.4
UWRF Contributions	\$0.02	\$0.1	\$0.5	\$0.9	\$0.2	\$1.7	\$0.3
TOTAL	\$4.2	\$6.2	\$7.2	\$1.6	\$3.9	\$18.6	\$3.7

Going forward, the draft rate for industrial development charges in the 2014 DC study is the 2014 DC Study is \$173.26 per square metre. Applying this rate to the amount of industrial space projected for the next five years provides a projection of the cost to the taxpayer to provide a 100% discount on industrial development charges (either through the CIP Industrial Development Charge Grant for new buildings or the DC exemption for building additions). The annual taxpayer contributions required to support the Industrial CIP DC Grant is \$6 million.

Projected Cost of 100% Development Charge Exemption for Industrial						
	2014	2015	2016	2017	2018	Total
New Industrial (sqm)	34,391	34,391	34,391	34,391	34,391	171,955
Expanded Industrial (sqm)	11,464	11,464	11,464	11,464	11,464	57,320
Total Projected Space (sqm)	45,855	45,855	45,855	45,855	45,855	229,275
Rate/sqm	\$173.26	\$173.26	\$173.26	\$173.26	\$173.26	\$173.26
Total (\$ millions)	\$7.9	\$7.9	\$7.9	\$7.9	\$7.9	\$39.7
Planned Contribution*	\$3.5	\$4.0	\$3.5	\$3.5	\$3.5	\$19.0
Surplus/(Shortfall)	\$(4.4)	\$(3.9)	\$(4.4)	\$(4.4)	\$(4.4)	\$(20.7)

*represents planned contributions to the Industrial Oversizing Reserve Fund that is currently used to fund the City's industrial share of growth projects.

The projected cost of the DC Grant program with the previous annual cost of the industrial DC exemption is not directly compatible due to the following factors:

- The previous exemption paid for the growth share of industrial capital projects at the time of construction. Several of the City’s industrial parks were developed many years before building construction occurred; as such, major investments were made in previous years as “upfront” costs associated with the DC exemption, with fewer major industrial infrastructure projects constructed in recent years. Going forward, the City’s investment in the DC Grant will be timed with when building construction is actually realized.
- Industrial infrastructure projects benefitted from grants/stimulus funding from senior governments over the past five years. 2014 DC rate calculations do not include a deduction for grants for industrial projects.
- Given that the City was funding the industrial exemption through contributions to growth capital projects, costs associated with the statutory exemption for building additions were largely underfunded given that the new industrial areas principally support new industrial buildings. Costs associated with the exemption for building additions will now be funded to ensure that the DC reserve funds are not short of money needed to pay for industrial infrastructure.
- The above information on the City’s past investment in industrial growth infrastructure does not include taxpayer-supported debt associated with these projects that is still outstanding. The CIP grant based on the industrial DC rate includes costs associated with debt that was incorporated into industrial DC rate calculations.
- The projected cost of the DC Grant program reflects increased construction costs associated with major roads, sanitary sewers, stormwater management facilities, etc.

Using the draft industrial DC rate (\$173.26), a sample or illustrative cost of the 100% discount on industrial development charges can also be determined for select industrial sectors. These examples represent past experiences in London and do NOT represent actual sectors or building size in the next five years.

Illustrative Cost of 100% Development Charge Exemption for Industrial		
Industrial Sector	Building Size (square metres)	Cost of Grant (@173.26/sqm)
Auto parts manufacturing	17,645	\$3,057,172
Building materials manufacturing	18,564	\$3,216,398
Food Processing	12,083	\$2,093,500
Research & development	8,536	\$1,478,947
Large distribution centre	53,015	\$9,185,375

Industrial Tax Increment Grant Program (*not recommended for implementation at this time*)

The tax increment grant program described in the Industrial CIP would provide an annual tax increment based grant of up to 100% of the tax increment for 10 years following completion and occupancy of an industrial building. The percentage of the tax increment would depend on performance criteria such as construction value, direct employment, proximity to highways 401/402, etc. Using the same illustrative samples as above, the cost of this program is:

Illustrative Cost of Industrial Tax Increment Grant Programs (\$ millions)			
Industrial Sector	Incremental 2013 Taxes	Range of Grant (25% to 100%)	Ten Year Cost
Auto parts manufacturing	\$0.3	\$0.08 - \$0.3	\$0.8 - \$3.0
Building materials manufacturing	\$0.4	\$0.1 - \$0.4	\$1.0 - \$4.0
Food processing	\$0.3	\$0.08 - \$0.3	\$0.8 - \$3.2
Research & development	\$0.2	\$0.04 - \$0.2	\$0.4 - \$1.6
Large distribution centre	\$0.6	\$0.1 - \$0.6	\$1.5 - \$5.9
Total	\$1.8	\$0.5 - \$1.8	\$4.5 - \$18.0

Industrial Compatibility Grant/Loan Program (*not recommended for implementation at this time*)

Incentives that could be included under this program include grants and/or loans to help off-set the costs associated with the relocation of an eligible industrial use to a more compatible location within the Urban Growth Boundary. Eligible costs include the costs of development, redevelopment, rehabilitation and/or adaptive reuse of existing buildings at the new site, and/or the costs of site improvements at the new site associated with the relocating industrial use. Eligibility for the program would be subject to Council approval. The costs associated with this program may be outlined as Administration monitors and reports back on program results.

Industrial Corridor Enhancement Grant Program (*recommended for implementation*)

The industrial corridor enhancement grant program described in the Industrial CIP would provide a financial incentive to promote improved landscaping (including tree planting), fencing, berming, screening, and public art on industrial properties that sufficiently improves the aesthetics of industrial sites. The grant would be 50% of the eligible cost up to a maximum of \$25,000 with a maximum of one application per property.

This program would be open to new or existing industrial properties. It is difficult to estimate how many properties would apply and be eligible in any given year; therefore the recommended program cap is \$250,000 per year, which is ten properties at the maximum amount available per property. This program is of value because it will enhance the public realm and improve the brand of the City of London along the NAFTA superhighway corridor by helping to establish a comprehensive identity City through landscaping and public art.

AMENDMENT TO SECTION 14 OF THE CITY OF LONDON OFFICIAL PLAN

In order to permit the proposed programs for community improvement noted above, an amendment to Official Plan Chapter 14 – Community Improvement Policies is required. The Amendment includes policy changes, as well as minor housekeeping changes to policy numbering. The policy changes to Chapter 14 are summarized below. The Official Plan Amendment is attached to this report.

Delete policy 14.2.2.iii.b “Special Study Area”. This policy no longer applies. The current policy states: An older industrial area extending south from Dundas Street to the C.N.R. rail lines east of Egerton

Street where several industries have initiated a request for municipal attention to the improvement of municipal services in the area.

Add new policy 14.2.2.iii.c) Industrial Area. All lands designated for Industrial land uses. This applies to all lands in the City, including lands outside the Urban Growth Boundary, as indicated on Figure 14-1, Areas Eligible for Community Improvement.

Add new policy 14.2.3.iii Land deemed by Council to be worthy of consideration to promote environmental, social and community economic development.

Replace policy 14.3.3 Industrial With the following policy text:

Council may encourage development, redevelopment, rehabilitation and/or adaptive reuse of properties of buildings for industrial uses in conformity with a community improvement plan through the provision of financial incentives, land acquisition, or other programs and policies to encourage industrial development in designated Community Improvement Project Areas.

The purpose of Industrial Land Community Improvement include:

- *Development and Redevelopment city-wide;*
- *Supports sustainable development objectives and environmental, social, and community economic development objectives; and*
- *Supports economic development objectives of the City's Industrial Land Development Strategy.*

The current policy states: Community improvements in industrial areas will either upgrade or provide municipal services such as curbs, gutters, sewers, sidewalks, streetlighting and roads to improve the function of the area and its potential attractiveness for new firms or expansion of existing firms. Council may also encourage redevelopment or infill development in conformity with a community improvement plan through the provision of loans to the owners of industrial properties.

Add new policy 14.3.4.ix) "Other Implementation Measures" as follows:

The inclusion of programs or policies as methods of assisting in the implementation of community improvement.

CONCLUSION

An Official Plan Amendment and Industrial Lands Community Improvement Plan has been prepared based on August 2013 Council approval of a strategic change to the City's delivery of Development Charges and incentive programs, and the March 25, 2014, Planning and Environment Committee's recommendation to ensure incentives under the new CIP approach are at least equivalent to those offered under the Development Charges approach.

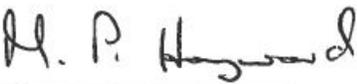
The Official Plan Amendment provides policy direction that permits proposed programs for industrial community development as well as minor housekeeping amendment to Official Plan policies of Chapter 14 – Community Improvement Policies.

Programs proposed under the CIP include:

- 1) **Industrial DC Grant Program** – This program provides a grant equal to 100% of the City development changes paid by an applicant on an industrial development project. This program is currently in place as a directed exemption under the Development Charges By-law. This program was directed by Council and confirmed through consultation with the community and industry stakeholders as the priority program under the Community Improvement Plan. Based on the projected growth in industrial space and using the draft 2014 industrial DC rate, the projected incremental cost of this program could be approximately \$4.4 million per year. This program is recommended for implementation.
- 2) **Industrial Tax Increment Grant Program** – This program provides an annual grant of up to 100% of City property tax increment generated by an industrial development project for a period of ten (10) years after projected completion, subject to eligibility through performance criteria to be determined by the City at the time of program implementation. This program is not recommended for implementation at this time as costs are not budgeted and performance criteria need to be developed, but this program should be considered in future years as Administration monitors and reports back on the program results.
- 3) **Industrial Compatibility Grant/Loan Program** – This program could potentially provide grants and/or loans for eligible costs include the costs of development, redevelopment, rehabilitation and/or adaptive reuse of existing buildings at the new site, and/or the costs of site improvements at the new site associated with the relocating industrial use. This program is not recommended for implementation at this time, as costs are budgeted and performance criteria need to be developed, but this program should be considered in future years as Administration monitors and reports back on the program results.
- 4) **Industrial Corridor Enhancement Grant Program** - This program provides a grant equal to 50% of the cost of eligible fencing, landscaping, tree planting and public art on industrial properties up to a cap of \$25,000 with a maximum one application per property/project and a program cap of \$250,000 per year. This program is recommended for approval effective January 1, 2015, subject to future budget approval.

The proposed programs address a range of goals that are in alignment with city-wide community improvement objectives and the Planning Act. Goals of the CIP and its constituent incentive programs include economic revitalization, sustainable development, and environmental, social and community economic development objectives. As identified in the Community Improvement Plan, implementation of proposed programs is through activation by Council and approval based on budgetary implications.

Consistent with the City's current practices for Community Improvement Plans, programs under the CIP are contained within appendices to the Plan and therefore allow Council opportunity to add or amend programs without having to amend the Community Improvement Plan itself. Annual program monitoring and reporting, including an economic analysis, is recommended to ensure on-going financial affordability. Monitoring may also offer future opportunity for Council to implement additional programs or amend programs based on financial affordability in future City budgets, potential impacts on other City of London priorities and programs, opportunities to improve return on investments or to strategically allocate limited funding.

PREPARED BY:	PREPARED BY:
	
TRAVIS MACBETH PLANNER II, LONG RANGE PLANNING AND RESEARCH	ALAN DUNBAR MANAGER, FINANCIAL PLANNING AND POLICY
SUBMITTED BY:	CONCURRED BY:
	
GREGG BARRETT, AICP MANAGER, LONG RANGE PLANNING AND RESEARCH	MARTIN HAYWARD MANAGING DIRECTOR, FINANCE AND CORPORATE SERVICES AND CITY TREASURER
RECOMMENDED BY:	
	
JOHN M. FLEMING, MCIP, RPP MANAGING DIRECTOR, PLANNING AND CITY PLANNER	

May 16, 2014
TM & AD/tm & ad
Attach.

Y:\Shared\policy\CITY INITIATED FILES\83180 - Industrial CIP\June 3 PEC Report - Industrial CIP v2.docx

- Cc:
- A.Zuidema, City Manager
 - M. Hayward, Managing Director, Corporate Services, City Treasurer and Chief Financial Officer
 - J. Braam, Managing Director and City Engineer, CAO, Regional Water Supply, Environmental and Engineering Services and City Engineer
 - G. Kotsifas, Managing Director, Development and Compliance Services and Chief Building Official
 - J. Barber, Managing Director, Corporate Services and City Solicitor
 - K. Graham, Manager, Corporate Initiatives
 - B. Warner, Manager, Realty Services
 - M. Henderson, Director, Business Liaison
 - K. Lakhotia, General Manager, London Economic Development Corporation

Appendix "A"

Bill No.
2014

By-law No. C.P. _____

A by-law to designate all lands within the city as a community improvement project area for industrial land uses.

