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**Old Victoria Hospital Development Plan
T. Macbeth**

TO:	CHAIR AND MEMBERS INVESTMENT AND ECONOMIC PROSPERITY COMMITTEE
FROM:	JOHN M. FLEMING MANAGING DIRECTOR, PLANNING AND CITY PLANNER
SUBJECT:	OLD VICTORIA HOSPITAL DEVELOPMENT PLAN UPDATE MEETING ON JUNE 9, 2014

RECOMMENDATION

That, on the recommendation of the Managing Director, Planning & City Planner, the attached report **BE RECEIVED** for information.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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| June 20, 2013 | Planning and Environment Committee, "Draft Old Victoria Hospital Lands Secondary Plan." |
| September 25, 2012 | Investment and Economic Prosperity Committee, "South Street Campus Lands Redevelopment Process: Master Development and Secondary Plans." |

BACKGROUND

At its session held January 23rd, 2012, the Investment and Economic Prosperity Committee directed staff to:

"initiate a process for the redevelopment of the South Street Campus lands, beginning with a report to the Investment and Economic Prosperity Committee that identifies the approach, proposed process, timeline, required consulting resources, and an identified source of financing for securing these resources"

On September 25, 2012 a presentation was made by staff to the Investment and Economic Prosperity Committee (IEPC), providing an update on the issues identified by a cross-departmental team established to oversee the process, the work undertaken by an independent economic consultant, and the outline of a preferred redevelopment process for the South Street Campus Lands.

That presentation also identified key next steps in the redevelopment process including the preparation of a Terms of Reference for the Old Victoria Hospital Lands Secondary Plan and the identification of funding sources for supporting servicing studies. Following this, The Planning Partnership was retained to prepare the Draft Old Victoria Hospital Lands Secondary Plan, which was received at the June 20, 2013 Planning and Environment Committee meeting and tabled for public comment.

Administration has concluded the Secondary Plan process to set the nature of development permissions for the Old Victoria Hospital lands and surroundings within the larger SoHo Community Improvement Plan area. The Old Victoria Hospital Lands Secondary Plan scopes and refines the land use designations and urban design guidelines of the Official Plan for the decommissioned hospital campus on South Street and its environs.

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The Old Victoria Hospital Lands Secondary Plan is scheduled to be heard before Planning and Environment Committee on June 17, 2014.

Upon completion of decommissioning of the hospital campus, the City will take ownership of the London Health Sciences Centre (LHSC) hospital lands. As such, Administration has concurrently been preparing a development plan for the City-owned parcels, which is consistent with the permissions set in the Secondary Plan and which will inform the Request for Proposal (RFP) process to engage developers. The following is an update on the development plan process.

DEVELOPMENT PLAN UPDATE

The development plan has a range of objectives for the redevelopment of the former South Street hospital campus lands. The goals include:

- Acknowledge a community legacy – a once in a century opportunity to build upon the historical legacy of the hospital;
- Provide a return on investment through tax assessment, land sales and regeneration of the lands with spin-offs for the SoHo and downtown neighbourhoods;
- Create employment opportunities;
- Create a new urban neighbourhood offering;
- Take advantage of existing serving;
- Promote design and architectural excellence;
- Demonstrate social and environmental benefits – enable sustainability and affordability;
- Ensure heritage conservation for key buildings; and
- Improve connectivity to the Thames Valley Corridor and enhance river and trail access.

To achieve these goals and prepare the lands for development, the City has undertaken and/or commissioned a series of background studies. These studies would be required of private applicants seeking to develop the lands, so this City initiative has made a significant contribution to making these lands market-ready.

Background Study	Completion Date
Traffic Impact Study	May, 2013
Water Servicing Study	July, 2013
Storm, Drainage and SWM Servicing and Capacity Study	July, 2013
Sanitary Servicing and Capacity Study	June, 2013
Environmental Impact Study	July, 2013
Cultural Heritage Resource Study	August, 2013
Hydro-Geotechnical Evaluation	September, 2013

Among the many important findings that inform the development feasibility for these lands was the establishment of a development limit in relation to the environmental constraints in the slopes, flora and fauna in the Thames Valley Corridor. Development phasing and generalized development concepts have thus been prepared, with the aim of ensuring that a logical disposition of these lands aligns with projected market demand absorption and provides a high financial and non-financial value for the SoHo community and city. The development phasing and development concepts have been independently peer reviewed by a representative of the planning consultant and development sectors. The proposed concepts identify a range of heights and intensities for buildings, consistent with development permissions set in the proposed Old Victoria Hospital Lands Secondary Plan, which would be mainly residential development with some opportunities for mixed use. The intensity of built form will foster

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neighbourhood compatibility with heights stepping down from the Thames Valley Corridor into the surrounding neighbourhood. The development concepts and phasing propose to bundle the adaptive re-use of heritage buildings together with opportunities for higher order development.

