



Summary Report

City Owned Industrial Land (Coil) Strategy
City of Kingston

November, 2004
revised: March, 2005

Prepared for: City of Kingston
Prepared by: **Clark Consulting Services**

1 INTRODUCTION

This project develops a strategy for the City-Owned Industrial Lands (COIL) in the City of Kingston. The strategy was commissioned to assist the City in its efforts to attract new businesses to Kingston and promote expansion of existing businesses through the acquisition, servicing and sale of industrial land.

Specifically, the assignment reviewed the following industrial parks:

- the Norman Rogers Airport;
- Cataraqui Industrial Estates;
- the Joseph P. Clyde/Kingston New Industrial Park;
- Alcan Business Park; and
- St. Lawrence Business Park.

This Summary Report was prepared to summarize and set out the approach and findings from the three component reports. For further detail on the approach and analysis, reference should be made to the individual reports.

2 OBJECTIVES

The objectives of the assignment were:

- to evaluate the best role of the City in meeting its economic development objectives through land assembly and development;
- to evaluate the suitability of the current industrial lands owned by the City;
- to advise on changes to the current land ownership strategy;
- to prepare policies suitable for adoption in the City's Official Plans; and
- to prepare a strategy and plans for the management of City Owned Industrial Land.

3 PROCESS / APPROACH

The consultant team included:

- *Clark Consulting Services (CCS)*, project manager;

- Totten Sims Hubicki, municipal engineering, and
- Clayton Research, market analysis.

The project was conducted in three related but distinct assignments. Each of the firms in the project consultant team assumed responsibility for one of these assignments.

3.1 Phase 1 - Market Analysis

Clayton Research prepared the market analysis with assistance from the Project Team. This analysis included an inventory of City Owned Industrial Land and a review of all industrial properties in the City. An analysis of the employment trends and an assessment of Kingston's position relative to other competing industrial areas in Eastern Ontario was also conducted.

The resulting Phase I report provides comments on opportunities and factors affecting industrial investment and evaluates the industrial land holdings. The recommendations and conclusions of this report are presented later in this summary.

3.2 Public Open House

At the conclusion of Phase 1 a draft of the report was published and presented to Council. A Public Open House was held at the City Library Main Branch to obtain public comments and to alert the public as to the direction of the Coil Development Strategy.

3.3 Phase 2 - Land Use Component

Clark Consulting Services prepared the Land Use Component Report with assistance from the project team. This report consisted of a review of the existing planning documents in the preparation of a draft Official Plan Policy for Employment Areas. It also involved a

review of the land holdings to determine the type, location and amount of land available, and made recommendations with regard to the amount of land to be included in this evaluation. In this review the potential for private lands adjacent to the City Owned Industrial Lands were assessed with a view to acquisition or incorporation in the City Owned Industrial Land Strategy. The report was submitted in March, 2004 and was reviewed and finalized. The conclusions and recommendations are presented later in this summary.

3.4 Phase 3 - Finance and Servicing Strategy

Totten Sims Hubicki prepared the Phase 3 Report. It reviews the servicing of all City Owned Industrial Lands and develops a Preliminary Servicing Strategy for these lands. An order of magnitude cost estimate for servicing these lands was prepared and is compared to the yields estimated in Phase 2. The cost benefit analysis also compares the servicing costs with the estimates of employment and floor area for these lands.

4 FINDINGS AND CONCLUSIONS

The City Owned Industrial Land Development Strategy has concluded that the City has an adequate supply of industrial lands. The existing lands, with strategic design and monitoring, are capable of meeting the employment requirements for much of the industrial and business park type development within the City.

The City Owned Industrial lands do not represent all of the land requirements as a number of vacant lands designated for industrial use are also available. It is also anticipated that existing, older industrial areas will redevelop. Some of the existing businesses will need to relocate as a result of



this redevelopment. Others may take this opportunity to adjust their business to more closely meet the changing needs of the market place.

There is some concern that some of the land currently reserved for industrial development will be eroded as other uses and development compete for the more strategically located parcels of land within existing industrially designated areas. Some erosion of the industrial land base is to be expected as the community evolves and develops.