WHEREAS the Official Plan for the City of London Planning Area – 1989 contains provisions relating to community improvement in the municipality;

AND WHEREAS subsection 28(2) of the Planning Act permits municipal Council to designate the whole or any part of an area covered by such an Official Plan as a community improvement project area;

NOW THEREFORE the Municipal Council of the Corporation of the City of London enacts as follows:

1. All lands within the City of London, including lands outside the Urban Growth Boundary, as shown on attached Schedule 1, are hereby designated as a Community Improvement Project Area for Industrial Land Uses.
2. This by-law shall come into effect on the day it is passes.

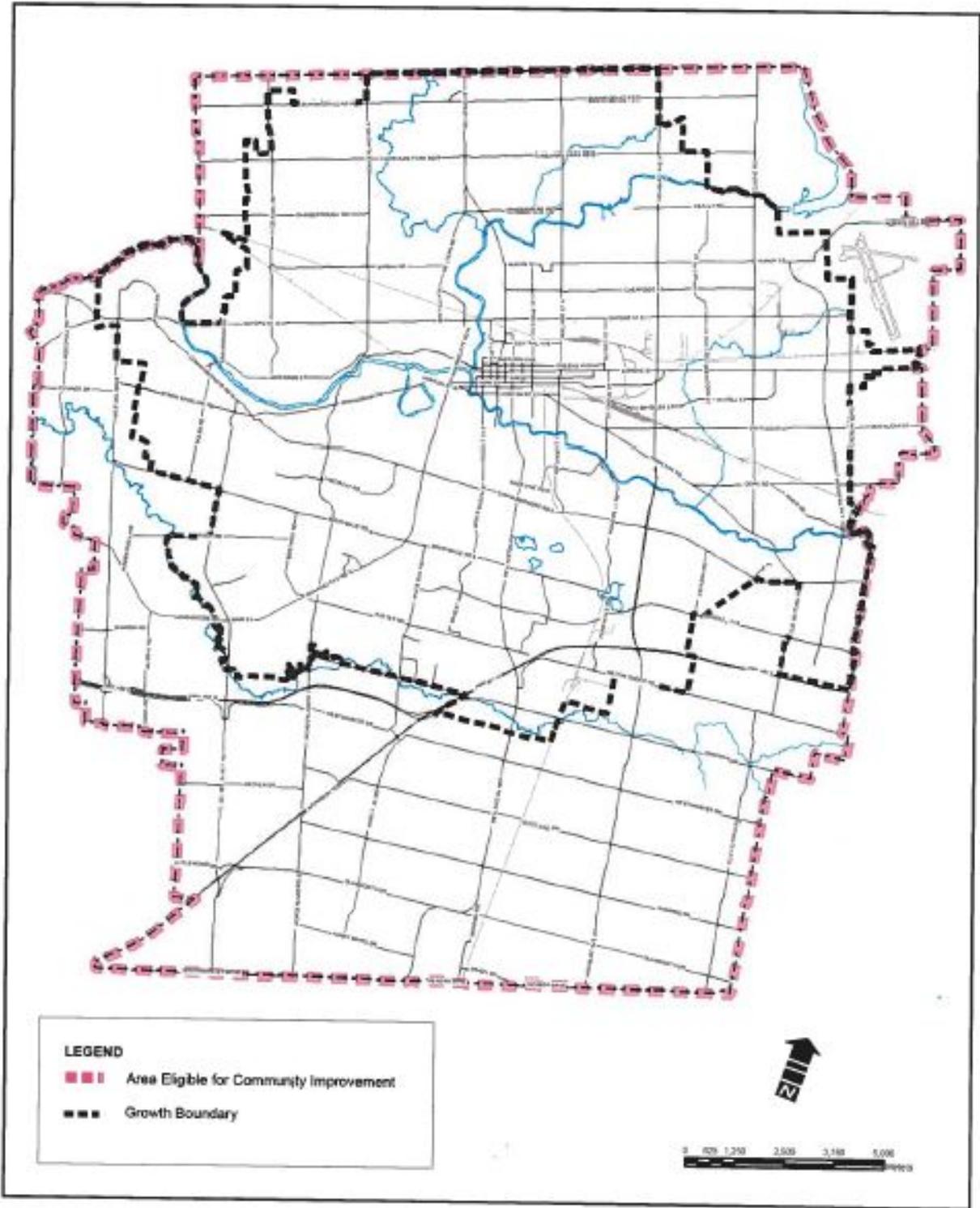
PASSED in Open Council on June 10, 2014.

Joe Fontana
Mayor

Catharine Saunders
City Clerk

First Reading – June 10, 2014
Second Reading – June 10, 2014
Third Reading – June 10, 2014

Schedule 1



Appendix "B"

Bill No.
2014

By-law No. C.P. _____

A by-law to adopt the Community Improvement Plan
for Industrial land uses.

WHEREAS subsection 28(4) of the Planning Act enables the Council of a municipal corporation to adopt community improvement plans within designated areas:

AND WHEREAS The Council of the Corporate of the City of London has, by By-law No. C.P. - _____ designated a community improvement project area identified as the Industrial Community Improvement Project Area:

AND WHEREAS The Industrial Community Improvement Project Area is in conformity with the Official Plan:

NOW THEREFORE the Municipal Council of the Corporation of the City of London enacts as follows:

1. The Industrial Lands Community Improvement Plan dated May 2014, attached hereto as Schedule 2, is hereby adopted as the Community Improvement Plan for the area defined therein.
2. The Incentive Program Guidelines of the Industrial Development Charges Grant Program, attached hereto as Schedule 3, is hereby adopted
3. The Incentive Program Guidelines of the Industrial Corridor Enhancement Grant Program, attached hereto as Schedule 4, is hereby adopted.
4. This by-law shall come into effect on the day it is passes.

PASSED in Open Council on June 10, 2014.

Joe Fontana
Mayor

Catharine Saunders
City Clerk

First Reading – June 10, 2014
Second Reading – June 10, 2014
Third Reading – June 10, 2014

Schedule 2

INDUSTRIAL LANDS COMMUNITY IMPROVEMENT PLAN

6



City of London
Industrial Lands
Community Improvement Plan

Prepared By



May 2014

TABLE OF CONTENTS

	Page
1.0 INTRODUCTION	1
1.1 Background and Purpose	1
1.2 Methodology and Consultation	1
1.3 CIP Content	2
2.0 LEGISLATIVE FRAMEWORK	3
2.1 Municipal Act, 2001	3
2.2 Planning Act	3
2.3 Development Charges Act	5
3.0 POLICY FRAMEWORK	7
3.1 Provincial Policy Statement, 2014	7
3.2 Strategic Plan, 2011-2014	8
3.3 Path to Prosperity Report	8
3.4 Official Plan	9
3.4.1 Council Strategic Plan	9
3.4.2 Vision Statement	9
3.4.3 Planning Principles	9
3.4.4 City Structure Policies	9
3.4.5 Growth Management Policies	10
3.4.6 Economic Development Strategy	10
3.4.7 Environmental Strategies – Energy Conservation	10
3.4.8 Industrial Land Use	10
3.4.9 Urban Design Principles	11
3.4.10 Community Improvement Policies	11
3.5 Industrial Land Development Strategy (ILDS)	12
3.6 Other Community Improvement Plans	14
4.0 CIP GOALS	16
4.1 Primary Goals	16
4.2 Secondary Goals	16
5.0 COMMUNITY IMPROVEMENT PROJECT AREA	18
6.0 INCENTIVE PROGRAMS	19
6.1 Approach	19
6.2 General Program Requirements	20
6.3 Industrial Development Charge Grant Program	22
6.3.1 Purpose	22
6.3.2 Description	22

TABLE OF CONTENTS (Continued)

	Page
6.3.3 Program Requirements	22
6.4 Industrial Tax Increment Grant Program	23
6.4.1 Purpose	23
6.4.2 Description	23
6.4.3 Program Requirements	23
6.5 Industrial Corridor Enhancement Grant Program	24
6.5.1 Purpose	24
6.5.2 Description	24
6.5.3 Program Requirements	24
6.6 Industrial Compatibility Grant/Loan Program	24
6.6.1 Purpose	24
6.6.2 Description	24
6.6.3 Program Requirements	25
7.0 MUNICIPAL LEADERSHIP ACTIONS	26
7.1 Property Acquisition, Servicing and Disposition	26
7.2 Marketing	27
7.3 Promoting Brownfield Redevelopment	27
7.4 Promoting Industrial Compatibility	27
8.0 MONITORING PROGRAM	28
8.1 Purpose	28
8.2 Description	28
8.3 Program Adjustments	30
9.0 CONCLUSION	31
Table 1 Monitoring Variables	29
APPENDICES	
A Glossary of Terms and Abbreviations	32

1.0 INTRODUCTION

1.1 Background and Purpose

Approximately 30% of all employment (over 35,000 employees) in London takes place on lands that are designated for industrial use. Industry plays a major role in driving London's economy and industrial land uses are a key contributor to the future of economic development, workforce retention, economic sustainability and prosperity in London. Therefore, it is not surprising that the City of London Industrial Land Development Strategy (ILDS) identifies and recommends a community improvement plan (CIP) for Industrial Lands as a very important tool to further industrial development in the city and help achieve the economic development goals of the ILDS and the Path to Prosperity Plan.

The City of London retained RCI Consulting to prepare this Industrial Lands Community Improvement Plan (CIP). The primary purpose of this CIP is to promote economic rehabilitation and revitalization across London. This will be accomplished by improving the attractiveness and effective use of industrial land and promoting the development of industrial land in the city. The CIP identifies the rationale and a comprehensive framework for the introduction and implementation of financial incentive programs and municipal leadership actions designed to attract investment and employment to the industrial lands in London.

1.2 Methodology and Consultation

A number of tasks were completed in order to provide a comprehensive foundation for the preparation of the CIP. These tasks included:

- a) A project meeting with City Staff in several departments to identify key issues to be addressed by the CIP;
- b) A review of relevant legislation, and relevant provincial policy and City planning and policy documents;
- c) A review of best practices utilized by several other Ontario municipalities that have adopted and implemented CIPs that promote the development of previously developed and previously undeveloped industrial land;
- d) The identification and examination of the key community improvement needs for industrial land in London;
- e) A key stakeholder consultation meeting; and
- f) A Public Open House.

Based on tasks (a) to (d) above, a Draft CIP was prepared. Goals were specified for the CIP, along with delineation of a recommended Community Improvement Project Area. Draft incentive programs and draft municipal leadership actions were developed and included in the CIP to address community improvement needs for industrial land development in London and achieve the goals of the CIP. The Draft CIP was forwarded to City Council on March 25th and Council authorized the Draft CIP to be released for purposes of consultation.

The Draft CIP was presented to the Development Charges External Stakeholder Committee on April 3, 2014 and the Committee provided comments on the Draft Plan. A Public Open House was advertised and held on April 10, 2014. Approximately a dozen people attended the open house. Comments during the open house centered on the use and type of performance criteria for the incentive programs. Two written submissions were also received by the City. Comments received during this consultation exercise were reviewed and utilized along with additional consultation with City staff to finalize the CIP contained herein.

1.3 CIP Content

This CIP is divided into the following sections:

- Section 2.0 provides a review of the legislative framework for the CIP
- Section 3.0 provides a review of the policy framework for the CIP
- Section 4.0 presents the goals of the CIP
- Section 5.0 describes the Community Improvement Project Area for the CIP
- Section 6.0 contains the municipal financial incentive programs designed to help achieve the goals of the CIP
- Section 7.0 outlines the municipal leadership actions designed to complement the incentive programs and help to achieve the goals of the CIP
- Section 8.0 contains a monitoring program designed to assist in monitoring progress on implementation of the CIP and the economic and other impact of the programs contained in the CIP
- Section 9.0 provides a brief conclusion to the CIP

Appendix A contains a glossary of key terms and abbreviations used in this CIP.

2.0 LEGISLATIVE FRAMEWORK

2.1 Municipal Act, 2001

Section 106(1) and (2) of the *Municipal Act, 2001* prohibits municipalities from directly or indirectly assisting any manufacturing business or other industrial or commercial enterprise through the granting of bonuses. Prohibited actions include:

- Giving or lending any property of the municipality, including money;
- Guaranteeing borrowing;
- Leasing or selling any municipal property at below fair market value; and
- Giving a total or partial exemption from any levy, charge or fee.

This prohibition is generally known as the “bonusing rule”. Section 106(3) of the *Municipal Act, 2001* provides an exception to this bonusing rule for municipalities exercising powers under subsection 28(6), (7) or (7.2) of the *Planning Act* or under Section 365.1 of the *Municipal Act, 2001*. It is the exception under Section 28 of the *Planning Act* that allows municipalities with enabling provisions in their official plans to prepare and adopt community improvement plans (CIPs). CIPs provide municipalities with a comprehensive framework for the planning and provision of economic development incentives in areas requiring community improvement.

