

Mercier, Betty

From: Saunders, Cathy
Sent: Monday, March 25, 2013 1:29 PM
To: Shmuel Farhi; Swan, Joe
Cc: 'joe fontana'; Mercier, Betty; Buchanan, Jennifer
Subject: RE: Request for Delegation

From: Shmuel Farhi [<mailto:Farhi@farhi.ca>]
Sent: Tuesday, March 12, 2013 3:40 PM
To: Joe Swan (joeswan@rogers.com)
Cc: joe fontana
Subject: Request for Delegation

*Councilor Joe Swan, Chair,
IEP Committee
London City Hall*

Dear Councilor Swan:

Please accept this email as my formal request to make a presentation at the March 25, 2013 meeting of your committee.

It is my intention to share the details of several potential Farhi Holdings Corporation developments in the city of London.

I look forward to your confirmation of this request.

Sincerely yours,

Shmuel Farhi

President
Farhi Holdings Corporation
484 Richmond Street, Suite 200
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**PRESENTATION TO CITY OF LONDON IEPC MEETING
BY FARHI HOLDINGS CORPORATION
MARCH 25, 2013**

As part of our long-range strategic plans, Farhi Holdings Corporation has identified a number of potential projects we believe will provide demonstrable benefits to the citizens of London, while also allowing us to meet our corporate goals.

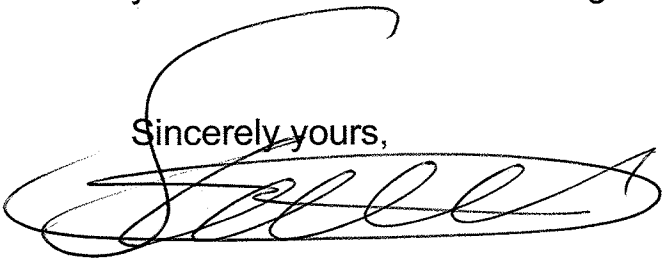
As with all such projects in any community, understanding and support from our political and municipal leaders is vital to the realization of their full potential.

In order to further a more distinct community understanding of the projects we have under consideration, we have prepared the following explanation of the purpose, scope, time line and potential public involvement of each.

We would particularly draw your attention to the special page immediately following that deals with the realities of preserving our downtown heritage buildings for generations to come.

We invite your questions and comments, and look forward to working with you to the betterment of our great city.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Shmuel Farhi', is written over a large, light-colored oval shape.

