

1156 Dundas Street

McCormick Villages Inc.

Brownfield CIP Financial Incentive Program Application

Property Tax Assistance
Development Charges Rebate
Tax Increment Equivalent Grant

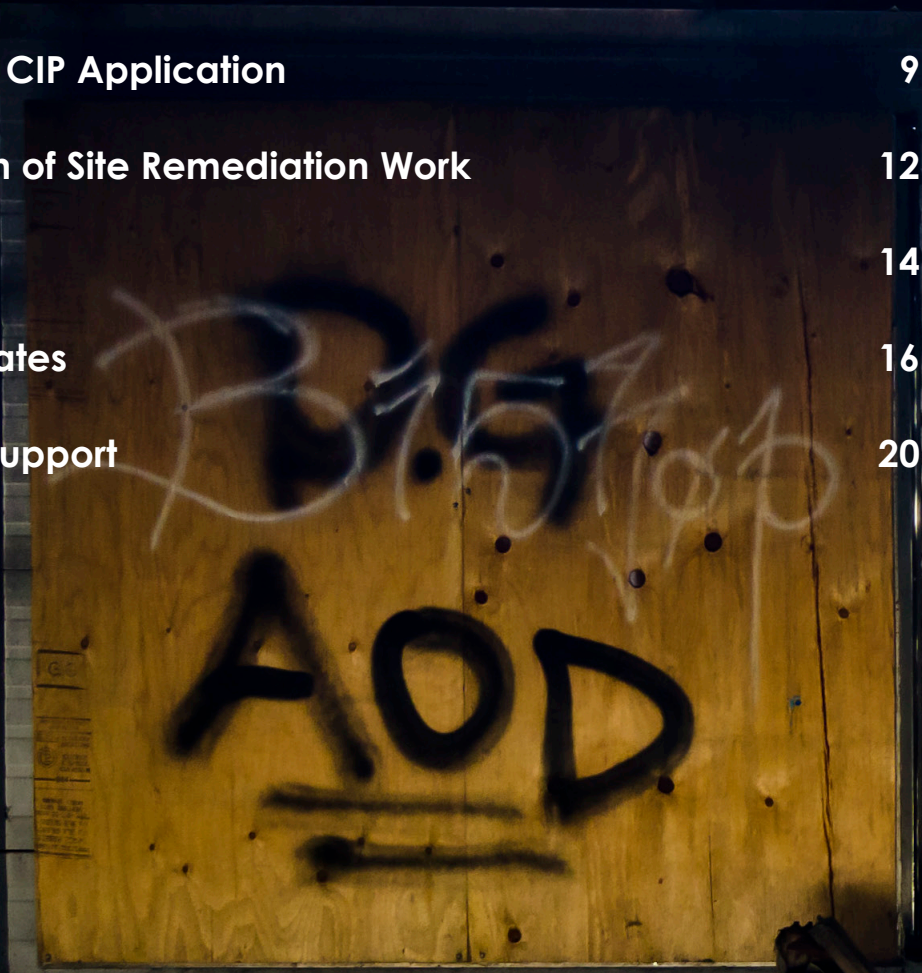
Primary Contact: **Jennifer Gaudet**
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Section 1.0

Business Case Submission



1.0 | Business Case Submission

Corporation of the City of London
Planning Services
206 Dundas Street
London, Ontario N6A 4L9

Attention: Graham Bailey

Re: Brownfield CIP Application for 1156 Dundas Street (McCormick)

In order to facilitate the reconstruction of the former McCormick Candy factory, McCormick Villages Inc. respectfully requests that the City of London consider providing financial assistance through the Brownfield Community Improvement Plan. Specifically, we are applying for funding of the following programs:

- Development Charge Rebate
- Property Tax Assistance
- Tax Increment Equivalent Grant
- Contamination Study Grant

Location and Site Description

The site is municipally known as 1156 Dundas Street and is bound by Dundas Street, McCormick Boulevard, and Ashland Avenue. The site is approximately 5.3 hectares in size, with 177 metres of frontage on Dundas Street. The former McCormick factory is located on the property and faces Dundas Street. In 2014, the original 1913 McCormick factory was designated under Part IV of the Ontario Heritage Act. The site is currently identified as a brownfield and has been abandoned since 2008.