Section 365.1 of the *Municipal Act, 2001* operates within the framework of Section 28 of the *Planning Act*. A municipality with an approved community improvement plan in place that contains provisions specifying tax assistance for environmental remediation costs will be permitted to provide said tax assistance for municipal property taxes. Municipalities may also apply to the Province to provide matching education property tax assistance through the Province’s Brownfields Financial Tax Incentive Program (BFTIP).

Section 107 of the *Municipal Act, 2001* describes the powers of a municipality to make a grant, including the power to make a grant by way of a loan or guaranteeing a loan, subject to Section 106 of the *Municipal Act, 2001*. In addition to the power to make a grant or loan, these powers also include the power to:

- Sell or lease land for nominal consideration or to make a grant of land;
- Provide for the use by any person of land owned or occupied by the municipality upon such terms as may be fixed by council;
- Sell, lease or otherwise dispose of at a nominal price, or make a grant of, any personal property of the municipality or to provide for the use of the personal property on such terms as may be fixed by council.

2.2 Planning Act

Section 28 of the *Planning Act* allows the council of a local municipality and prescribed upper-tier municipalities with provisions in their official plans relating to community improvement to designate by by-law the whole or any part of the area covered by such an official plan as a “community

improvement project area” (Section 28(2)) and prepare and adopt a community improvement plan (CIP) for that area (Section 28(4)). Once the CIP has been adopted by the municipality and comes into effect, the municipality may exercise authority under Section 28(6), (7) or (7.2) of the *Planning Act* or Section 365.1 of the *Municipal Act, 2001* in order that the exception provided for in Section 106(3) of the *Municipal Act, 2001* will apply.

Once a CIP has come into effect, the municipality may:

- i) Acquire, hold, clear, grade or otherwise prepare land for community improvement (Section 28(3) of the *Planning Act*);
- ii) Construct, repair, rehabilitate or improve buildings on land acquired or held by it in conformity with the community improvement plan (Section 28(6));
- iii) Sell, lease, or otherwise dispose of any land and buildings acquired or held by it in conformity with the community improvement plan (Section 28(6));
- iv) Make grants or loans, in conformity with the community improvement plan, to registered owners, assessed owners and tenants of land and buildings with 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 (Section 28(7)).

Section 28(1) of the *Planning Act* defines as “community improvement project area” as “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.” This definition allows municipalities to address community improvement issues that are more pervasive across entire municipalities, such as the promotion of brownfield redevelopment, industrial development or community economic revitalization and/or development. It is also important to note that there are a variety of reasons that an area can be designated as an area in need of community improvement. The criteria for designation cover not only physical deterioration, but also faulty arrangement, unsuitability of buildings, and any other environmental, social or community economic development reasons.

Section 28(1) of 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 therefore, as may be appropriate or necessary”. This represents a wide range of municipal actions that a municipality can take.

Section 28(7.1) of the *Planning Act* provides specific guidance on the eligible costs of a CIP in relation to the municipal provision of grants and loans for the purpose of carrying out a CIP that has come into effect. Section 28(7.1) of the *Planning Act* specifies that these eligible costs may include costs related to environmental site assessment, environmental remediation, development, redevelopment, construction and reconstruction of lands and buildings for rehabilitation purposes or for the provision of energy efficient uses, buildings, structures, works, improvements or facilities.

Community improvement as contemplated for the London Industrial CIP would include many of the activities contained in the Section 28 *Planning Act* definition of community improvement, including planning, replanning, design, redesign, development, redevelopment, construction, reconstruction, rehabilitation and the improvement of energy efficiency. The CIP will also include recommendations for municipal actions that help create a more attractive investment climate for industrial land development in London. Therefore, based on the definitions of “community improvement”, “community improvement project area”, and “community improvement plan” in Section 28(1) of the *Planning Act*, the *Planning Act* permits and supports a CIP that provides grants and/or loans to promote the development and redevelopment of designated industrial lands within the Urban Growth Boundary of the City of London.

In terms of limits on the total grants and loans that can be provided under this CIP, Section 28(7.3) of the *Planning Act* specifies that the total of all grants and loans made in respect of particular lands and buildings under Section 28(7) and (7.2) of the *Planning Act* and tax assistance provided under Section 365.1 of the *Municipal Act, 2001* in respect of the land and buildings shall not exceed the eligible cost of the community improvement plan with respect to those lands and buildings.

Section 28(1) of the *Planning Act* allows a municipality to register an agreement concerning a grant or loan made under subsection 28(7) or an agreement entered into under subsection 28(10) against the land to which it applies, and the municipality shall be entitled to enforce the provisions thereof against any party to the agreement and, subject to the provisions of the *Registry Act* and the *Land Titles Act*, against any and all subsequent owners or tenants of the land.

Finally, Section 69 of the *Planning Act* allows municipalities to reduce or waive the amount of a fee in respect of a planning application where it feels payment is unreasonable. Municipalities can use this tool to waive all matter of planning application fees to promote community improvement without inclusion in a CIP. Alternatively, a municipality can collect fees and then provide a grant equal to part or all of the fees in the form of a grant, but this must be done within a CIP.

2.3 Development Charges Act

Section 5 of the *Development Charges Act* allows a municipality to exempt a type(s) of development from a development charge, but any resulting shortfall cannot be made up through higher development charges for other types of development. This allows upper and lower tier municipalities to offer partial or total exemption from municipal development charge (also known as a reduction of development charges) in order to promote community improvement. Because this financial incentive is normally offered before construction, i.e., at the time of building permit issuance, it is very attractive to developers and is very powerful community improvement tool. This approach to providing a development charge incentive normally entails an amendment to a municipal development charges by-law.

Municipalities can also collect development charges as normal at the time of building permit issuance and then provide a grant equal to part or all of the development charges collected. This grant can be

provided either at the time of building permit issuance, or once the project is complete. The provision of part or all of a development charge grant after project completion is the approach usually utilized by municipalities when the amount of the development charge reduction (grant) is tied to some performance measure for the project, e.g., investment, job creation or the level of LEED certification.

Under its current Development Charges (DC) By-law C.P. 1473-212, the City of London provides an exemption to new industrial buildings. The Development Charges By-law is being reviewed. An August 2013 staff report regarding a Strategic Change in Delivery of DC Exemptions and Incentive Policies notes that the DC By-law has been used as a tool to provide businesses with a financial incentive through the non-payment of development charges without violating the *Municipal Act* restrictions against bonusing. This includes promoting industrial development through the use of a DC exemption on new industrial buildings in the DC By-law. However, this DC exemption is not an ideal tool for this purpose as it generally is not supported by a strategy that defines program goals, parameters and measures to evaluate the effectiveness of the program.

As such, the report notes that a comprehensive strategy to promote industrial development is available through the use of a CIP under the Planning Act. Based on this report, Council directed the City Planner to prepare a CIP for industrial development. The staff report notes that this new approach to promoting industrial development offers numerous benefits over using an exemption for industrial development under the DC By-law. These benefits include:

- A coordinated strategy for economic development;
- Additional flexibility for program management;
- Enhanced monitoring and improved transparency; and,
- Improved program evaluation and greater accountability.

3.0 POLICY FRAMEWORK

3.1 Provincial Policy Statement, 2014

The Provincial Policy Statement (PPS) is issued under Section 3 of the *Planning Act* and provides direction on matters of provincial significance related to land use planning and development. The latest version of the PPS was released on February 24, 2014 and the policies took effect on April 30, 2014. The *Planning Act* requires that, “decisions affecting planning matters shall be consistent with policy statements issued under the Act”. The vision for land use planning in Ontario in the PPS states that “the long-term prosperity and social well-being of Ontarians depends on planning for strong, sustainable communities for people of all ages, a clean and healthy environment, and a strong competitive economy”.

Several policies in the PPS relate to and support the preparation of a CIP for industrial lands in London. For example, Policy 1.2.6.1 relates to land use compatibility and states that major facilities and sensitive land uses should be planned to ensure they are appropriately designed, buffered and/or separated from each other to prevent or mitigate adverse effect from odour, noise and other contaminants, minimize risk to public health and safety, and to ensure the long-term viability of major facilities. Conflict between exiting industrial opportunity to encourage conflicting industrial uses on remnant parcels to relocate to more stable locations in industrial parks and other industrial areas.

Several policies in the PPS support economic development, diversification and planning for employment areas. For example, Policy 1.3.1 of the PPS states that planning authorities shall promote economic development and competitiveness by:

- Providing for an appropriate mix and range of employment uses to meet long-term needs; and,
- Providing opportunities for a diversified economic base, including maintaining a range and choice of suitable sites for employment uses which support a wide range of economic activities and ancillary uses, and take into account the needs of existing and future businesses.

Policy 1.3.2 notes that planning authorities:

- Shall plan for, protect and preserve employment areas for current and future uses;
- Shall protect employment areas in proximity to major goods movement facilities and corridors for employment uses that require those locations;
- May plan beyond 20 years for the long-term protection of employment areas.

Policy 1.7.1 of the PPS specifies that long-term economic prosperity should be supported by a number of activities, including:

- Promoting opportunities for economic development and community investment-readiness;
- Optimization of the long-term availability and use of land, resources, infrastructure, electricity generation facilities and transmission and distribution systems, and public service facilities;
- Promoting the redevelopment of brownfield sites;
- Provision of an efficient, cost-effective, reliable multi-modal transportation system that is integrated with adjacent systems and those of other jurisdictions; and

- Promoting energy conservation and providing opportunities for development of renewable energy systems and alternative energy systems, including distinct energy.

3.2 Strategic Plan, 2011 – 2014

Council's Strategic Plan defines a new vision for London as the City of Opportunity. One of the key principles of the Strategic Plan is that the City invest wisely to continue to build the community while maintaining a solid financial position. Use of a CIP that provides a comprehensive framework for the promotion of industrial development in London rather than a single exemption under the DC By-law demonstrates fiscal responsibility.

One of the key results of Council's Strategic Plan is a strong economy. The Strategic Plan notes that a strong economy is innovative, dynamic, diverse, resilient and where the public and private sector work together to achieve these common goals. This CIP can help to achieve these economic goals. This CIP contains programs to help stimulate private sector industrial land development and public sector actions designed to ensure an adequate and appropriate future supply of industrial land in London.

The Strategic Plan also notes that the key indicators of a strong economy are economic output and jobs. This CIP focuses on these key indicators and incorporates them into the incentive's programs contained in the CIP. The Strategic Plan also recommends building on the City's Industrial Land Development Strategy (ILDS). The ILDS forms the major policy foundation for this CIP. This CIP incorporates sustainable building and planning design into the incentive's programs contained in the CIP.

3.3 Path to Prosperity Report

In December of 2012, Council endorsed the recommendations in the Path to Prosperity Report. This report was prepared as part of the Investment and Economic Prosperity Committee's (IPEC) Plan to develop a strategy to accelerate the growth of a strong vibrant economy and foster private sector investment in the city. The report discusses the ILDS and analyzes 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.

The report focuses on recommendations that promote business retention, growth and expansion. One of the key recommendations in the report is the development of strategically located services employment lands that the London Economic Development Corporation (LEDC) can market. The report notes that London lacks "shovel-ready" lands necessary to attract business facilities that would stimulate economic growth and employment opportunities. The report recommends that the City set aside \$40 million to acquire and service strategically located industrial land over the next 10 years.

3.4 Official Plan

An Official Plan provides the general land use framework and policies for a municipality by identifying generally how, where and when a municipality will develop over time. The City of London Official Plan

(OP) was adopted by Council in 1989 and is currently being reviewed. The OP contains numerous policies that support and guide preparation of a CIP to promote industrial land development. These relevant policies are discussed below.

3.4.1 Council Strategic Plan

The key elements of Council's Plan in relation to this CIP were described in a previous section. However, it should be noted that Policy 2.1.5 of the OP specifies that it is the intent of Council to support the Vision and Goals of Council's Strategic Plan through the Official Plan and its implementation mechanisms. These implementation mechanisms include the preparation and adoption of CIPs by the City, and acquisition by the City of land for the purpose of implementing a CIP.

3.4.2 Vision Statement

The OP Vision Statement refers to managing growth and change to foster economic development, fulfilling growth related requirements for employment and commerce through the efficient utilization of existing serviced land, and applying urban design objectives and guidelines. This CIP incorporates all of these vision statement goals.

3.4.3 Planning Principles

A number of the planning principles that guide the objectives and policies in the OP are also reflected in this CIP. These include land use planning that promotes compatibility among uses, and attractive, functional and accessible building design.

3.4.4 City Structure Policies

The City Structure policies in the OP describe the range of characteristics associated with the nature and distribution of land uses in the City of London. The City Structure policies for industrial development (2.4.1 viii) specify that industrial development will be encouraged to locate in planned industrial areas. The use of older industrial areas as a means of encouraging start-up industries is provided for by the OP. Economic growth and diversification shall also be encouraged through opportunities for the creation of business parks at locations outside of traditional older industrial areas.

