

SUBJECT: Development Charges at 100 Kellogg Lane

To: Paul Yeoman

CC: Heather McNeely

We are sending this letter to express our frustration with the City of London's Development Charges as they relate to 100 Kellogg Lane. We believe that the impact of the current DC bylaw and how it relates to the redevelopment of this property is overly burdensome and unfair in application.

It is our understanding that London's Commercial DC's are among the highest in the province, and without question, London's current DC structure is a barrier to progress and a disincentive to repurposing existing industrial properties to commercial uses. If we had been aware of this when considering purchasing the property, we would have either not purchased it at all, or it would have been purchased strictly as a warehousing center. Either of these would mean that the City would not be in a position to reap the future benefits of the 100 Kellogg Lane development.

As background, the 100 Kellogg Lane facility sits on 23 acres on the edge of Old East Village and is close to 1 million square feet in building size. *See Appendix 1.* The building was sold by Kellogg's to a demolition company in 2014, and then in late 2016 was subsequently sold to a numbered company, currently operating as 100 Kellogg Lane.

The redevelopment of the property by 100 Kellogg Lane to a mixed-use entertainment and tourist destination, is happening in 3 Phases. Spending to-date for the 1st Phase, comprised of the warehousing component, the demolition of the silos, Canada's largest family adventure center known as "The Factory", and the Powerhouse Brewery, has been \$17.9 million. The total redevelopment cost is projected to be approximately \$65 million when including a projected spend of \$24.4 million for Phase 2 and an additional \$23 million for Phase 3. *See Appendix 2.*

When the redevelopment is complete, the site will house Canada's largest indoor entertainment facility, 3PL warehousing, an Office Tower, Powerhouse Brewery, the Children's Museum, an Event Center, a Distillery, a Maker's Market, a Courtyard, and a Boutique Hotel. *See Appendix 3.*

On top of the redevelopment cost, London's DC's for the building area that will likely change use from light industrial use to commercial use over all phases could exceed \$5 million. This is a huge and unfair financial burden.

In summary, the Kellogg factory could easily be sitting as a vacant, unused facility on the edge of Old East Village. Instead, it is being transformed into a world-class destination. It will help spur the much-needed revitalisation of OEV and will generate a huge boost in tourism for the city. It will provide a much-needed economic and employment boost for the City, generating an estimated 325 salaried and hourly jobs.

London will benefit greatly from this project and should be actively looking for ways to remove the barriers it has in place that are preventing more of this type of development. DC bylaws should be applied in such a way that is fair and that will encourage growth and redevelopment, not inhibit it.

We have received a great deal of support from the City since we have started this project, and we respectfully request that the City address our concerns with the same spirit of cooperation that we have experienced so far.

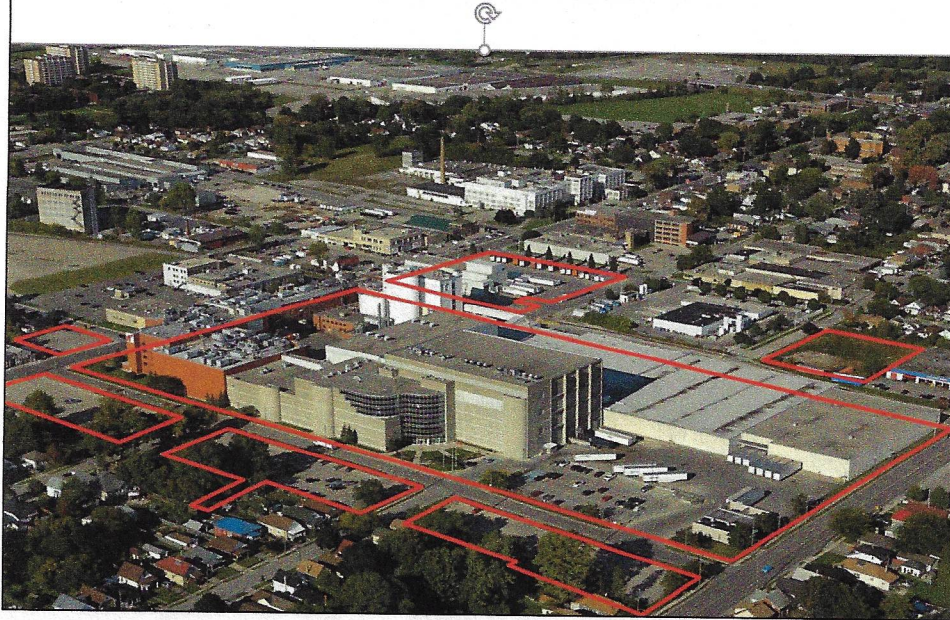
Respectfully submitted by,

A handwritten signature in blue ink, appearing to be 'PML', is written over a horizontal line.

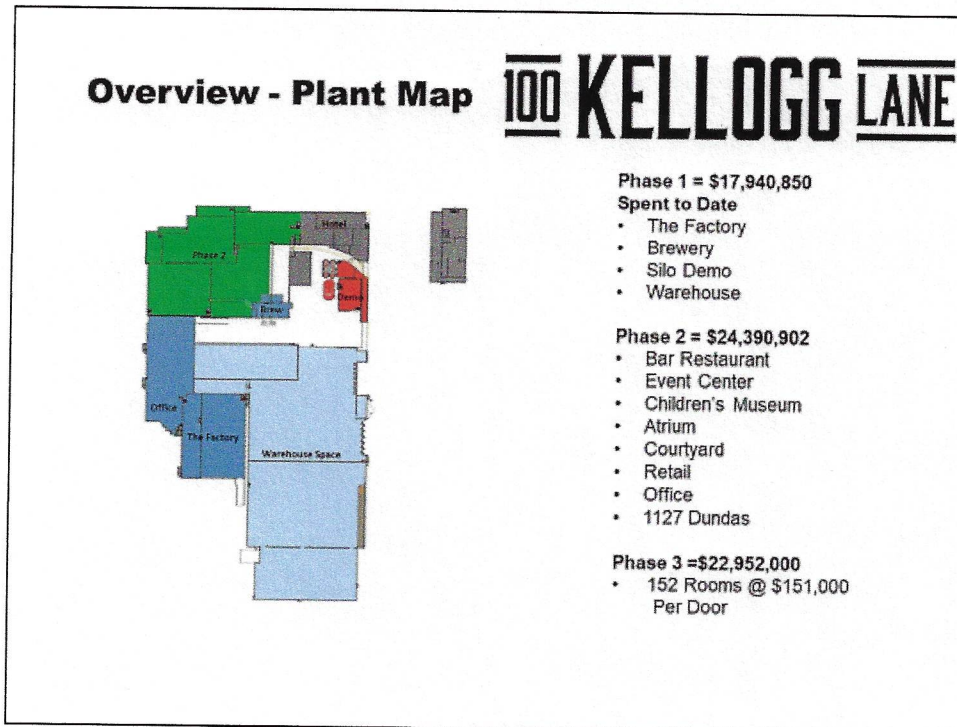
Paul McLaughlin and Martha Leach on behalf of

1803299 Ontario Inc., operating as 100 Kellogg Lane

Aerial Overview of 100 Kellogg Lane



Appendix 2



Appendix 3

TIMELINES