Background

The McCormick factory was originally constructed in 1913, and operated as a candy and cookie factory under various corporations until 2006. The site has remained vacant since the last business, Beta Brands Limited, went into receivership. The City of London vested the land due to nonpayment of taxes and issued a request for proposals for the purchase and redevelopment of the property. As part of the sale, a Phase 1 and Phase 2 Environmental Site Assessment and a Designated Substances and Hazardous Materials Survey were completed by LVM/Sendex (now Englobe). These studies identified substantial site and building contamination and the presence of many hazardous materials.

In the Request for Proposals related to the purchase of the McCormick property, Sierra Construction noted that significant financial incentives under the City's Community Improvement Plans were necessary for the successful redevelopment of the site, as the contamination would be extremely expensive to remove and the heritage structure would be costly to repair. Sierra was the successful purchaser, and ownership of the property officially transferred to McCormick Villages Inc., a subsidiary of Sierra Construction Inc., in March 15, 2016.

As part of the Agreement of Purchase and Sale, the City of London initiated Official Plan and Zoning By-law amendments to allow the site to be developed for commercial and residential

purposes. These amendments were passed and adopted by London's City Council in December 2015 and were not appealed.

McCormick Villages Inc. has not contributed to any site contamination. There are no outstanding property taxes, municipal orders, or by-law infractions on the property. We have retained a professional security company to monitor the site multiple times a week, and have retained a professional landscaping company to cut the grass throughout the summer.

Project Description

The proposed redevelopment of the McCormick property has been formulated with the assistance of the City of London through the Official Plan and Zoning By-law amendment process, and will be further refined via a public site plan and additional studies. As part of this plan, the heritage-designated portion of the McCormick building will be rehabilitated to contain mixed uses, including residential, office, and/or commercial uses. The non-designated additions to the building will be demolished.

The rear of the site is proposed to contain a senior citizen housing development that includes townhomes, apartment buildings, and a retirement home. Gleeson Street will be extended from Ashland Avenue to McCormick Boulevard, and single detached dwellings will be located at the extreme north end of the site. With the exception of the Gleeson Street extension, the site will be accessed by private roads. A public park is to be located at the south-east intersection of Gleeson Street and McCormick Boulevard.

Due to the site's former industrial use, the property and factory are highly contaminated and will require extensive remediation. Approval authorities will have many opportunities to oversee the continued development of the project, as redevelopment will require a Record of Site Condition, a Heritage Alteration Permit, a public Site Plan review, a Zoning By-law amendment to remove Holding provisions related to the submission of various reports and studies (including a Traffic Impact Study), and building permits. In addition, the site is subject to Urban Design Guidelines that will ensure the redevelopment achieves a high design standard.

Site Contamination Summary

McCormick Villages Inc. has retained Englobe (formerly Sendex/LVM) to complete new Phase 1 and Phase 2 Environmental Site Assessments in order to comply with the Ministry of Environment and Climate Change's guidelines regarding the filing of a Record of Site Condition. New studies are required to meet more stringent standards and to ensure the studies contain up-to-date information (the Ministry will only accept studies that are less than 18 months old). Previous studies have identified soil contamination in the form of Petroleum Hydrocarbon Compounds ("PHCs"), metals, and/or Polycyclic Aromatic Hydrocarbon Compounds ("PAH"). Possible groundwater contamination may exist in the form of Selenium and/or Benzo(a)pyrene. A number of Designated Substances and Hazardous Materials were identified throughout the building, including lead, mercury, asbestos, Polychlorinated Biphenyls ("PCBs"), Ozone Depleting Substances ("ODSs"), mold, animal excrement and carcasses, and hypodermic needles and syringes. These materials will need to be removed from the site and the former building in order to make the property safe for habitation. This abatement process will be supervised by Englobe, and their team of experts will be ensuring that the Ministry's protocols are met or exceeded. Once rehabilitation is complete, post-abatement monitoring may be implemented as required to ensure all contaminants have been removed. The rear portions of the building will then be demolished. When

abatement has been completed, Englobe will assist us with the preparation and submission of a Record of Site Condition and detailed site plan designs will be submitted to the City for consideration. As the 1913 building is a designated heritage building, a Heritage Alteration Permit will be required as part of this redevelopment, and will ensure the building is restored to its former glory.

