

Idea Name: Remediation and rezoning to facilitate the redevelopment of 111 Horton Street East (the Hydro Lands)

Organization: Kilmer Brownfield Management Limited

Description: The City of London's Public Utilities Commission (PUC) land, located at 111 Horton Street East (the Property), is strategically located in the City due to many factors, including: its close proximity to downtown; its large acreage; extensive frontage along the Thames River; and its location at a major intersection. Although the Property is currently used for offices and a works/storage yard, the approximately 14-acre property has the potential to be redeveloped for higher and better land uses as contemplated in the Planning Division's City Opportunity: A Vision for Downtown London and the Thames Valley Corridor Plan allowing for an intensified mixed-use phased development.

Although the detailed environmental condition of the Property is unknown, due to the presence of a former gasification plant in the vicinity, substantial environmental remediation will likely be necessary given the Property's potential new uses and the applicable environmental regulations. The repositioning of the Property would enable its redevelopment for higher and better land uses, while managing its environmental challenges, specifically, the environmental remediation liabilities associated with brownfield properties.

Kilmer Brownfield Management Limited (Kilmer) specializes in the redevelopment of environmentally-impacted properties and has extensive experience in complex remediation and redevelopment projects. Kilmer has the expertise to manage the complexities of environmental remediation and brownfield redevelopment, as well as the financial resources to ensure that the environmental remediation and associated site works are properly completed, and is regarded as a leader in brownfield redevelopment in Canada.

Kilmer can assist the City in the redevelopment of the Property, which will contribute to enhancing the vibrancy of Downtown London and create beneficial spin-offs to improve the prosperity of the City.

We propose that the City and Kilmer discuss the potential for a Partnership so that the environmental and development complexities be addressed which will allow the Property to become "shovel ready" for an end-builder. Kilmer can assist the City to enable the Property to be redeveloped as well as share in the value creation process by:

- Formulating a partnership with the City of London, basically as outlined below in Item 4.
- Providing the financial surety to complete the job.
- Addressing the City's regulatory and civil environmental liabilities associated with this property.
- Ensuring the property is acceptable to builders with the environmental and planning components addressed.
- Creating value and formulating a plan for financial distributions to the City and Kilmer.

Status: We were aware that the City was interested in the redevelopment of the Hydro lands and that the former coal gasification uses in this area would likely hinder the ability of it be acceptable in the redevelopment marketplace. In January 2012, Kilmer approached Jeff Fielding, the City Manager at the time and also John Fleming, the City's Director of Land Use Planning, with the proposal which is referenced above. A meeting with John Fleming and other senior City managers was held on February 24, 2012 wherein we clarified our proposal and answered Staff's questions.

Partners:

The partners would be Kilmer and the City of London. Kilmer would provide the financial assistance, the expertise and would manage the remediation/rezoning process. The City of London would provide the site, designated for it's future land uses and base information about the Property. The partnership structure, including roles and responsibilities would be clearly outlined in an agreement entered into by Kilmer and the City at the beginning of the process and prior to any on-site work being initiated.

Cost: The City would use existing Staff to discuss the project in detail with Kilmer and establish the parameters of the partnership.

Funding Requested from City (\$) if any: No direct funding would be required from the City. This property would participate in the City's Brownfield CIP.

Will this idea move forward without City of London funding? The Partnership with the City of London is required to enable this idea to move forward. Direct funding from the City is not required.

Will your idea create jobs? Yes

How many jobs will be created? 101-500

Full or Part-time: Full-time (32hrs/wk+)

Permanent or Temporary: Temporary

Job Level: Management

Job Salary: Salary of \$60,000-\$80,000 (\$30-\$40/hr)

What sector(s) will this create job(s) in? Construction

Is there anything else you can tell us about how your idea will create jobs? Generally, there are three phases that will generate employment at/relating to the Property:

1. During Kilmer's involvement, from the time an agreement is finalized between Kilmer and the City until disposition to the end-builder(s), various types of assistance will be required to undertake and complete the remedial work and to prepare the property for redevelopment including; environmental, urban planning and engineering consultants, architectural firms, architects, arborists, heritage specialists, demolition contractors, and property maintenance companies.
2. During construction by the end-builder, it is estimated that hundreds of jobs associated with construction and trades would be generated over the build-out process that could take between 5-10 years to complete.
3. Post-construction/redevelopment: New office/retail commercial space will create variety of jobs, estimated to exceed 500 full time jobs, as well as other maintenance/repair assistance positions required over the entire project.

In addition, the redevelopment of the Property will act as a catalyst to generate additional interest in revitalizing and intensifying downtown London, creating a wide range of new employment opportunities throughout the downtown in the long-term.

Will this idea leverage investment from others? What kind? How much?

Implementation of this proposal will leverage investment from the full spectrum of the development industry, including the future builder/developer(s) and their design team, new business owners, residential property owners and financial institutions.

Will this idea stimulate spin-off benefits? What type? How? When? Where?

The potential spin-off benefits that could be stimulated include;

- Extending the downtown area to the river and support the existing retail, business and services including the public transportation system.
- Providing different types of housing and land uses to appeal to a greater range of potential residents, family structures and income levels in over 750 new residential units.
- Enhance the river frontage and create new linkages to it which will encourage more public interaction with the river and pedestrian activities.
- Be the first phase in the redevelopment of properties along the Thames River.
- Provide a substantial increase in revenues to the City, estimated to be in the order of;
 - o \$12 million in development charges.
 - o Property tax assessment of over \$200 million.

Will this idea build new or existing partnerships? How?

The proposal will build a new partnership between the City and Kilmer.

The successful implementation of this proposal could act as a catalyst to spur additional partnerships between the City other private sector proponents, and act as a model for how the City could initiate other partnerships in the future.

There is also potential for collaboration with the University of Western Ontario. Kilmer has been in contact with their Engineering Department, which has been working on alternative sustainable site remedial strategies, which could potentially be implemented at the Property, through a partnership arrangement with them.

Will this idea benefit emerging or established industry sectors? How?

The implementation of the proposal will benefit the brownfield redevelopment industry and act as a case study and catalyst to propel other brownfield redevelopment projects in the downtown and elsewhere in the City. Emerging industries, the 'green building' sector, could benefit from the proposal by implementing green and sustainable design features into the redevelopment, including sustainable environmental remedial approaches.

Will this idea fuel transformative change in London's economy? If so, how?

The redevelopment of the Property will enhance downtown London by directing investment into an expanded downtown area and spur additional investment into the downtown and along the riverfront.

The project has the opportunity to be a landmark development and a showcase not only for the City of London, but for other communities looking for innovative approaches to support brownfield redevelopment and to invigorate downtown communities.

Transformative change will result from the intensification of the Property, the beautification of the waterfront and the overall image of the City as a business-friendly organization ready and willing to adopt innovative partnerships to address challenging development issues.

Contact:

Ms. Pamela Kraft
Managing Director, Planning and Development
Kilmer Brownfield Management Limited
40 King Street West, Suite 2700
Toronto
M5H 3Y2