



Artist's Concept Only

# London Downtown Campus Phase II



# Table of Contents

Exciting opportunity for downtown London .....	<b>1</b>
Letter from Tim Kingsmill .....	<b>2</b>
Partners in economic revitalization .....	<b>3</b>
The transformation of the Royal Trust Building: a new beginning .....	<b>4</b>
Fanshawe’s Centre for Digital and Performance Arts: a star is born .....	<b>5</b>
Making an impact: students and staff on being downtown .....	<b>6</b>
Leaving an impression: businesses and Londoners on the new campus .....	<b>7</b>
Bringing life back into downtown London .....	<b>8</b>
Fanshawe delivering on its commitment.....	<b>10</b>
Phase II Proposal: a golden opportunity .....	<b>12</b>
Building conditions summary .....	<b>13</b>
Change of use: from retail space to learning space .....	<b>13</b>
Thinking big - a bold idea: expanding the building .....	<b>14</b>
Respecting the past .....	<b>17</b>
The advantage of scale .....	<b>18</b>
A leading arts and education hub .....	<b>18</b>
Fanshawe has \$1.6 billion economic impact .....	<b>18</b>
Economic essentials .....	<b>19</b>
The City’s contribution .....	<b>21</b>
Timing .....	<b>21</b>
Fanshawe’s commitment .....	<b>22</b>
Summary of the request of the City .....	<b>23</b>





# Exciting opportunity for downtown London



We've recently seen the positive energy and exciting impact of having almost 400 students and staff in London's core, as Phase I of Fanshawe's downtown campus opened earlier this year. Imagine the opportunity to further enhance the downtown core by moving an additional 1,600 students into a Phase II expansion.

I am pleased to provide City Council with this exciting proposal for the City of London and the College to establish an even greater college presence downtown by doubling the number of students and staff beyond what was originally planned.

Fanshawe has made a conditional offer to purchase the Kingsmill building that remains in effect until early August 2014. The Kingsmill building offers Fanshawe and the City with a unique opportunity for growth and development in downtown London and to secure a positive, long-term constructive use of the Kingsmill building.

Following an extensive structural assessment and feasibility study, the College has determined that reconstruction of the interior of the Kingsmill building will be necessary to effectively transition from retail to educational use. However, the College is committed to respecting the unique history of the building.

The proposed solution would transform the building into a modern and efficient structure. And, both by increasing its height, the additional classroom space enables the College to relocate and consolidate its School of Tourism and Hospitality, including its culinary programs, and its School of Information Technology downtown thereby accommodating 1,600 students rather than the original plan to locate an additional 600 students downtown, and at a more cost effective unit cost.

The Kingsmill family is very supportive of Fanshawe purchasing the property and converting it into the next phase of the College's downtown campus. They recognize that the building must be upgraded and adapted to meet the College's needs.

The total capital cost of transforming the Kingsmill building to a six storey, 101,000 square foot campus downtown is estimated at \$66.2 million. To accomplish this project, Fanshawe is asking for the City's support by providing additional grants and approving essential heritage alterations.

Fanshawe is prepared to invest up to \$46.2 million of the College's own money for the development and is requesting the City contribute an additional \$10 million to the project. This would mean the existing grant agreement with the City be amended to provide the College at a minimum with an additional \$1 million annually for a 10 year period.

The College is very excited about expanding its presence downtown, however it needs the City to partner with us to make it a reality. The Centre for Digital and Performance Arts has been a resounding success and we know that a larger London Downtown Campus is going to have a significant positive impact on downtown with the energy of up to 2,000 students in the area. We thank you in advance for the ongoing, collaborative working relationship mutually enjoyed by our respective organizations and we are looking forward to working with the City of London on achieving an even greater vision for a vibrant, exciting and sustainable downtown London.





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519-432-7111 1-800-265-1500

June 24, 2014  
Members of City Council  
Corporation of the City of London  
300 Dufferin Avenue, P.O. Box 5035  
London, Ontario N6A 4L9

Dear Members of City Council,

The Kingsmill family has operated a department store in downtown London since 1865. The current building that houses the Kingsmill Department Store was built in 1932. Regrettably, we announced last year that we are retiring and closing our store. We are downtown residents and long time supporters of the downtown. The closure of our store in no way diminishes our interest in seeing a revitalized downtown London.