As detailed in our attached documents, the total abatement costs for the site are estimated to be \$8,117,500. This includes the removal of the underground fuel tanks, contaminated soils, groundwater assessments, the decommissioning of in-ground elevator systems, and associated other costs.

The abatement required represents a significant financial burden, both through the cost of removal and the potential risk and liability associated with contamination. The scale of rehabilitation required is the primary reason the property has remained as a vacant brownfield for the past decade.

Development Charge Rebate

In recognition of the significant financial obstacles related to brownfield and heritage redevelopment, the City of London has implemented the Brownfield Community Improvement Plan that provides financial incentives to private sector owners to encourage redevelopment. The most significant program under this CIP is the Development Charge Rebate.

When redeveloping the McCormick site, development charges will apply for each residential unit and square metre of commercial or intuitional gross floor area. Under the current development proposal, the development charges are expected to be \$4,913,520.00 for the site, excluding the McCormick building. Note that under the Brownfield CIP, 50% of the Development Charges are available for the rebate provided the costs are not in excess of rehabilitation costs. These Development Charge estimates are based on the approved concept plan prepared by GSP used in the Official Plan and Zoning By-law Amendments. Please note that these estimates are preliminary in nature, and will be refined through the upcoming stages of development.

Value of Development Charge Estimate February 2017				
Brownfield		Residential DC \$13,755.00 per D.U (1 bed)	Residential DC \$22,173.00 per Row House	TOTAL
Seniors Apartments and Long Term Care Home and townhomes (GSP Concept)				Total Value
	Senior Apt 1			\$2,556,090.00
	Beds / s.f	54		
	Value	\$742,770.00		(this value
	Senior Apt 2			is already
	Beds / s.f	54		halved)
	Value	\$742,770.00		
	Long Term Care Home			
	Beds / s.f	175		
	Value	\$2,407,125.00		
	Towns			
	Beds / s.f		55	
	Value		\$1,219,515.00	
	TOTAL	\$5,112,180.00		

We respectfully request the City's assistance with the substantial costs involved through the use of the Development Charge Rebate program.

Property Tax Assistance Program

The Property Tax Assistance Program allows 25% of the municipal portion of taxes to be canceled for up to three years while rehabilitation and redevelopment are taking place.

While rehabilitation is taking place, we request that the City provide us with tax relief under the Property Tax Assistance Program and applies to the Province on our behalf for a cancellation of a portion of the Provincial education taxes as detailed in the Brownfield CIP. This will allow us to focus our funds on the removal of site contaminants and the rehabilitation of the McCormick heritage factory. The McCormick property is currently assessed at \$966,000, with total municipal taxes (2016) of \$17,652.55. A 25% rebate would amount to \$4,413.14 per year, or \$13,239.42 over three years.

Tax Increment Equivalent Grant / Tax Increment Grant

We also request consideration for tax relief under the Tax Increment Equivalent Programs. This program allows for 100% of the municipal tax to be rebated for the first 3 years after an MPAC reassessment. At this time, it is not possible to estimate tax costs as we have not had a re-assessment of the property post-rehabilitation.

Request Summary

With remediation costs related to site contamination in excess of \$8,117,500 and heritage structure rehabilitation costs in excess of \$6,000,000 for the designated features alone, a financial contribution from the City is essential to ensure the project can move forward.

Summary of Grant Requests		
CIP	Program	Estimated Grant Request
Brownfield	Development Charge Rebate	\$2,556,090
	Property Tax Assistance (Municipal Only)	\$13,239
	Tax Increment Grant	
	Contamination Study Grant	\$10,000
	Total	\$2,579,329

Combined, the Brownfield CIP programs would provide 6.46% of the estimated total cost of the project (estimated at \$39,919,952). This percentage would represent a municipal contribution that is significant enough to qualify the project for the Brownfield Remediation low interest loan under the Green Municipal Fund, offered through the Federation of Canadian Municipalities. Qualifying for this loan is essential to the success of this redevelopment, as lending intuitions do not provide capital for brownfield projects due to the elevated risk of such undertakings. Projects that do not have a significant municipal cash contribution are not eligible for this low interest loan, further diminishing our ability to begin this project.