Development concepts for the public realm have also been drafted, in order establish key public amenities that enhance the quality of life and set the context for the expected level of quality achieved in return for investment in this new urban neighbourhood. The public realm includes: a riverfront “Promenade” extension of the Thames Valley Corridor trail and residential frontages onto the Thames River; the “Four Corners” civic plaza and public space as a gathering place and focal point for the community; and streetscaping and landscaping to enhance the vitality and amenity between buildings.

NEXT STEPS

Certain Council decisions are still required regarding the designation and conservation of heritage buildings on the Old Victoria Hospital Lands. These will be reported separately. Certain aspects of the reporting will also pertain to legal, real estate and financial matters of the Municipal Corporation. The Old Victoria Hospital Lands Secondary Plan is to be presented before Planning and Environment Committee on June 17, 2014. The policy and urban designs of the Secondary Plan will inform the final land uses, intensities and forms used in the development concepts of the development plan. Finalized development concepts and phasing are anticipated to be prepared this summer. A marketing campaign and Request for Proposal process will then be undertaken to solicit private-sector interest in development of this new urban neighbourhood at the gateway to the Thames River, SoHo and downtown London. The RFP process is anticipated to be begin in the third quarter of 2014 and will dovetail with completion of the first phase of land decommissioning led by the London Health Sciences Centre (LHSC). These are more fully explained in Appendix “A” of this report.

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RECOMMENDED BY:	
JOHN M. FLEMING, MCIP, RPP MANAGING DIRECTOR, PLANNING AND CITY PLANNER	

May 29, 2014
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Agenda Item #

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APPENDIX "A"



Old Victoria Hospital Development Plan Update

Investment and Economic Prosperity Committee
June 9, 2014



OVH: Secondary Plan and Development Plan





Overview

- Goals
- Background
- Development Concept (and Review)
- Phasing Plan
- Planning Approvals
- Heritage
- Approach for Disposition



Goals

- ✓ Return on Investment
- ✓ Employment
- ✓ Spin-off Revitalization of SoHo and Downtown
- ✓ New urban neighbourhood
- ✓ Take advantage of existing servicing
- ✓ Leave a Legacy – A once-in-a-Century opportunity
- ✓ Design and architectural excellence
- ✓ Demonstrate sustainability and affordability
- ✓ Heritage preservation – key buildings
- ✓ Enhance river access – connection with Forks and TVC



Development Prep: Background Studies

- ✓ Traffic Impact Study
- ✓ Water Servicing Study
- ✓ Storm, Drainage and SWM Servicing and Capacity Study
- ✓ Sanitary Servicing and Capacity Study
- ✓ Environmental Impact Study
- ✓ Cultural Heritage Resource Study
- ✓ Hydro Geo-technical Evaluation



Development and Phasing Considerations

a) Timing

- i. Timing of logical servicing improvements
- ii. Timing of public realm improvements
- iii. Tied into decommissioning schedule

b) Phasing

- i. Phase according to servicing strategy that stages cost of servicing strategically
- ii. Maximizing sales value (for each Phase)
- iii. Demonstrating value of the area – establish value statement and vision early
- iv. Attractive offering – value in each Phase

c) Balance and Responsiveness

- i. Maximizing value of heritage assets
- ii. Attractive to proponents – strategic qualities to attract major development investments
- iii. Balance between challenging and easy-to-develop lands
- iv. Leave some quality lands for future offerings – to extract value when amenity is better established
- v. Absorption/response to market demand