Shmuel Farhi

197-199 Dundas Street

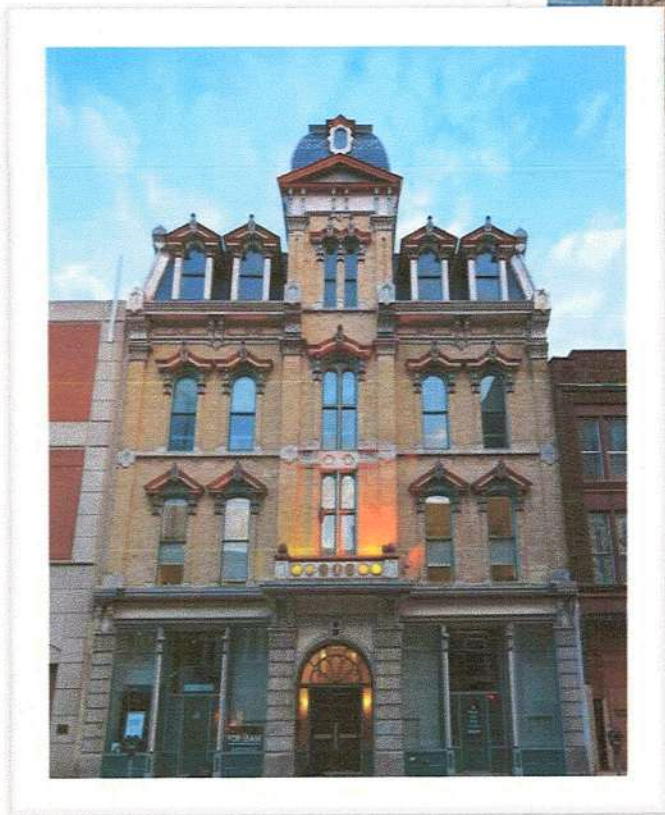


204-206 Dundas Street

215 Dundas Street



220 Dundas Street

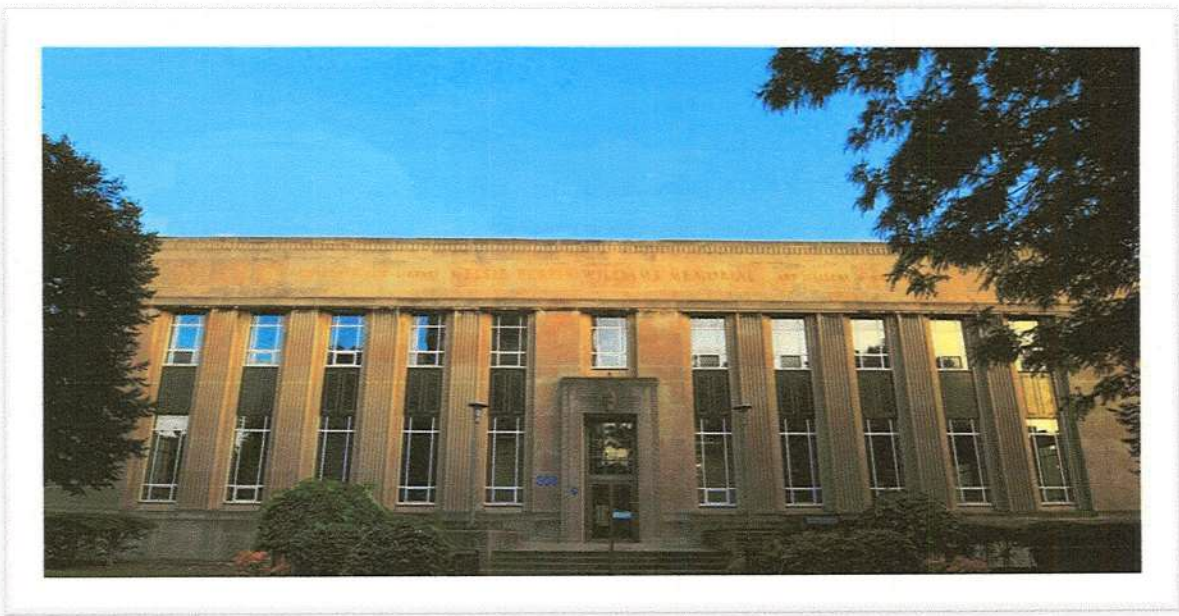


229-231 Dundas Street



424 Wellington Street

305 Queens Avenue



Preserving Our Downtown Heritage Buildings

Farhi Holdings is proud to have purchased, restored and conserved several of the most significant heritage buildings in downtown London. Buildings are not unlike the human body. If they do not receive proper ongoing care they can become sick, just like people.

And if treatment is not timely and effective, they can become terminal. Decay and deterioration are facts of life for all aging buildings, and it is only through determined efforts and substantial ongoing investment that they can be maintained in a healthy state.

When a heritage building is occupied and performing a useful function, like 204-206 Dundas Street, it generates enough revenue to ensure it receives the best possible care all the time. In addition, having people working in the building reduces the likelihood of floods, structural damage or general deterioration going unnoticed until the results become serious (and very costly to deal with).

In addition to a number of houses and offices on the Richmond Block (bounded by Richmond, Central, Wellington and Hyman) Farhi Holdings also owns the following heritage buildings in the city core:

197 Dundas

204-206 Dundas

215 Dundas

220 Dundas

229-231 Dundas

305 Queens

424 Wellington

Sadly, in spite of our best efforts there are currently 180,000 square feet of vacant space in these buildings, representing millions in unrealized revenue and city tax dollars. This problem can be traced directly to the lack

of parking available at the buildings. When they were constructed (with the exception of 305 Queens) parking was not an issue because the automobile had not yet become the prime mode of transportation.

Today, office space without parking is almost impossible to lease, as our vacancy rates illustrates. Our buildings are all in good condition and offer superb access to all the amenities of our downtown, but without adequate parking they will remain underutilized and overly expensive to operate (due to restricted revenues).

You will note that three of our potential projects involve parking components. The success of 199 Queens is directly related to the success of our efforts to market space in our heritage properties. It is within a block of all of them (except 305 Queens) and would provide valuable additional parking spaces that could be dedicated to meeting the needs of new tenants.

This project is particularly crucial to the ongoing preservation of these buildings, and the health of downtown. If we cannot manage to find or build adequate parking, we will be forced to consolidate our tenants into fewer buildings and close the rest. The economic realities will allow us no other option.