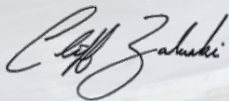
Conclusion

The City of London's financial support of this development proposal is in the public interest and represents an investment in the City's future for the following reasons:

- it will facilitate the removal of substantial site contaminants, resulting in a cleaner environment for the community and removing the risk of groundwater contamination;
- it will facilitate the rehabilitation of a heritage-designated property with significant importance to the surrounding neighbourhood, enhancing the sense of place for this part of the City;
- it will rejuvenate the neighbourhood and support the principles and objectives of the McCormick Area Secondary Plan;
- it will support the City's rapid transit plans. The redevelopment proposal, which was approved by Council in relation to the property's Official Plan and zoning by-law amendment, includes a rapid transit stop at the intersection of McCormick Boulevard and Dundas Street. The rehabilitation and development of the McCormick site will allow this planned station to be utilized and will create a destination in this area of the City;
- it will enhance Dundas Street, one of the City's main thoroughfares, increasing the aesthetic appeal for residents and visitors;
- it will allow McCormick Villages Inc. to provide a public park on site for the use of the community at large;
- it will support local businesses along Dundas Street by creating commercial opportunities within the McCormick building and will create foot traffic through the generation of new residential units;
- it will drastically increase the tax base for this property, resulting in ongoing financial benefits to the City. The redevelopment proposal includes approximately 300-400 new residential units and commercial units along Dundas Street.

We trust that Council will agree that the cost of the incentives is far outweighed by the environmental, social, and financial benefits of this supporting this redevelopment. We're excited to begin work on this site, and look forward to continuing to work with the City on this signature project.

Sincerely,



Cliff Zaluski
President
McCormick Villages Inc.

Section 2.0

Brownfield CIP Application





BROWNFIELD CIP Financial Incentive Program Application

PROPERTY TAX ASSISTANCE, DEVELOPMENT CHARGES REBATE
AND TAX INCREMENT EQUIVALENT GRANT

APPLICANT INFORMATION

Legal Name of Applicant: McCormick Villages Inc.

Corporation Partnership Sole Proprietorship

Owner 1 Information:

Name: Cliff Zaluski Tel. Number: (519) 421-7413

Email: cliff@sierraconstruction.ca Fax Number: (519) 421-2018

Mailing Address: P.O. Box 20053, Woodstock ON N4S 8X8

Owner 2 Information:

Name: _____ Tel. Number: _____

Email: _____ Fax Number: _____

Mailing Address: _____

(If more than two owners please attached contact information for each additional)

Have you ever defaulted on a City loan or grant program? YES NO

Contact Person (if more than one owner to property or different from the owner)

Name: _____ Preferred Contact Information: _____

Nature of Business (e.g. retail, restaurant) Construction company

PROPERTY INFORMATION

Address of Premises to be Improved: 1156 Dundas Street East

Roll Number (s) of Property: 3936-030-060-11900

Legal Description of Property (Lot & Plan number) Block E, Lots 98-106, Block F, and Part of Gleeson Street on Plan 494; Part 2 on 33R-14929

Estimated Pre-Improved Property Value: \$ 966,000

Estimated Post-Improved Property Value: \$ BLANK

Heritage Alteration Permit (copies attached, if applicable):

Date Permit Approved: _____

Designation By-law: _____

Property Indebtedness:

Type	Amount	Owed To
1 st Mortgage	\$	
2 nd Mortgage	\$	
Other	\$	



BROWNFIELD CIP Financial Incentive Program Application

PROPERTY TAX ASSISTANCE, DEVELOPMENT CHARGES REBATE
AND TAX INCREMENT EQUIVALENT GRANT

PROJECT INFORMATION (Please attach all supplementary material)

Description of Proposed Improvements: See attached

Program(s) being applying for (please check or circle):

Property Tax Assistance
Development Charges Rebate
Tax Increment Equivalent Grant

Contractor: Sierra Construction Total Cost Estimate: \$ 24,000,000

Attachments:

- A description of the required site remediation work;
- A copy of the Phase II Environmental Site Assessment (ESA) Report, Remedial Action Plan and/or Risk Assessment (Note: Applications may only be submitted if a Phase II ESA, Remedial Action Plan and/or Risk Assessment was initiated and completed after November 21, 2006);
- A cost estimate and name of the contractor(s) who will be conducting the remediation work. The estimate needs to break down the costs on an individual basis (for example, demolition, removing contaminated soil etc.).
- A complete Business Case submission.