Policy 2.4.1.xiv encourages development that will broaden the distribution and range of employment opportunities in the City. Policy 2.4.1 xvii encourages industrial infill and intensification through new development or redevelopment in the Industrial Land Use designation. Finally, Policy 2.4.1 xxi supports forms of development that are designated to be pedestrian-oriented, supportive of public transit services and within the bounds set by the need to maintain or sustain environmental health, through redevelopment and in planning for areas of new development.

3.4.5 Growth Management Policies

Responsible growth management is a key element of the City of London's strategic approach to the accomplishment of its OP Vision and Strategic Priorities. Section 2.6.2 of the OP notes that growth will be directed to areas that are suitable for the provision of full municipal services in keeping with the City's long term servicing and financing plans, and that growth related capital costs will be recovered from revenues generated from the new development.

3.4.6 Economic Development Strategy

The City of London Economic Development Strategy is intended to guide economic development planning and decision making over the long term. The Vision in the Economic Development Strategy encourages innovation and investment that will promote a sustainable economy that contributes to employment opportunities and benefits the entire community (policy 2.7.1 of the OP). Policy 2.7.3 of the OP clearly indicates that it is the intent of Council to support the Vision and Goals of the Economic Development Strategy through the OP and its implementing mechanisms.

3.4.7 Environmental Strategies – Energy Conservation

Policy 2.9.3. xvi of the OP states that the City will promote energy conservation and improved air quality by incorporating energy conservation measures into site design, and into the design, construction and renovation of buildings, including the application of L.E.E.D. certification standards. This CIP includes an incentive that addresses this goal.

3.4.8 Industrial Land Use

Section 7 of the OP contains the Industrial Land Use designation policies. Industrial land uses in the OP are separated into three categories: General Industrial, Light Industrial, and Official Business Park. These categories are different on the basis of the range of main permitted uses or industrial processes, the potential impacts such uses, or processes would have on adjacent areas, and the scale and intensity of development allowed. The intent of the OP is to group industrial uses so as to maximize their compatibility and minimize any negative impacts on nearby residential or other sensitive land uses.

The OP stresses the following objectives for all industrial designations:

- Designate sufficient industrial land to accommodate growth anticipated during the planning period, including an adequate supply of available serviced land and an allowance for sufficient choice in terms of location, size of properties, services, and road and rail access;
- Promote an aesthetically pleasing form of development along major road and rail entrances to the City;
- Minimize any potentially adverse impacts from industrial development on surrounding land uses;
- Encourage industrial uses to be located in industrial parks;
- Encourage an efficient utilization of land within industrial areas;
- Develop office business parks that will provide appropriate locations for industries in the fields of research, advanced technology, and applied medicine;
- Provide opportunities within existing industrial areas for the introduction of new industries that are compatible with existing and surrounding land uses; and,
- Support the implementation of the City of London Economic Development Strategy.

This CIP has been developed to include incentive programs and municipal leadership actions that support these OP objectives.

3.4.9 Urban Design Principles

Section 11 of the OP contains urban design principles related to visual character, aesthetics and compatibility of land use. These urban design principles are to be used as a guideline in the review of development proposals. A number of these urban design principles are directly relevant to this CIP.

These include:

- The promotion of a high standard of design for buildings to be constructed in strategic or prominent locations such as along the major entryways to the City, including the Highway 401/402 and Veterans' Memorial Parkway (VMP) corridors;
- The relocation or replacement of incompatible land uses and the redevelopment of derelict properties will be encouraged;
- Landscaping should be used to conserve energy and water, enhancing the appearance of building setbacks and yard areas, contribute to the blending of new and existing development and screen parking, loading, garbage and service facilities from adjacent properties and streets; and,
- Gateways may be created through the placement of buildings, landscape features, or the design and architecture of the buildings or structures themselves that frame or create the gateway or entrance.

Furthermore, Policy 11.1.2 of the OP specifically identifies the preparation and implementation of CIPs as a means for Council to promote application of the urban design principles contained in the OP.

3.4.10 Community Improvement Policies (*refers to Section 14 of OP as amended*)

Section 14 of the OP contains comprehensive Community Improvement policies. Section 14.2.1 indicates that the selection of areas eligible for commercial or industrial community improvement is based on a number of criteria, including:

- Older areas of predominantly commercial or industrial use, which are potentially stable and viable;
- Land use problems associated with incompatible uses or an under-utilization of land, which detracts from the functioning and viability of the area; and,
- A demonstrated interest in community improvement by the private firms within an area.

All of these criteria apply to industrial development in various parts of the city.

Policy 14.2.2 notes that Council may designate by by-law, "Community Improvement Project Areas" anywhere in the city. This policy identifies certain areas within the city that are eligible for different types of community improvement, with eligible industrial areas for community improvement being:

- a) Several older industrial areas of the City which have been delineated on the basis of their age and potential benefit from coordinated physical improvements;
- b) The area in proximity to London International Airport generally east of Airport Road and north of the C.P.R. and designated for industrial development;
- c) All lands designated for industrial use in the city; and,

- d) Brownfield sites including vacant or underutilized lands and buildings located within the Urban Growth Area that have been contaminated as a result of previous development activity.

Policy 14.2.3 identifies a number of factors that will be considered in the selection and phasing of “Community Improvement Project Areas”. These factors include land deemed by Council to be worthy of consideration to promote environmental, social and community economic development.

Section 14.3 describes various initiatives that Council can undertake to implement CIPs. Policy 14.3.3 deals specifically with community improvement in industrial areas and states that Council may: encourage development, redevelopment, rehabilitation and/or adaptive reuse of properties or buildings for industrial uses in conformity with a community improvement plan through the provision of financial incentives, land acquisition, or other programs and policies to encourage industrial development in designated Community Improvement Project Areas. Furthermore, Policy 14.3.3 specifies that the purpose of industrial land community improvement can include:

- Development and redevelopment city-wide;
- Support of sustainable development objectives and environmental, social, and community economic development objectives; and,
- Support of the economic development objectives outlined in the City’s Industrial Land Development Strategy (ILDS).

In summary, the Community Improvement Policies in the City’s OP enable and strongly support designation of a city-side community improvement project area to promote industrial land development, with a focus on the economic development objectives outlined in the City’s ILDS, and the planning, urban design and sustainable development objectives outlined in the OP. This CIP has been developed to support these key community improvement objectives for industrial land development in the City of London OP.

3.5 Industrial Land Development Strategy (ILDS)

The City’s ILDS notes that in recent years, London’s economy has been negatively affected by several inter-related economic forces that are well beyond the City’s control. These economic forces include fundamental shifts in the traditional economy such as the 2008 United States and global economic downturns; intense manufacturing competition from abroad; the decline of the automotive manufacturing sector, the consolidation of companies and their movement and concentration of headquarter offices into a few major cities across the country; and the concentration of immigration to Canada’s major urban centres of Vancouver, Calgary, Toronto and Montreal. London has recently lost several major industrial employers. These economic challenges have resulted in persistently high unemployment in the London region, including rates of over 9% during early 2013. The globalization of trade and industry means that London is now in greater competition with other municipalities from across the province, country, and world for the attraction and retention of industrial companies and a top workforce.

The City’s first ILDS was prepared in 2001. The 2001 ILDS guided the City in its planning, acquisition, servicing and marketing of industrial land. This in turn, allowed the growth of the industrial sector in

London. However, in addition to the economic forces described above, London is now faced with an inadequate supply of appropriately sized, located, and serviced industrial land able to capitalize on major employment growth opportunities and meet the needs of prospective industrial enterprises. Since 2001 there have also been shifts in the City's targeted industrial sectors, and the land, servicing, and design requirements of these sectors. The LEDC identified a number of strategic target industrial sectors. These include:

- Advanced manufacturing including:
 - Renewable and clean technology;
 - Automotive;
 - Agri-food/Food Processing; and,
 - Defence and Aerospace;
- Life and Health Sciences;
- Information Technology and Digital Media;
- Enhanced Transportation and Logistics; and,
- Research and Development.

Based on pervasive economic challenges and shifts in the City's targeted industrial sectors and their land, servicing, and design needs, the City determined that it needed to update its 2001 ILDS in order to:

- a) Accelerate the City's economic revitalization; and
- b) Meet the changing needs of prospective industries in strategically important target sectors.

The City's new ILDS was approved by Council on April 1, 2014. The new ILDS is a comprehensive strategy that consists of the following six main strategies:

1. Establishing an active role for the City in Planning for, developing and selling industrial land;
2. Identifying the needs of industrial target sectors;
3. Ensuring an adequate supply of industrial land;
4. Establishing plans to deliver investment-ready lands;
5. Market London's industrial lands aggressively on an international stage; and,
6. Making London attractive to a high quality, skilled labour force and, in turn, more attractive to industrial investment.

The City's new ILDS forms a primary foundation of this CIP. The primary rationale for both the ILDS and this CIP is economic rehabilitation, revitalization and development through the effective and efficient use of industrial land to create employment opportunities. Therefore, the CIP has been designed to help implement the strategies contained in the ILDS. For example, the incentive programs contained in this CIP will enhance London's efforts to market industrial lands on an international stage (as well as a local and national stage) and will help to make London more attractive to industrial investment, i.e., strategies 5 and 6 above. The municipal leadership actions contained in this CIP also support strategies 1, 3, 4 and 5 in the ILDS.

The City's role in industrial land development is to ensure an adequate supply of industrial land but also to help ensure that supply is effectively used and developed to increase investment, and jobs, create better planned work environments, and sustainable use of industrial land and buildings. The City has

had a Brownfield CIP in place since 2006. This CIP addresses previously developed industrial lands. Because of their historical location in built-up areas that also include residential and other sensitive land uses, many of these brownfield sites are now transitioning to non-industrial uses as they are redeveloped, and therefore, the supply of previously developed industrial land available for industrial redevelopment is shrinking. Therefore, the City's ability to promote economic rehabilitation, revitalization, job creation and the sustainable use of industrial land and buildings would be seriously compromised if the City focused its community improvement planning efforts only on previously developed land.

The ILDS identified that the current supply of vacant and serviced industrial land is not well aligned with the location, size and servicing requirements of prospective industrial enterprises. Furthermore, experience in London has shown that the private sector is unlikely to take a leadership role in developing industrial land in London. Therefore, the ILDS identifies a significant need for the City to maintain its active role in the planning, acquisition, servicing, and marketing of industrial land.

The ILDS recommends the City maintain a 10 year supply (200 ha.) of vacant serviced industrial land, with 180 ha of this serviced land in strategic locations within reasonable proximity to major highway corridors. Chapter 7.0 of the ILDS contains a strategy for the City acquisition and development of industrial land which includes a location strategy and criteria for the acquisition of additional City-owned lands. The Municipal Leadership Actions contained in Section 8.0 of this CIP support the City strategy for acquisition and development of industrial land in the ILDS.

The ILDS also sets out to plan to deliver market ready industrial land. Chapter 8.0 of the ILDS identifies a number of actions to deliver market ready industrial land. These include an expected planning process, a financial plan, collaboration with partners, and consideration of alternative models for public management of industrial land. Furthermore, Chapter 9.0 of the ILDS contains a strategy to aggressively market London's industrial land and high quality of life.

Finally, Chapter 10 of the ILDS specifically recommends that a CIP be prepared and adopted to further industrial development in London. The ILDS specifies that the CIP may contain grants and loans to promote industrial development, and that the City may acquire, hold, prepare sell, lease, or otherwise dispose of land for industrial purposes.

3.6 Other Community Improvement Plans

The City of London has made significant use of CIPs in the past with the preparation and adoption of six different CIPs:

- Airport Road CIP;
- Brownfield CIP;
- Downtown CIP;
- Heritage CIP;
- Old East CIP; and,
- SOHO CIP.

The Downtown, Old East and SOHO CIPs apply to specific commercial areas (Downtown and Old East) or mixed-use neighbourhoods (SOHO) in the city. These CIPs contain incentives (loans, tax increment grants and DC grants) to promote various forms of commercial and mixed-use building upgrades and façade improvement. The Heritage CIP applies to the entire city and include a tax increment grant and DC grant to promote the preservation and rehabilitation of a designated heritage building/structure. The Brownfield CIP applies to all lands within the Urban Growth Boundary and includes an environmental study grant program, and a tax increment grant program and DC grant program that promotes the environmental remediation and redevelopment of brownfield sites. The Airport Road CIP applies to the London International Airport and adjacent industrial park lands. The Airport Road CIP contains a tax increment grant targeted to the aerospace and air transportation sectors.