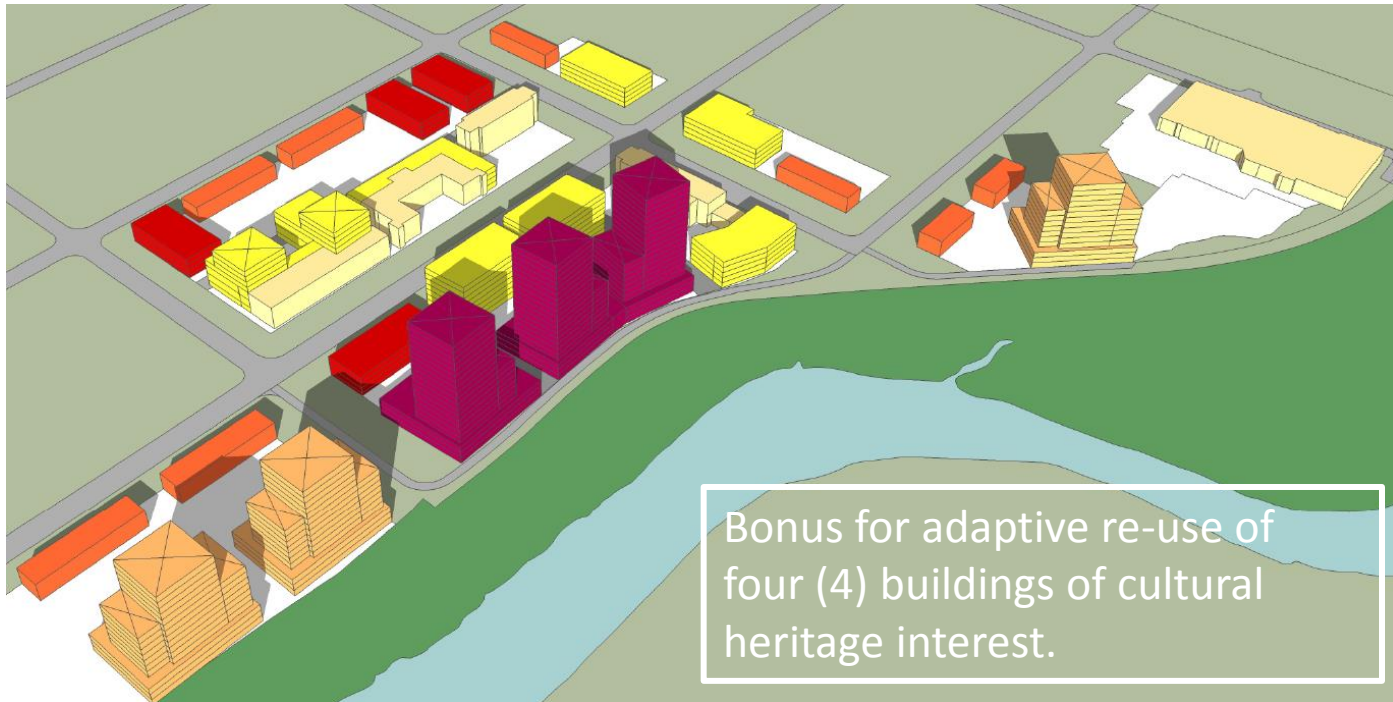


Development Concept

- Development Concept
 - Approximately 1,500 units yield
 - Over all blocks;
 - Independent economic consultant's numbers analyzed against market demand.
 - High and medium densities
 - Mixed uses
 - Mainly residential
 - Bundling heritage preservation (adaptive reuse) with vacant lands
 - Active frontage on Thames Valley Corridor (the Riverfront Promenade)
 - Bonus options for public benefits like design excellence, sustainability, and affordability
- Key Public Amenity Components
 - Four Corners
 - Riverfront Promenade
 - Public Realm: Boulevards, Tree Plantings, Landscaping, Streetscaping



