

--	--

TO:	CHAIR AND MEMBERS PLANNING AND ENVIRONMENT COMMITTEE MEETING ON JULY 16, 2012
FROM:	JOHN M. FLEMING DIRECTOR OF LAND USE PLANNING AND CITY PLANNER
SUBJECT:	INFORMATION REPORT - PROCESSES UNDERWAY RELATING TO THE SOUTH STREET CAMPUS LANDS

RECOMMENDATION

That, on the recommendation of the Director of Land Use Planning and City Planner the attached report, which provides information relating to: (a) the South Street Campus master development plan; (b) the pending Fincore Planning application for the westernmost block of these lands; and (c) the disposition process relating to surplus City-owned lands on this block **BE RECEIVED** for information.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
--

June, 2011	SOHO Community Improvement Plan – Built and Natural Environment
September, 2011	Downtown Vision – City of Opportunity – Committee of the Whole
December 2011	South Street Campus Decommissioning – Planning and Environment
January, 2012	South Street Campus Heritage Evaluation – Planning and Environment
January 23, 2012	Developing a Strategic Investment and Economic Prosperity Plan – Investment and Economic Prosperity Committee
March 20, 2012	Declare Surplus – portion of South Street lands – Finance and Administration Committee
June 9, 2012	Presentation of proposal to IEPC by Fincore Canada – Investment and Economic Prosperity Committee

DISCUSSION

There are three processes that are currently underway relating to the South Street campus lands in the SOHO (South of Horton):

1. A master development plan and process relating to the broad South Street Campus lands;
2. The processing of a pending planning application that has been submitted by Fincore Canada for a single block of land included within the larger South Street Campus;
3. A process for disposing of surplus, City-owned lands on the same block as the Fincore Canada development proposal.

This information report is intended to clarify how these three processes are to be moved forward over the coming months.

--	--

1. Master Development Plan for the South Street Campus Lands

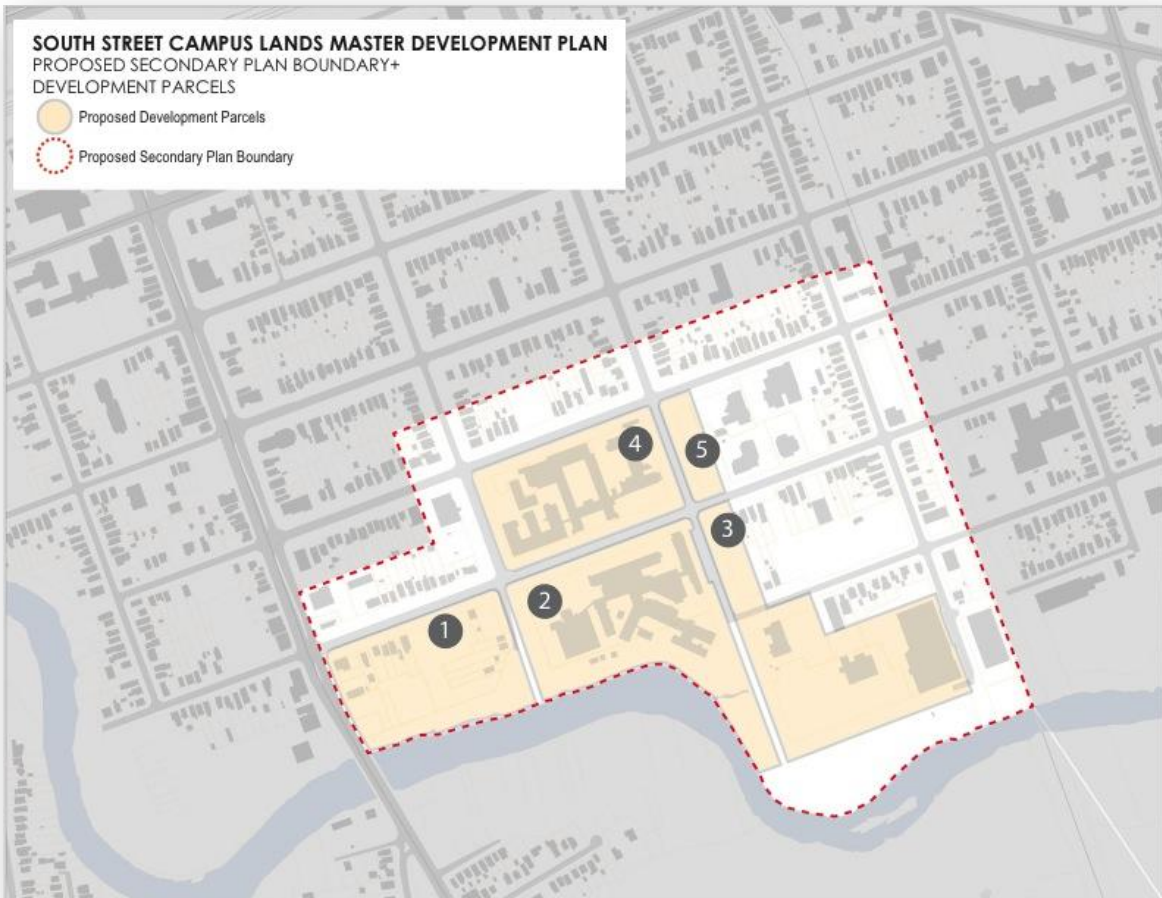
In June of 2011 the SOHO Community Improvement Plan (CIP) was approved by Municipal Council. An important component of the SOHO CIP is the direction to redevelop the South Street campus lands for a new urban neighbourhood as the hospital operations move out of these facilities that they have constructed and occupied for approximately 100 years.