The incentive programs in only two of the above-noted CIPs (Tax Increment Grant and DC Grant in the Brownfield CIP, and the Tax Increment Grant in the Airport Road CIP) would potentially have any overlap with the incentive programs contained in this CIP. Eligible applicants can apply for one, more or all of the incentive programs contained in this CIP and incentive programs contained in other applicable CIPs. However, in order to avoid “double dipping” (use of two or mote incentive programs to pay for the same eligible cost), if an applicant is eligible to apply for the same program type (tax increment grant, DC grant/rebate), under the Industrial Lands CIP and any other applicable CIP, the applicant can apply for that type of program under only one CIP. For example, if an applicant is eligible for both the Brownfield Tax Increment Equivalent Grant contained in the Brownfields CIP and the Industrial Tax Increment Grant contained in this CIP, the applicant can apply for only one of these programs. Furthermore, the total of all grants, loans and tax assistance provided in respect of the particular lands and buildings for which an applicant is making application under the programs contained in this CIP and any other applicable CIPs shall not exceed the eligible costs of the improvements to those particular lands and buildings under all applicable CIPs.

4.0 CIP GOALS

Based on the comprehensive policy review described above and consultation with City Staff and key industrial land development stakeholders throughout the ILDS and CIP processes, numerous community improvement needs for industrial land development in London were identified and examined. Similar community improvement needs were identified in the review of best practices utilized by several other municipalities in Ontario to promote industrial development on previously developed and previously undeveloped industrial lands.

The critical community improvement needs for industrial land development in London were then translated into primary and secondary goals for this CIP. The most important policy document guiding the identification of the goals for this CIP is the City's new ILDS. Considerable weight has also been given to the policy direction provided in the City's OP and other key City and provincial planning and economic development policy documents. The goals of the CIP were then used to guide development of the incentive programs and municipal leadership actions contained in this CIP. Primary goals are those that were of paramount importance and primarily guided the development of the incentive programs and municipal leadership actions contained in this CIP. The secondary goals, while also very important, were utilized to guide enhancements to the incentive programs and municipal leadership actions that already meet the primary goals of the CIP. The goals of the London Industrial Lands CIP are as follows:

4.1 Primary Goals

- 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;
- Increase the long-term industrial assessment based and industrial land property tax revenues;
- Facilitate and promote the development and redevelopment of industrial land in London in conformity with the servicing, growth management, and other policies in the City's Official Plan;
- Ensure that financial incentive programs used to promote industrial development are transparent, accountable, financially sustainable, and that the effectiveness of these programs is monitored; and,
- Ensure that growth related capital costs are recovered from revenues generated by new development.

4.2 Secondary Goals

- Where necessary and possible, relocated incompatible industrial land uses to more stable industrial lands;
- Where appropriate, promote the redevelopment of brownfield sites for industrial use'
- Promote sustainable and energy efficient planning, site and building design, and enhanced landscaping for industrial development and redevelopment in London;
- Improve the design of industrial buildings constructed in strategically important locations such as the Highway 401/402 corridor and the VMP corridor;
- Meet the land development needs of targeted industrial sectors;
- Retain and attract businesses in targeted industrial sectors;
- Increase employment in targeted industrial sectors and broaden the range or employment opportunities available in London;
- Promote industrial development that includes enhanced amenities for employees; and,
- Aggressively market London's industrial lands.

5.0 COMMUNITY IMPROVEMENT PROJECT AREA

In accordance with Section 28(2) of the *Planning Act*, if a municipality has community improvement policies in its official plan, that municipality may, by by-law designate the whole or any part of the area covered by their official plan as a community improvement project area. The City of London OP covers the entire municipality, and the OP contains Community Improvement policies that permit designation of the entire municipality as a community improvement project area for industrial land.

Section 28(3) of the *Planning Act* allows a municipality to acquire, hold, clear, grade and otherwise prepare land for community improvement within a designated community improvement project area one the community improvement plan for that area comes into effect. Section 28(6) of the *Planning Act* allows a municipality implementing a CIP that has come into effect to undertake the following actions within the community improvement project area as long as these actions are in conformity with the CIP.

- i) Sell, lease, or otherwise dispose of any land and buildings acquired or held by the municipality; and,
- ii) Construct, repair, rehabilitate or improve buildings on land acquired or held by the municipality.

The challenges facing industrial land development in London are not restricted to certain industrial areas or types of industrial land. Furthermore, the planning and economic development goals of this CIP apply to industrial lands spread across the city. Therefore, in order to properly address the community improvement needs for industrial development in London and in order to successfully achieve the goals of this CIP for all industrial land in London, it is recommended that the Community Improvement Project Area for the City of London Industrial Lands CIP be designated as the entire geographic area of the City of London. However, in order to ensure that the incentive programs contained in this CIP conform to both the *Planning Act* and the policies of the City of London OP, the incentive programs in this CIP will apply only to lands designated for industrial land use within the City's Urban Growth Boundary, as amended from time to time.

6.0 INCENTIVE PROGRAMS

6.1 Approach

The financial incentive programs contained in this CIP were developed to address the economic and planning challenges of developing industrial land in London and to help achieve the primary and secondary goals outlined in Section 4.0 of this CIP. In order to help accomplish the goals of this CIP, three incentive programs have been included in the CIP.

The first program is the **Industrial Development Charge (DC) Grant Program**. This program provides a grant equal to up to 100% of the City development charge payable by an application on an industrial development project.

The second program is the **Industrial Tax Increment Grant Program**. This program provided an annual grant of up to 100% of the City property tax increment generated by an industrial development project for a period of ten (10) years after project completion.

The third program is the **Industrial Corridor Enhancement Grant Program**. This program provided a grant equal to 50% of the cost of eligible fencing, landscaping and planning on industrial properties with the maximum grant per property/project capped at \$25,000, with a maximum of one application per property/project.

The fourth program is the **Industrial Compatibility Grant/Loan Program**. This program would provide a grant and/or a loan to assist existing industrial operations in London to relocate to more compatible and appropriate sites within the Urban Growth Boundary in London. In parts of the City, existing industrial operations may be constrained by changes in the surrounding neighbourhoods or may be located in areas where their continued operation, expansion or changes in operations would cause negative impacts on surrounding non-industrial land uses. This program will provide a grant or loan to help off-set the costs associated with the relocation of an eligible industrial use to a more compatible location within the Urban Growth Boundary.

The incentive programs contained in the CIP are referred to as a “toolkit” because once the CIP is adopted and approved, the incentive programs in the CIP can be activated by Council, one or more at a time, based on Council approval of the implementation of each program, subject to the availability of funding. The programs are also referred to as a “toolkit” because once activated, these programs can be used individually or together by an applicant.

General requirements that apply to all the programs contained in this CIP and program specific requirements have been included in the CIP to help promote the goals of the CIP, while protecting the financial interest of the municipality. The balance of this section specifies the general program requirements and outlines basic details for each incentive program including the program purpose, description, and requirements.

6.2 General Program Requirements

All of the incentive programs contained in this CIP are subject to the following general requirements as well as the individual requirements specified under each incentive program. The general and program specific requirements contained in this CIP are not necessarily exhaustive, and the City reserves the right to include other requirements and conditions as deemed necessary on a property specific basis:

- a) An application for any financial incentive program contained in this CIP:
 - i Can be made only for development, redevelopment, rehabilitation, and/or adaptive reuse of an industrial building within the Urban Growth Boundary (see Appendix A for the definition of “industrial building”);
 - ii Must be submitted to and approved by the City prior to the commencement of any works to which the incentive program will apply and prior to application for building permit; and,
 - iii Must include plans, drawings, studies, reports, and urban design briefs, cost and other studies, details and information as required by the City to satisfy the City with respect to project eligibility, design, performance and conformity with the CIP.
- b) The City may require that the applicant submit professional urban design brief, studies and/or professional architecture/design drawings that are in conformity with any applicable urban design guidelines;
- c) The City may require that the applicant submit a Business Plan that contains information on the proposed projects as specified by the City, and said plan must be to the satisfaction of the City;
- d) Review and evaluation of an application and supporting materials against program eligibility requirements will be done by City Staff, who will then make a recommendation to Council or Council’s designate. The application is subject to approval by Council or Council’s designate;
- e) Each program in this CIP is considered active if Council has approved implementation of the program, the Council has approved a budget allocation for the program (as applicable);
- f) As a condition of application approval, the applicant may be required to enter into a Grant Agreement with the City. This Agreement will specify the terms, duration and default provisions of the incentive to be provided. This Agreement is also subject to approval by Council or Council’s designate;
- g) Where other sources of government and/or non-profit organization funding (Federal, Provincial, Municipal, Federation of Canadian Municipalities, etc...) that can be applied against the costs of the development project are anticipated or have been secured, these must be declared as part of the application. Accordingly, the grant may be reduced on a pro-rated basis;
- h) The City reserves the right to audit the cost of any and all works that have been approved under any of the financial incentive programs, at the expense of the applicant;

- i) The City is not responsible for any costs incurred by an applicant in relation to any of the programs, including without limitation, costs incurred in anticipation of a grant;
- j) If the applicant is in default of any of the general or program specific requirements, or any other requirements of the City, the approved grant may be delayed, reduced or canceled, and the applicant may be required to repay part or all of the approved grant;
- k) If a building developed, redeveloped, rehabilitated or adaptively reused using a grant provided under this CIP is demolished prior to expiry of the grant period, the grant is terminated and any grant amount paid is repayable to and will be recovered by the City;
- l) The City may discontinue any of the programs contained in the CIP at any time, but applicants with approved grants will still receive said grant, subject to meeting the general and program specific requirements;
- m) Proposed land uses must be in conformity with the Official Plan, Zoning By-law and other planning requirements and approvals;
- n) If part or all of a building(s) in a project approved for a grant is converted to a non-industrial use at any time after project completion, but prior to the cessation of grant payments, the amount of the remaining grant payments will be adjusted accordingly on a go forward basis to reflect only the remaining industrial use;
- o) All proposed works approved under the incentive programs shall conform to provincial laws and City guidelines, by-laws, policies, procedures, and standards;
- p) All works completed must comply with the description of the works as provided in the application form and contained in the grant agreement, with any amendments as approved by the City;
- q) All construction and improvements made to buildings and/or land shall be made pursuant to a Building Permit, and/or other required permits, and constructed in accordance with the Ontario Building Code and all applicable zoning requirements and planning approvals;
- r) Where required by the City, outstanding work orders, and/or orders or requests to comply, and/or other charges from the City must be satisfactorily addressed prior to grant approval or payment;
- s) Property taxes must be in good standing at the time of program application, approval and throughout the entire length of the grant commitment;
- t) City Staff, officials and/or agents may inspect any property that is the subject of an application for any of the incentive programs offered by the City;

- u) The City may require that the applicant submit a project completion report, and the City may conduct inspections to ensure compliance of the project with the general program requirements and program specific requirements specified in this CIP and the executed grant agreement, and the City may make adjustments to incentive levels to reflect actual project performance in relation to program requirements and the executed grant agreement;
- v) Applicants approved for the programs contained in this CIP will be required to complete the eligible works within specified timeframes;
- w) Eligible applicants can apply for one, more or all of the incentive programs contained in this CIP and incentive programs contained in other applicable CIPs, however, in order to avoid “double dipping” (use of two or more incentive programs to pay for the same eligible cost), if an applicant is eligible to apply for the same program type (tax increment grant, DC grant/rebate), under this CIP and any other applicable CIP, the applicant can apply for that type of program under only one CIP; and,
- x) The total of all grants, loans and tax assistance provided in respect of the particular lands and buildings for which an applicant is making application under the programs contained in this CIP and any other applicable CIP shall not exceed the eligible costs of the improvements to those particular lands and buildings under all applicable CIPs.

6.3 Industrial Development Charge (DC) Grant Program

6.3.1 Purpose

This program provides a major financial incentive to stimulate new investment by existing and new industrial business within the Urban Growth Boundary in the form of development, redevelopment, rehabilitation and/or adaptive reuse of buildings for industrial use, including commercial truck service establishments.

6.3.2 Description

This program will provide a grant to an applicant equal to up to 100% of the City development charge¹ payable on an industrial building that is constructed within the Urban Growth Boundary. This grant will be paid by the City at the time of building permit issuance. The amount of the DC grant will be determined based upon the total amount of City development charges owing after all exemptions, reductions and credits are applied in accordance with the Development Charges By-law.

6.3.3 Program Requirements

Applicants are eligible to apply for funding under this program, subject to meeting the general program requirements, the following program requirements, and subject to the availability of funding as approved by Council:

- a) Applicants applying for this program cannot apply for a DC Grant Program under any other applicable CIP; and,

- b) For projects on brownfield sites, the owner shall meet all applicable program eligibility requirements of the Brownfield Development Charge Rebate Program in the City's CIP for Brownfield Incentives, including filling in the Environmental Site Registry of a Record of Site Condition (RSC) for the property signed by a qualified person, submission to the City of the signed RSC, and proof that the RSC has been acknowledged by the Ministry of the Environment (MOE).