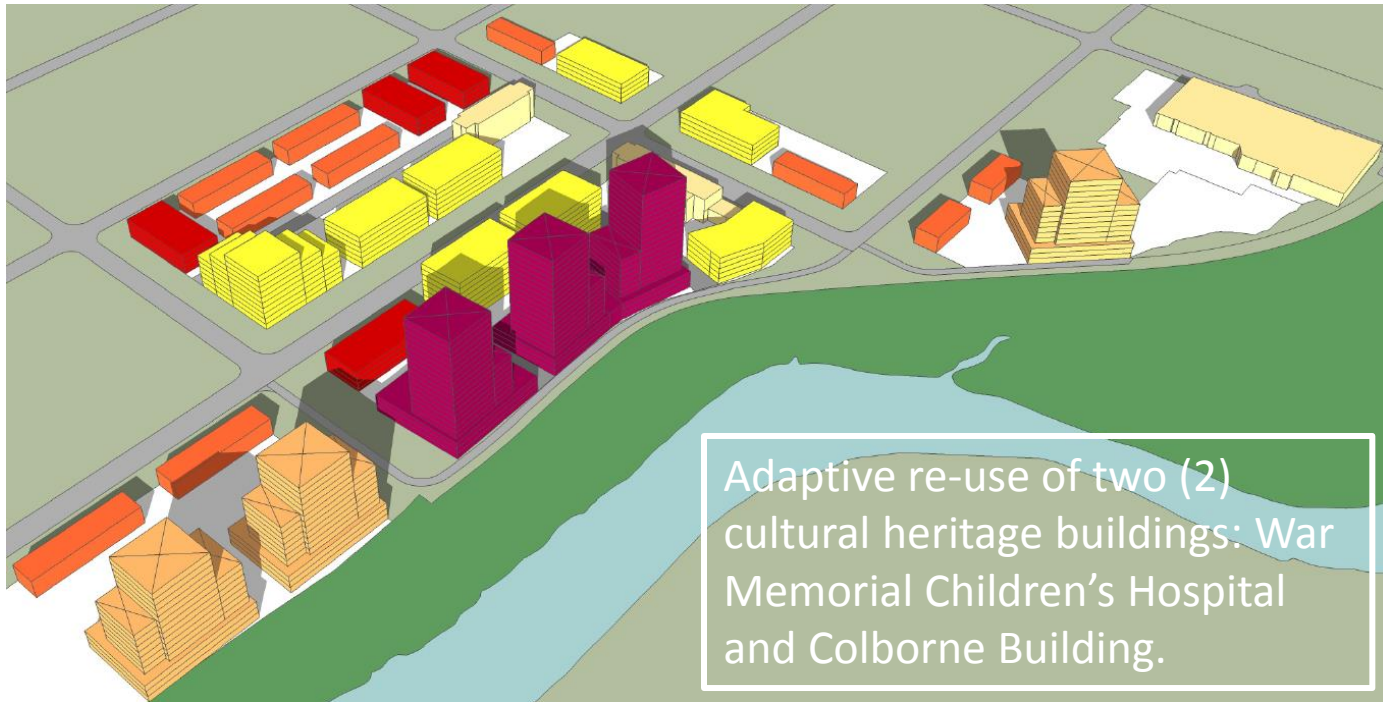
Development Concept: Option 1



Bonus for adaptive re-use of four (4) buildings of cultural heritage interest.

