

Managers' Reports



Request for Decision

Industrial Land Infrastructure Assessments

Presented To:	Policy Committee
Presented:	Wednesday, Nov 18, 2009
Report Date	Thursday, Sep 24, 2009
Type:	Managers' Reports

Recommendation

WHEREAS the municipality has a role to play in monitoring and promoting the community's inventory of serviced industrial land and ensuring that there is an adequate supply of land for investment opportunities, and

WHEREAS there is now a potential shortage of serviced industrial land in certain areas of the community, and

WHEREAS in these challenging economic times, it's appropriate for the city to play a lead role in ensuring the long term supply of industrial land, and

WHEREAS the Greater Sudbury Development Corporation Board of Directors approved an Industrial Land Policy later endorsed by Council, and

WHEREAS there exists a number of industrial areas facing municipal infrastructure challenges such as inadequate fire flows and water capacity, and lack of downstream wastewater capacity, and

WHEREAS the public- and private-sector industrial land owners and developers have a role to play in policy decisions and investment in infrastructure pertaining to industrial development, and

WHEREAS the Greater Sudbury Development Corporation directed staff to develop applications for funding from senior levels of government to assist in the preliminary assessment of under-serviced industrial areas within the City of Greater Sudbury in order to determine the feasibility and potential cost of such developments, and

WHEREAS the proposed budget includes a contribution by the municipality towards the completion of the industrial land infrastructure assessments not to exceed \$475,000,

THEREFORE be it resolved that the Council of the City of Greater Sudbury endorse the review of underserviced industrial areas in Greater Sudbury and authorize the municipality's share of the funding from the Industrial Park Reserve Fund.

Signed By

Report Prepared By

Jean-Mathieu Chenier
Business Development Officer
Digitally Signed Nov 12, 09

Division Review

Helen Mulc
Manager of Economic Development.
Digitally Signed Nov 12, 09

Recommended by the Department

Bill Lautenbach
General Manager of Growth and
Development
Digitally Signed Nov 12, 09

Recommended by the C.A.O.

Doug Nadorozny
Chief Administrative Officer
Digitally Signed Nov 12, 09

Finance Implications

If approved, \$475,000 will be set aside as committed for this project leaving a balance of \$2.25 million in the Industrial Land Reserve Fund.

Background

Given Greater Sudbury's strong industrial base, the designation of sufficient lands to accommodate existing and potential industrial uses is essential. The adequate provision of industrial/employment lands, including the creation of additional Industrial or Research Parks, is closely aligned with the City's long-term strategic planning goals related to economic development.

The Official Plan identifies two broad industrial designations, General Industrial and Heavy Industrial, which are established to support economic activity in the industrial sector. General Industrial includes activities such as manufacturing and processing facilities, while the Heavy Industrial designation encompasses core infrastructure needs such as water and wastewater treatment plants and landfill sites, as well as heavy industrial uses such as fuel depots, cement plants and salvage yards, for example.

According to Business Facilities Magazine, one of the most important industrial real estate trends is the concept of "shovel-ready" or "deal-ready" sites. Many states, regions and communities in the U.S. have established programs to help them identify and certify sites as "ready for development." Although no two programs are identical, they all have a common goal: to assist companies looking to build new facilities by performing some of the work and due diligence for them. In addition, the process allows the community to gain a better understanding about their own available sites before companies inquire about developing the property.

In order to remain competitive in attracting businesses, communities have to be proactive with their land use policies, infrastructure capacity and overall data and asset management, and the dissemination of such important information.

From a land use perspective, ensuring that there is an adequate supply and variety of industrial land throughout the municipality creates a welcoming environment for prospective new businesses and expanding local companies. Based on the review of existing industrial land within the City of Greater Sudbury, there is a significant amount of appropriately zoned industrial land in this community; however, the majority of this land is not 'shovel-ready'.

Downloading of fiscal responsibilities onto municipalities has fostered an environment of infrastructure deficits across Ontario. This is amplified for a vast amalgamated community such as Greater Sudbury. While there are some industrial areas that have the capacity to expand from a municipal infrastructure perspective, there exists many areas that are not only hindered from expanding, but the existing services are inadequate as they do not meet ever stringent guidelines. One of Greater Sudbury's objectives as a municipality is to ensure the availability of adequate infrastructure that will enable the community to attract new businesses to Greater Sudbury and promote the expansion of existing local companies.