6.4 Industrial Tax Increment Grant Program

6.4.1 Purpose

This program provides a financial incentive to stimulate new investment by existing and new industrial businesses within the Urban Growth Boundary in the form of development, redevelopment, rehabilitation and/or adaptive reuse of buildings for industrial use.

6.4.2 Description

This program will provide an annual tax increment-based grant equal to up to 100% of the tax increment for up to ten (10) years following completion and occupancy of an industrial building constructed within the Urban Growth Boundary. The percentage of the tax increment to be paid by the City to the applicant as a Tax Increment Grant (if any) will depend on the "as-built" performance of the project in relation to pre-defined economic, planning, urban design and sustainability performance criteria. These criteria may include but may not necessarily be limited to criteria such as construction value, direct industrial employment, building design/sustainability/energy efficiency, location in relation to the Highway 401/402 or VMP corridor, and whether or not the project is a relocation of a conflicting industrial use and/or a redevelopment of a brownfield site. The City will determine the actual performance criteria to be utilized in evaluating applications for this program prior to program implementation.

The annual Tax Increment Grant would be offered on a "pay-as-you-go" basis, i.e., the applicant would initially pay for the entire cost of the industrial building project. Then, when the project is complete and the following conditions have been met, the amount of the grant would be determined by the City and the applicant would be paid the annual grant by the City:

- a) Final building inspections have taken place;
- b) An occupancy permit has been issued (as applicable) and occupancy of the building has taken place;
- c) Any and all deficiencies have been addressed;
- d) The property has been reassessed by the Municipal Property Assessment Corporation (MPAC); and,
- e) The new property taxes have been paid in full for the year.

Grant payments will cease when the total tax increment grant along with all other grants, loans and tax assistance provided equals the eligible cost of improvements under all applicable CIPs, or after ten (10) years, whichever comes first.

6.4.3 Program Requirements

Applicants are eligible to apply for funding under this program, subject to meeting the general program requirements, the following program requirements, and subject to the availability of funding as approved by Council:

- a) Applicants applying for this program cannot apply for Tax Increment Grant Program under any other applicable CIP; and,
- b) For projects on brownfield sites, the owner shall meet all applicable program eligibility requirements of Brownfields Tax Increment Equivalent Grant Program in the City's CIP for Brownfield Incentives, including filing in the Environmental Site Registry of a Record of Site Condition (RSC) for the property signed by a qualified person, submission to the City of the signed RSC, and proof that the RSC has been acknowledged by the Ministry of Environment (MOE).

6.5 Industrial Corridor Enhancement Grant Program

6.5.1 Purpose

This program provides a financial incentive to promote improved landscaping (including tree planting), fencing, berming, screening and public art in the development, redevelopment, rehabilitation and/or adaptive reuse of buildings for industrial use.

6.5.2 Description

This program will provide a grant equal to 50% of the cost of eligible landscaping (including tree planting), fencing, berming, screening and public art on industrial properties that sufficiently improves the aesthetics of industrial sites, and/or provides effective screening of outside storage areas so as to mitigate the visual impact or said industrial uses. This program applies to industrial properties where development, redevelopment, rehabilitation and adaptive reuse is taking place. The maximum grant per property will be \$25,000, with a maximum of one application per property/project.

It is recommended that this program be offered for a period of five (5) years in order to kick-start enhanced landscaping, fencing, berming, screening and public art for industrial development, redevelopment, rehabilitation and adaptive reuse projects. Depending on program results, Council can extend the program for up to another five (5) years without amendment to this Plan.

6.5.3 Program Requirements

Applicants are eligible to apply for funding under this program, subject to meeting the general program requirements, the following program requirements, and subject to the availability of funding as approved by Council:

- a) The following costs are eligible for a grant under grant program: material and labour costs of landscaping (including tree planting), fencing, berming, screening and public art that conforms to applicable City urban design guidelines, and any other applicable City guidelines; and,
- b) Applicants applying for this program will be required to submit urban design briefs, studies and/or professions design drawings that are in conformity with any applicable urban design guidelines.

6.6 Industrial Compatibility Grant/Loan Program

6.6.1 Purpose

This program provides a financial incentive to assist existing industrial operations in London to relocate to more compatible and appropriate industrial sites within the Urban Growth Boundary.

6.6.2 Description

This program will provide a grant and/or loan to help off-set the costs associated with the relocation of an eligible industrial use to a more compatible location within the Urban Growth Boundary. Eligible costs include the costs of development, redevelopment, rehabilitation and/or adaptive reuse of existing buildings at the new site.

6.6.3 Program Requirements

Applicants are eligible to apply for funding under this program, subject to meeting the general program requirements, the following program requirements, and subject to the availability of funding as approved by Council:

- a) Applicants must demonstrate to the City's satisfaction that the continued operation/expansion of their industrial operation in its currently location has resulted in, or would result in, negative impacts on surrounding non-industrial land uses;
- b) For projects relocating to a brownfield site, the owner shall meet all applicable program eligibility requirements for the Brownfields Tax Increment Equivalent Grant Program in the City's CIP for Brownfield Incentives, including filing in the Environmental Site Registry of a Record of Site Condition (RSC) for the property signed by a qualified person, submission to the City of the signed RSC, and proof that the RSC has been acknowledged by the Ministry of Environment (MOE).

7.0 MUNICIPAL LEADERSHIP ACTIONS

The financial incentive programs contained in this Plan are designed to indirectly encourage private sector development of industrial land in London, i.e., the City is relying on private sector third parties (developer, property/business owners) to take advantage of the incentive programs that are offered by the City. However, as noted in the ILDS, there are a number of actions that the City should undertake to directly promote industrial land development in London. There “Municipal Leadership Actions” are outlined below. The Municipal Leadership Actions are designed to complement the incentives programs by generating enhanced market demand for industrial land and interest on the part of the private sector in using the available incentive programs.

The City of London may utilize the full range of actions permitted under Section 28 of the *Planning Act* and other provincial legislation to implement the Municipal Leadership Actions within the Community Improvement Project Area, including the:

- i) Acquisition, holding, clearance, grading or other preparation of land for community improvement;
- ii) Construction, repair, rehabilitation or improvement of buildings on land acquired or held by the City in conformity with this CIP; and,
- iii) Sale, lease, or other disposition of any land and buildings acquired or held by the City in conformity with this CIP.

7.1 Property Acquisition, Servicing and Disposition

The ILDS recommends that the City always maintain a 10 year supply (200 ha.) of vacant, serviced land overall and, within this total supply, 180 ha. Of serviced land in strategic locations within reasonable proximity to the Highway 401/402 and VMP corridors, south of the Thames River. The ILDS also notes that this supply should include a variety of lot sizes, including the provision of several large blocks that can attract large industries such as those that have recently located in London. Reasonable industrial land options should also be offered close to the Airport, in General Industrial designations and in strategic Office Business Park locations that may emerge over time. In order to achieve this goal, the ILDS notes that the City must purchase 200 ha. (net) and develop 300 ha. (net) of industrial land over the next 5 years.

In order to implement the ILDS and achieve the goals of this CIP, it is recommended that the City:

- a) Engage in the acquisition of land within the Community Improvement Project Area by means as permitted under provincial legislation;
- b) Use the criteria for acquisition of additional City-owned lands and the Location Strategy specified in the ILDS to guide the City acquisition of land for industrial development purposes;
- c) Continue to pursue funding from the Federal and Provincial Governments and other funding partners for the acquisition and servicing of industrial land;
- d) Pursue non-Development Charge sources of funding for future construction of the Bradley/VMP Parkway;
- e) Ensure an expeditious planning process by completing scoped secondary plans, including required engineering, planning, and environmental assessment studies;

- f) Assemble an internal staff team to quickly move these secondary plans through the planning process;
- g) Address subdivision and zoning processes concurrently with scoped secondary plans in the case of City-owned lands; and,
- h) Consider different administrative models for public management of industrial land, including but not necessarily limited to an Industrial Land Development Corporation or a more formalized Action Team of pre-identified departmental staff and management.

The City of London may also dispose of municipally owned land or buildings within the Community Improvement Project Area in conformity with this CIP/

7.2 Marketing

The ILDS contains a number of actions designed to aggressively market industrial lands in London and London's high quality of life. In order to implement the ILDS and achieve the goals of this CIP and the ILDS, it is recommended that the City:

- a) Create a comprehensive identity for Highway 401 and 402 as an "Investment Corridor", including upgrades to the unique London highway bridge crossings, enhancements of public and private lands, and investments in formalized tree plantings, landscaping, and possibly public art;
- b) Pursue an improved web presence for available City-owned industrial lands;
- c) Continue to improve its quality of life by supporting a more engaged downtown, main streets and public realm with more gathering places; and,
- d) Support and promote ongoing city-building efforts.

7.3 Promoting Brownfield Redevelopment

In order to help ensure an adequate supply of serviced industrial land, it is important for the City to promote the redevelopment, rehabilitation and adaptive reuse of previously developed land (including brownfields) for industrial use, where appropriate. Therefore, it is recommended that the City continue to support and fund the incentive programs contained in the CIP for Brownfield Incentives.

7.4 Promoting Industrial Compatibility

While it is important for the City to promote the redevelopment of brownfields for industrial use, as previously mentioned, there are situations where the expansion, changes in operation, or even the continued operation of existing industrial uses can cause negative impacts on surrounding non-industrial land uses. In these cases, in addition to the Industrial Compatibility Grant/Loan Program, it is recommended that the City consider the sale or exchange of City owned lands to facilitate the retention and relocation of such industrial operations to more compatible industrial sites within the Urban Growth Boundary of London.

8.0 MONITORING PROGRAM

8.1 Purpose

The Monitoring Program set out in this section has several purposes. It is designed to:

- a) Monitor funds dispersed through the CIP incentive programs by program type to determine how the programs are being utilized, and allow staff to property budget for the incentive programs;
- b) Receive and monitor feedback from applicants to the incentive programs so that adjustments can be made to the incentive programs, as required;
- c) Monitor the economic performance and impacts such as investment and new employment (total and by target sector) associated with projects taking advantage of the CIP incentive programs;
- d) Monitor the planning, urban design and sustainability performance and impacts associated with projects taking advantage of the CIP incentive programs;
- e) Allow for comprehensive reporting of monitoring results to Council.

This CIP is not intended to be a static planning document. It is intended to be a proactive plan to rehabilitate, revitalize, diversify and strengthen the economy in London by promoting strategic industrial land development. Information collected through the Monitoring Program should be utilized by staff to provide regular reports to Council on the amount of private sector investment being leveraged by the municipal incentive programs and the economic and other benefits associated with these private sector projects. Furthermore, information obtained through the Monitoring Program should be used to periodically adjust the terms and administration of the incentive programs to make them even more relevant, effective and user friendly.

8.2 Description

Monitoring of the uptake and performance of the incentive programs should be done on a regular basis and these monitoring results reported to Council on an annual basis. Similarly, monitoring of progress on implementation of the Municipal Leadership Actions should be done regularly and reported to Council on an annual basis.

Table 1 presents a list of the data variables, including economic impacts, that should be collected and monitored on an individual project and aggregate basis for all projects taking advantage of the incentive programs contained in this CIP. In addition to these quantitative economic measures, the staff should also monitor:

- a) The planning, urban design and sustainability performance of projects taking advantage of the CIP incentive programs;
- b) Comments on the incentive programs and program administration received by staff from developers, property/business owners and other key opinion leaders in the real estate, development and design/build community; and,
- c) Qualitative results of the CIP in terms of the impact of the Municipal Leadership Actions.

These qualitative measures and comments should be regularly monitored and reported to Council along with the qualitative measures listed in Table 1.

Table 1 Monitoring Variables

Program	Monitoring Variable
1. Industrial DC Grant	<ul style="list-style-type: none"> ▪ Number of applications; ▪ DC Grant amount (\$); ▪ Value of Construction project (\$); ▪ Ha. (acres) of land development/redevelopment; ▪ Square footage of industrial space created by type (development, redevelopment, rehabilitation, adaptive reuse) and sector; ▪ New FT and FTE jobs created by type (development, redevelopment, rehabilitation, adaptive reuse) and sector; ▪ Increase in assessed value of participating property; ▪ Increase in municipal and education property taxes of participating property.
2. Industrial Tax Increment Grant	<ul style="list-style-type: none"> ▪ Number of applications; ▪ Annual Tax Increment Grant (\$) and total Tax Increment Grant (\$) over grant period; ▪ Value of construction project (\$); ▪ Ha. (acres) of land developed/redeveloped; ▪ Square footage of industrial space created by type (development, redevelopment, rehabilitation, adaptive reuse) and sector; ▪ New FT and FTE jobs created by type (development, redevelopment, rehabilitation, adaptive reuse) and sector; ▪ Increase in assessed value of participating property; ▪ Increase in municipal and education property taxes of participating property; ▪ Number and \$ amount of program defaults.
3. Industrial Corridor Enhancement Grant	<ul style="list-style-type: none"> ▪ Number of applications; ▪ Amount of Grant (\$) by type of eligible expense (fencing, landscaping, berming/ screening, public art); ▪ Total Amount (\$) spent by applicant per eligible expense (fencing, landscaping, public art) ▪ Number of trees planted; ▪ Number and \$ amount of program defaults.
4. Industrial Compatibility Grant/Loan	<ul style="list-style-type: none"> ▪ Number of applications; ▪ Value of construction project (\$); ▪ Ha. (acres) of land vacated; ▪ Square footage of industrial space vacated; ▪ Square footage by type/residential units created on vacated site; ▪ Ha. (acres) of land developed/redeveloped at new site; ▪ Square footage of industrial space created at new site by type (development, redevelopment, rehabilitation, adaptive reuse) and sector; ▪ Square footage of accessory space (retail, office commercial, etc.) created at new site by type (development, redevelopment, rehabilitation, adaptive reuse) and sector; ▪ Jobs retained; ▪ New FT and FTE jobs created by type (development, redevelopment, rehabilitation, adaptive reuse) and sector; ▪ Increase in assessed value of participating property; ▪ Increase in municipal and education property taxes of participating property; ▪ Number and \$ amount of program defaults.