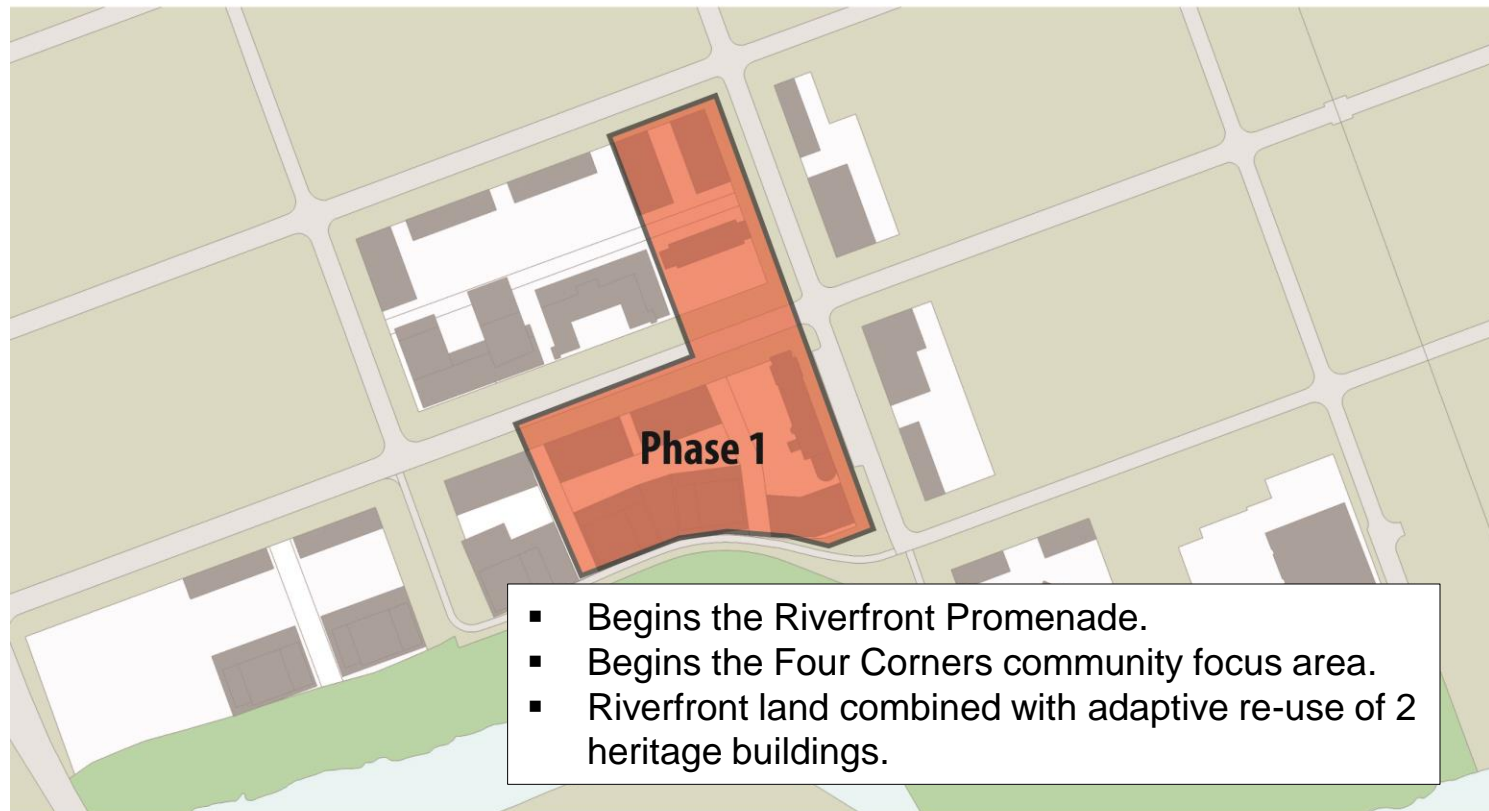


Development Concept: Option 2



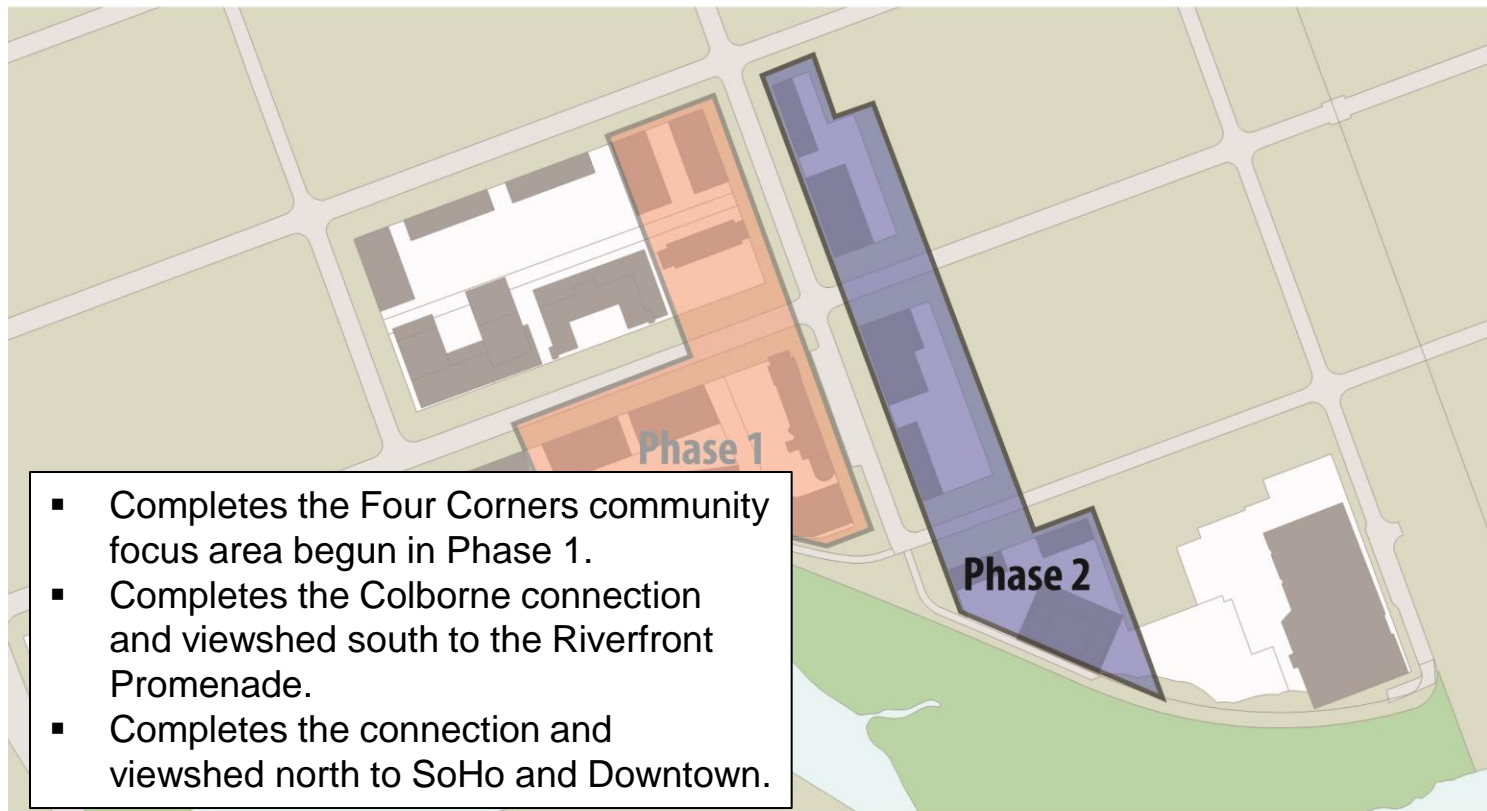


Development Concept: Phasing



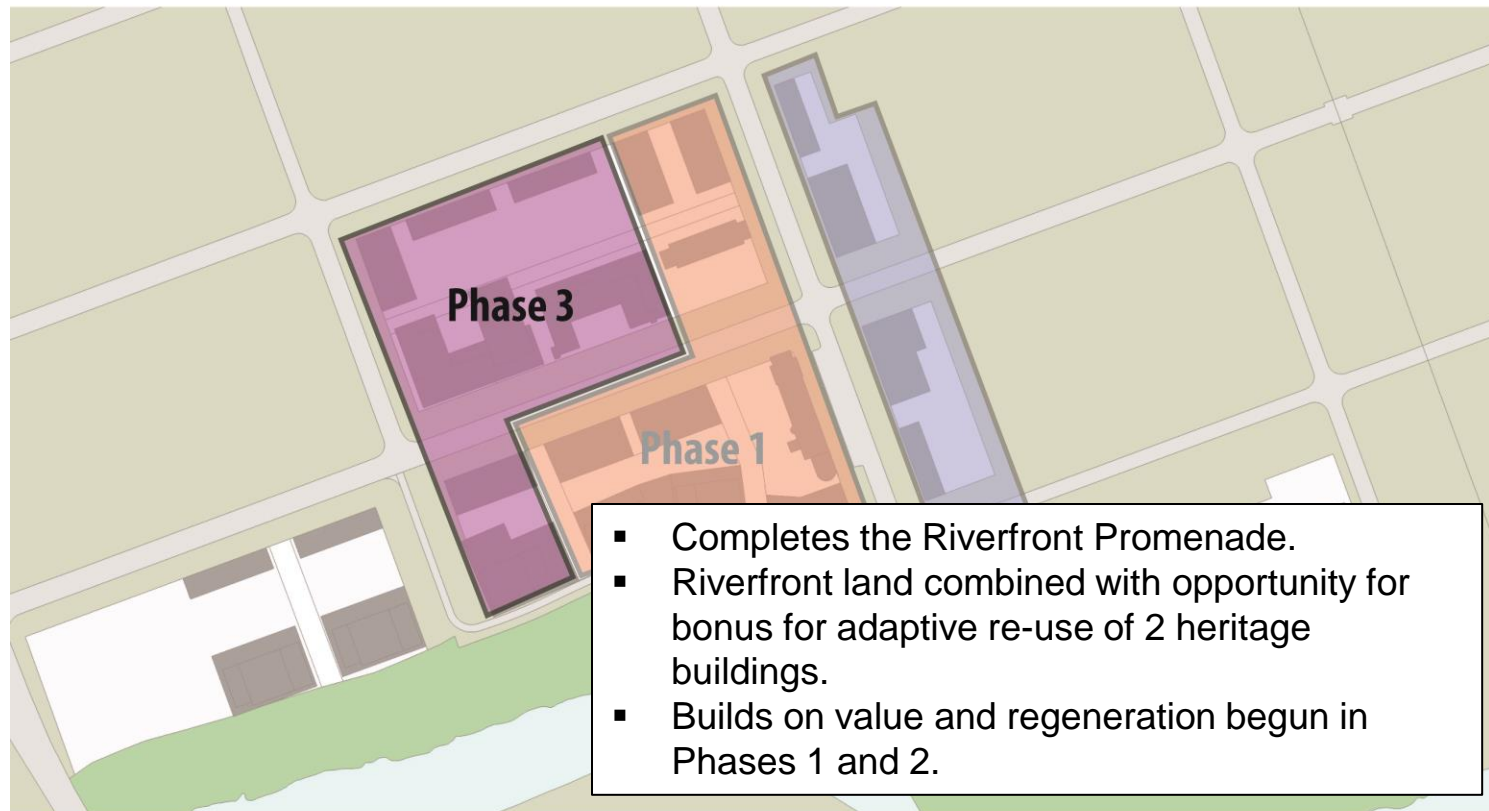


Development Concept: Phasing





Development Concept: Phasing





Development Concept: Phasing



- Riverfront lands.
- Completes the creation of new urban neighbourhood.
- Completes link between Riverfront Promenade and Thames Valley Corridor trail.