Fanshawe College has presented us with a conditional offer to purchase the Kingsmill Department Store building. The possible sale of the building to Fanshawe College presents the City of London with a unique opportunity to dramatically strengthen our downtown.

A downtown college campus of nearly 2,000 students represents a major boost to businesses in the area. The Kingsmill family is thrilled with the prospect of the Kingsmill Department Store building being repurposed and the centre for the downtown campus of Fanshawe College.

The Kingsmill Department Store was built to accommodate 1930s style retailing. Over the years we have adapted our space and retailing practise to compete and survive. We understand fully that this building was not built to accommodate college students in an active learning environment. We understand that the building must change to accommodate this new use.

In July, I will be applying for a heritage alteration permit for the Kingsmill Department Store building to accommodate the College's use. I am asking for your support in approving this application.

It is very important to the Kingsmill family to leave the Kingsmill Department Store building in good hands and to ensure it remains a lively contributor to Downtown London. We firmly believe that Fanshawe College presents us with that opportunity.

Thank you for your support.

Yours truly,

Tim Kingsmill  
President





## Fanshawe College and the City of London

### Partners in economic revitalization

The City of London has long known that a vibrant downtown was critically important to the social, cultural and economic well-being of London. In 2011, as part of its revitalization initiatives, the City partnered with Fanshawe College and announced its involvement in a downtown centre. The plan required Fanshawe to bring the equivalent of 1,000 students and 75 staff positions to the new centre. Three short years later, the College invited students, staff, government officials, alumni, donors, friends and the media to celebrate the grand opening of its first location – the Centre for Digital and Performance Arts (CDPA) located in the Howard W. Rundle building at 137 Dundas Street.

Today, Fanshawe’s new centre and the high-demand programs it offers to students are well-integrated into the downtown and poised to contribute even more to the business and social fabric of London.

This document outlines a bold proposal for an expanded second phase of development for a downtown Fanshawe campus.

“At Arcane, we put a very high value on the proximity to the CDPA and the grads that are our source of talent. 15 of our 25 staff have graduated from Fanshawe. As we continue to grow and employ more in our community, it’s a selling point to be close to talent and the resources required to service our local, national and global clients.”

#### Eric Vardon

CEO at Arcane Studio  
Fanshawe Graduate





# The transformation of the Royal Trust building

## A new beginning

In 2011, Fanshawe made a strategic purchase acquiring the former Royal Trust building. The building, located at 137 Dundas Street, was planned to be the first of at least two eventual locations. Largely vacant and underutilized, the building offered the City an opportunity to bring more people into the downtown core on a regular basis and improve the city-scape aesthetics. For Fanshawe, it was well situated for the programs identified for a downtown hub. With a flourishing digital media sector and situated in the Education and Arts District, students and staff would be in close proximity to potential employers and industry partners.

However, it wasn't perfect. Originally constructed in the 1970s, the building required significant renovation including asbestos removal, new windows and roofing, new mechanical and electrical systems, new elevators and improved access for those with disabilities.

Excited by the possibilities, the College worked diligently with the City to move the project forward and, following a year-long design process which included City approval, construction began in 2012.

By January 2014, the Howard W. Rundle Building, named after Fanshawe's long-serving president, was complete and ready for occupancy by the students and staff. The total cost of the project was \$20 million, of which the City contributed \$10 million through its Economic Development Fund.





# Fanshawe College's Centre for Digital and Performance Arts

## A star is born

Open since January 2014, Fanshawe's Centre for Digital and Performance Arts can accommodate up to 400 students and staff.

Each day, the Centre finds itself bustling with the activities of a college campus – teaching and research, and increasingly, seen as a vital component of the downtown community. Since its opening, businesses and cultural organizations have held special events, exhibits, performances and meetings in the building, and efforts are underway to ensure such use continues to grow.

By expanding Fanshawe's presence and facilities downtown, the City will continue to move closer to achieving its vision for downtown. Not only will the campus bring students and staff into the core, we anticipate it will act as a magnet for others as well, to attend theatre productions, participate in community events and enjoy opportunities for continuing education classes in a variety of disciplines. All of these activities will contribute to making downtown an attractive destination of choice for arts, education, culture, shopping, living, dining and working.





# Making an impact - students and staff on being downtown

“Downtown London has a lot of opportunities as far as industry partners and community events go – we often have staff from downtown businesses come in to speak to our students. Being downtown puts our students right on the doorsteps of the local businesses they will be applying to for jobs.”

