

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

January 16th, 2018

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

Dear Sir/Madams,

RE: Essa Road Widening and 2018 Business and Capital Plan

The current draft Barrie Business and Capital Plan for 2018 proposes to defer the shovel ready widening of Essa Road from Anne St. to Bryne Dr., hereafter referred to as “the Widening”, to 2020-2021. This deferral would represent a total of ten years of deferrals.

As we understand, the Widening is intended to be completed in two phases; Anne St. to Fairview Drive and Fairview Dr. to Bryne Drive with the dedicated cost split evenly. Currently, there is no certainty as to which portion will be proceeding first. As such, I am writing to request that the construction and associated costs for the Widening *fronting our property only, being Anne St. to Fairview Dr.*, proceed ahead of Fairview Dr. to Bryne, and be considered for allocation to 2018.

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 eleven 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; however, repeated deferral of the Widening has stagnated improvement of the Property.

Osmington is currently in discussions with a highly regarded development partner, Trinity Development Group. Trinity has a genuine interest in the Property and introducing a ‘first to market’ re-development proposal with Class A retailers, with immediate benefit to the residents of Barrie. Without the Widening,

the development plans will be compromised. Furthermore, without the Widening, a significant number of permanent and part-time jobs and the associated income gains will not be realized.

Return on Investment

The current draft 2018 Capital Plan has earmarked \$6,039,400.00 for the complete widening, which is split evenly for Anne - Fairview & Fairview - Bryne, which is \$3,019,700 respectively (as depicted in Appendix A).

The funding plan for road widening projects currently is 62% DCs, 34% property tax and 4% wastewater.

By our calculation¹, should the development proceed in 2018, the City will receive \$5,853,558.00 in Development Charges in addition to approximately \$2,102,923.00 in property taxes, year after year. This results in \$7,956,481.00 in revenue generated *in the first year*, which is **\$4,936,781.00** over and above the estimated cost for widening the portion of Essa Road fronting our property (i.e. Anne St. to Fairview Dr.).

Osmington and Trinity Development Group's concept plan 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 new concept underway 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

¹ - 2018 Development Charges: 194,535 sq ft of commercial x 30.09 per sf = \$5,853,558
- 2017 Tax Estimates, prepared by Altus Group: 194,535 sq ft of commercial x 10.81 psf = \$2,102,923
- NOTE: Calculations above are solely based on the 14 acres (+/-) of retail lands and exclude the residual 26 acres of lands currently envisioned as a residential community.

a staging area for utility contractors and we have continued to offer our land – free of charge – for construction staging to facilitate the Widening.

Given that the Widening is now proposed to commence nine years after the City first advised that it would be constructed (see chart below), we are profoundly concerned that our efforts have not been recognized 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%
2018	2020-2021	\$6,039,400	-40%

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 19 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 29th 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 2018.

In closing, the Widening of Essa Road is the catalyst required for this development to proceed. We would like to re-open discussions with staff regarding mutually beneficial options that will expedite the widening from Anne St. to Fairview Dr. in 2018.

Sincerely,



Hilary Vaillancourt
Development Manager, Osmington Inc.

cc.

Mayor Lehman
Members of Council
S. Patterson, Manager of Design and Construction
A. Bourrie, Director of Planning & Building Services
A. Premji, Senior Development Manager, Trinity Development Corporation

Appendix



Property Outline and Essa Road Phase One and Two Widening