

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.

It should be noted that neither AAR-CON ENTERPRISES CORP. nor 2423652 Ontario Ltd. contributed to any contamination since purchasing the site.

It is without question that the high cost of remediating the site has contributed to it being vacant since the former industrial uses and disposal activity ceased.

The City of London's financial support of this proposal is both cost effective for the City and in the public interest. The subject lands will now support sixty-six (66) new single-unit residential lots situated within an area of the City of London which has not seen any form of new residential development for well over a decade. Based upon early construction estimates and sales projections, we foresee the sales of these homes at various price points in the range of \$280,000-\$320,000. The projected housing price is targeted below "average" in the City of London which will provide an opportunity for first time home buyers to enjoy single unit living. This will result in an increase in the residential tax base of the City of London in the neighbourhood of at least \$320,000 per year. Therefore, based on current property tax rates, the City's approval of this proposed incentive will pay for itself in the first year of the new property taxes on the completed development. The Development Charge Rebate Program allows for us to offer new single unit homes at the price point noted above. Without Council's support of this application, the costs associated with remediation will no doubt need to be passed on to future landowners.

Beyond the financial incentives for the City of London, the redevelopment of this long vacant site is vital to the City achieving both "infill" and "Brownfield" redevelopment goals and objectives as detailed in the City of London's Official Plan. The property is located within the current City of London urban growth boundary. New single unit residential development has not occurred in this part of the City of London for decades. This built form will provide the only new housing starts within this neighbourhood to residents of the City of London since townhouses were constructed at the south end of Brookside Avenue over 10 years ago. The site is ideally located to major employment lands including London Health Sciences Centre, Parkwood Hospital, the recently relocated London Psychiatric Facility, White Oaks Mall, and the employment lands associated with the Veterans Memorial Parkway. The subdivision is adjacent to Chelsea Green Park and the Thames Valley multi use recreational trail which parallels the south branch of the Thames River. London transit is located one block east on Adelaide Street which provides easy access to all points of the City of London. Both elementary and secondary schools are located in close proximity to this new residential subdivision. The servicing of the site has been connected to existing infrastructure again a goal and objective of City of London Council. Finally, as part of the site servicing of this development, Brookside Park has been cleared, graded and ready to be developed as a park by the City of London's Parks department.

You will note from the City records that there are no taxes in arrears with respect to this property.

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.

Don de Jong
Principal