**Chris Butts**

Technician/Part-Time Professor  
Centre for Digital and Performance Arts

“Thankfully with this campus, all those studios that offer those jobs are right downtown. It makes it a lot easier just being in a downtown location too, for food, shopping, everything else. You kind of get everything done at one place.”

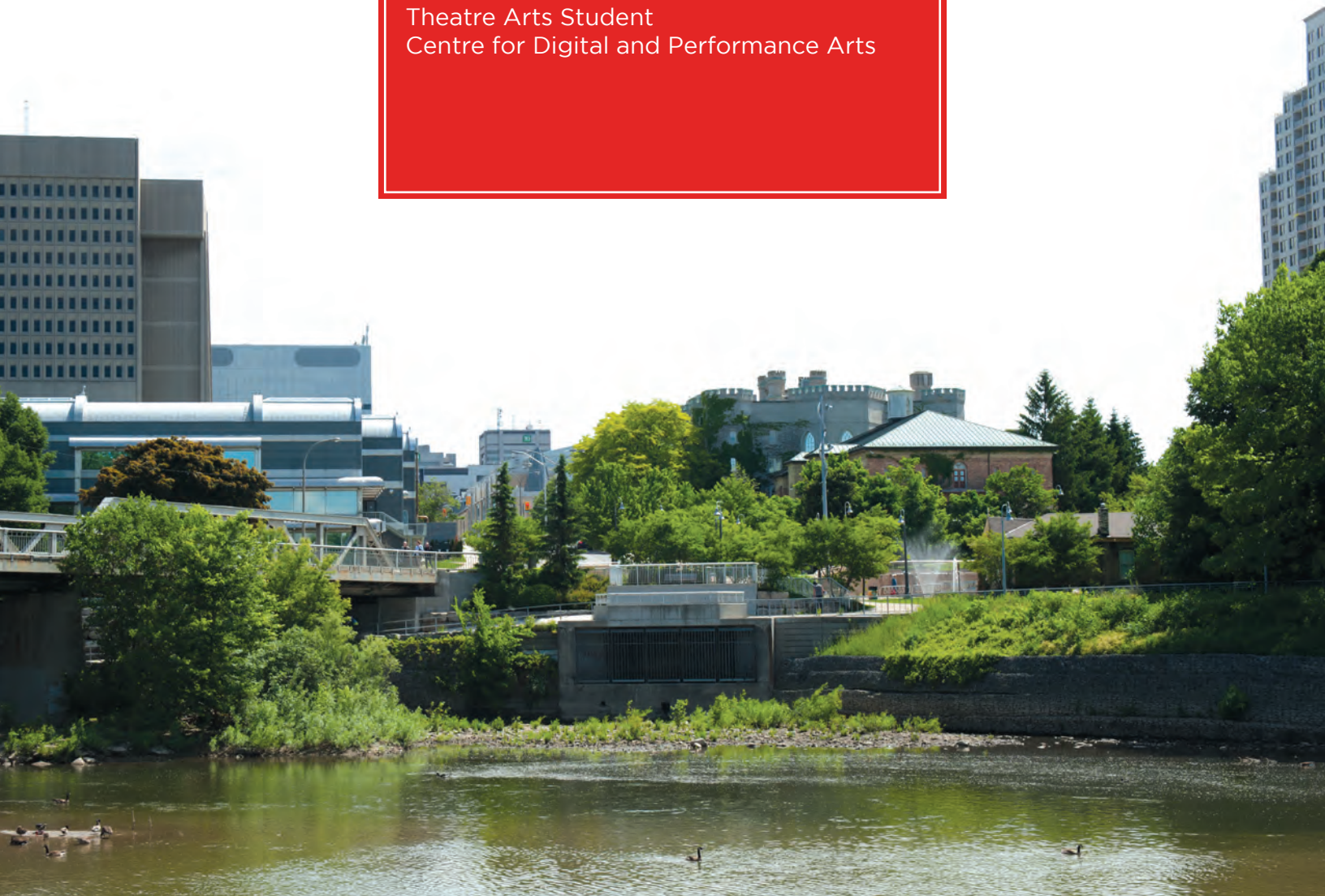
**Shane Hillman**

3D Animation & Character Design Student  
Centre for Digital and Performance Arts

“It’s a nice environment and it’s not just all about school life. It’s also about being in a good living environment and a nice place to have a walk when you’re outside of class.”