It is critical that the key industrial parcels and the industrial park areas be retained as a key component of the economic development strategy for the City. Maintaining these areas for business and industry location is critical to this strategy. Avoiding erosion and the introduction of non compatible uses, particularly commercial uses which attract large volumes of public users, will also be important to the success of the industrial parks.

The City should also strive to maintain a balance between the more attractive business park lands and those lands required to provide sites for general service and support industries which are key to maintaining the vitality and efficiency of the urban area.

A program for the on going servicing, development and marketing of the City Owned Industrial lands is advanced as the main implementation strategy for the maintenance of employment prosperity for the City. The COIL analysis supports this conclusion and recommends that the City continue its historic role in providing for the development of key industrial land within the urban area.

4.1 Phase 1 - Market Analysis

This report was prepared by Clayton Research. It provides a 24-year projection of industrial park land requirements for the City of Kingston. These projections take into consideration:

- Industrial land demand based upon Kingston's projections for job growth and economic development;
- the inventory of existing and potential lands; and
- the suitability of this inventory to meet the potential demand.

The Phase 1 report predicts that employment in the City of Kingston will expand by 14,430 jobs over the period 2002-2026; approximately 600 jobs per year. During the course of the COIL study an Urban Growth Strategy has been prepared for the city. This Urban Growth Strategy also examined employment growth and concludes in the July, 2004 Final Report that "when selecting a growth projection for planning purposes it is important to build in flexibility to address the many uncertainties...." A high employment growth projection of 1000 jobs per year was used in the Urban Growth Strategy. While acknowledging the benefits of an ambitious employment projection, the Phase 1 report used the more moderate projection to reach its conclusions 600 jobs/year. The higher growth projection was used in the Phase 2 report which reviewed the Land Use documents to ensure that an adequate supply of land was available

About 40 percent of the employment growth is expected to occur in an industrial park setting with the bulk taking place among regional service office type sectors rather than light or heavy industrial operations. Research and development and warehouse/distribution



centres will also likely figure in the prospects for job creation.

Kingston has 2,940 acres of industrial land designated within the urban area. While roughly half of this is vacant land, only 152 acres of the City-owned lands are currently serviced and vacant within the four existing industrial parks. This supply is insufficient to meet long term land demands. However, including City-owned land not currently serviced, there appears to be an adequate supply of lands within and adjacent to the present City-owned parks. Some of the adjacent privately owned lands should be considered as part of the long term strategy for industrial park development. These lands are identified in the Phase 1 Report and examined in detail in the Phase 2 & 3 Reports.

Not all of the available land, however, may be sufficient for each of the intended uses. Large tracts of available lands are located in the St. Lawrence Business Park. The location and attributes of this park are such that demand will not be very strong for years to come. Other parks, including Cataraqui Industrial Estates and the Joseph P. Clyde/Kingston New Industrial Park have limited amounts of vacant serviced City-owned lands available and yet these locations are the most attractive for prospective new businesses. Un-serviced lands adjacent to Cataraqui Industrial Estates will likely play a key role in promoting economic development in Kingston. The timely servicing and development of these lands is key to maintaining a viable the industrial park development strategy.

As a result of the draft Phase I report Council authorized a Strategic Design Plan of the existing and adjacent lands to Cataraqui Industrial Estates for the industrial park development. They also authorized a detailed design for an extension of services to a portion

of this site that is currently owned by the City and easily accessed.

4.2 Phase 2 - Land Use Component

The purpose of this component was to examine the planning documents, prepare a draft Official Plan Policy and a Zoning Strategy for industrial lands in the City and examine the amount and location of industrial lands to be designated. This component also reviewed the City owned industrial lands to estimate the useable (net) lands available and examine alternate locations.

Kingston's Economic Prosperity Strategy has been developed through a series of planning exercises. Focus Kingston, the community Strategic Plan, provided a vision for Kingston to the year 2010. Economic Prosperity was one of the twelve elements of the plan, and called for partnerships with research and educational institutions, the "incubation" of new businesses, and marketing Kingston to investors and tourists nationally and internationally.

