

September 26, 2013

Mayor Jeff Lehman

The City of Barrie

Central Ontario's Premier Waterfront Community

Mayor's Office

2nd Floor

P.O. Box 400, Barrie Ontario

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Dear Jeff,

Thank you very much for taking the time to meet with me and hear my concerns about the new Cash in Lieu amount per parking space that was recently implemented. As discussed, this past summer I entered into a conditional agreement to purchase 70-74 Dunlop St. This is the building where the Second Cup is located.

It is my understanding that since 2009 the sellers had been struggling to lease the 2nd and 3rd floors of the building for many years. For nearly four years the 2nd floor of this building remained empty and the 3rd floor was leased, but at a significantly reduced rent. As a direct result of not receiving Tenants that could pay market rent, the owners were forced to sell the building or risk losing the property to their financier.

As I have always been optimistic on the downtown core and Barrie in general, I decided to make an offer on the property, with the intention of converting the 2nd and 3rd floors back to residential. Shortly after we had an accepted offer and while going through the due diligence period, it was brought to my attention by my real estate agent that we may have a major challenge. The challenge was that the new 'cash in lieu' amount per parking space had been increased from \$2,500 per space to \$15,000 per parking space, and 1.5 parking spaces per apartment were required. A total of seven apartments would require 10.5 – rounding up to 11 parking spaces which would mean a total of \$165,000 paid in Cash in Lieu. This was more than the budget I had in place for the renovation. Upon receiving this information, my immediate reaction was to abandon the project, which may have caused the building to go into power of sale.

As a current owner of another building on Dunlop Street for more than ten years (54 Dunlop St. where the Running Room is located), I had faith in the city of Barrie and its' council, and I believed there was a solution to this challenge, as my intention was to continue with this investment and continue to further invest in downtown, to add to the revitalization of downtown Barrie – a mandate that I believe is in alignment with the City of Barrie's vision.

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After several meetings at the City and with senior staff and a meeting with Ms. Strachan the downtown Councilor I was optimistic that a solution was possible. Therefore, I decided to take a chance and purchase the 74 Dunlop St. on the belief that the City of Barrie would support my investment in the downtown core and that a reasonable solution or exemption could be made for smaller type investments and buildings in downtown like this one.

Furthermore it has been my experience with my 54 Dunlop Street property that not all residential tenants in a downtown environment require parking spaces; therefore, requiring 1.5 parking spaces for each apartment is excessive. Although I cannot speak for all Landlord's in the downtown, but I know that this is what I do, and I don't think that it would be unreasonable to think that when a building owner does not have parking on site, a rent reduction that is equal to the cost of a monthly city lot parking pass is offered to a new tenant as an incentive, i.e. as the landlord we reduce our rent by \$80-\$100/month to secure the tenant. The tenant then purchases a parking pass from the covered TD bank parking lot which is then increasing the monthly and annual parking dollars received by the City of Barrie.

Therefore, if we were paying Cash in Lieu up front and then reducing the rent to secure a good tenant- the results is the landlord pays twice.

In summary, my goal has always been to invest in the revitalization of downtown Barrie as I did with the exterior façade and the interior apartments at 54 Dunlop Street. As stated earlier, I intend to further invest in a new renovation that will bring more tenants/ customers to downtown Barrie all in hopes to do my small part in the goal of revitalizing the downtown core, not only securing my investments, but enticing others to invest as well.

Based on the above, I feel the cash in lieu program as its currently written should not apply to buildings like this one, especially since the 2nd and 3rd floor were originally residential. I am available for discussions and ideas on how we can work collectively to find a mutually beneficial resolution to this challenge.

PS: Jeff, I feel that you and your team have put forth a tremendous effort over the last several years and as a result the City of Barrie and the downtown area are moving in a positive direction.

Best regards,



Marc Anthony

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