Note: If incentives are approved, the property owner(s) will be required to enter into an agreement with the City, specifying terms and conditions that apply pursuant to the Community Improvement Plan.

Consultation: (Have you consulted with City Building Staff, if necessary?) YES NO

This application is submitted before starting the described improvement works.

I/WE HEREBY APPLY for financial commitment under the Brownfield CIP, and in doing so CERTIFY that the information given herein is true, correct and completed in every respect, and may be verified by the Municipality.

Signature of Property Owner 1

Cliff Zaluski, President
McCormick Villages Inc

December 5, 2016
DATE

Signature of Property Owner 2

DATE

Section 3.0

Site Remediation Work



3.0 | Description of Proposed Rehabilitation

The proposed rehabilitation work will remove contamination related to the previous industrial use of the property. The property will be restored to site standards applicable to a residential/parkland/institutional land use.

Following are key elements of the proposed rehabilitation work:

- remediation of soils impaired with Petroleum Hydrocarbon Compounds (“PHCs”); Metals; and/or Polycyclic Aromatic Hydrocarbon (“PAH”) Compounds at eleven (11) locations, including: soils impaired with PHCs identified near the location of the out-of-service underground fuel oil storage tank located outdoors to the north of the Boiler Room; soils impaired with PHCs identified in the areas of two electrical transformers located in the fenced compound outdoors to the north of the Boiler Room, and outdoors on the east side of the building; and fill materials containing dark-coloured cinders or other debris identified to be impaired with PHCs, Metals and/or PAH Compounds at eight (8) locations on-site.
- remediation/risk assessment of groundwater impaired with the metal Selenium identified outdoors to the north of the Boiler Room.
- remediation/risk assessment of groundwater impaired with Benzo(a)pyrene identified to the north of the building.
- Remove all Designated Substances and Hazardous Materials to bare structural members in the 1913 McCormick building and the later additions prior to demolition or rehabilitation.
- Decommission of four in-ground elevator systems.
- Demolition of rear additions to the McCormick building.



Section 4.0 Studies

1. Phase I Environmental Site Assessment Report, Sendex, September 12, 2012
2. Phase II Environmental Site Assessment Report, LVM, January 31, 2013
3. Designated Substances & Hazardous Materials Survey, LVM, January 31, 2013
4. Updated Phase I Environmental Site Assessment Report, Englobe,
5. Updated Phase II Environmental Site Assessment Report, Englobe,

4.0 | Studies

Please click the links below to access the environmental studies related to the McCormick redevelopment:

1. Phase I Environmental Site Assessment Report, Sendex, September 12, 2012
2. Phase II Environmental Site Assessment Report, LVM, January 31, 2013
3. Designated Substances & Hazardous Materials Survey, LVM, January 31, 2013
4. Updated Phase I Environmental Site Assessment Report, Englobe, September 10, 2016
5. Updated Phase II Environmental Site Assessment Report, Englobe, February 10, 2017

