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Michael Downie Community Investment
363 Colborne Street, Suite 306
London, Ontario N6B 3N3
Phone: 226/378-3416
E-Mail: m_downie@hotmail.com

South Street Campus Lands Redevelopment Process

Interim Report

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South Street Campus Lands Redevelopment Process

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South Street Campus Lands Redevelopment Process

1. Introduction

Over the past eighteen months, the City of London has begun to seriously evaluate redevelopment options for the former Victoria Hospital and adjacent lands, located adjacent to the Thames River, along South Street, just south of the core. The former hospital site is primarily owned or controlled by the City, with the remainder of outstanding hospital leases reverting back to the City over the next few years.

As this process unfolds, and as the City begins to understand the redevelopment potential of the area, it must define its role in the process to ensure that high-quality development yields the greatest value from City owned parcels. It must also ensure maximum community benefit in a transitioning neighbourhood which been the focus of a number of planning efforts over the past two years.

The South Street Campus Lands offer the City of London a rare opportunity to create a new, “in-town” urban neighbourhood with a mix of uses, tenures, amenities and built form that complement the city core. A phased, master redevelopment approach to the site offers the City a tremendous opportunity to plan for and capture the added-value that comes from such a process.

This report provides the City with a rationale for redeveloping the lands, helps clarify the City’s role in this process, and provides a redevelopment approach that includes development of a master development plan to guide developers and ensure the City’s vision is translated into reality, along with a secondary plan that provides the legislative and policy framework to deliver the vision.

This report, also summarizes the potential development capacity of the lands, and discusses a number of considerations, including rezoning, bonusing provisions, infrastructure upgrades, phasing, site disposition and public benefit.

Lastly, this report provides cost estimates for completing the initial requisite studies required to inform the City as it undertakes pre-development and planning activities to ready the site for redevelopment.

To date, the City has:

- Coordinated a multi-disciplinary team to oversee redevelopment process.
- Coordinated all necessary servicing studies across various departments, with all studies at consultant selection, contract negotiation or initial work stage.
- Allocated 50% of funding required for the servicing studies
- Completed a draft development concept to help guide servicing studies and land use and market recommendations.

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Over the next quarter, the City will continue to:

- Develop Terms of Reference for Secondary Plan
- Finalize funding sources for servicing studies
- Complete interim and final servicing studies
- Initiate public consultation for Secondary Plan
- Agree Redevelopment timeline, and
- Outline RFQ/RFP selection process for developers

2. Rationale for Redeveloping the South Street Campus Lands

Creating a new, integrated urban neighbourhood

- Redevelopment of the South Street Campus Lands creates a new, attractive “in-town” neighbourhood, with a modern mix of housing types and land uses.
- The new neighbourhood leverages its location, river frontage and environmental amenities, helping make the City more attractive and competitive.
- Redevelopment of the site serves as a catalyst for the sympathetic revitalization of SoHo.
- Creation of new neighbourhood highlights innovation and best practices in development.

Adding Value to the City

- A new “in-town” neighbourhood supports Downtown revitalization by increasing the core population and offers complementary land uses that do not compete with the core.
- The new population also offers a positive fiscal impact with an improved residential tax base.
- Phased redevelopment of the site maximizes the value of the land recouped by City through land sales and provides additional resources to offset the costs of remediation.

Preserving the Past

- Strategic redevelopment of the site allows the City to recapture added value and preserve heritage buildings on site

Improving the Environment

- A new neighbourhood provides enhanced sustainability and environmental features, including new park systems, an improved watershed and waterways, remediation of

