

June 22, 2012

Mayor Joe Fontana and
Members of Council
City of London
300 Dufferin Avenue
London, Ontario, N6A 4L9

Dear Mayor Fontana and Respected Council Members:

Re: South West Area Plan (SWAP) and Draft Southwest Area Secondary Plan

We attended the Planning and Environment Committee on Monday June 18, 2012 where staff presented the DRAFT Southwest Area Secondary Plan. During the meeting there were a number of questions and comments raised by Committee members and staff.

In particular comments were made about the amount of land designated for commercial uses and whether the supply was warranted given the findings of the commercial study undertaken by Kircher Research Associates Ltd. The report indicated that there was warranted space for approximately 1,000,000 square feet of commercial floor space within the study area by the year 2026. Staff indicated that if all the existing and future designated commercial lands were developed to their full potential there could be approximately 3,000,000 square feet of commercial floor area in the study area.

It is important to note the following:

- The potential 3,000,000 square feet of commercial floor space encompasses the **entire range of commercial** uses which serve very distinct purposes in the market place. For example, retail, automotive, service commercial uses as well as regional, neighbourhood and convenience commercial scale centres.
- The total potential supply is premised on all of the designated lands developing to the fullest extent possible as predominantly commercial developments;
- The total amount of commercial floor space will ultimately be determined by market demand and may be less than what is projected based on the lands proposed for commercial uses;
- The study area encompasses a vast land area and there it is necessary to properly distribute the range of commercial uses throughout the study area;

- A large percentage (approximately 26%) of the future commercial floor space is positioned at Highway 401 and Wellington (near the Costco site) at a single location and quite removed from the majority of the future residential population in the study area;
- The limits of the Study area for the Southwest Area Plan are somewhat arbitrary and therefore the amount of potential commercial floor space appears high;
- The potential commercial floor area does not take into account additional demand that will be generated should the lands between Highways 402 and 401 get included in the urban growth boundary as employment lands;
- The market place is extremely adept at regulating the introduction of new commercial space and if additional space is not warranted then developers and retailers will gauge accordingly;

As noted by some Committee members, it is important for the City to send a very clear message to the business community that London is open for business and that investment is welcome and encouraged. If too many restrictions are put in place that hinder the ability for free market enterprise, then it will take a long time to correct itself. As we have noted, the ultimate amount of commercial floor space is based on a number of factors; experienced developers and retailers will proceed only when they have confidence in a successful venture. We believe it is not in the public interest to over regulate the supply of commercial lands but rather provide the framework for the full range of uses that will serve the needs of residents and businesses in the city.

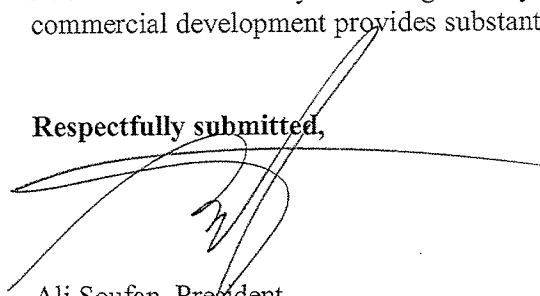
We are ready to commence ONCE the City approves our current application before them. The economic benefits relating to our development are well documented in our submission and summarized as follows:

• Development charges revenue	<u>\$ 9,015,113</u>
• Building permit fees	<u>\$ 461,033</u>
• Property tax revenue (including education component)	<u>\$ 3,083,761</u>
• Jobs directly created as a result of commercial development	<u>1,277</u>
• Annual income generated by commercial employment	<u>\$28,200,000</u>
• Jobs directly created through construction of development	<u>477</u>
• Wages generated through construction of development	<u>\$ 30,300,000</u>

*figures generated by urbanMetrics inc., 2012

At a time when the City is looking for ways to attract investment and jobs, we believe our proposed commercial development provides substantial benefits both in the short and long term.

Respectfully submitted,



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