

# 2423652 Ontario Ltd.

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August 15, 2016

Corporation of the City of London  
300 Dufferin Ave,  
P.O. Box 5035,  
London, Ontario.  
N6A 4L9

Attention: Chairman Squire & Members of Planning & Environment Committee

**RE: Brownfield Incentive Application**  
**Chelsea Green Meadows**  
**33M-686**  
**City of London**

Dear: Committee Members

On January 6, 2016, 2423652 Ontario Ltd. submitted a Brownfield Incentive Application Business Case to the City of London Planning & Regeneration department for consideration. This Business case was supplementary to an application that was submitted to the City on October 22 2009 by Aar-Con Enterprises. The Business Case submitted in January was a joint effort between both companies.

As you are likely aware, the Brownfield Incentive Program was adopted by Council on February 20, 2006 and approved by the Ministry of Municipal Affairs on November 21, 2006. The purpose of the Community Improvement Plan for Brownfield Incentives (Section 1.3) “is to remove or reduce the obstacles that hinder brownfield remediation and redevelopment in the City of London. The redevelopment of brownfield sites can stimulate environmental improvements and community viability, while utilizing existing infrastructure. The program uses financial incentives to evaluate properties with real contamination, and encourages the private sector to invest in those properties for which remediation and redevelopment are feasible.”

The Business Case as submitted details the efforts undertaken to remediate a “Brownfield” site to what is now a 66 lot single detached unit residential development within an area of the City that has historically seen very little development activity.

The original application was submitted by Aar-Con Enterprises Corp. on October 22, 2009. At that time meetings were held with city staff and it was their understanding the application was somewhat premature as nothing had occurred on the site. Since 2009 the site has been remediated and both parties continue with their interest in developing the subject lands. As part of the Purchase and Sale Agreement, the purchase price was agreed upon with the understanding Brownfield Incentive rebate grant money would be available as the application had been submitted in 2009 and there had been no indication from staff to the contrary.

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On April 25, 2016, 2423652 Ontario Ltd was advised that staff "cannot recommend our application for approval and as the incentive is not being recommended, a report to the Planning & Environment Committee would not be presented. The basis for their position is as follows:

- 2423652 Ontario Ltd. did not pay for the site remediation
- 2423652 Ontario Ltd. will not pull the building permits and therefore pay the Development Charges
- The incentive 2423652 Ontario Ltd. Is not considered necessary to make the remediation as it was already finished thereby making redevelopment of the property feasible.

We appeal to you to consider the facts associated with this project. Indisputably, the facts are as follows:

- The subject land constitutes a former "Brownfield" site as a result of historical activity carried out on the property
- \$147,422.22 was spent remediating the site to obtain MOECC Environmental Compliance approval to develop the lands for residential purposes
- A 66 lot single detached unit residential subdivision has now been developed with house construction currently underway
- Brookside Park (a city owned facility) is now being developed.

The Brownfield Incentive Application is a joint submission between Aar-Con and 2423652. The actual "Business Case" was submitted by 2423652 Ontario Ltd. as this company is taking more of a lead role in this matter. The Business Case is intended to supplement the original application signed by Aar-Con in 2009. As previously stated, the cost to remediate the site was accounted for in the Purchase and Sale Agreement. City staff is correct in their surificial assumption that 2423652 Ontario Ltd. did not pay for the actual remediation work or will be pulling building permits. What the City has been made aware of but their position remains unchanged is that 2423652 Ontario Ltd, paid a price for the site recognizing the grant money would be available and secondly that the Purchase and Sale Agreement with the home builders contains a clause whereby the brownfield grant money is to be reimbursed to 2423652 Ontario Ltd. This will not happen with staff not recommending the grant request and thereby not bringing it to the attention of Committee and Council. The Brownfield Incentive Plan does not stipulate, nor should it matter who actually paid for remediation or who is paying development charges. At the end of the day the City has a Brownfield site remediated, a 66 lot residential subdivision now being constructed and new found city taxes being or anticipated to be paid. 2423652 Ontario Ltd has through their agreements an understanding of how the grant money would flow back. This is not possible without the application being approved and to this end we ask for delegation status to discuss this issue with your Committee.

Sincerely;  
2423652 Ontario Ltd.

Donald de Jong

Aar-Con Enterprises Corp.

Paul Aarts

beg 16/16

January 6, 2016

City of London  
300 Dufferin Ave.  
P.O. Box 5035  
London, Ontario.  
N6A 4L9

Attention: Mr. Graham Bailey  
Planning- Urban Regeneration

**Re: Brownfield Incentive Application**  
**Chelsea Green Subdivision**  
**33M- 686**

Please accept this business case for a Development Charge Rebate Grant related to the recently registered plan of subdivision 33M-656 by 2423652 Ontario Ltd.

The Brownfield site at Hayes Street and Brookside Avenue (former municipal address 1 Terrace Street) received plan of subdivision approval by the Ontario Municipal Board in 2015. The plan was registered in the land registry office of the land title division of Middlesex on October 8, 2015 (33M-686).

As noted in all previous planning applications relating to the subject lands, the site was contaminated as a result of former industrial uses and disposal activity. The site is adjacent to an established residential neighbourhood, a public park (Chelsea Green) and the Thames River. The contaminants had the potential of leaching pollutants into the park and Thames River. The site remained vacant after all industrial buildings were demolished and disposal activity stopped. The site contamination, as a result of its former use has been noted in the fully completed environmental site assessments which were carried out over the years. A record of site condition was received from the Ministry of Environment and Energy which permitted the planning applications to be submitted to support the redesignation of the subject lands for future residential uses. At the time of the initial investigations, the site remediation contractor had estimated the cost of the remediation to be approximately \$150,000. The actual costs to remove the contaminated soils were \$147,422.22 as noted on the attached application and account transaction summary.

We trust that the amount of available and budgeted municipal funding is sufficient to cover the cumulative cost of remediating the site and that Council will deem that the costs associated with providing the Development Charges Rebate Program incentives outweigh the cumulative benefits of providing the incentives.

Should you require any further information, please do not hesitate to contact us.

Sincerely,  
**2423652 Ontario Ltd.**

A handwritten signature in black ink, appearing to read 'Don de Jong', written over the company name.

Don de Jong  
Principal