The Community Improvement Plan was adopted under Chapter 14 of the City of London Official Plan and Part IV of the Planning Act. The Community Improvement Plan indicates that the South Street lands represent a prominent redevelopment opportunity within both the SOHO neighbourhood and the City at large. These lands provide an opportunity to promote economic development within Central London and improve the overall quality of life in SOHO. The conceptual vision from the SOHO CIP establishes a number of design objectives.

Through its Investment and Economic Prosperity Committee, on January 23, 2012 Municipal Council decided to advance the redevelopment process for the South Street lands as one of its primary short-term economic prosperity initiatives and directed Staff to:

“..initiate a process for the redevelopment of the South Street Campus lands, beginning with a report to the Investment and Economic Prosperity Committee, that identifies the approach, proposed process, timeline, required consulting resources, and an identified source of financing for securing these resources, it being noted that the City’s contribution of \$3.2 million towards the remediation and decommissioning of these lands has been planned through temporary financing, pending the ultimate sale of the land”.

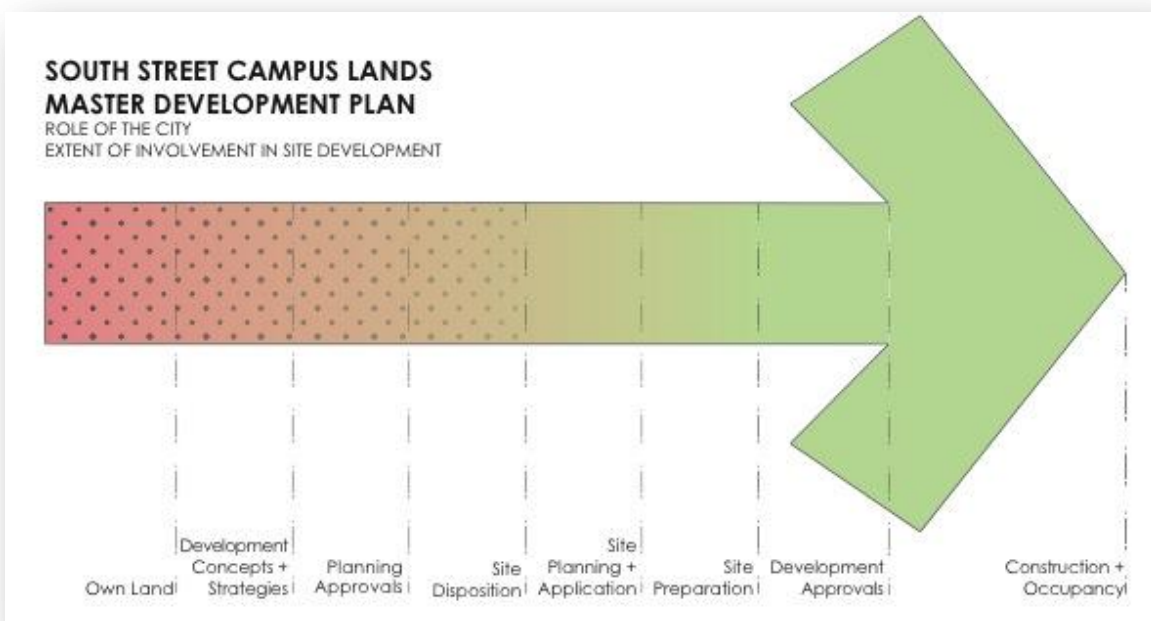
The extent of the lands that are the subject to the master development plan are shown below.