**Cedric Martin**

Theatre Arts Student  
Centre for Digital and Performance Arts





# Leaving an impression - businesses and Londoners on the new campus



“Fanshawe students have been a blessing for the downtown, the vibrancy of the individuals, the excitement, have all contributed to a healthier environment. The Fanshawe opening has been worth the effort and financial contribution from the city, they bring a whole new dimension to an ever improving downtown.”

**Bob Usher**  
General Manager  
Covent Garden Market



“As a technology based company we are always looking for talent and you know, Fanshawe produces great grads. It’s easy to just kind of pop over and talk to the instructors there and the coordinators and work with them to find the right people for us.”

**Jordan Darbshire**  
Arcane Studio



“I’m excited to see what Fanshawe is going to do downtown. I think it makes our downtown a lot more lively, a lot more vibrant, more people downtown. More jobs. Hopefully some of the students can get jobs and our businesses are more successful.”

**Michelle Reid**  
Downtown Worker



“We have received some customers from the college. I think from what I hear there is going to be more students in the fall... it really helps the businesses downtown.”

**Craig**  
Market Deli



## **Bringing life back into downtown London**

For almost 15 years, the City of London has been a strong proponent of downtown renewal, providing incentives to encourage investment in the core. These initiatives were in response to a steady urban decline as retail moved to the suburbs and online. The City's strategy was to find new and creative ways of encouraging activity and growth in the downtown.

The City's investments have contributed to the downtown being reborn, transforming itself into a blossoming service, entertainment and restaurant district.

By 2009, one area remained a challenge - Dundas Street. The City looked at new ways of bringing life back to the street.

Fanshawe College had been approached a number of times by the City to move some of its programs into downtown London. Fanshawe's concern with expanding into downtown was the high cost of development. Quite simply, taking an older structure, especially within a designated heritage district, and bringing it back to life is much more expensive than building on its current campus. As a publicly-funded institution, having the luxury of spending more was simply out of the question.







To help overcome the obstacle, the City came forward with incentives to offset the costs, and Fanshawe College made the decision to establish a permanent centre.

The results of the City's programs, incentives and strategic investments are impressive. In the City's 2011 State of the Downtown Report it noted the following positive outcomes:

- The number of residential units in the downtown has doubled to over 3,000 since 1998.
- Current Value Assessment in the downtown has risen since 2002 from just over \$500 million to close to \$1 billion today.
- In recent years (since 2009), assessment growth in the downtown has risen by almost three times the City average.
- The number of people living downtown has doubled in the last 20 years.
- Land prices have gone up over five times what they were in 1998.

Perhaps even more telling is that London's civic investment strategies to encourage downtown revitalization have been used as a model by municipalities across Ontario and Canada to help breathe life back into their equally challenged centres.



## Fanshawe delivering on its commitment

When the City of London and Fanshawe entered into a grant agreement in May 2011 to establish a Centre for Applied and Performance Arts, the City had succeeded in attracting a major educational partner into the downtown. In less than three years this building has been renovated and classes have started.

In the short time since the building has been open, it is clear this investment will achieve the goals set out by the City to contribute to life in the downtown core. The newly renovated building takes a 1970's architecture that didn't fit with the historical core and blends new with old. Close to 400 current students and staff have brought new feet to the street and added vibrancy and life to Dundas Street. As the City has learned from its other downtown initiatives, private investment will soon follow.

With the completion of the first phase of Fanshawe College establishing a major centre in the core, the College has moved on to look at additional buildings to acquire. The 2011 agreement with the City calls for a total of 1,000 students and 75 staff in downtown developments. The City would contribute a total \$10 million to the next phase for a total of \$20 million.









# Phase II proposal

## A golden opportunity

During an extensive search, Fanshawe identified and investigated more than two dozen properties within and near the Education and Arts District. Only this one had the location and property footprint to meet the College's intended use requirements.

When the Kingsmill family announced their plan to retire and sell the Kingsmill Department Store business, it came as a significant blow to the City and its downtown development plans. However, as the saying goes, 'as one door closes, another one opens'. The Kingsmill building offers Fanshawe and the City a special opportunity for growth and development in downtown and to ensure positive, constructive use of the Kingsmill building, turning a major setback into a major win.