Section 5.0

Cost Estimates



5.0 | Cost Estimate

McCormick Development - 1156 Dundas Street East - London					Rev. Date	ESTIMATE#
McCormick Villages Inc.					Feb-09-16	16-120
CODE	DESCRIPTION	SUBCONT	LABOUR	MATERIAL	SUBCONT	TOTAL
	TOTAL CONTINGENCIES & ALLOWANCES					1,900,000
	Testing & Inspections	ALLOWANCE			50,000	50,000
	Winter Heat Costs	ALLOWANCE			50,000	50,000
	Owner Contingency Allowance (5%)	ALLOWANCE			1,800,000	1,800,000
	Environmental Liabilities Contingency (15%)	incl Div.2				-
DIV 1	GENERAL ACCOUNTS					1,192,150
		Sierra (sgc)	909,600	119,500	163,050	1,192,150
DIV1	CONSULTANTS FEES					1,000,000
	Prime Consultant & Subconsultant Fee Schedule	BUDGET			1,000,000	1,000,000
DIV 2	REMEDIATION WORK - SITE & BUILDING					8,717,263
	Erosion Control Measures / Silt Fence	Sierra (si)			30,000	30,000
	Underground Fuel Oil Tank Decommissioning	Ferro Canada			60,000	60,000
	Petroleum-Impaired Soils Remediation	Ferro Canada			120,000	120,000
	Metals & PAH Compound Fill Material Remediation	Ferro Canada			1,000,000	1,000,000
	Groundwater Assessment	Ferro Canada			12,500	12,500
	Decommission Eleven (11) Groundwater Test Wells	Ferro Canada			10,000	10,000
	Englobe - Environmental Site Decommissioning	Ferro Canada			6,000,000	6,000,000
	Englobe - Decommission Four (4) In-ground Elevator Systems	Ferro Canada			15,000	15,000
	Englobe - Environmental Liabilities Contingency (15%)	Englobe			900,000	900,000
	Selective Bldg Demolition For New Courtyard - 36' x 112'x 4flrs	budget - sgc			129,024	129,024
	Misc Demolition / Clean Up Prep	sgc			53,664	53,664
	Window Removal/ Disposal - Main Bldg - 290 Windows	budget	65,975	4,500	15,000	85,475
	New Rear Wall Window Opng - 22 ea x 4 flrs (Demo & Masonry)	budget - RD			281,600	281,600
	Sawcut & Remove for New Roof & Flr Opngs	budget			20,000	20,000
						-
						-
DIV 2	SITWORK					2,057,000
	Site Improvements (Calculated at \$180,000 per acre)	budget - si	13.1 acres @ \$150,000		1,965,000	1,965,000
	B.F. Ramps & Terraces (2 ea)	budget - sgc			50,000	50,000
	Parking Garage Retaining Walls	budget - sgc			42,000	42,000
DIV 3	CONCRETE					331,249
3360	Misc. Concrete - Floor Levelling - Main Bldg - 4 Floors (excl Bsmt)	budget - sgc			64,549	64,549
3360	Misc. Concrete - Construct Double Elevator Base / Pit	budget - sgc			8,500	8,500
3360	Misc. Concrete - Fill in Redundant Floor & Roof Openings - 18 ea	budget - sgc			90,000	90,000
3360	Misc. Concrete - Floor Remediation Requirements	budget - sgc	* Santarelli Engineering *		75,000	75,000
3360	Misc. Concrete - Replace Floors for New Underflr Plbg	budget - sgc			50,000	50,000
3360	Misc. Concrete - New Courtyard Catwalk - 10' x 36' x 3 flrs	budget - sgc			43,200	43,200
						-
DIV 4	MASONRY					195,521
4200	Masonry - Bsmt Demising Wall - Parking Area	budget - RD			57,311	57,311
	Masonry Elevator Shaft Walls & Elevator Room	budget - RD			59,510	59,510
	Infills in exist masonry walls - Bsmt Floor	budget - RD		incl	7,200	7,200
	Masonry Patching Allowance - (30 opngs)	Allowance		2,500	30,000	32,500
	Masonry Patching Allowance - Exist Window Opng Repairs	Allowance		4,000	35,000	39,000
	Masonry - Set Lintels & Brick in new windo opngs	incl - Div.3				-