Municipal Council, through Staff, have been working with administration at the hospital to arrange for the departure of the hospital functions on South Street and the eventual demolition and remediation of the hospital lands. Different blocks are in different stages of demolition and remediation. Currently, the hospital plans to begin demolition as early as April, 2013, for the main hospital block bounded by South Street, Colborne Street, Waterloo Street and the Thames River (Block 2 in the diagram above). Further to Council's decision in January of 2012, the heritage Colborne Building on this block will remain intact on this portion of the site, pending the testing of market demand for this building to be restored and reused.

The master development plan process is now underway. Consultant Michael Downie has been retained to work with an interdisciplinary team of Planning, Engineering, Development Services, Realty Services, Finance, Corporate Investments and Partnerships and Purchasing Staff. The Consultant is currently preparing a report that will provide Council with a detailed overview of the master development plan. It includes, but is not limited to the following:

- An overall development strategy to yield greatest value from the City-owned portions of the South Street Campus lands.
- A market and economic analysis to evaluate market potential for various uses and proportions.
- A public engagement process to seek out and include public input.
- Completion of requisite studies to establish the parameters for a master development plan, including:
 - Hydro-geotechnical
 - Cultural heritage (north side of South Street)
 - Water servicing
 - Sanitary servicing
 - Stormwater management
 - Transportation impact study
 - Environmental impact study
 - Development limit definition
- Preparation of development concept and urban design guidelines
- Adoption of secondary plan
- Development strategy, including:
 - Development phasing plan
 - Property disposition strategy
 - Preparation of bid documents
 - Evaluation criteria for proposals



--	--

The majority of this work will be completed over the remainder of 2012, while some work will continue through the early part of 2013.

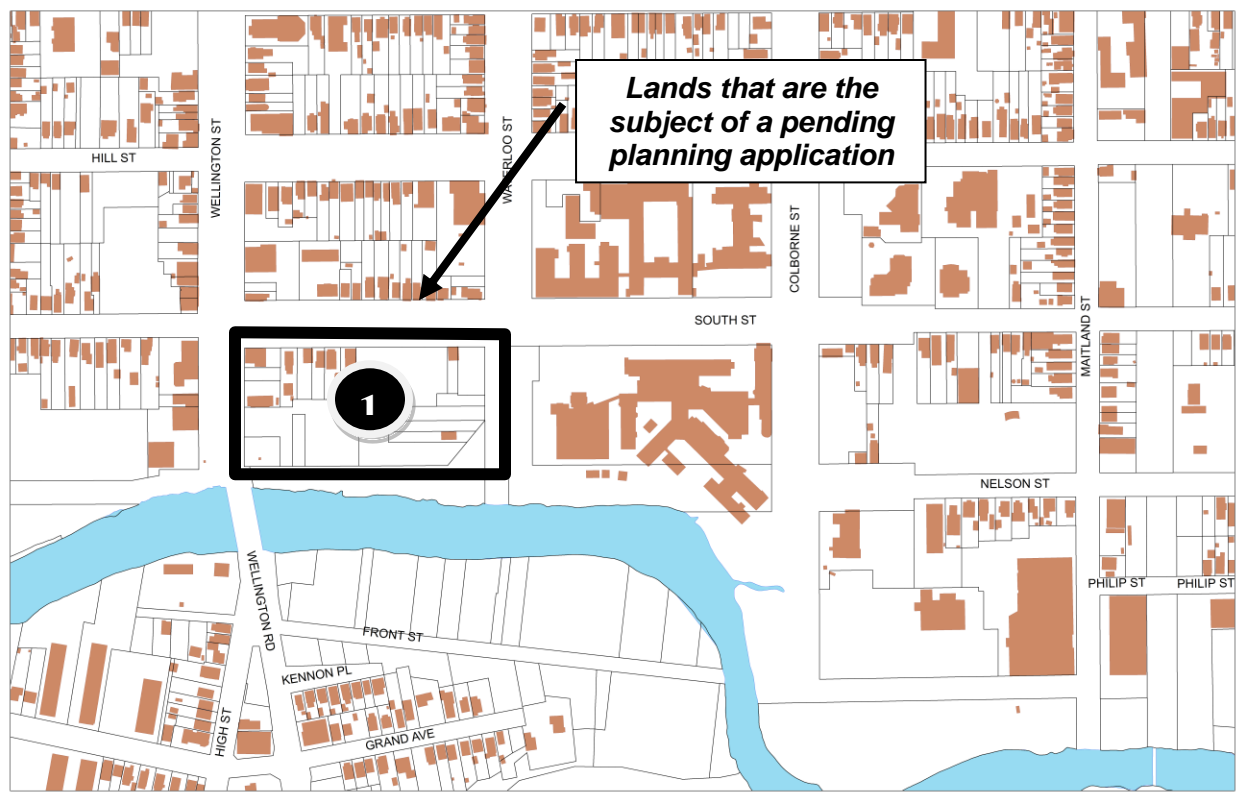
At the conclusion of this process, the necessary ground work will be in place to provide potential proponents with an attractive development opportunity with a master development concept, an approved servicing scheme and planning approvals all in place. This is intended to heighten the attraction of the site to development interests and maximize the value that the City may yield from a competitive disposition and proposal process.

