

Municipality of Lakeshore – Report to Council

Growth & Sustainability

Economic Development & Mobility



To: Mayor & Members of Council
From: Ryan Donally, Division Leader – Economic Development & Mobility
Date: December 1, 2022
Subject: Commercial and Industrial Growth Study

Recommendation

Direct Administration to utilize up to \$75,000 from the Development Charges Reserve to retain a consultant to undertake a study to explore the industrial and commercial growth opportunities in the northern and western regions of the Municipality, as presented at the December 13, 2022 Regular Meeting of Council.

Background

On November 29, 2022, Council approved the update to the Municipality's original Water and Wastewater Master Plan (WWWMP). The work undertaken in the Commercial and Industrial Growth Study (The Study) will help inform the WWWWMP by providing possible growth scenarios in the study area.

In 2019, Lakeshore undertook an Employment Lands Strategy. Phase 1 of the Strategy was completed which identified the location, amount and constraints affecting vacant employment lands in Lakeshore. However, Phase 2, which would identify the need for additional employment lands was not completed, pending the County of Essex's work on population projections and land needs, which is part of the Five Year review of the County Official Plan.

Comments

The proposed Study Industrial and Commercial growth opportunities will identify the economic opportunity through current and future commercial, and industrial demands for land in the in the northern and western regions of the Municipality.

The Study will consider historic and projected commercial and industrial (C & I) absorption rates, expected C & I demand generated from the NextStar Energy plant, related industrial suppliers, the impact of the new Acute Care Hospital, and related population growth. The primary focus of the study will be on the potential growth for Lakeshore; however, the study must not consider Lakeshore in isolation and will consider industrial and commercial growth in the region.

The Study will consider a long-term, 30-year planning horizon which is consistent with the County of Essex's growth projections exercise. The study will complement the previous work done on the Employment Lands Strategy, Phase 1, mentioned above.

Benefits of The Study

Inform the WWWMP: The study will consider the potential for development for non-residential land uses including areas that are not designated as employment, mixed-use, or urban reserve. As such, this potential growth is likely not considered in the current scope of the WWWMP. The Study will provide key information to inform the WWWMP.

Employment Land Positioning: The County of Essex is completing population growth scenarios. Following that exercise, the County is expected to review employment land allocation. The Study will inform Lakeshore's position related to requests for additional or re-designation of employment lands.

Funding Sources and Government Relations: The Study may also serve as evidence, if warranted, to appeal to higher levels of government for funding sources, public-private partnership agreements, or grant applications. In initial meetings, it is evident that demand analysis and a business case needs to be developed and on-hand to inform any requests. The Study will provide tangible data and demand to support these discussions and plans.

Next Steps

Pending approval from Council, Administration will build a project scope for The Study. This timeline must align with the WWWMP deadlines. The intent is to secure a consulting firm for the project to enable a January kickoff meeting. To facilitate this tight turn-around, Administration will be sole-sourcing the project, pending Council direction.

Current Economic State / Opportunity

On March 23, 2022, Stellantis and LG Energy Solutions announced a \$5 billion Canadian dollar investment into Canada's first large-scale, lithium-ion battery production plant. This joint venture was subsequently called NextStar Energy. The initial job numbers indicate 2,500 employees; however, with economic spin-off and additional suppliers locating in the region, the total job numbers could total up to 10,000.

A comparable factory to the NextStar Energy Plant is located in Wroclaw, Poland. As a result of the investment, an additional 15 automotive suppliers located in the same community. This increased the population by 15,000 despite a Country-wide population decrease. To date, one direct supplier has located into the Windsor-Essex region; however, it is anticipated that it is the first of many, as there are multiple large leads being considered for the area.

Administration, Invest WindsorEssex, and the local development community are experiencing a high demand for shovel-ready industrial sites within the Municipality and region. Some of this demand is coming from overseas in the form of Foreign Direct

Investment (FDI). Other demand is being generated by local or domestic companies that are and will be benefiting from the NextStar investment or other mega-projects in the region (such as the Gordie Howe International Bridge and new acute care hospital). The demand in the Windsor-Essex area has been described as unprecedented.