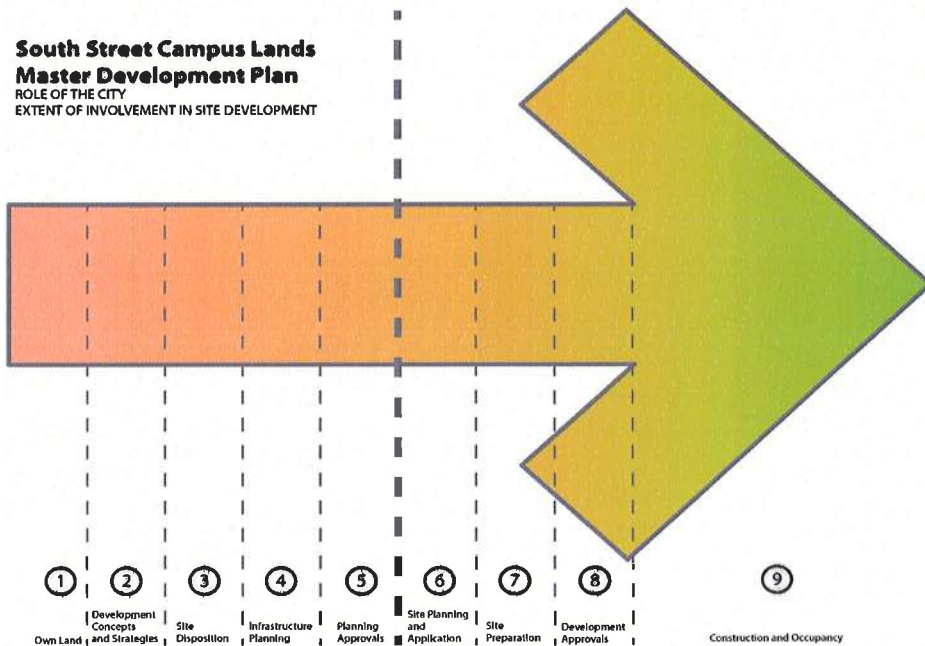
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brownfields, a more efficient built environment, new infrastructure, and improved access to employment, education and transportation.

3. Defining the City's Role – Regulator, Developer or Builder?

The City is in a unique position to control the development of the site, as it is property owner, policy maker and regulator. However, the City lacks the capacity or mandate to play the role of developer or builder on the site at this time.

As an owner, the City can add value by planning, preparing development concepts and disposing of the land with conditions. As policy maker it can improve zoning and land uses on the site and secure infrastructure improvements. As a regulator, the City controls developers and builders on the site through zoning changes, site planning approvals and development and building approvals.



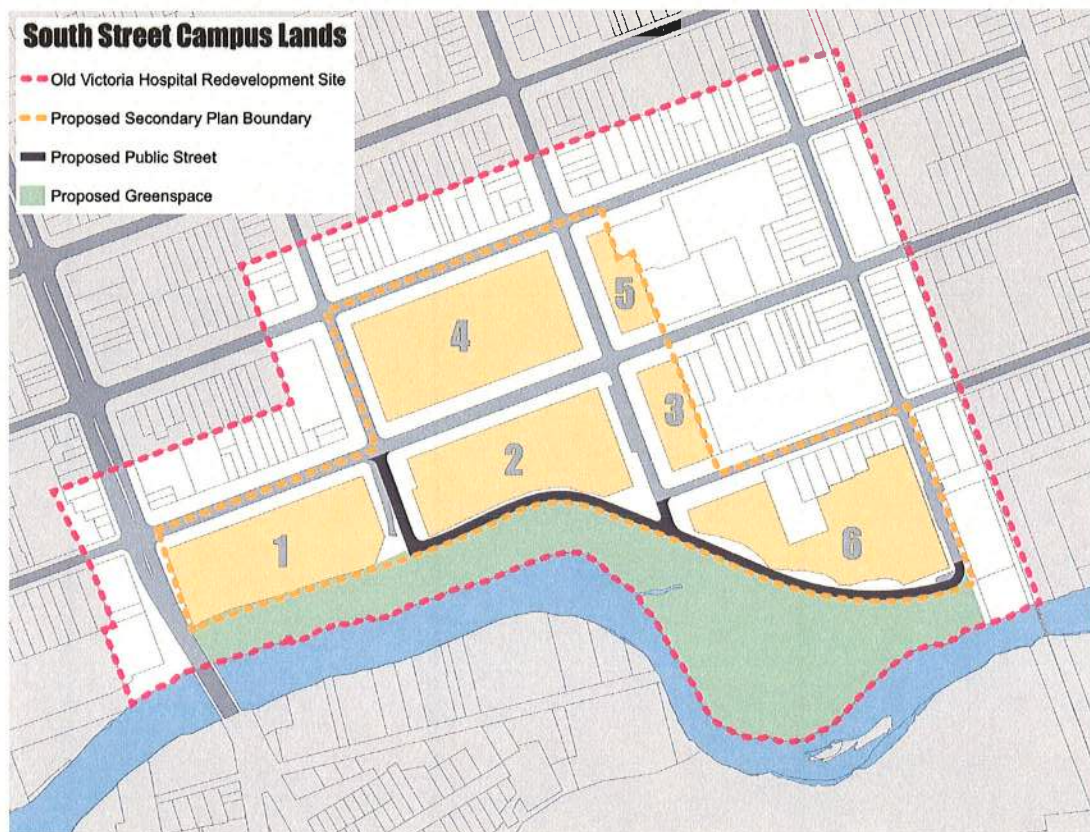
To reduce development risks that will encourage and attract qualified developers, and to ensure coordinated development across the site, it is recommended the City primarily involve itself in site pre-development and approval activities, including the following:

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- Undertake necessary servicing studies
- Establish a plan for the site to ensure coordinated, quality development and value capture
- Undertake planning approvals
- Establish a secondary plan to ensure integrated development
- RFQ/RFP process to ensure vision is realized

4. South Street Campus Lands Redevelopment Approach

Redevelopment of the South Street Campus Lands will be guided by a Master Development Plan, which focuses on the redevelopment options for the former Victoria Hospital and by a Secondary Plan that focuses on policy and guidelines for the entire area including the former hospital site and the lands immediately surrounding it (see Map 1).



(Map 1)

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Secondary Plan

The Secondary Plan will focus on the precinct comprised of the former Victoria Hospital lands and the area immediately surrounding it (See Map 1). The plan will analyze and provide policy guidance on zoning and design guidelines and provide a regulatory framework that allows the City to make planning recommendations and approvals for development parcels within the area. Because the SoHo Community Improvement Plan contains significant detail that would normally be contained within a secondary plan, and gives a course of considerable direction, the Secondary Plan can be very scoped and focused.

The Secondary Plan will be initiated in Fall 2013 and developed through a series of public consultations to be scheduled during Spring 2013. It builds on the successful community engagement process from the SoHo Community Improvement Public.

Past experience redeveloping projects of a similar nature and scale, such as the London Psychiatric Hospital, show that significant public benefit accrues from using a clear development strategy to implement secondary plan recommendations. To that end, the South Street Campus Lands Master Development Plan and Secondary Plan will be developed in tandem.

Master Development Plan

The Master Development Plan was initiated in July 2012 and will be completed by December 2012. The plan will provide:

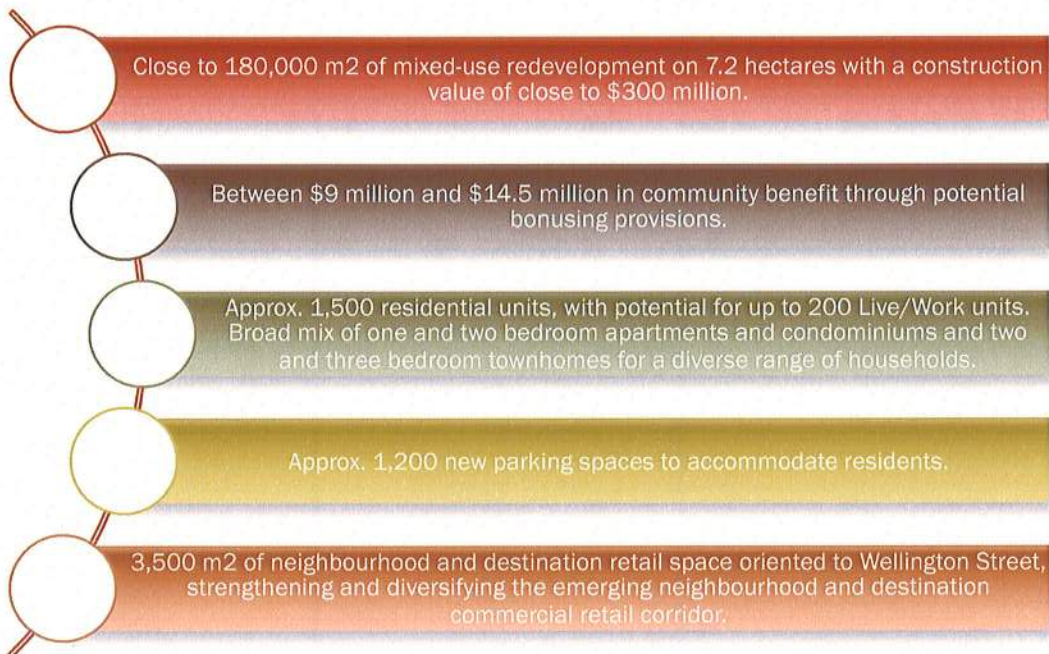
- An overall development strategy to yield greatest value from the City-owned portions of the South Street Campus lands.
- A degree of certainty around the City's expectations, thus mitigating development risk and making the plan area more attractive to developers.
- A high-level market and economic analysis of the site to clarify development potential for various uses and proportions.
- Coordination of requisite servicing studies across the entire plan area, including:
 - Hydro-geotechnical
 - Water Servicing
 - Sanitary Servicing
 - Stormwater Management
 - Transportation Impacts
 - Environmental Impacts
 - Cultural Heritage (North side of South Street)