McCormick Development - 1156 Dundas Street East - London					Rev. Date	ESTIMATE#
McCormick Villages Inc.					Feb-09-16	16-120
CODE	DESCRIPTION	SUBCONT	LABOUR	MATERIAL	SUBCONT	TOTAL
DIV 5	STEEL					461,000
5100	Structural Steel - New Exterior Stairwell Towers - 2 Towers	budget - sgc			130,000	130,000
	Structural Steel - Remediation/New Opngs /Courtyard Structure	budget - sgc			85,000	85,000
5500	Misc. Metals - Heritage Style Canopy Repairs/ Cleaning (3 canopies)	budget - sgc			18,000	18,000
	Misc. Metals - Stairs / Landings / Railings - 2 Stairwells	budget - sgc			210,000	210,000
	Misc. Metals - Entrance Stairs & New Exit Stair	budget - sgc			18,000	18,000
						-
DIV 6	CARPENTRY					1,074,600
6100	Rough Carpentry - New Roof Parapets & Blkg	SGC			56,000	56,000
	Finish Carpentry - Wall & Ceiling Finishes & Crown Molding	allow			25,000	25,000
	Finish Millwork (Allowance of \$5400 per Suite)	Milestone			993,600	993,600
						-
DIV 7	THERMAL & MOISTURE PROTECTION					2,692,674
	Underfloor Vapour Barrier - 6mil	n/a				-
	Perimeter Insul - R15 value - 3ft Vert on ext side of wall	sgc / si	2,470	4,940		7,410
	Bsmt Parking Level Ext Wall Insulation/ Cladding (6ft Down)	sgc			24,700	24,700
	Courtyard Slab Repairs & Prep Work	budget			10,000	10,000
	Courtyard Surface Waterproofing System - 40ft x 120ft	budget			323,136	323,136
	Bsmt Parking Level Courtyard Ceiling Wall Insulation/ Cladding	sgc			21,012	21,012
	ACM Wall Panel System / AB - 800 Lf	Kanalco			1,240,800	1,240,800
	Arch Metal Wall Cladding/ AB System - Base Bldg Rear Wall	eco			459,756	459,756
	BUR Roofing & Flashings incl exist roof tearoff - Base	bml			554,610	554,610
	Precast Paver Roof Walkway - 750Lf = 375 stone - Base	bml			11,250	11,250
	Firestopping/ Smoke Seals/ Sealants & Caulking	budget			40,000	40,000
						-
DIV 8	DOORS & WINDOWS & OPENINGS					5,020,087
8100	Stl Doors/ Frames/ Fin Hdwe - Exterior/ Stairwell - Main - 42 ea	budget			63,000	63,000
	Interior Residential Doors/ Frames / Hdwe - 184 Suites - Supply	budget		441,600		441,600
	Interior Residential Doors/ Frames / Hdwe - 184 Suites - Install	budget			119,600	119,600
8300	Parking Level Sectional Doors - 6 ea	k-w			39,000	39,000
8300	Door Automatic - 3 no. allowed	ironstone			5,850	5,850
	Finish Hardware	incl-8100			-	-
	Alum Entrance Systems - Main Bldg - 3 Exist	ellis			28,500	28,500
8400	Historic/ Industrial Series Windows - 378 Windows	NOR-AM			4,302,537	4,302,537
	Exist Clerestory Remedial Work	sgc			20,000	20,000
						-
DIV 9	FINISHES					3,425,635
9200	DW/ Insul/ Acoustics	canaan			2,312,992	2,312,992
9300	Floor & Base Finishes	thompson			763,825	763,825
9900	Painting & Finishes (includes Parking Level)	modern			348,819	348,819
						-
DIV 10	MISCELLANEOUS SPECIALTIES					110,940
10800	Washroom Accessories - Residential	knells			78,200	78,200
	Washroom Accessories - Commercial (4 Wrms) incl Universal Wrm	ironstone			6,340	6,340
	Signage - Interior & Exterior	knells			22,080	22,080
	Mailbox	gander/ sgc			4,320	4,320
	Toilet Partitions	n/a				-
						-

McCormick Development - 1156 Dundas Street East - London					Rev. Date	ESTIMATE#
McCormick Villages Inc.					Feb-09-16	16-120
CODE	DESCRIPTION	SUBCONT	LABOUR	MATERIAL	SUBCONT	TOTAL
DIV 12	FURNISHINGS					94,600
	Roof Safety Equipment - Main Bldg - 21 anchors	budget			21,000	21,000
	Window Coverings	by owner				-
	Furnishings and Acc - Wire Closet Shelf/Rod	budget - npt			73600	73,600
						-
DIV 13	SPECIAL CONSTRUCTION					
DIV 14	CONVEYING SYSTEMS					290,000
14200	Hydraulic Elevator (2 Total - 5 Stop Elevator)	budget			290,000	290,000
14400	Lifts/ Cranes	excluded				-
						-
DIV 15	MECHANICAL - HVAC & PLUMBING					4,802,964
15050	Mechanical - HVAC/ Plumbing/ Roof Drainage	budget			4,185,823	4,185,823
15400	Mechanical - Plumbing	pkg pricing				-
15700	Mechanical - HVAC c/w gas piping	pkg pricing				-
15900	Fire Protection - Bsmt Parking/ Bldg 1st/ 2nd/ 3rd/ 4th	western fire			617,141	617,141
						-
						-
DIV 16	ELECTRICAL					2,639,307
	Local Hydro Charges	arthur electric			50,000	50,000
16050	Electrical - Main Service 1st Flr & Subpanels 2nd/ 3rd 4th	budget			2,589,307	2,589,307
16700	Data and Communications					-
		SUB-TOTAL	978,045	577,040	34,449,905	36,004,990
		36,004,990	Overhead & Admin		5.63%	2,027,081
	Total Building SqFt	268,322	Management Fee		5.00%	1,800,250
	Cost Per SqFt	\$ 148.78	SUBTOTAL			\$ 39,832,321
1159	Div.1 - BLDRS RISK - \$0.25/\$100	\$ 0.22	87,631	rounded to =====>		87,631
1152	Div.1 - BUILDING PERMIT	excluded	-	rounded to =====>		
1153	Div.1 - DEVELOPMENT LEVY	excluded	-	rounded to =====>		
					SUB TOTAL	39,919,952
1160	Div.1 - PERFORMANCE BOND	no bonds				
1160	Div.1 - LAB & MAT BOND	no bonds	\$ -			-
					TOTAL	\$ 39,919,952