Project Objectives

Staff in the GSDC recently performed an extensive review of the community's private and public industrial land inventory. Our research revealed that although there is a supply of industrially-zoned land throughout most parts of the City, there is a very limited supply of adequately serviced 'shovel-ready' land for

employment uses. The extent of this initial research as it pertained to the municipal infrastructure was limited to generalizations about the state of the infrastructure. For example, working with Engineering staff, we were able to determine that a given industrial area may appear to have an adequate amount of water to meet fireflow requirements for the existing users. However when adding new water users, the system is put under stress and may not meet fireflow requirements. As a result, the water distribution system and/or sanitary sewer system may require upgrades to increase their capacity to meet the increased demand.

When a new development is proposed, an application is submitted to the City's Engineering Department to determine the available capacity within the water distribution system, as well as for the sanitary sewer collection system. This evaluation is accomplished by running a water model, with additional calculations in the case of sanitary sewer. In addition to modeling, the evaluation also relies on the past experience of staff in the Engineering Department who are familiar with the water and sanitary sewer systems. Staff also review historical design reports on the entire infrastructure system from the source of the water supply upstream at one end, to the destination of the wastewater downstream at the other end.

Engineering staff will be required to perform the models and provide data but aspects of the various design and costing stages are typically outsourced. The preliminary assessments, or conceptual/preliminary designs, will help determine the extent and cost of infrastructure upgrades needed at an order of magnitude level in preparation for the potential development of 'shovel-ready' sites.

The second aspect of the report involves a realistic projection of the potential development that might occur in the given industrial areas with adequate infrastructure. These market analyses will provide information on the types of developments that will generate the most significant economic impact.

Project Activities and Timelines

The proposed project involves the hiring of a consultant or consultants to undertake the activities outlined below and is expected to take 12-14 months to complete.

- Perform conceptual designs for every main industrial/employment area throughout the City of Greater Sudbury. The conceptual design work will provide the municipality with the potential cost for developing or upgrading the infrastructure associated with these areas at an order of magnitude level.
- Proceed with more detailed preliminary designs, where warranted, to allow the municipality to perform some of the necessary pre-development work needed on the industrial sites where the costs may be feasible for development.
- Obtain projections on potential job creation and tax assessment revenue as a result of developing/upgrading these employment lands.
- Other related activities within the allotted budget.

Project Costs

Activity	Estimated Cost
Conceptual Designs	\$340,000
Preliminary Designs	\$270,000
Site Specific Potential Job & Assessment Growth	\$93,600
Overall Potential Job & Assessment Growth	\$46,400
Total	\$750,000

Project Financing

Funding Source	Amount	% of Total
Industrial Park Reserve Fund	\$475,000	63%
FedNor (pending)	\$225,000	30%
NOHFC (pending)	\$50,000	7%
Total	\$750,000	100%

Project Summary

The project involves hiring a consultant to work with City staff and review the state and capacity of municipal infrastructure in all major industrial/employment areas in order to determine the potential cost to strategically update/upgrade these areas over time. Another important component is the analysis of potential job and tax assessment growth that may occur as a result of infrastructure investments in industrial/employment lands.

In the review of the Economic Strategic Plan, survey respondents clearly indicated the need for infrastructure improvement. While Council has recently made some significant investments in the City's infrastructure - particularly in road improvements - adequate capacity in the water and wastewater infrastructure for new and existing employment areas is the underpinning for the successful economic development of the community.

The proposed industrial/employment land infrastructure assessment is a necessary first step in determining the scope and cost of work that may be needed to increase capacity in the City's infrastructure to accommodate existing and future development opportunities. Together with the projected potential job and tax assessment growth analyses, the proposed report may also assist the municipality with accessing other sources of funding for actual infrastructure capital.

The potential investment opportunities would benefit many stakeholders, the municipality being only one. For example, there are existing business owners within developed areas that are restricted from expanding due to inadequate capacity within the municipal infrastructure. There are other areas where a vacant land owner cannot develop for the same reason or because municipal services are not even present in the area.

The municipality's share of financing for the project would come from the Industrial Park Reserve Fund with the remaining funding coming from senior levels of government.