

Buchanan, Jennifer

Subject: FW: PenEquity

From: White, Peter
Sent: Tuesday, June 25, 2013 3:19 PM
To: Councillors
Subject: PenEquity

Dear Councillors,

I wanted to provide a note to you on the PenEquity Development to provide some perspective on the plans and some important clarifications that may be helpful in consideration of this file. LEDC has been working with PenEquity and their management team since early 2010 on this potential project. PenEquity is a first class developer with significant projects across Ontario, including Dundas Square in downtown Toronto and the Kanata Centre in Ottawa. David Johnson and his team are highly recognized within the Canadian development community and participate in many active community supportive roles. Leger Xavier, the VP on the London project is the Chair of the Yonge Street Business Improvement Area Association in Toronto as a great example.

This is an important project from the LEDC perspective as it provides a signature Gateway at the centre point of the 401 that will provide London the visibility that we have desired with a premiere development. PenEquity is working with a number of International and North American based signature clients that will create not only a strong presence for the city, but will also provide a regional attraction position. I know there are a number of other retail proposals coming forward to you, but I can assure you that the PenEquity client partners will provide a very strong profile for this development. 17% of London's employment is based on our position as the regional business centre, and we attract business from area of over 600,000 people , not to mention the potential for attracting new 401 business from the over 60,000 vehicles passing each day.

There has been some questions on the economic impact of the development. Working in conjunction with the Altus Group (who participate in many London initiatives), we are able to confirm the following forecasts for the project;

681 person-years of employment in direct construction representing over 300 jobs during the development phase

150 employment jobs regarding materials and services during the construction of the development.

1,200 jobs in the completed development based on the average profile of the anticipated clients .

Approx. \$9.4 million in development charge revenue for the City.

Approx. \$440,000 in building permit revenue for the City;

An annual property tax revenue of approximately \$2.8 million.

There are also a few items I would like to clarify;

- a. PenEquity was allowed under the existing zoning of this site to move ahead with the retail portion of project. Mr. Johnston and Mr. Xavier wanted to ensure that they showed how strong a partner they are by working through this very lengthy process and provide the compensation of both the 6 acres on-site, as well as the

\$250,000 commitment that could be used for Re-Forest London, or potentially enhance and add land inventory in an area such as the Dingman Watershed lands. This is in addition to the landscape and tree features that will be included throughout the site.

- b. There is confusion on the number of trees on the site – the Aecom plan references approximately 2000 trees on the site. I believe the 10000 number that seems to be used came from a question and by someone commenting about by taking the cost of a tree under ReForest at \$25 and dividing that into the 250K compensation offer.
- c. The pond on the site just south of the 401 is not a natural feature of the site. This pond is something that developed in the past years following the widening and reconstruction of the Wellington ramp area in the 1990s. PenEquity has been happy to have the London Remote Control Boat Club continue to use the site since they acquired it.

PenEquity is the type of partner we want and need in London. Given the options they had available to them for the site, they have shown they are the corporate partner that we desire as part of our city and business community. The opportunity to have a well designed and signature feature at our Wellington Gateway along with their plans to include many special features that we can use as a London highlight for such an important development will provide a very strong and important win for the city.

Thank you for your time and consideration and please let me know if you have any questions.

Best Regards,
Peter

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