

City of Barrie  
70 Collier Street  
PO Box 400  
Barrie, Ontario  
L4M 4T5

January 31, 2017

**Attention: Members of Barrie City Council  
Ms. Dawn McAlpine, City Clerk**

Dear Sir/Madams,

**RE: Essa Road Widening and City of Barrie 2017 Business and Capital Plan**

The current draft Barrie Business and Capital Plan for 2017 proposes to defer the shovel ready widening of Essa Road from Anne Street to Bryne Drive, hereafter referred to as “The Widening”, to 2019-2021. The deferral of The Widening would represent a total of eight years of deferrals over a six-year period. I am writing to request that the construction and associated costs for The Widening urgently be considered for allocation to 2017 in the City’s Business and Capital Plan.

Osmington Inc. is the registered owner of approximately 60 acres at the Essa Rd/Hwy 400 intersection, as shown in Appendix A hereafter referred to as “The Property”. The Property is envisioned to be a catalyst for the development of the Essa Road corridor – a major gateway to downtown Barrie. The Property has been primarily vacant for over ten years in anticipation of redevelopment. However, until Essa Road is widened, the property remains indefinitely stalled.

Osmington first secured development approvals in 2008 for a 400,000 sq. ft. commercial development (City File D11-1488). A condition of our approvals requires that Essa Road be widened.

Repeated deferral of The Widening has stagnated improvement of The Property.

Repeated deferral of The Widening has caused interested tenants to walk away – the risk is simply a non-starter for major tenants. A clear example of this was in 2012 – Target had signed a Letter of Intent for The Property but, the timing risk with respect to The Widening was deemed greater than the regulatory risk in pursuing the rezoning at Park Place.

Osmington is currently in discussions with potential anchor tenants, who have genuine interest in The Property and expansion in Barrie. Without The Widening, discussions will be at a standstill. Furthermore, without The Widening, a high quantity of local jobs and the associated income gains will not be realized.

### Investment > Cost

The Widening will be paid for primarily through the City's Development Charges (DC) Fund and property tax revenues. The currently approved development will generate a surplus of over \$5,000,000 for the DC Fund and at build-out will return, annually, to the City 121% of the property tax portion slated for The Widening (see below table).

Road Widening Costs (Anne Street to Bryne Drive) vs Site Generated Revenue				
	Development Charges	Property Tax	Wastewater	Total
Site Generated Revenue (2008 Site Plan)	\$11,684,000 <sup>1</sup> (one-time revenue)	\$4,320,000 <sup>2</sup> (annual revenue)	TBD	\$16,004,000
Widening Costs	\$6,615,000 (62%)	\$3,570,000 (34%)	\$420,000 (4%)	-\$10,605,000
	<b>\$5,069,000 (Surplus)</b>	<b>121% (Annual Yield)</b>	<b>TBD</b>	

1. 2017 Development Charges: 400,000 sq ft of commercial x 29.21 per sf = \$11,684,000
2. 2017 Tax Estimates, prepared by Altus Group: 400,000 sq ft of commercial x 10.81 psf = \$4,320,000

Osmington has explored an evolved development plan for The Property. One that is better suited to current market conditions and reflective of the City's new Essa Road Intensification Corridor policies. The Property would be a catalyst in the redevelopment of Essa Road from Highway 400 to Kempenfelt Bay. It would also assist the City in fulfilling the Province's infill density requirements. The mixed-use options being considered would provide even more financial benefit to the City than the scenario shown above.

**A Fair Partner**

We have continually worked closely with City staff to assist in facilitating The Widening. In 2007, we provided the City with interim financial support for the Class Environment Assessment. Throughout the EA we provided input and comments. We removed the commercial service building to lower the City's construction costs. We conveyed required land to the City for free. We acted as a staging area for utility contractors.

Given that The Widening is now proposed to commence *eight years* after the City first advised that it would be constructed (see chart below), we are profoundly concerned that our efforts have not materialized and that we have been consistently misled.

Essa Road Widening (Anne Street to Bryne Drive) Capital Plan Details			
Budget Year	Construction Period	Projected Costs	Change from Prior Year
2011	2011-2013	\$11,390,000	n/a
2012	2011-2015	\$15,154,000	33%
2013	2012-2013	\$2,294,000	-85%
2014	2013-2013	\$3,270,000	43%
2015	2017-2019	\$7,500,000	129%
2016	2017-2020	\$8,500,000	13%
2017	2019-2021	\$10,105,000	19%

We are eager to develop the City's most visible, well known, and largest vacant site, but until The Widening occurs, we are at a complete standstill.

**Municipal Capital Already Spent**

The City has already spent significant funds and staff resources in pursuit of The Widening.

### *Establishing Need*

The need for The Widening has been established, and repeatedly re-affirmed, for 18 years. Over this time the City has initiated and approved the following studies that show the need for The Widening:

- 1999 – City of Barrie Transportation Study
- 2009 – City of Barrie Intensification Study
- 2011 – Essa Road Widening Environmental Assessment
- 2014 – City of Barrie Transportation Master Plan

This work is reflected in the City's 2014 Official Plan.

### *Preconstruction Work*

Between 2011 – 2016 staff completed all the legal and construction work required before the roadworks associated with the Widening can occur, which is all the property acquisitions and utilities relocations.

### *Policy Work*

On June 29<sup>th</sup> 2015, City Council approved the new Mixed Use Corridor Zoning and Official Plan Amendment for the City's "*Intensification Corridors*". Intensification Corridors are identified in Province's Growth Plan for the Greater Golden Horseshoe as areas to be the focus for accommodating intensification and higher-density mixed uses in a more compact built form. The City's OP now prescribes a density of 50 units per hectare for its '*Intensification Corridors*', which implements the Provincial policy direction.

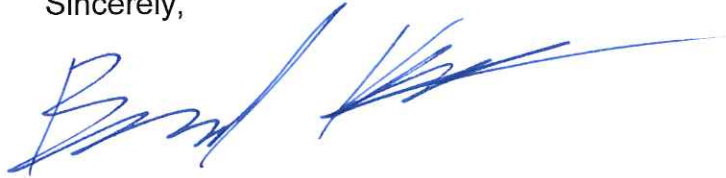
Further, the City's 2014–2018 Council Strategic Plan indicates a goal for a Vibrant Business Environment, which includes "*eliminating obstacles to business growth and investment*"; and Well Planned Transportation, which includes "*improving road networks*."

The Widening supports all of this policy work and is one of the City's most critical shovel-ready infrastructure and growth management projects.

It is an excellent investment opportunity for the City through short term Development Charge and perpetual assessment income. It is our strong opinion that the widening should commence in 2017.

Please contact me should you have any questions or require further information.

Sincerely,



Brad Keast  
VP Development, Osmington Inc.

cc.

Mayor Lehman  
Members of Council  
S. Patterson, Manager of Design and Construction  
M. Kalyaniwalla, Manager of Policy Planning

Appendix A



Property Outline and Essa Road Phase One and Two Widening