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- Preparation of a development concept that informs the creation and adoption of a secondary plan with urban design guidelines.
- Development Strategy, including:
 - Development phasing
 - Property disposition
 - Preparation of bid documents
 - Evaluation criteria for proposals

Program

The initial draft development concept from the plan calls for more than 3,400 new residents and up to 120 small businesses for the SoHo community. The development concept outlines:



Rezoning, Bonusing, Public Benefit

The Master Development plan provides an overall site program that allows the City to understand upfront the potential growth of people, housing and vehicles in the community.

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This means the City can budget for and provide the necessary infrastructure in a coordinated fashion and look to recover those costs through development charges.

It also allows the City to understand and control upfront the increase in the intensity of future development. This means the City can estimate potential public benefits through zoning bonusing provisions. These direct benefits can include (but are not limited to) public parks, historic preservation, watershed conservation, improved infrastructure, affordable housing, community trusts, and cash.

Other direct benefits include future tax revenues (fiscal benefits), provision of training and new construction jobs and creation of new industry and employment within the community through changing land use (employment and education benefits).

Phasing, Site Disposition, Public Services and Development

The Master Development plan more accurately informs the land disposition process than a traditional disposition. Using the Master Development plan and the City's Disposition Strategy as guidance for any RFP process, the City is in a unique position to control the timing and quality of development.

The City can release parcels in a timed fashion, which can allow for increased values and assessments over time. Importantly, the plan informs the RFQ/RFP process to select qualified developers with successful track records to complete development within specified time frames. To this end, the Master Development plan includes a disposition and phasing strategy to guide this process.

Upgraded public utilities and infrastructure to accommodate increased capacity are being planned as part of this process. Specifically, the Master Development plan for the South Street Campus Lands coordinates a number of public servicing studies that will dictate the public infrastructure improvements required in the area.

5. Redevelopment Activities & Costs

Projected costs to complete the Master Development Plan, the associated Servicing Studies and the Secondary Plan are approximately \$362,000 (see Table 1). The majority of these works are expected to be completed in final or draft form by December 2012, with the Secondary Plan due to be completed by March 2012 to ensure appropriate public consultation.

Of the \$362,000, \$127,000 has been allocated, while the remaining \$235,000 must still be allocated. The Internal Project Management team is working closely with the Planning Division and the Finance Division to secure the remaining funds.

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Activity	Responsible Department	Completion Date	Total Funding Required	Funding Allocated	Funding Still to be Secured
Servicing Studies	Transportation, Engineering, Planning, Finance, Realty	Dec 2012	\$312,000	\$127,000	\$185,000
Secondary Plan	Planning	Mar 2012	\$50,000		\$50,000
		Total	\$382,000	\$147,000	\$235,000

(Table 1)

6. Progress Report and Next Steps

Progress to Date

- Coordination of multi-disciplinary team to oversee redevelopment process.
- Coordination of all necessary servicing studies across various departments, with all studies at consultant selection, contract negotiation or initial work stage.
- 50% of funding allocated towards servicing studies
- Completion of draft development concept to help guide servicing studies and land use and market recommendations.

Next steps

- Develop Terms of Reference for Secondary Plan by end of September, 2012
- Finalize funding sources for servicing studies by end of September, 2012
- Completion of interim and final servicing studies by December, 2012
- Initiate public consultation for Secondary Plan by October, 2012
- Agree Redevelopment timeline by October, 2012

7. Conclusion

This report provides an overview of the approach, proposed process, timeline, and required resources, necessary to complete the South Street Campus Lands Master Development and Secondary Plans that will ultimately guide the redevelopment of the former Victoria Hospital. It also provides a rationale for redeveloping the site in this fashion and outlining the City's

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role. These plans build on the SoHo Community Investment Plan, completed in June 2011, calling for redevelopment of the former hospital. Significant progress has been made establishing a development concept for the site, coordinating an internal project management team to oversee the process and initiating a number of servicing studies to guide infrastructure improvements. These will ultimately inform the Master Development Plan and the Secondary Plan that together will provide development, design, policy and regulatory guidance to redevelop the site as a new, integrated, "in-town" neighbourhood that maximizes value for both the City and local residents. These plans will be completed by December 2012 and March 2013 respectively.