Fanshawe has made a conditional offer to purchase the Kingsmill building that remains in effect, at the College's option, until early August 2014. The College is nearing completion of its due diligence review and is examining conceptual renovations and development plans for the building.

The College's interest in the property arises from its location directly across from the Howard W. Rundle Building, the size of the property's footprint and its access onto both Dundas and Carling Streets. The site provides a unique opportunity to both Fanshawe College and the City to anchor this section of Dundas Street as an Education and Arts District.





# Building conditions summary

When considering the change of use from retail to education, the existing construction and structure of the Kingsmill building presents significant challenges, including the requirements of the Ontario Building and Fire Codes that apply to the College, as well as barrier free accessibility as set out in the Accessibility for Ontarians with Disabilities Act (AODA).

Following an extensive structural assessment and feasibility study, the College has determined that reconstruction of the interior of the Kingsmill

building will be essential to effectively transition from retail to educational use; to serve the intended purpose and use of the College for its academic programs and student support services; and to meet the applicable requirements of the Ontario Building and Fire Codes. Fanshawe is committed to exploring options that would either preserve or respect some of the historical features of the building, including the Dundas Street façade.

## Change of use

### From retail space to learning space

At 74,000 square feet, the three and a half storey Kingsmill building could accommodate the 600 additional students set out in the existing agreement between Fanshawe and the City. Acquisition of the property is consistent with the criteria in the agreement and would maintain the College's eligibility for the remaining \$10 million Economic Development Grant.

However, the challenges to modify the aging, 84-year old building to accommodate students and staff in a modern facility that is safe, efficient, and conducive to teaching and learning were identified as significant. The building was constructed for very different purposes in a bygone era. The experts' identified that, at a minimum, the following needed to be renovated or replaced:

- Bring structural framing up to current, non-combustible codes;
- Replace building envelopes, windows and roof;
- Replace all mechanical and electrical systems;
- Increase column-spacing to accommodate classrooms;
- Increase interior heights so adequate headroom is achieved in classrooms and basement becomes usable;
- Add appropriate emergency exits and stairs.



Based on the reports provided by experts during the due diligence phase it was determined that due to its age, condition, the manner and materials with which it was constructed; and the existing condition of the building's interior, it would not be cost effective to convert the space from a retail space to a state-of-the-art learning environment. As a result, the experts recommended the interior be completely reconstructed.

**Fanshawe estimates the cost to renovate the existing building to accommodate 600 students to be \$50 million. The College has concluded that this investment option is not cost effective.**



# Thinking big - a bold idea

## Expanding the building

When confronted with the challenge to make such an ideally situated building work, a bold idea surfaced – expand the existing structure during the renovation and redevelopment phase. Doing so would balance our financial capacity with student and staff expectations to provide state-of-the-art facilities in an older building.

The solution would be to rebuild and expand the number of floors of the structure, and still replace windows, electrical and mechanical systems and elevators, thereby achieving the requisite functional structure. And, by increasing the height of the building and adding additional classroom space and programs, the College could accommodate 1,600 students rather than the 600 students in the existing structure, at a more effective unit cost.

The expansion to the Kingsmill building would increase the height to six storeys, nearly matching the height of the Howard W. Rundle Building across the street. The building's size would increase from 74,000 to 101,000 square feet. The two buildings would be home to the full-time equivalent of 2,000 students and 110 staff.

**Fanshawe College has concluded that this development, doubling the enrolment to 2,000 students, and with increased assistance from the City, is cost effective and could result in an exciting addition to downtown London.**

Fanshawe College is prepared to move its entire School of Tourism and Hospitality, including culinary programs, together with the School of Information Technology into the Kingsmill building. In this scenario, the College envisions the rare opportunity to use the basement as useable academic and service space for the culinary programs freezer, refrigerated and dry goods storage and necessary waste and recycling management centre.

The total capital cost of bringing the Kingsmill building to six storeys and 101,000 square feet is approximately \$66.2 million. To accomplish this project, Fanshawe College is asking the City for support of its efforts by providing additional funding and approving heritage alterations.







**Streetscape - Dundas Street**

Concept rendering prepared by Projected Images







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## Respecting the past

Fanshawe recognizes the significance the Kingsmill Department Store has played in downtown London. Fanshawe is committed to make every reasonable effort to preserve the exterior façade along Dundas Street. It is not feasible to refurbish the interior of the building to house 1,600 students and meet all of the applicable requirements of the Building and Fire Codes and accessibility. It will have to be rebuilt. However, where possible, the College will incorporate some of the historical elements in the interior of the building into the new structure.

