



October 9th, 2012.

City of London,  
300 Dufferin Avenue,  
London, ON.

**Chair and Members,  
Planning and Environment Committee.**

**Re: Southwest Area Plan and the Potential Impact on London's Downtown.**

Dear Chair and Members:

Downtown London is the organization that represents both the 850-member London Downtown Business Association and the MainStreet London Revitalization Organization. Both non-profit organizations work in unison towards one key goal – making London's Downtown better. Our organizations have been working in partnership with the City of London since 1998 to ensure that the investments made in London's Downtown in the late 1990's through the early 2000's have been well managed and that the programs offered in the Community Improvement Plan have been well publicized and utilized.

Our partnership with the City of London, together with sound public policy, has resulted in a dramatic increase to taxable assessment, hundreds of millions of dollars of private sector investments, a substantial reduction in retail vacancies, and a doubling of the residential population. The Downtown is home to the vast majority of London's office workforce and contributes nearly 10% of the total property taxes paid to the City of London, despite occupying less than half a percent of London's total land area.

Changes to public policy under discussion as part of the revised Southwest Area Plan have the potential to reverse these trends, reducing net investments, jobs, and property tax revenues on a city-wide basis.

Part of the success of London's Downtown can be directly attributed to the long-standing policy of this City Council, through the City of London's Official Plan, to restrict the construction of large commercial office space to the Downtown core. Despite some assurances to the contrary, we are concerned that Council may turn its back on this important, decades old policy. Such a reversal would have devastating effects on the tax base of London, since suburban offices pay significantly lower taxes and require much greater infrastructure to support, and **we are therefore seeking formal assurances from City Council that there will be no change or exceptions to this policy contained within the revised Southwest Area Plan.**

Some members of Council will recall the opening of Galleria London in the late 1980's. As one of the region's most luxurious malls it brought promises of new jobs and a new future for downtown London.

But as we all know, the Galleria was a spectacular failure that started out by creating a retail wasteland on the surrounding streets, followed by the failure of the mall itself within just a few short years. Poor planning and an excess of retail space led to the destruction of many long established small and medium sized businesses, along with a reduction in property values, tax assessment, capital investment and jobs.

Within a few short years, the mall was empty, and so was much of London's Downtown.

It has taken over twenty years for London's Downtown to recover from the after effects of the Galleria. In just this past year the first new standalone retail building since that time was constructed at Richmond and Carling, the majority of vacancies on Dundas Street are finally being filled, and over a dozen new stores are in place or currently under renovation. Even chain stores, such as American Apparel, Fairweathers, Suzy Shier, and Urban Outfitters, have begun to reinvest in the Downtown and Richmond Row, and investors from outside London have begun to take notice of both the core area and the Old East Village.

**In our professional opinion, and as the voice of over 850-member businesses and property owners in London's Downtown, we believe that a "free-for-all" revised version of the Southwest Area Plan would create a repeat of the Galleria scenario, and could potentially set-back the progress of London's Downtown and other emerging areas, such as the Old East Village, for yet another 20 years.**

We are not against the Southwest Area Plan as a whole and we fully hope and expect development to proceed in this important area for the City of London. At this time we believe that London's Downtown is able to largely hold its own from a retail perspective and that despite residential development outside the core, we will continue to experience growing demand for apartments and condos. However, a free-for-all "enterprise zone" that would allow medium and large offices would force us to reverse these assumptions.

Why should London reaffirm its policy to restrict commercial office space in the downtown?

- **Downtown contributes far more in property taxes than anywhere else in the City of London (0.20% of the geographic area of the City of London, but collects 9% of the property taxes).**
- **With 81% of London's office space located in Downtown, our office workforce of over 30,000 people is the envy of many similar sized Canadian cities, and a key success factor to encouraging further investments, including growing technology firms and young professionals.**
- **Further intensification of the Downtown will not only cost the City of London far less than building and maintaining brand new infrastructure at the outskirts of the city, but office space in the Downtown also produces far more in net tax dollars than cheap suburban office buildings.**

We appreciate that Mayor Fontana has publicly declared **"We are not making big office space available. We need to protect Downtown and make it sure it grows."** But even if large and medium sized offices are not intended to be built with the revised Southwest Area Plan, we need more than public assurances to avoid any loopholes or exceptions that would allow such a mistake to creep in over time.

**Therefore, on behalf of our members, we formally request that City Council approve a motion, regardless of the final revised Southwest Area Plan, that the City of London will maintain its current long-standing policy to concentrate large office space in the Downtown core and not to allow exceptions or loopholes.**

**Respectfully,**

Janette MacDonald  
Executive Director  
Downtown London

Robert T Usher  
Board Chair  
L.D.B.A.

Joel Adams  
Board Chair  
MainStreet London.