The master development plan overview, including the process, timelines and necessary resources will be presented to the Investment and Economic Prosperity Committee this Summer.

2. Pending Planning Application

On June 9, 2012 the Investment and Economic Prosperity Committee heard a presentation from Fincore Canada relating to the redevelopment of one block within the larger South Street Campus. The project includes two towers, and several large buildings that are to be occupied by a mix of residential, health care, office and commercial uses. These lands are currently owned by many different land owners, including:

- City of London
- Upper Thames River Conservation Authority
- Various private sector interests



At the Investment and Economic Prosperity Committee meeting Fincore Canada indicated that they had recently submitted a planning application with the Planning Division and that they were hopeful that this application would be processed in a timely manner so they could proceed with their development project. On the basis of the recommendation of the Investment and Economic Prosperity Committee, Municipal Council directed that:

“the following actions be taken with respect to the development proposal from Fincore Canada for the lands at South Street and Wellington Road:

--	--

- i) it **BE NOTED** that the Investment and Economic Prosperity Committee received the attached presentation from Ron Robinson, Fincore Canada, entitled “SoHo Wellington Centre” with respect to a SoHo Medical Lifestyle Development on lands located at South Street and Wellington Road, it being understood that the proposal will be evaluated; in accordance with the established criteria; and,
- ii) the Civic Administration **BE DIRECTED** to ensure that the planning processes related to this proposal are undertaken in a timely manner, in accordance with provincial legislation. (02h/10/IEPC)”

While it is unusual for a private interest to make a planning application for lands that are owned by others, there are no provisions in the Planning Act or the City of London Official Plan that prevent such an application from being made. Fincore representatives met with City of London Planning Staff, in accordance with the pre-application consultation by-law and the complete application policies and submitted their application in early June.

Municipal Council has established complete application policies which require that an application be complete, with necessary studies and supporting materials, before it can be accepted and the planning process initiated. The main purpose of these policies and their requirements is to ensure that (i) the Public and others participating in the planning process have the information that they need to understand the application and its implications and (ii) so that the planning application can be processed in a timely manner (something that is not possible with insufficient or incomplete information). At the time of the writing of this report, the Fincore application submission was being reviewed for completeness.

Clearly, the South Street Campus master development planning process will not be completed when the Fincore Canada planning application is accepted and processed. However, as described above, it is expected that the land use and site recommendations, together with preliminary development limits, will be sufficiently advanced such that they can be coordinated with the evaluation of the planning application.

Planning Staff will ensure that the application moves forward as quickly as possible, while equally making sure that all required steps in the planning process are undertaken and the public is given abundant opportunity for understanding the application and providing their input.

This report is only intended to speak to the pending planning application process and it would be inappropriate to discuss the substance or merits of the pending planning application until a statutory public meeting is ultimately held on the matter. It is also important to recognize that the planning application will be considered separate, and distinct, from any considerations of property ownership. Planning matters are considered from a planning perspective involving planning merits and do not relate to current or future ownership opportunities.

3. Disposition of Land

The following discussion relates to those lands identified on the above maps as Block 1.

On March 20, 2012, Council resolved that:

“On the recommendation of the Managing Director – Corporate Assets, on the advice of the Manager Realty Services, the following actions be taken with respect to the City-owned lands located on South Street bounded by Wellington Street/Waterloo Street and the Thames River, the subject lands identified to the north of the Hazard Limit Line established by the City’s Official Plan, as shown on the attached plan:

- a) the subject lands **BE DECLARED** surplus, for eventual sale and redevelopment for uses following the guiding principles of the Thames Valley Corridor Plan and the SOHO Community Improvement Plan;

--	--

- b) the sale of the subject lands **BE UNDERTAKEN** in a competitive, fair and transparent process, in accordance with Part 2 of the City of London's Sale and Other Disposition of Land Policy; and,
- c) the Civic Administration **BE REQUESTED** to report back as soon as possible with respect to the status of the Central Subwatershed Study."

