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**TO: GENERAL COMMITTEE**

**SUBJECT: CITY INDUSTRIAL LAND SALE SUMMARY**

**WARD: ALL**

**PREPARED BY AND KEY CONTACT: P. DYCK, BUSINESS DEVELOPMENT OFFICER**

**SUBMITTED BY: S. SCHLICHTER, DIRECTOR OF BUSINESS DEVELOPMENT**

**GENERAL MANAGER APPROVAL: ZVI LIFSHIZ, EXECUTIVE DIRECTOR OF INVEST BARRIE**

**CHIEF ADMINISTRATIVE OFFICER APPROVAL: M. PROWSE, CHIEF ADMINISTRATIVE OFFICER**

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**RECOMMENDED MOTION**

1. That Staff Report BDD002-18 concerning the City Industrial Land Sale Summary be received for information purposes.

**PURPOSE & BACKGROUND**

Report Overview

2. The purpose of this Staff Report is to provide Council with a closing summary regarding a pending item report 'P168/04 - City of Barrie Owned Industrial Lands Report'. The pending item asked "That staff review the City of Barrie's industrial land development strategy and policy to ensure that the City of Barrie is optimizing the balance among; its return on investment, assessment growth and the creation of higher paying jobs as much as possible and report back to General Committee."
3. As of December 2017, the City has one remaining parcel of industrial land consisting of 2.5 acres. This remaining parcel is currently under negotiation for sale, and pending its sale and a scheduled closing of another property in January 2018 on Rawson Avenue, the City will have no municipally-owned industrial lands in its inventory.
4. The City began acquiring lands in the early to mid 1980's and began selling industrial land in approximately 1988. It acquired approximately 305 acres in the South Barrie Industrial Park (bounded by Saunders Road, Lockhart Road, Bayview Drive and Mapleview Drive East), and also acquired approximately 216 acres in what is referred to as the Mapleview West Business Park (bounded by Mapleview Drive West, Reid Drive & Caplan Avenue).
5. The City developed these industrial parks and through its industrial land sales policies, promoted and sold the lands to a variety of businesses and developers over a 29 year period, generating gross revenue estimated at approximately \$48.3 Million.

**INDUSTRIAL LAND SALE STRATEGY**

6. The City has a variety of land sale policies to deal with the sale of its industrial lands. These policies were developed over the years to encourage employment growth and investment within the business community. These policies included:

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- a) Agreement of Purchase and Sale (motion 88-G-301)
  - b) Requirements for Offer to Purchase (motion 90-G-13)
  - c) Acceptance of Offer and Selling Price (motion 94-P-101)
7. In May of 1994, the Planning Committee recommended the adoption of various policies with respect to industrial land sales, with the guiding land sale strategy being:
- a) That the sale of City-owned industrial land be seen as a resource to facilitate economic growth within the City of Barrie and that the marketing of those industrial lands be undertaken with a view to promoting the City's economic development, rather than with the intent of generating a surplus or in competition with the private sector.
8. The industrial land strategy then went on to promote the idea of the development of a business park along Mapleview Drive West. It was noted the business park could potentially attract businesses such as banking/insurance, telecommunications and business services. An important concept behind the business park was the notion of cultivating a 'critical mass' to help in attracting specific businesses.
9. In June 2001, Council approved 01-G-250 "Mapleview West Industrial Park Land Development & Marketing Strategy". A key component of this strategy was to authorize several Official Plan and zoning amendments, which led to the park being re-zoned to a new Business Park classification.

## **ANALYSIS**

10. The industrial land sale strategy provided flexibility concerning the sale of industrial lands as it related to any particular end-user; the City sold to both businesses as well as developers. Focus was however, placed on end-user businesses and their associated employment.
11. There are advantages to selling to both end-user businesses and developers. Often, more established businesses wish to own property, rather than lease as this provides equity in ownership, which they are in a position to leverage. Newer companies, or start-up's tend to lease in order to preserve their cash flow for their business and minimize risk, and often need more flexible space in order to be able to facilitate growth. The practice of selling to both types of clients allowed the City to respond to the various demands of the market place.
12. Over the years, City land has been sold to a large number of businesses that are still operating today. A brief list includes; Yachiyo (now Matsu), BMO Financial Group, Georgian International, Lafarge Canada, Advanced Motion & Control, Barrie Trim & Molding, Beta Tech, Innovative Automation, Prodomax, Busch Systems Ltd. and many more. The sale of City-owned industrial lands have provided opportunity for new businesses to locate in Barrie, and have also provided great opportunity for businesses to stay and grow, contributing to overall employment growth in the City.
13. While, the City's industrial lands having been exhausted, there are still approximately 800 acres of privately held industrial land available in the City's limits, excluding the industrial lands located in the annexed lands.
14. Staff are now shifting focus to the existing vacant lands within the City limits and the growth lands with the intent of matching sellers with business clients who wish to acquire property for the purpose of expanding or bringing new business to Barrie. Staff are approaching this through various means:

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- a) Staff are maintaining an inventory of vacant industrial lands to use as a reference and are exploring opportunities to promote the inventory through site selection opportunities and the City web site.
  - b) Regular communication with the real estate brokerage community to help match available properties and potential clients; resolve any issues and help promote development ready lands.
  - c) Direct communication with land owners to help bring suitable industrial lands to the market, and if required, provide assistance for any servicing and promotional requests.
  - d) Work with the City's IT Department to update GIS real estate information and also the County Economic Department to help promote land and opportunities County wide.

### **ENVIRONMENTAL MATTERS**

15. There are no environmental matters related to the recommendation.

### **ALTERNATIVES**

16. There are no alternatives for consideration by General Committee.

### **FINANCIAL**

17. The financial impact of the industrial land sales have generated tax benefit for the City. Based on MPAC data, the 2016 current value assessment for all industrial property constructed within the Maplevue West Business Park and South Barrie Business Park, is valued at approximately \$300,000,000.
18. The Industrial Land Sale Reserve has a current balance of \$3,099,644 with financial contributions allocated to support the disposition of downtown parking lots strategy, and finishing works in the Maplevue West Business Park.
19. Since 1987 the City's capital expenditure for both industrial parks is estimated at \$42.7 million. This includes land costs of \$5.99 million and land servicing costs of \$36.7 million. Land sale revenue is estimated to be \$48.3 million since 1987.
20. The City still has two land parcels (one has been sold and is expected to close end of January 2018) whose combined Net Book Value is \$771,329.

### **LINKAGE TO 2014-2018 STRATEGIC PLAN**

21. The information included in this Staff Report support the following goals identified in the 2014-2018 Strategic Plan:
  - Vibrant Business Environment