Adaptive reuse of older buildings is a challenge. The City has faced this problem before. The Talbot Inn on the site of Budweiser Gardens was a challenge. The decision was made to rebuild the façade incorporating original windows and stonework. Some of the original bricks which were highly porous and couldn't meet the conditions required to operate an arena and multi-purpose entertainment centre were incorporated into the interior of the building.

The Capitol Theatre and Bowles building similarly had to be reconstructed to accommodate the City's Planning and Development Department. The façade of these buildings were retained and in parts rebuilt, but the rest of the buildings were completely redeveloped.

The Kingsmill family are very supportive of Fanshawe purchasing the Kingsmill building and converting it into part of the College's campus. They recognize that the building has to be adapted to meet the College's needs. To that end, a letter of support from Tim Kingsmill has been submitted as a part of this plan.

Fanshawe has prepared renderings of the possible exterior of the new building incorporating the historical elements of the Dundas Street façade. We have also prepared a streetscape plan showing the scale of the new building in the context of Dundas and Carling Streets. These concepts are still very preliminary, and may be refined if and when the building is purchased and a design team is engaged to prepare detail drawings.





## The advantage of scale

The advantage of scale has dual benefits: greater efficiencies gained during construction and program delivery, and in having a larger influx of daily visitors to the downtown. A campus of 2,000 students plus 110 staff has significantly more impact than a campus of 1,000 students. With a size that matches some affiliated colleges at major Ontario universities and smaller Ontario colleges, an expanded Phase II would act as a major anchor in downtown and a catalyst to attract new businesses and services.

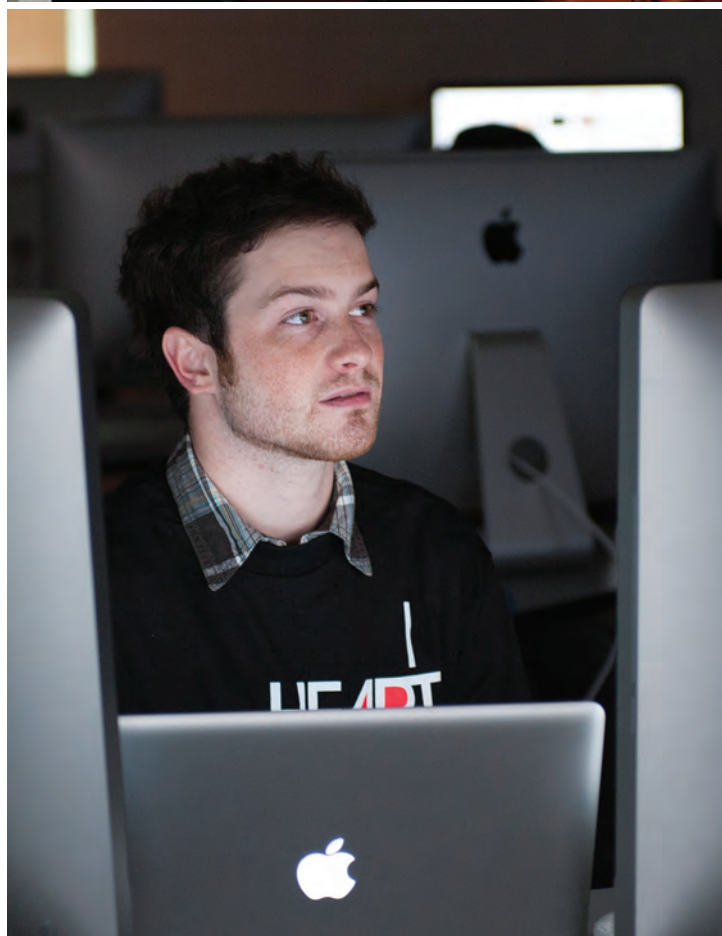
## A leading arts and education hub

Fanshawe has specifically selected programs well suited to align with businesses in the arts and culture, culinary, tourism, performance, information technology and digital media sectors. These programs will result in a mutually beneficial relationship where students have access to employers and businesses have access to state-of-the-art facilities and highly qualified students and graduates. And, as we know, success breeds success – this symbiotic relationship will act as a magnet to new businesses and start-ups, all key building blocks of a leading Education and Arts District located in the City's core.