The Urban Growth Strategy has been prepared as a precursor to a new Official Plan. It reviews new growth opportunities. For industrial development it focused on jobs created in Cataraqui Industrial Estates and Alcan Business Park. Brownfield redevelopment in the older industrial areas is also an area of emphasis in the growth strategy.

The Kingston Transportation Master Plan provides a framework for access. It emphasizes the locational advantage of certain industrial lands held by the City as an opportunity for economic growth.



a) Review of Planning Documents

i Official Plans

The City of Kingston, since its amalgamation in 1998, operates under three Official Plans, one for each of the former municipalities. The former City of Kingston Official Plan recognizes older established industrial areas and the need for redevelopment of certain areas. The document includes policies for older industrial areas, new industrial areas and special industrial areas such as the waterfront and uses such as recycling and waste disposal.

The Township of Kingston had a more traditional approach to employment and industrial land in its Official Plan. The Official Plan itself divides industrial land into General, Light, Special, Business Park and Waste Disposal.

The Township of Pittsburgh Official Plan has limited discussion of industrial development focusing primarily on the rural areas of the community. The industrial areas include Business Park and Waste Disposal.

The existing Official Plans designate 2,948 acres of industrial land of which 1,398 acres are vacant. Using the information produced in Phase 1 we have predicted the requirements for industrial land as either 135 ha based on 600 employees or 225 ha based on 1000 employees.

ii Zoning By-laws

Taken collectively, the three Zoning By-laws which apply to industrial land in the amalgamated City of Kingston have 20 zone categories plus site specific zoning

and exceptions to recognize specific circumstances not covered by the general zoning categories. The Phase 2 report reviews these zoning categories and provides a simplified recommendation of 7 zone categories. The zone strategy sets out a list of permitted uses and provides regulations for these recommended zone categories as the basis for proceeding to prepare a new Zoning By-law for the industrial lands in the City.

b) Evaluation of City Owned Lands

The Phase 2 Report provides a detailed evaluation of the City Owned Industrial Lands in the five parks. The following is a summary of the findings:

i Norman Rogers Airport

The Airport is a specialized industrial park due to the requirements for the maintenance of ownership by the City. All new industrial uses would be on a lease basis. There is an immediate opportunity around the existing terminal complex and a longer term opportunity in the north east. An even longer term opportunity has been identified along the western boundary. A future review of the Airport Master Plan may alter these recommendations but the Airport is an important opportunity even with some ownership constraints.

ii Cataraqui Industrial Estates

This area is recommended as a significant growth opportunity for the City. The pressure for industrial development is evidenced by recent land sales and development in this area. A strategic design plan for these lands has been commissioned to assist in detailed design



and marketing of this area. There is an immediate opportunity on the adjacent lands for development which can be readily serviced by existing infrastructure. Over the longer term as services become available in the eastern area, including the Sydenham Road frontage areas, these lands will also be available for development.

There are private land holdings which are located between the City owned properties. Overtures for acquisition should be considered as part of the strategic design plan follow-up.

iii Sydenham Road & Clyde Industrial Park

The major land holdings between the existing Clyde Industrial Park and Sydenham Road must await actions by others. These lands are isolated and development will be dependent upon the actions related to other adjacent lands which control the access and servicing of these properties. It is possible that these lands could ultimately represent an extension of the Clyde/New Industrial Park Lands. No action should be taken which would preclude the possibility of this extension.

iv Alcan Business Park

The Alcan Business Park is filling up and although there are some vacant parcels remaining it would appear that there is an opportunity for extension. Extension would require either the participation of the owner or the transfer of lands from the existing owner to the City as these lands are privately owned. Our planning assessment suggests the adjacent lands to the south and west would represent a

logical extension of the industrial form of development. We are also aware that there are other opportunities for lands in the vicinity which should be considered when determining the appropriate location for infrastructure extension. The sketch provided in the Phase 2 Report provides an illustration of these opportunities.