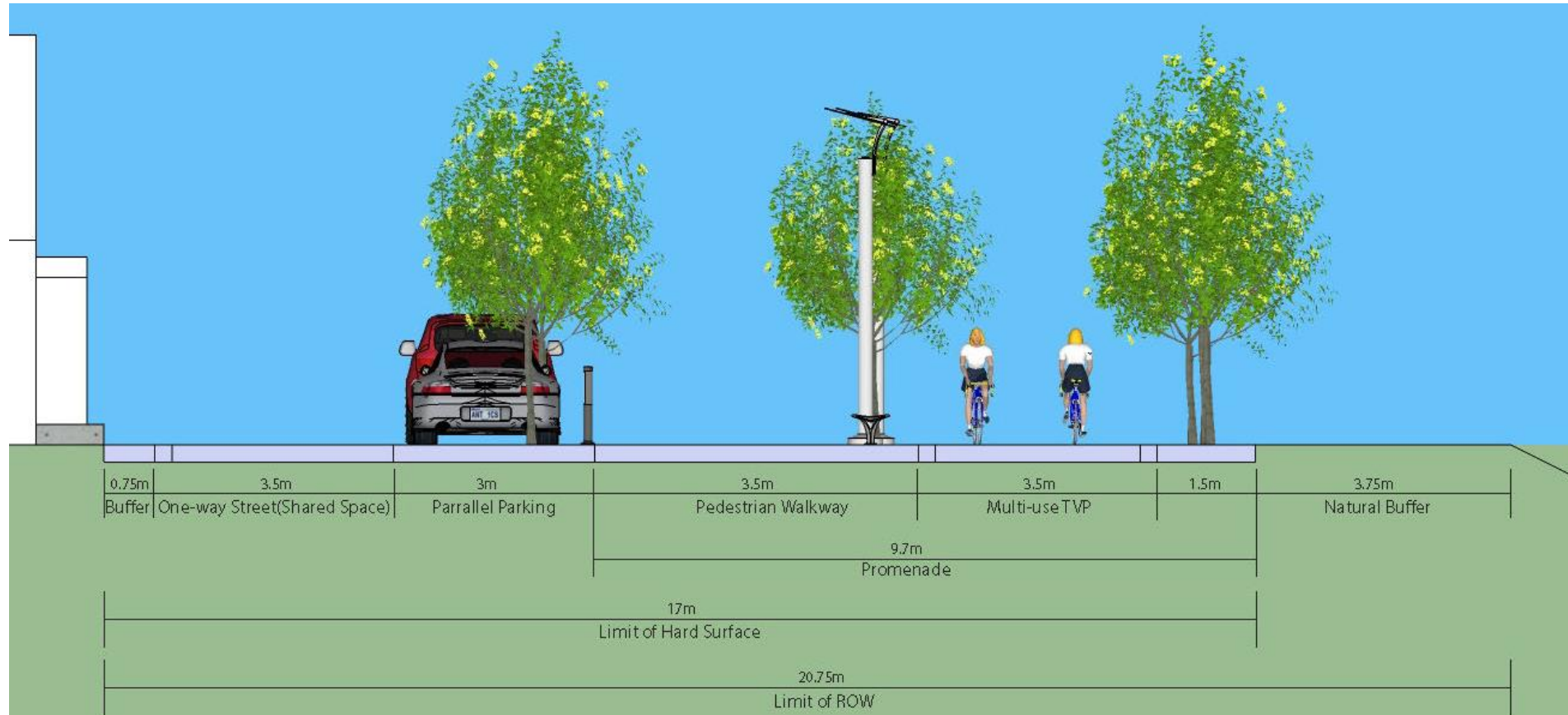
The Riverfront Promenade

Option 1: 'Shared Street Right-of-Way'