But that would put these then-vacant buildings at increased risk of vandalism, squatters, undetected damage (floods, etc.) and all the other problems associated with shutting a building down.

It is our concern for the long-term future of these buildings that provides a major impetus for our efforts to develop more downtown parking, at the 199 Queens Ave location in particular.



Project name/identifier: Queen's Place

Address: 199 Queen's Avenue

Finished product: multi-storey residential tower containing 400-500 enclosed parking spaces within a design complementary to the surrounding neighbourhood.

Purpose: to provide much-needed parking for nearby downtown heritage properties currently unleaseable and at risk due to lack of dedicated parking in close proximity.

Time line: assuming we are able to negotiate the purchase of the adjacent lot at 193 Queen's Ave, a stable economy and continuing access to construction funds, planning and development work could begin almost immediately.

Estimated budget: \$60,000,000

Potential tax revenues: millions of dollars over the years

Initial construction jobs: 100+

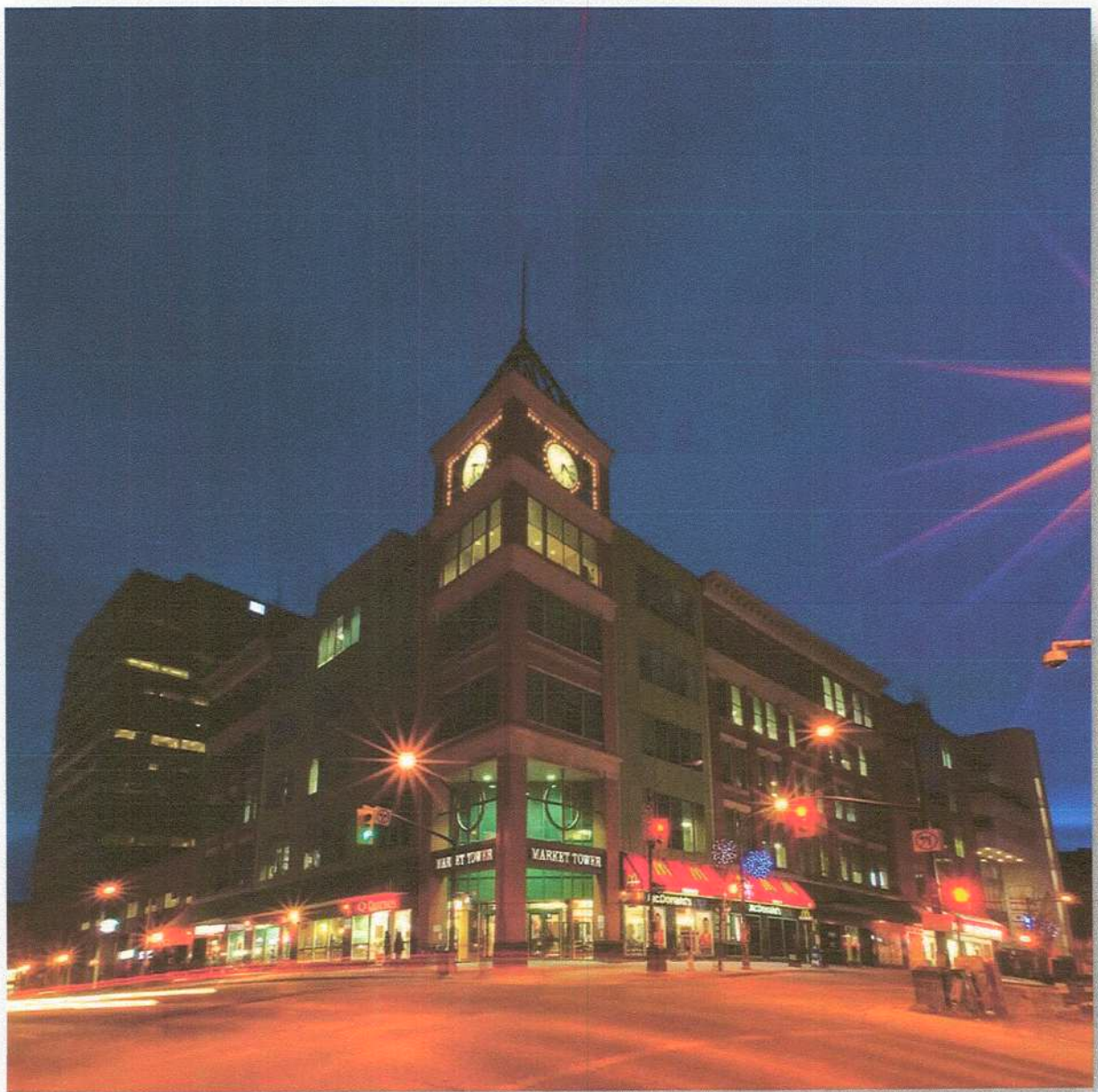
Permanent new jobs: approximately 35 people