v St. Lawrence Business Park

The St. Lawrence Business Park has an extensive supply of serviced industrial land. Current restrictions appear to relate to accessibility and market. The Phase 2 Report recommends that the range of uses particularly for the more remote lands be broadened to include more general industrial uses which would make the park more attractive to a variety of users. This park represents an opportunity for industrial development but it will take longer to realize than the other parks which are more favorably located.

vi Summary

The Phase 2 Report concludes that there is a short term supply of City Owned Land of 87 ha and a long term supply of 142 ha. This inventory is based upon a detailed site review of the parcels including an evaluation of those lands suitable for development. The privately owned adjacent industrial lands represent a further supply of 63 ha. These lands when compared to the growth projections suggests that there is an ample supply of City Owned Industrial land which will be available to meet the needs of the City over the next 10 to 20 years without considering the opportunities which are available on other privately held industrial land parcels.



4.3 Phase 3 - Finance and Servicing Strategy

Totten Sims Hubicki were responsible for the preparation of a report reviewing the servicing opportunities and strategy for the industrial parks with the assistance of the Project Team. Their review is contained in the Phase 3 Report. This report identifies that for the existing serviced industrial lands there is a modest cost to finalize the servicing. In some cases, such as the St. Lawrence Business Park, finishing of pavement and sidewalks is required. Services are in the most part, in place.

With respect to those lands which are to be developed on the airport lands and in the Cataraqui and Alcan business parks, the cost of development reflects their particular servicing circumstances. Cost per acre and cost per square foot based on potential building yield have been prepared. These vary and reflect the allocation of costs as determined by this approach. Cost allocation is a matter which the City can determine and affect. Regardless of the allocation of costs it would appear that the recoverable costs through land sales are, for the most part, less than the servicing costs of these lands. This approach is not uncommon and is contemplated by the Municipal Act. Cost recovery can be either through the sale of the lands or reflected in the taxation recovered through the development of these lands.

The City in establishing their land pricing for industrial land should consider the extent to which cost recovery will be affected through land sales. The current land sale prices appear to be effective in attracting industrial development to the community. These sale prices do not need to be adjusted provided the City understands that the cost of servicing will not be directly recoverable through land sales.

4.4 Next Steps

Based on this analysis we recommend the following steps:

- a) Completion of the Strategic Design Plan for Cataraqui Industrial Estates
- b) Review of land acquisition options
- c) Review capital works program for Business Park development
- d) Monitor land sales and enquiries and adjust land inventory and design.

5 ACKNOWLEDGMENTS

The project team acknowledges the considerable assistance and support received from City staff, KEDCO staff and representatives of the agencies and industries contacted during the preparation of this report. In the course of preparing this report we have benefitted from their advise and information. We trust that this report and its findings will assist the City and the businesses both existing and future to realize the objectives that have been set for the municipality and its citizens.

Sincerely;

Bob Clark, P.Eng, P.Ag., R.P.P.
Project Manager

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Table 1
Summary Report
Industrial Land Inventory By Designation (ha)

Designations	<i>Phase 2 Estimate</i>			Private		
	City owned Short	Long	Total	Short	Long	Total
Airport	10.53	39.92	50.45	-	-	-
<i>subtotal</i>			50.45			-
Cataraqui						
<i>Business</i>	14.17	8.40	22.57	3.83	8.00	11.83
<i>General</i>	23.63	25.20	48.83	11.48	5.60	17.08
<i>subtotal</i>			71.40			28.90
Sydenham						
<i>Business</i>	12.10	17.36	29.46	-	21.20	21.20
<i>General</i>	-	-	-	-	-	-
<i>subtotal</i>			29.46			21.20
Alcan						
<i>Business</i>	2.43	-	2.43	4.05	-	4.05
<i>General</i>	-	-	-	7.17	1.90	9.07
<i>subtotal</i>			2.43			13.13
St. Lawrence						
<i>Business</i>	10.29	-	10.29	-	-	-
<i>General</i>	20.58	44.28	64.86	-	-	-
<i>subtotal</i>			75.15			-
<i>total estimates</i>			228.89			63.23

Source: Mapping provided by the City, Clark Consulting Services .