Option 1: Preliminary Cross Section



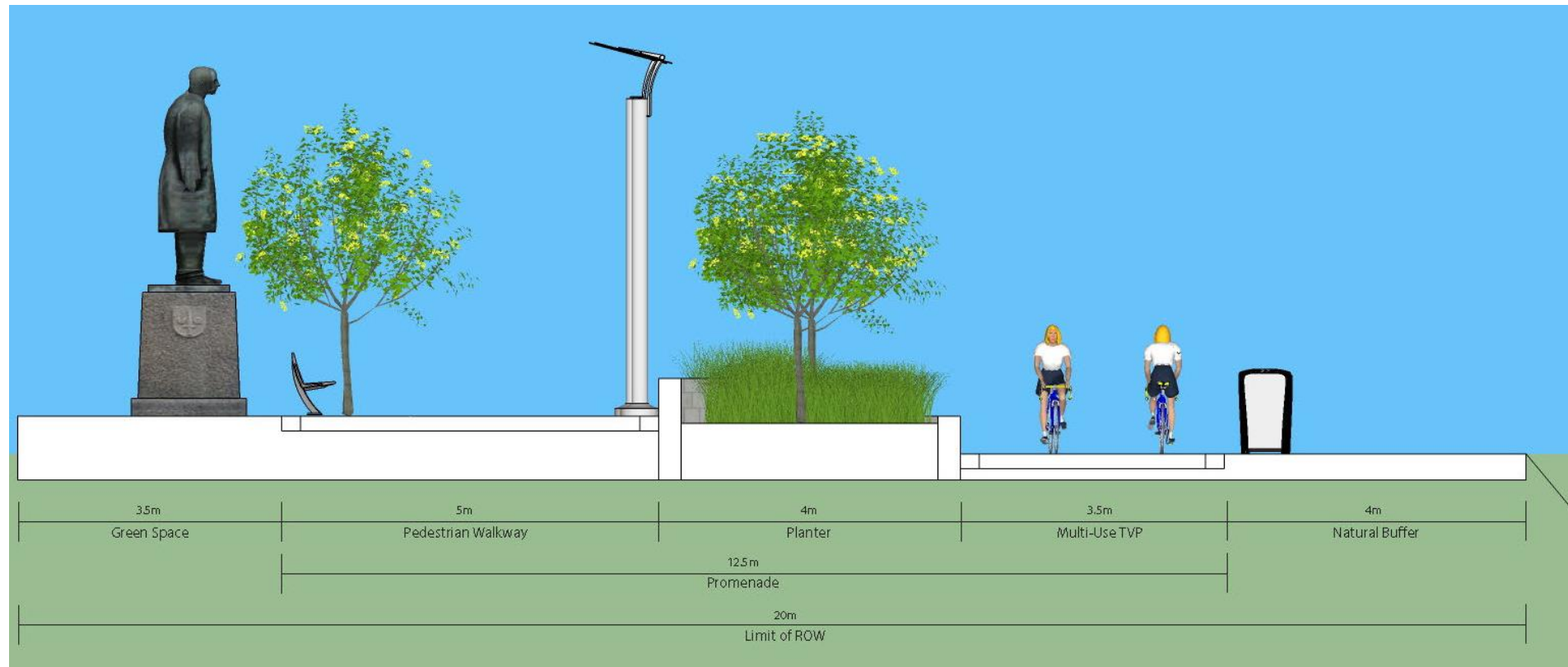


The Riverfront Promenade Option 2: Active Transportation





Option 2: Preliminary Cross Section





Development Concept Review

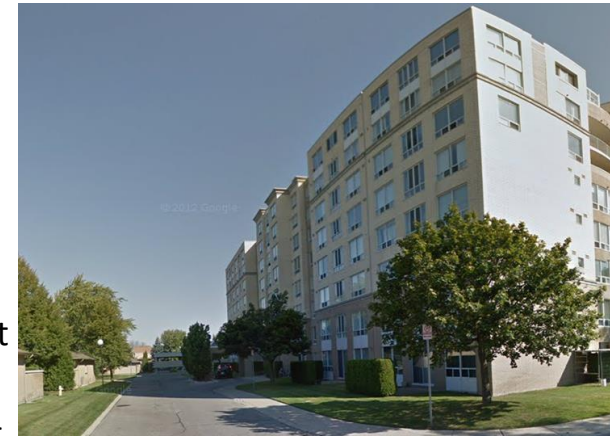
- Opportunity for more input on the design of the Riverfront Promenade and Four Corners through public processes.
- Concept has been independently reviewed by development planning consultant.
- Consultant's conclusions:
 - Development Concept found to be generally favourable;
 - Need for flexibility emphasized.



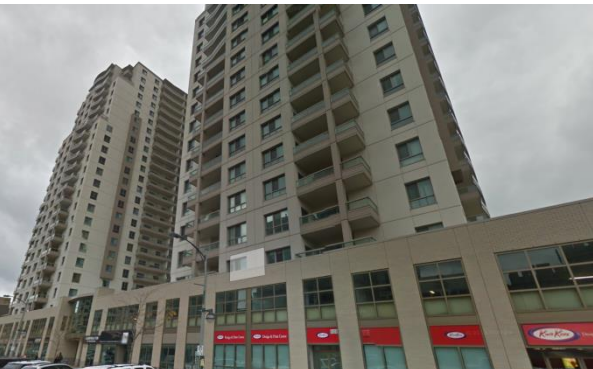
Examples of R.O.I. in Taxes



340 Sugarcreek Trail
5 storey
2013 taxes: \$ 193,577



1510 Richmond Street
8 storey
2013 taxes: \$ 232,064



310 Dundas St. & 405 Waterloo St.
25 storey (includes podium)
2013 taxes: \$ 1,038,508

2-84 Chiddington Gate
3 storey
2013 taxes: \$ 79,491





Planning Approvals

- Current OP designation: Multi-Family High Density Residential (MFHDR)
- OVH Secondary Plan:
 - Scopes and refines land use designations and includes Urban Design Guidelines.
 - Targeted for completion June 2014
- Zoning
 - base zone range, with criteria to increase permissions if public benefits provided (sustainability, affordable housing, energy efficiency, public art, design excellence, heritage conservation).



Heritage

- Colborne Building and War Memorial Children’s Hospital recommended to be retained.
 - On 2 corners of the “Four Corners” community focal point.
 - Will be bundled in first phase of EOI/RFP processes.
- Pay tribute to history and importance of site to SoHo community and London as a whole.
- Building Condition Assessment Reports have been received for the Nurses Residence and Medical Services Building. Staff have reviewed the assessments. Both buildings are identified as structurally sound and capable of adaptive re-use. The assessment included suggestions on how to increase density on both building sites.
- Will test the interest and viability of adaptive re-use through the RFP process.



Disposition Approach

- Planning will work with Purchasing and Realty Services to create:
 - Expression of Interest (EOI); and
 - Request for Proposal (RFP).
- Expression of Interest (EOI) process will identify and require (for each Phase):
 - Developers' registration as proponents. Only those registered as proponents through the EOI will be considered qualified as proponents;
 - Project experience of the firm including experience of the principals and examples of projects similar in scale to the proposed development concept;
 - Corporate background and professional background of the principals and groups involved in executing the development concept; and
 - Financial capability of development firm.
- Request for Proposals (RFP) process will identify and require (for each Phase):
 - Development concept illustrations, including architecture, design, site planning, renderings and massing models;
 - Identification of how community goals and Secondary Plan policies and designs are met; and
 - Detailed timetable for completion of development concept;
- Short-listing and selection of preferred proposal by Evaluation Team are to follow.