Section 6.0

Letters of Support

1. Old East Village Development Association
2. Old East Village Business Improvement Area

Old East Village Development Corporation,
316 Rectory Street,
Third Floor,
P.O. Box 7750
London,
Ontario,
N 5Y 5P9

October 19, 2016

Ms. Jennifer Gaudet,
Planner & Development Coordinator,
Sierra Construction,
P.O. Box 20053,
Woodstock,
Ontario
N4S 8X8

October 19, 2016

Re: Sierra Construction's Application to City of London's Brownfield CIP and Heritage CIP Incentives Programs.

Dear Ms. Gaudet,

The Old East Village Development Corporation supports Sierra Construction's application to the City of London's Brownfield CIP incentives, and the Heritage CIP incentives Programs.

Access to the Property Tax Assistance, Development Charge Rebate and Tax Increment Equivalent Grant incentives, offered under the Heritage CIP, and access to the Tax Increment Grant and the Development Charge Equivalent Grant offered under the Heritage CIP is critical to the future development of the site. It will make it possible for Sierra undertake the proposed development of the McCormick's lands and provide a quality refurbishment of the McCormick's building to support and profile this important heritage building.


As a member of the Steering Committee for the creation of the McCormick's Area Secondary Plan, I am delighted to see the results of the work that we undertook with the City of London Planning Department manifesting in the investment that Sierra is willing to make in this neglected site.

By providing accommodation and services for seniors, loft apartments for the general population and commercial activity fronting on Dundas Street, your investment will make a significant contribution to the implementation of the McCormick's Secondary Plan, which guides development for the whole site. It will build upon the ongoing economic renewal of the Old East Village commercial corridor and contribute to possibilities for the redevelopment of the Kellogg's Plant.

All three initiatives have the potential to realise unprecedented economic renewal in East London.

The Old East Village Development Corporation looks forward to future collaboration as the project progresses.

I wish you every success with this important development initiative.



Executive Director, Old East Village Development Corporation



October 25, 2016

**Sierra Construction
Attn: Jennifer Gaudet
1401 Dundas Street
Woodstock, Ontario**

To: Jennifer Gaudet, Sierra Construction

On behalf of The Old East Village Business Improvement Area (OEV BIA), we are pleased to support Sierra Construction's applications for the Brownfield and Heritage incentives.

The designs presented by Sierra for the McCormick factory building site are consistent with requests from the business and community. The key heritage attributes will be restored and the overall aesthetic will provide significant curb appeal. The Sierra Construction plan for the McCormick's Factory building site has provided exceptional design which includes elements that both conform and complement the existing business area. Your approach is consistent with the Old East Village Urban Design Manual which was created to encourage property owners in the Old East Village CIP to ensure new development complements or conforms with to the general aesthetic of the existing commercial corridor.

As the McCormick factory site is currently a "Brownfield" and is a property on the scheduled rapid transit bus route, the reactivation of this area is important but challenging, so the Brownfield incentives are essential to support a project of such scope. The business and residential communities of Old East Village have been eagerly awaiting development since the factory closure and the City incentives programs are effective tools to encourage such redevelopment.

The Old East Village BIA believes Sierra Construction's concept for the McCormick's factory building is consistent with the vision for the area, therefore we fully support your applications for Brownfield and Heritage Incentives.

Kind regards,

A handwritten signature in black ink, appearing to read "M. Drangova".

Maria Drangova,
Chair of the Board
Old East Village Business Improvement Area