Cost to City: \$0

City involvement: in order to make this project viable, we would need to purchase the City-owned parking lot at 193 Queen's Avenue. We are prepared to compete for it on the open market.

Additional benefits to City: depending on the final terms agreed upon, we can arrange for the same number of dedicated parking spaces for City use within the new structure as currently exist on the City's lot to ensure there will be no net loss of City-controlled spaces at the site. Having additional parking available for nearby and currently-empty heritage buildings will greatly increase the likelihood of finding tenants and thereby helping guarantee their long-term survival. An empty building is a deteriorating building and is subject to increased risk of permanent damage by vandals, unnoticed leaking water pipes, etc.

Market Tower: 151 Dundas St., London, Ontario



Project name/identifier: Market Tower and Annex Sale

Address: 151 Dundas Street

Finished product: Fanshawe College Downtown Campus

Purpose: To bring more people to the downtown and further its economic revival.

Time line: We are ready to complete a deal for Fanshawe to acquire the property so they can begin planning their new campus immediately.

Replacement value of building square footage: \$40,000,000

Estimated budget: Agreed sale cost to Fanshawe College is \$12,000,000

Initial new jobs: 2 dozen

Permanent new jobs: TBD

Cost to City: A net decrease in cost due to savings on new premises

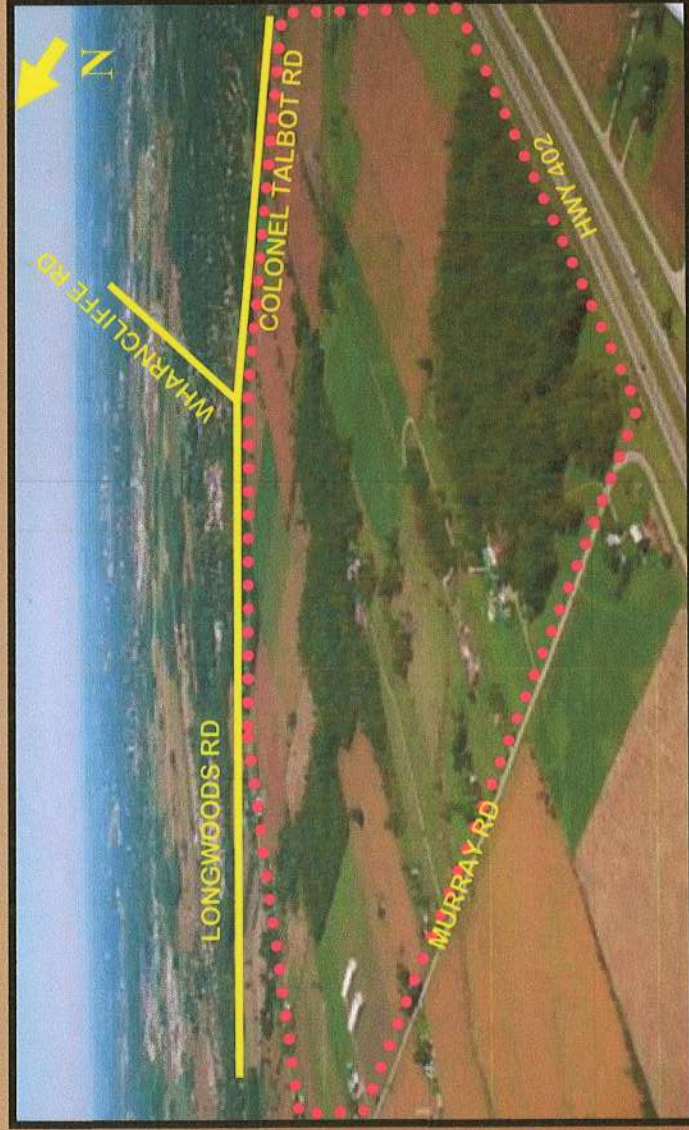
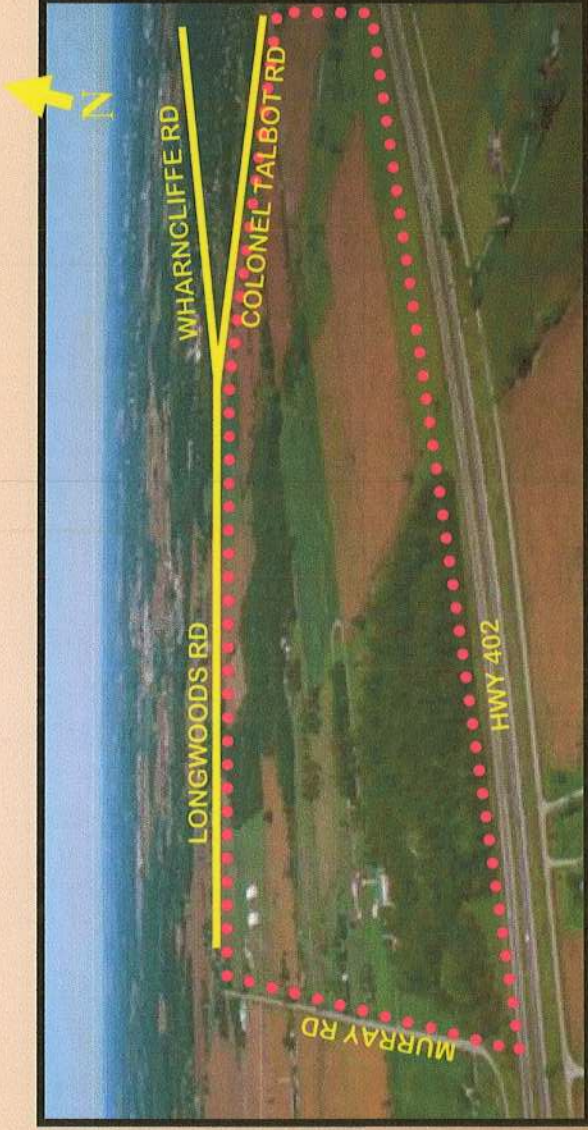
City involvement: We require only two things of the City to complete this project:

1. agreement to move existing City offices at Market Tower to the Bell building, where Farhi Holdings can provide first-rate accommodations at rates which will be significantly less than the current cost at Market Tower.
2. agreement to move such Ontario Works offices as may not be moved to satellite locations to the London Tower at Dundas and Colborne, where Farhi Holdings can provide ground-floor accommodations and underground parking at rates which will be significantly lower than the current cost at Market Tower.

FARHI

HOLDINGS CORPORATION

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4638, 4740, 4798 Murray Rd
London, Ontario

Project name/identifier: 402 Corridor Development

Address: 500 acres along the 402 north of Colonel Talbot Road

Finished product: a commercial/retail/light-industrial corridor along the 402 just west of the 401, as envisioned by the Provincial Government.

Purpose: to provide improved highway access to London's southwest by providing land for retail and commercial structures along the 402. The second phase would include development of new residential units to the north-east for employees and workers in the new businesses.

Time line: initial construction within 3 to 5 years. We will be ready to proceed as soon as services are confirmed.

Estimated budget: well over \$150,000,000

Estimated permitting costs: millions of dollars

Potential tax revenues: millions of dollars going forward

Initial construction jobs: hundreds

Permanent new jobs: hundreds

Cost to City: \$0 direct cost. Issue of water and sewers to be resolved in the future.

City involvement: in order to facilitate this project the City would have to include these lands within the new Urban Growth Boundary. We recognize there are issues with water and sewage treatment but have confidence they can be dealt with successfully as part of the development process.

Additional benefits to City: as noted above, the Province has identified the economic importance of developing retail/commercial corridors in London along the 401 and 402. This kind of strategy has been followed with significant success in many other communities such as Milton and Cambridge.



The Forks

*City of Opportunity;
A Vision For Downtown London*



Location Map

Project name/identifier: Top of the Thames

Address: 435-451 Ridout Street

Finished product: rear addition to the historic “Labatt properties” overlooking the Forks of the Thames and Harris Park that would include significant parking capacity and involve a re-purposing of the existing heritage buildings. It could possibly include a boutique hotel, municipal offices, high-end retail, exclusive residential, etc.