8.3 Program Adjustments

The individual incentive programs contained in this CIP can be activated, deactivated, reduced or discontinued without amendment to this Plan. Increases in funding provided by the financial incentives contained in this CIP, or the addition of any new incentive programs to this CIP, will require a formal amendment to this Plan in accordance with Section 28 of the *Planning Act*. The City may periodically review and adjust the terms and conditions of any of the programs contained in this Plan, without amendment to the Plan. Such minor changes will be provided to the Minister of Municipal Affairs and Housing for information purposes only.

9.0 CONCLUSION

The primary purpose of this CIP is to promote economic rehabilitation, revitalization, diversification, development, employment growth and prosperity in London by improving the market attractiveness of industrial land and promoting the development of industrial land in the City. The incentive programs and municipal leadership actions contained in this CIP have been developed specifically to address critical community improvement needs for industrial land development in London and achieve the goals of this CIP.

The adoption and approval of this CIP will provide the legislative basis and comprehensive policy framework to guide the incentive programs and municipal leadership actions needed to achieve the goals of this CIP. However, successful implementation of this CIP will also require a long-term financial and resource commitment by Council to implement, fund, administer and monitor the incentive programs and the municipal leadership actions. Finally, ongoing monitoring of the performance of the incentive programs and adjustment of the programs as required will also help to ensure the long-term effectiveness of this CIP.

APPENDIX A

Glossary of Terms and Abbreviations

“Adaptive Re-use” means the physical process undertaken (including constructed improvements) to convert a non-industrial building on previously developed land into an industrial building.

“Applicant” means a registered owner or assessed owner of lands and buildings within the Community Improvement Project Area, and any person to whom a registered owner or assessed owner of lands and buildings within the Community Improvement Project Area has assigned the right to receive a grant or loan. Applicants may also be referred to as “owners”, “building owners” or “property owners” throughout this Plan.

“Base Rate” means total municipal taxes levied in the year prior to commencement of a project approved for a Tax Increment Based Grant.

“Brownfield” means abandoned, vacant or underutilized lands and/or buildings within the Urban Growth Boundary of the City of London where expansion, retrofit or redevelopment may be complicated by environmental contamination from past uses and development activity.

“Commercial Truck Service Establishment” means a premises purpose designed for repair and servicing of freight carrying trucks, including truck tractors and truck trailers, and shall include the storage and sale of parts accessory to such vehicles.

“Community Improvement”, unless otherwise specified, is as defined in accordance with its definition under Section 28 of the *Planning Act*.

“Community Improvement Plan” (CIP), unless otherwise specified, is as defined in accordance with its definition under Section 28 of the *Planning Act*.

“Community Improvement Project Area” (CIPA), unless otherwise specified, is as defined in accordance with its definition under Section 28 of the *Planning Act*.

“Development” means the construction of a new industrial building on previously undeveloped land.

“DC” means Development Charges.

“ILDS” means Industrial Land Development Strategy.

“IPEC” means the Investment and Economic Prosperity Committee.

“Industrial Building” means a building used for:

- a) Manufacturing, producing, fabricating, assembling, compounding or processing of raw materials, goods, component parts or ingredients where the physical condition of such materials, goods, parts or components are altered to produce a finished or semi-finished tangible product, or the packaging, crafting, bottling, of semi-processed goods or materials, but not including any of these activities where they primarily serve retail purposes to the general public;

- b) Storing or distributing something derived from the activities mentioned in (a) above and for greater certainty, shall include the operation of a truck terminal, warehouse or depot and does not include self-storage warehousing for use by the general public or retail sales associated with the goods stored or distributed, or accessory storage of a commercial building.
- c) Research or development in connection with activities mentioned in (a) above;
- d) Retail sales of goods produced by activities mentioned in section (a) at the site where the manufacturing, producing or producing from raw materials of semi-processed goods takes place and for greater certainty, includes the sale of goods or commodities to the general public where such sales are accessory or secondary to the industrial use, and does not include the sale of goods or commodities to the general public through a warehouse club;
- e) Office or administrative purposes, if they are carried out:
 - i With respect to the activity mentioned in section (a), and
 - ii In or attached to the building or structure used for activities mentioned in section (a) and
 - iii For greater certainty, shall include an office building located on the same property as, and used solely to support, the activities mentioned in section (a)'
- f) A business that stores and processed data for retrieval, license or sale to end users and are on lands zoned for industrial uses; or
- g) Businesses that develop computer software or hardware for license or sales to end users that are on lands zoned for industrial uses.

"LEDC" means the London Economic Development Corporation.

"LEED" means Leadership in Energy and Environmental Design.

"MPAC" means the Municipal Property Assessment Corporation.

"Municipal Taxes" means the City of London portion of property taxes payable and does not include the Education portion of property taxes payable to the Province of Ontario.

"OP" means the City of London Official Plan.

"PPS" means the Provincial Policy Statement, 2014.

"Qualified Person" means a person as defined by Section 168.1 of the Environmental Protection Act Ontario and Ontario Regulation 153/04 (as amended by Ontario Regulation 66/08) who meets the qualifications to be a qualified person.

"Redevelopment" means the construction of a new industrial building and/or the expansion of or addition to an existing industrial building on previously developed land.

"Rehabilitation" means the physical process undertaken (including constructed improvement) to an existing industrial building on previously developed to return the building to a usable state.

“Targeted Industrial Sectors” means the following economic sectors as listed in Table 3 of the City’s Industrial Land Development Strategy, and as may be amended from time to time:

- Advanced Manufacturing including:
 - Renewable and Clean Technology;
 - Automotive;
 - Agri-food/Food Processing; and,
 - Defence and Aerospace;
- Life and Health Sciences;
- Information Technology and Digital Media;
- Enhanced Transportation and Logistics; and
- Research and Development.

“Tax Increment” means the difference between the base rate on a property and municipal taxes levied on that property as a result of re-valuation by MPAC following completion and occupancy of an industrial building approved for a Tax Increment Based Grant.

“Urban Growth Boundary” means the area referred to as shown in the City’s Official Plan as the “Urban Growth Area” or “Urban Growth Boundary”.

“VMP” means Veterans’ Memorial Parkway.

Schedule 3

Industrial Development Charges Grant – Incentive Program Guidelines

Industrial Development Charges Grant – Incentive Program Guidelines

Purpose:

- This program provides a major financial incentive to stimulate new investment by existing and new industrial businesses within the Urban Growth Boundary in the form of development, redevelopment, rehabilitation and/or adaptive reuse of buildings for industrial use.

Description/Funding:

- This program will provide a grant to an eligible applicant equal to 100% of the City development charge paid on an industrial building that is constructed within the Urban Growth Boundary.
- This grant will be paid by the City at the time of building permit issuance.
- The amount of the DC grant will be determined based upon the total amount of City development charges owing after all exemptions, reductions and credits are applied in accordance with the Development Charges By-law.

Area of Application:

- This program applies to all industrial land uses within the Urban Growth Boundary for eligible “industrial building” and “commercial truck service establishment” development, redevelopment, and rehabilitation projects, as defined below in the Definitions section of the Incentive Program Guidelines.

Definitions:

“Adaptive Re-use” means the physical process undertaken (including construction improvements) to convert a non-industrial building on previously developed land into an industrial building.

“Applicant” means a registered owner or assessed owner of lands and buildings within the Community Improvement Project Area, and any person to whom a registered owner or assessed owner of lands and buildings within the Community Improvement Project Area has assigned the right to receive a grant or loan. Applicants may also be referred to as “owners”, “buildings owners” or “property owners”.

“Brownfield” means abandoned, vacant or underutilized lands and/or buildings within the Urban Growth Boundary of the City of London where expansion, retrofit or redevelopment may be complicated by environmental contamination from past uses and development activity.

“Commercial Truck Service Establishment” means a premises purpose designed for repair and servicing of freight carrying trucks, including truck tractors and truck trailers, and shall include the storage and sale of parts and accessory to such vehicles.

“Community Improvement”, unless otherwise specified, is defined in accordance with its definition under Section 28 of the *Planning Act*.

“Community Improvement Plan” (CIP), unless otherwise specified, is as defined in accordance with its meaning under Section 28 of the *Planning Act*.

“Community Improvement Project Area” (CIPA), unless otherwise specified, is as defined in accordance with its meaning under Section 28 of the *Planning Act*.

“Development” means the construction of a new industrial building on previously undeveloped land.

“DC” means Development Charges.

“Industrial Building” is a building used for:

- i Manufacturing, producing, fabricating, assembling, compounding or processing of raw materials, goods, component parts or ingredients where the physical condition of such materials, goods, parts or components are altered to produce a finished or semi-finished tangible product, or the packaging, crating, bottling, of semi-processed goods or materials, but not including any of these activities where they primarily serve retail purposes to the general public;
- ii Storing or distributing sometime derived from the activities mentioned in (a) above and for greater certainty, shall include the operation of a truck terminal, warehouse or depot and does not include self storage warehousing for use by the general public or retail sales associated with the goods stored or distributed, or accessory storage of a commercial building;
- iii Research or development in connection with activities mentioned in (a) above;
- iv Retail services of goods produced by activities mentioned in section (a) at the site where the manufacturing, producing or processing from raw materials or semi-processed goods takes place and for greater certainty, includes the sale of goods or commodities to the general public where such sales are accessory or secondary to the industrial use, and does not include the sale of goods or commodities to the general public through a warehouse club;
- v Office or administrative purposes, if they are carried out:
 - i. With respect to the activity mentioned in section (a), and
 - ii. In or attached to the building or structure used for the activities mentioned in section (a) and
 - iii. For greater certainty shall include an office building located on the same property as, and used solely to support, the activities mentioned in section (a);
- vi A business that stores and processes data for retrieval, license or sale to end users and are on lands zoned for industrial uses; or
- vii Businesses that develop computer software or hardware for license or sale to end users that are on lands zoned for industrial uses.

“Qualified Person” means a person as defined by Section 168.1 of the Environmental Protection Act Ontario and Ontario Regulation 153/04 (as amended by Ontario Regulation 66/08) who meets the qualifications to be a qualified person.

“Redevelopment” means the construction of a new industrial building and/or the expansion of or addition to an existing industrial building on previously developed land.

“Rehabilitation” means the physical process undertaken (including constructed improvements) to an existing industrial building on previously developed land to return the building to a usable state.

“Urban Growth Boundary” means the area referred to and shown in the City’s Official Plan as the “Urban Growth Area” or “Urban Growth Boundary”.

General Program Requirements:

Applicants are eligible to apply for funding under this program, subject to meeting the general program requirements of the Industrial Lands Community Improvement Plan and the following program requirements:

1. An application for the Industrial Development Charges Grant program contained in this CIP
 - a. Can be made only for development, redevelopment, rehabilitation, and/or adaptive reuse of an industrial building within the Urban Growth Boundary;
 - b. Must be submitted to and approved by the City prior to the commencement of any works to which the incentive program will apply and prior to application for building permit; and
 - c. Must include plans, drawings, studies, reports, urban design briefs, cost and other studies, details and information as required by the City to satisfy the City with respect to project eligibility, design, performance and conformity with the CIP.
2. The Industrial Development Charges Grant is considered active if Council has approved implementation of the program, and Council has approved a budget allocation for the program;
3. The City is not responsible for any costs incurred by an applicant in relation to any of the program(s), including without limitation, costs incurred in anticipation of a grant;
4. If the applicant is in default of any of the general or program specific requirements, or any other requirements of the City, the approval grant may be delayed, reduced or canceled, and the applicant may be required to repay part or all of the approved grant;
5. The City may discontinue the Development Charges Grant Program at any time, but applicants with approved grants will still receive said grant, subject to meeting the general and program specific requirements;
6. Proposed land uses must be in conformity with the Official Plan, Zoning By-law and other planning requirements and approvals;
7. If part or all of a building(s) in a project approved for a DC grant is converted to a non-industrial use, the City may require a change of use permit, with associated costs to be paid by the applicant.