## Fanshawe has \$1.6 billion economic impact

With 17,000 full-time students, 26,000 part-time students and 2,600 equivalent staff, Fanshawe plays an important role in the economy. A recent study found the College's economic contribution to the communities it serves is approximately \$1.6 billion annually, with the biggest influence coming from the impact of graduates' incomes that add close to \$1.4 billion to the region. This translates into an incredible five per cent of the region's gross regional product.

The region benefits through increased consumer spending, a steady supply of qualified, trained workers for employers, increased tax revenue, a reduced demand for government-supported social services and a very real solution to growing issues such as the skills mismatch and high youth unemployment.





## Economic essentials:

- **\$1.6 billion:** Fanshawe's annual economic impact.
- **\$422.3 million:** Fanshawe students' contribution to the economy.
- **\$107.5 million:** contributions from the 7,000 students who relocate from outside of London and its surrounding regions to attend Fanshawe.
- **85 per cent:** Fanshawe graduates who find work and live in Southwestern Ontario.
- **\$123.8 million:** Fanshawe's total annual payroll.
- **89 per cent:** staff who live in the Fanshawe Service Area.
- **\$80 million:** amount Fanshawe spends annually on goods and services.



"I see a lot of new friendly faces, it's good to see them. It definitely boosts the lunch rush. I like seeing them when I walk by. The alley way is a lot nicer now, it has given downtown a good vibe that's for sure."

**Hayden Sattler**  
The Salad Bowl











## The City's contribution

Fanshawe is prepared to invest approximately \$46.2 million of the College's own money for the development of the Kingsmill building. Fanshawe is seeking an amendment to the grant agreement with the City to increase the Economic Development Grant to Fanshawe by an additional \$10 million. The College proposes that this be paid minimally in \$1 million increments each year over 10 years after development commences. The City would also amend the agreement extending the Downtown Rehabilitation and Redevelopment Grant offsetting payment-in-lieu of taxes at a rate of \$75 per student to a maximum of 2,000 students enrolled in the London Downtown Campus.

## Timing

Fanshawe has made a conditional offer to purchase the Kingsmill property with an expiry date of early August 2014. To meet its due diligence requirements for waiver of the buyer's conditions and to close the property purchase, the College will need to know that all funding, including the request for additional assistance from the City, is in place and that Fanshawe's proposal satisfies the City with respect to heritage alteration and adaptive reuse.



# Fanshawe's commitment

## Fanshawe College will:

1. Purchase the Kingsmill building, subject to the completion of due diligence and securing funding.
2. Contribute approximately \$46.2 million of a total estimated project at \$66.2 million towards renovating the Kingsmill building.
3. Relocate its School of Tourism and Hospitality, including its culinary programs, and the remainder of the School of Information Technology from the main London Campus.
4. Develop the London Downtown Campus combining the Kingsmill building and the Howard W. Rundle Building, to house the equivalent of approximately 2,000 students and 110 staff.
5. Begin planning and detailed design for a phased renovation and development of the Kingsmill building in spring 2015.
6. Schedule the renovation and redevelopment of the Kingsmill building over three major phases. Phases of the project are currently anticipated to include: interior and structural redevelopment completed by late fall 2016; renovation and improvements to the upper floors ready for partial occupancy for the School of Information Technology by late fall 2017; and renovation and improvements to the remaining lower floors for occupancy for the School of Tourism and Hospitality, including its culinary programs, by late fall 2018.
7. Make every reasonable effort to preserve the Dundas Street façade of the Kingsmill building.
8. Incorporate certain interior historical elements into the redeveloped Kingsmill building.





# Summary of the request of the City

1. The City minimally increases the Economic Development Grant by an additional \$10 million, spread over up to ten years, to assist the College with the capital renovation and redevelopment of the Kingsmill building.
2. The City extends the Downtown Rehabilitation and Redevelopment Grant offsetting payment-in-lieu of taxes calculated at a rate of \$75 per student from 1,000 to 2,000 students.
3. The City approve the heritage alteration permit application being submitted by the current Kingsmill building owner to permit the proposed development to proceed.







**You can't rely on  
bringing people downtown,  
you have to put them there.**

Jane Jacobs





**FANSHAWE**

**Unlocking Potential**