Purpose: to support the City’s desire to re-focus attention on the Thames River as a valuable part of our civic resources, provide much-needed parking for Museum London and possibly partner with the Museum, the City and other potential partners for uses yet to be identified.

Time line: depending on the scope of the project eventually decided upon, construction could begin very quickly.

Estimated budget: \$60,000,000

Estimated permitting costs: TBD

Potential tax revenues: millions of dollars going forward

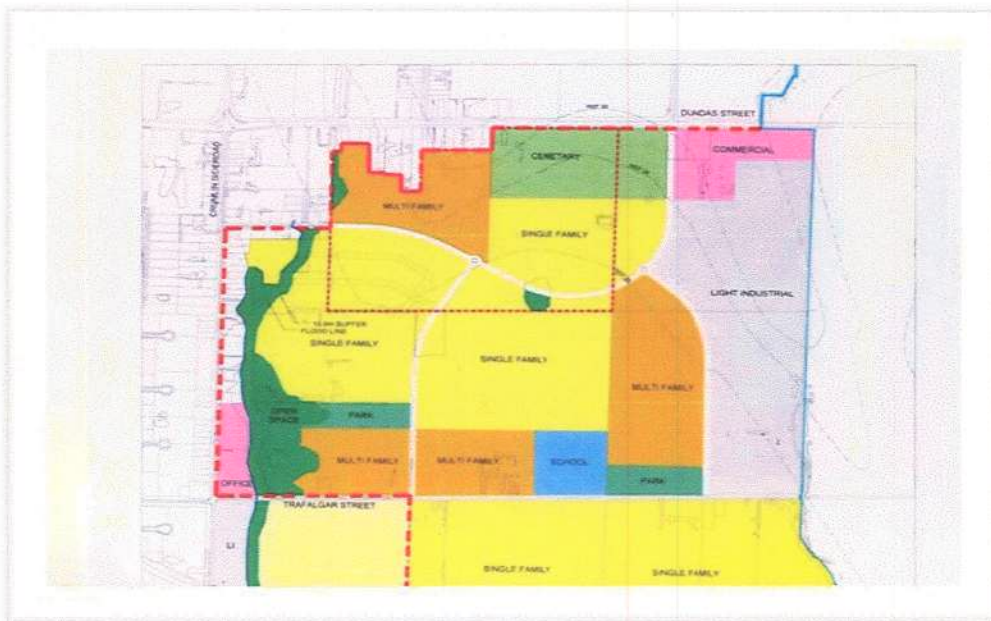
Initial new jobs: 60-100

Permanent construction jobs: dozens

Cost to City: \$0 direct cost.

City involvement: In order to facilitate what we envision, we would need the support of the City in negotiations with the UTRCA to allow modifications to the existing parking lot/slope area. We would also need City approval of and support for an initiative to work closely with Museum London to help them meet their current and future parking and space needs, plus any needs the City may identify for its own purposes that may be met by a new facility.

The former Lagrou Farms on Dundas St. E



Project name/identifier: Lagrou Park

Address: 2679 Dundas Street

Finished product: 137 acre subdivision featuring modestly-priced homes and related commercial shops and services for workers in London's growing east-end manufacturing segment.

Purpose: to meet a severe shortage of such housing in the east end.

Time line: upon completion of approvals process

Estimated budget: over \$100,000,000

Estimated permitting costs: TBD

Potential tax revenues: millions of dollars going forward

Cost to City: \$0 direct cost. Issue of water and sewers to be resolved in the future.

City involvement: in order to facilitate this development we will require the inclusion of this property within the new Urban Growth Boundary. We will also require an agreement with the City regarding the provision of water and sewer services.

Aerial view of 100 Queens Ave and 74 Fullarton Ave. both owned by FHC



Project name/identifier: Courthouse Square

Address: 74 Fullarton Street

Finished product: a multi-storey residential/parking tower that would include up to 1,200 parking stalls.

Purpose: to provide much-needed parking space for the downtown and play a major role in the resurgence of our downtown.

Time line: We could proceed as soon as market conditions allow.

Estimated budget: \$100,000,000

Estimated permitting costs: TBD

Potential tax revenues: millions of dollars going forward

Cost to City: \$0 direct cost. Ongoing lease costs TBD

City involvement: in order to proceed with this project we would need the City's participation in the parking component through long-term leasing of needed public parking spaces.