8. All proposed works approved under the incentive programs shall conform to provincial laws and City guidelines, by-laws, policies, procedures, and standards;
9. All works completed must comply with the description of the works as provided in the application form and contained in the grant agreement, with any amendments as approved by the City;
10. All construction and improvements made to buildings and/or land shall be made pursuant to a Building Permit, and/or other required permits, and constructed in accordance with the Ontario Building Code and all applicable zoning requirements and planning approvals;
11. Where required by the City, outstanding work orders, and/or orders of requests to comply, and/or other charges from the City must be satisfactorily addressed prior to grant approval or payment;
12. Property taxes must be in good standing throughout the time of program application and approval.
13. City staff, officials, and/or agents may inspect any property that is subject of an application for incentive program(s) offered by the City;
14. Eligible applicants may apply for one or more of the implemented incentive programs that are contained in the Industrial Lands CIP and/or other applicable CIPs, however, in order to avoid use of two or more incentive programs to pay for the same eligible cost, if an applicant is eligible to apply for the same program under this CIP and any other applicable CIP, the applicant can apply for DC Grant program under one CIP only;
15. The total of all grants, loans and tax assistance provided in respect of the particular lands and buildings for which an applicant is making application under the programs contained in this CIP and any other applicable CIPs shall not exceed the eligible costs of the improvements to those particular lands and buildings under all applicable CIPs.
16. For projects on brownfield sites, the owner shall meet all applicable program eligibility Requirements of the Brownfields Development Charge Rebate Program in the City's CIP for Brownfield Incentives, including filing in the Environmental Site Registry of a Record of Site Condition (RSC) for the property signed by a qualified person, submission to the City of the signed RSC, and proof that the RSC has been acknowledged by the Ministry of Environment (MOE).
17. The applicant(s) must be the registered property owner(s) for the subject.
18. Separate applications must be made for each discreet property under consideration for the Development Charges Grant program.
19. Industrial Development Charges Grants will not be given retroactively to recognize projects that have begun without application to this program. To be eligible for this program a complete

application must be received prior to any works being done which relate to the associated building permit application.

General Procedure and Administration:

- A building permit application must be submitted coincident with the application for funding under the Industrial DC Grant program.
- As a condition of application approval, the applicant shall be required to enter into a Grant Agreement with the City. This Agreement will specify the terms and provisions of the incentive to be provided.
- At time of the application, Development Charges fees will be calculated by the Chief Building Official or designate. The total dollar value calculated will be the total Industrial DC Grant available for the given project.
- The administrative process by City of London Staff will ensure the following:
 - i) The Chief Building Official, or designate, advises the Financial Service Area of the value of the Development Charges calculated for the eligible project; and
 - ii) The value of the calculated grant be transferred directly to the Reserve Fund for Development Charges. This direct transfer is instead of Staff collecting 100% of DCs from applicants and then providing applicants with a 100% Grant to rebate the monies collected.

Grant Agreement:

1. Participating property owners in the Industrial Development Charges Grant program shall be required to enter into an agreement with the City.
2. This agreement shall include but is not limited to, identification of the dollar value of the grant and confirmation of applicant's agreement with the administrative process.
3. The agreement is intended to encapsulate all of the terms and conditions included in these Incentive Program Guidelines.

Discontinuation of Program:

Council may periodically renew the Industrial Development Charges Grant program to determine if the program should continue, be modified, or cease to issue new commitments.

Schedule 4

Industrial Corridor Enhancement Grant – Incentive Program Guidelines

Industrial Corridor Enhancement Grant – Incentive Program Guidelines

Purpose:

- This program provides an incentive program to enhance the public realm of industrial lands directly abutting the highway. Enhancement will be through incentives to invest in public realm improvements to landscaping, screening and public art.
- This program supports the creation of a unified brand and comprehensive identity for the City of London along the Highway 401/402 Investment Corridor, in alignment with the Industrial Land Development Strategy.

Description/Funding:

- This program provides a financial incentive to promote improved landscaping (including tree planting), fencing, berming, screening and public art in the development, redevelopment, rehabilitation and/or adaptive reuse of buildings for industrial use.
- This program provides a grant equal to 50% of the cost of eligible landscaping, fencing, berming, screening and public art on industrial properties that sufficiently improves the aesthetics of industrial site, and/or provided effective screening of outside storage areas so as to mitigate the visual impact of said industrial uses.
- This program applies to industrial properties where development, redevelopment, rehabilitation and adaptive reuse is taking place.
- The maximum grant per property is \$25,000, with a maximum of one application per property.
- The City of London funding for this program is not to exceed \$250,000 per year, subject to approval of annual City budget.

Area of Application:

- This program applies to all industrial land uses within the Urban Growth Boundary what directly abuts Highway 401 and Highway 402.

Definitions:

“Adaptive Re-use” means the physical process undertaken (including construction improvements) to convert a non-industrial building on previously developed land into an industrial building.

“Applicant” means a registered owner or assessed owner of lands and buildings within the Community Improvement Project Area, and any person to whom a registered owner or assessed owner of lands and buildings within the Community Improvement Project Area has assigned the right to receive a grant or loan. Applicants may also be referred to as “owners”, “building owners” or “property owners”.

“Community Improvement”, unless otherwise specified, is as defined in accordance with its definition under Section 28 of the *Planning Act*.

“Community Improvement Plan” (CIP), unless otherwise specified, is as defined in accordance with its meaning under Section 28 of the *Planning Act*.

“Community Improvement Project Area” (CIPA), unless otherwise specified, is as defined in accordance with its meaning under Section 28 of the *Planning Act*.

“Development” means the construction of a new industrial building on previously undeveloped land.

“Industrial Building” is a building used for:

- a) Manufacturing, producing, fabricating, assembling, compounding or processing of raw materials, goods, component parts or ingredients where the physical condition of such materials, goods, parts or components are altered to produce a finished or semi-finished tangible product, or the packaging, crating, bottling, or semi-processed goods or materials, but not including any of these activities where they primarily serve retail purposes to the general public;
- b) Storing or distributing something derived from the activities mentioned in (a) above and for greater certainty, shall include the operation of a truck terminal, warehouse or depot and does not include self storage warehousing for use by the general public or retail sales associated with the goods stored or distributed, or accessory storage of a commercial building;
- c) Research or development in connection with activities mentioned in (a) above;
- d) Retail sales of goods produced by activities mentioned in section (a) at the site where the manufacturing, producing or processing from raw materials or semi-processed goods takes place and for greater certainty, includes the sale of goods or commodities to the general public, where such sales are accessory or secondary to the industrial use, and does not include the sale of goods or commodities to the general public through a warehouse club;
- e) Office or administrative purposes, if they are carried out:
 - i. With respect to the activity mentioned in section (a), and
 - ii. In or attached to the building or structure used for activities mentioned in section (a), and
 - iii. For greater certainty, shall include an office building located on the same property as, and used solely to support, the activities mentioned in section (a);
- f) A business that stores and processes data for retrieval, license or sale to end users and are on lands zones for industrial uses;
- g) Businesses that develop computer software or hardware for license or sale to end users that are on lands zoned for industrial uses.

“Public Art”, unless otherwise specified, is defined in accordance with the City of London Public Art Policy and Program.

“Redevelopment” means the construction of a new industrial building and/or the expansion of or addition to an existing industrial building on previously developed land.

“Rehabilitation” means the physical process undertaken (including constructed improvements) to an existing industrial building on previously developed to return the building to an usable state.

“*Urban Growth Boundary*” means the area referred to and shown in the City’s Official Plan as the “Urban Growth Area” or “Urban Growth Boundary”.

General Program Requirements:

Applicants are eligible to apply for funding under this program, subject to meeting the general program requirements of the Industrial Lands Community Improvement Plan and the following program requirements, subject to availability of funding as approved by Council:

1. An application for the Industrial Corridor Enhancement Grant program contained in this CIP:
 - a. Can be made only for the following eligible costs under the grant program: material and labour costs of landscaping (including tree planting), fencing, berming, screening and public art that conforms to applicable City urban design guidelines, Public Art Policy and any other applicable City guidelines;
 - b. Must be submitted to and approved by the City prior to the commencement of any works to which the incentive program will apply; and
 - c. Must include plans, drawings, studies, reports, urban design briefs, cost and other studies, details and information as required by the City to satisfy the City with respect to project eligibility, design, performance and conformity with the CIP.
2. The Industrial Corridor Enhancement Grant is considered active if Council has approved implementation of the program, and Council has approved a budget allocation for the program;
3. The City is not responsible for any costs incurred by an applicant in relation to any of the program(s), including without limitation, cost incurred in anticipation of a grant;
4. If the applicant is in default of any of the general or program specific requirements, or any other requirements of the City, the approved grant may be delayed, reduced or canceled, and the applicant may be required to repay part or all of the approved grant;
5. The City may discontinue the Industrial Corridor Enhancement Grant Program at any time, but applicants with approved grants will still receive said grant, subject to meeting the general and program specific requirements;
6. Proposed land uses must be in conformity with the Official Plan, Zoning By-law and other planning requirements and approvals;
7. Site Plan approval shall be required for all properties, regardless of participation in the incentive programs offered through the Industrial Corridor Enhancement Grant Program;
8. If part or all of a building(s) in a project approved for a Corridor Enhancement grant is converted to a non-industrial use at any time after project completion, but prior to the cessation of grant payments, the City may require a change of use permit, with associated costs to be paid by the applicant;

9. All proposed works approved under the incentive programs shall conform to provincial laws and City guidelines, by-laws, policies, procedures, and standards;
10. All works completed must comply with the description of the works as provided in the application form and contained in the grant agreement, with any amendments as approved by the City;
11. All construction and improvements made to buildings and/or land shall be made pursuant to a Building Permit, and/or other required permits, and constructed in accordance with the Ontario Building Code and all applicable zoning requirements and planning approvals;
12. Where required by the City, outstanding work orders, and/or orders or requests to comply, and/or other charges from the City must be satisfactorily addressed prior to grant approval or payment;
13. Property taxes must be in good standing throughout the time of program application and approval.
14. City staff, officials and/or agents may inspect any property that is the subject of an application for incentive program(s) offered by the City;
15. Eligible applicants may apply for one or more of the implemented incentive programs that are contained in the Industrial Lands CIP and/or other applicable CIPs, however, in order to avoid use of two or more incentive programs to pay for the same eligible cost, if an applicant is eligible to apply for the same program under this CIP and any other applicable CIP, the applicant can only apply under one CIP for incentives to pay for the eligible works described in the Corridor Enhancement Grant;
16. The total of all grants, loans and tax assistance provided in respect to the particular lands and buildings for which an applicant is making application under the programs contained in this CIP and any other applicable CIPs shall not exceed the eligible costs of the improvements to those particular lands and buildings under all applicable CIPs.
17. The applicant(s) must be the registered property owner(s) for the subject.
18. Separate applications must be made for each discreet property under consideration for the Industrial Corridor Enhancement Grant program.
19. Corridor Enhancement grants will not be given retroactively to recognize projects that have begun without application to this program. To be eligible for this program a complete application must be received prior to any works being done which relate to the associated building permit application.

General Procedure and Administration:

- An application for funding under the Industrial Corridor Enhancement Grant program must be submitted coincident with the site plan application.
- As a condition of application approval, the applicant shall be required to enter into a Grant Agreement with the City. This Agreement will specify the terms and provisions of the incentive to be provided.
- At time of the grant application, the value of proposed works eligible under the Corridor Enhancement Grant program will be calculated as part of Site Plan application. Fifty percent (50%) of the total dollar value calculated, up to a maximum of \$25,000 will be the total Industrial Corridor Enhancement Grant available for the given project.
- The administrative process by City of London Staff will ensure the following:
 - i. Through Site Plan review and approval processes, the Finance Service Area will be advised of the value of the proposed works eligible under the Corridor Enhancement Grant program;
 - ii. A Grant Agreement will be entered into that identifies the value of the works and terms of the incentive;
 - iii. The applicant will undertake the works identified in the Grant Agreement; and
 - iv. Upon completion of the eligible works, an administrative process will ensure a grant rebate is provided to the applicant for the agreed-upon monetary value.

Grant Agreement:

1. Participating property owners in the Industrial Corridor Enhancement Grant program shall be required to enter into an agreement with the City.
2. This agreement shall include but is not limited to, identification of the dollar value of this grant and confirmation of applicant's agreement with the administrative process.
3. The agreement is intended to encapsulate all of the terms and conditions included in these Incentive Program Guidelines.

Discontinuation of Program:

Council may periodically review the Industrial Development Charges Grant program to determine if the program should continue, be modified, or cease to issue new commitments.