As noted above, a portion of the subject lands in Block 1 are owned by the Upper Thames River Conservation Authority (UTRCA). Following this resolution, Realty Services initiated a request to the UTRCA for the transfer of UTRCA owned lands in the subject area to the City. This request was considered by the UTRCA Board of Directors at their meeting of April 24, 2012. This request was considered by the UTRCA Board of Directors at their meeting of April 24, 2012. The UTRCA Board of Directors resolved that staff be directed to take the actions necessary to identify the non-hazard land portion of the UTRCA owned lands and arrange for the disposition of this portion of the property to the City of London.

The future sale of the UTRCA lands in consolidation with the Surplus City owned lands and offered to the public for re-development, will be undertaken in a competitive, fair and transparent process, in accordance with the City of London's Sale and Other Disposition of Land Policy.

In proceeding with the acquisition of the UTRCA lands, the City has agreed to assess the subject lands to determine the limit of the hazard lands. Following this, the City will complete the necessary actions towards the transfer of the UTRCA lands with the objective of assemblage of these Non Hazard lands with the City Surplus Non-Hazard lands and eventual sale for redevelopment opportunities. The following actions are in progress.

- City will proceed with a Geotechnical / Hydro geotechnical Evaluations for the Subject lands to determine the limits of the Non-Hazard lands including appropriate set-backs and consideration of Parks Planning for future plans of public trail uses along the Thames Valley Corridor.

This evaluation will include determining the subsurface soil; the overall groundwater regime; provide slope stability analysis to assist in defining the limit of development including all associated setbacks; provide general recommendations for site servicing and ensure regulatory approval requirements are met.

Following the completion of this evaluation, the report will be circulated to UTRCA for their review and peer review. The completion of this study including peer review is estimated within 2 to 3 months (October 2012). It being noted that further environmental investigations may be necessary depending on the findings and recommendations of the Geotechnical study;

- Realty Services has engaged the independent appraisal of the UTRCA lands declared surplus which will form the basis of negotiations of purchase price (Fair Market value);
- The preparation of a survey of the surplus lands including UTRCA surplus will be completed once the geotechnical study is finalized (Fall 2012);
- Realty Services will commence framing an RFP process for the open, transparent, competitive process for the sale of the City lands (including Non-Hazard UTRCA lands - Fall 2012 – in coordination with the disposition strategy for the larger South Street Campus master development plan);
- Negotiations between City and UTRCA for sale of non-hazard lands in Fall 2012 with culmination of agreement (October 2012);

--	--

- City Legal Services to negotiate the Surrender of the Lease encumbering the Subject lands with LHSC (Fall 2012);

- Pursuant to the MNR Disposition Policy Requirements, UTRCA will make application to MNR which must include the Agreement of Purchase and Sale with the City (November 2012);

- MNR reviews the application for sale of lands to the City (estimated to be 6 to 12 months);

- Sale of surplus lands (Spring 2013). Note that this disposition process will link, as appropriate, to the disposition strategy that is developed through the master development plan process for the larger south street campus land holdings.

As noted above, the disposition of the lands will be through a fair, transparent and competitive process and will not be linked to the planning application that is currently pending for these lands.

CONCLUSION

This report provides an overview of the three processes that are underway relating to development in the South Street Campus redevelopment project. It illustrates that there is a “big picture” master development planning process for the larger campus area. Fincore Canada have submitted a planning application relating to a single block of this larger area and when all of the required information is in place to constitute a complete planning application, Planning Division Staff will process this application expeditiously, while ensuring that all steps of the planning process are completed and opportunity for public engagement in the process is afforded. Meanwhile, a separate process is proceeding with respect to disposition of the lands bounded by Wellington Street, South Street, Waterloo Street and the Thames River. This process is delinked from the planning application process.

PREPARED AND RECOMMENDED BY:
J. M. FLEMING, MCIP, RPP DIRECTOR, LAND USE PLANNING AND CITY PLANNER

Acknowledgements:

Thanks go to the following for their assistance in the preparation of, and their review of, this report:

- Bill Warner – Manager, Realty Services
- Martin Hayward – City Treasurer and Chief Financial Officer
- Michael Downie – Consultant for South Street Campus Master Development Plan