The Q3 Industrial Report, published by CBRE Limited has identified Windsor-Essex as only having 1.4% industrial availability with only 105,000 square feet under construction currently. This is extremely low, as illustrated in the graphs below, which is driving land and building prices up.

Figure 1: Historic Windsor-Essex Availability Rate

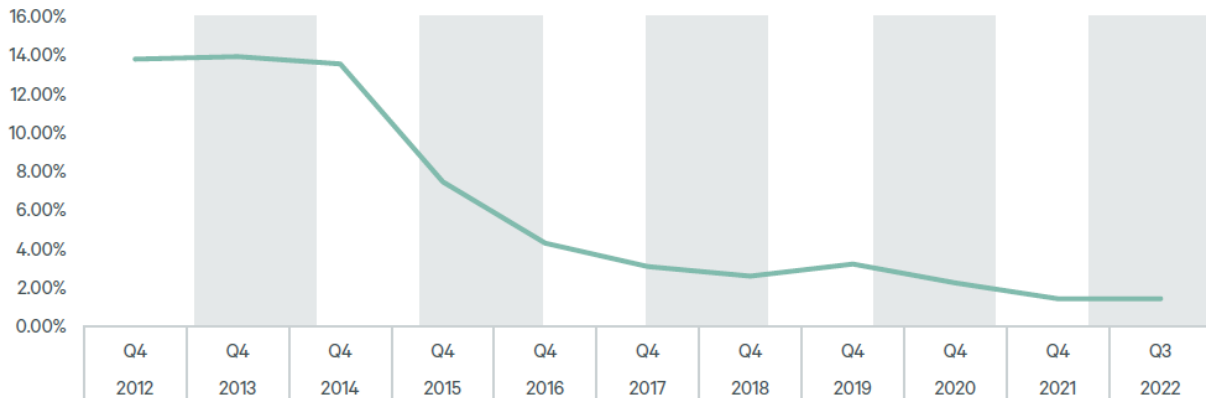
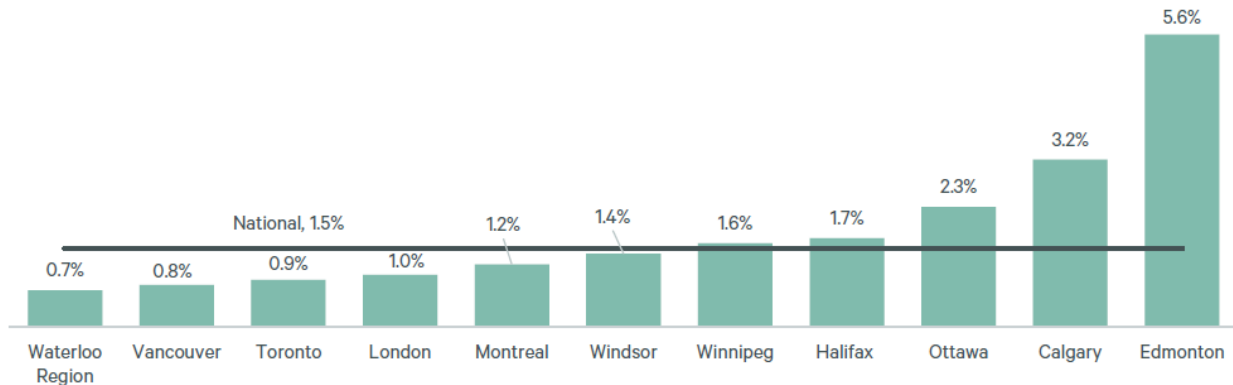


Figure 2: Availability by Market



Source: CBRE Research, Q3 2022

Source: CBRE Q3, 2022 Windsor-Essex Industrial Report.

Financial Impacts

As the Commercial and Industrial Growth Study contemplates growth in the Municipality, Development Charges Reserve funding can be used. Administration is requesting \$75,000 to commission the study.

Report Approval Details

Document Title:	Commercial and Industrial Growth Study .docx
Attachments:	
Final Approval Date:	Dec 8, 2022

This report and all of its attachments were approved and signed as outlined below:

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