

Subject: Request for Development Charge Credit Transfer - Nokia Canada Inc.

File Number: ACS2023-PRE-EDP-0028

Report to Planning and Housing Committee on 21 June 2023

and Council 28 June 2023

Submitted on June 9, 2023 by David Wise, Director, Economic Development and Long Range Planning, Planning, Real Estate and Economic Development Department

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Ward: Kanata North (4)

Objet : Demande de transfert du crédit sur les redevances d'aménagement – Nokia Canada Inc.

Dossier : ACS2023-PRE-EDP-0028

Rapport au Comité de l'urbanisme et du logement

le 21 juin 2023

et au Conseil le 28 juin 2023

Soumis le 9 juin 2023 par David Wise, Directeur, Développement économique et planification à long terme, Services de la planification, des biens immobiliers et du développement économique

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Quartier : Kanata Nord (4)

REPORT RECOMMENDATION(S)

That Planning and Housing Committee recommend Council approve a development charge credit transfer between two adjoining properties for the demolition of an existing building at 600 March Road and the construction of a replacement building at 540 March Road.

RECOMMANDATION(S) DU RAPPORT

Que le Comité de la planification et du logement recommande au Conseil d'approuver le transfert du crédit sur les redevances d'aménagement d'une propriété à la propriété adjacente pour la démolition d'un bâtiment existant au 600, chemin March et la construction d'un bâtiment qui le remplacera au 540, chemin March.

BACKGROUND

On August 31, 2022, City Council Approved an Official Plan Amendment (D01-01-22-0006) and site-specific Zoning By-law Amendment (D02-02-22-0034) to rezone the site in order to permit the redevelopment of the site, which includes the relocation of Nokia Canada's offices and labs to the southern end of the site. The Zoning By-law Amendment is in full force and effect.

On January 11, 2023, the Committee of Adjustment provisionally approved the severance (D08-01-22/B-00352, B-00353, B-00354) of the site which allowed for the subdivision of the site into three separate parcels of land for a phased development. The first severed parcel (Area A on the attached Document 1 - Location Map) is intended to be developed in the future for residential and commercial purposes. The second severed parcel (Area B on the attached Document 1 - Location Map) is intended to be developed for Nokia's new mixed-use office and laboratory campus. Construction is anticipated to begin by Q4 2023. There are no immediate plans to develop the retained lands in the southwest corner.

With the severance of the site being approved, and the delineation between future development parcels defined, Nokia sought an additional site-specific Zoning By-law Amendment (D02-02-23-0007) to rezone part of the site, which will be developed as a mixed-use office, retail and laboratory campus, to remove residential uses. City Council approved that rezoning on March 8, 2023, and the Zoning By-law Amendment is in full force and effect.

DISCUSSION

The City's Development Charges (DC) By-law 2019-156 include provisions which provides a credit or a reduction in the growth-related fees payable for non-residential development if the subject development involves the conversion of existing floor space from one use to another, or if an existing building on site is being demolished. This practice is intended to recognize that servicing capacity is freed up when an existing building is demolished or converted, and that the replacement development will absorb this released capacity as opposed to creating new demand. The value of the demolition credit is based on the rate in effect in the active DC by-law with the overall development charge reduction not exceeding the amount notionally payable by the space being replaced.

It is the City's practice, however, to provide a demolition credit in the amount of the theoretical charge payable for the specific building that has been demolished with the redevelopment credits remaining with the property. These redevelopment credits would, therefore, not be transferable to another parcel of land. In this case the City is proposing that the credits do not remain with the specific parcel (*Area A*) but that it be transferred to the adjoining lands (*Area B*). This transfer of credits will still ensure that any servicing capacity released, produces a compensating net servicing benefit to the City, which would not already be absorbed by other developments outside of this general location. This credit would then apply against the growth-related fees that are payable based on the new replacement building.

Any development charges or growth-related fees owing, in excess of the demolition credits, will be collected at the time of building permit issuance. Further, the doner parcel (*Area A*) will not be eligible for any additional demolition credits when that site is redeveloped. The property owner is aware of this and is responsible for advising any future purchaser.

FINANCIAL IMPLICATIONS

There are no direct financial implications associated with the report recommendation.

LEGAL IMPLICATIONS

There are no legal impediments to the adoption of the recommendation in the report.

COMMENTS BY THE WARD COUNCILLOR(S)

The Councillor is aware of application related to this report.

CONSULTATION

The development charge credit transfer is an internal matter and there is no requirement for public consultation to take place.

ASSET MANAGEMENT IMPLICATIONS

There are no asset management implications associated with the recommendations in this report.

ACCESSIBILITY IMPACTS

There are no accessibility impacts associated with this application.

ECONOMIC IMPLICATIONS

The proposed redevelopment has been identified as a High Economic Impact Project (HEIP) as it is a significant development initiative that support the economic development strategy and city building priorities. The proposal has both direct and indirect economic impacts to the city. These include:

- Delivering a significant number of construction jobs (approximately 3,800 job years of construction) and full-time permanent jobs (approximately 2,500 research and development focused jobs) and contributing to Ottawa's overall economic growth;
- Being of a significant scope (total project investment in excess of \$1 billion); and
- Being in alignment with the City's Economic Development priorities of Knowledge-Based Industries and Urban Services.

RISK MANAGEMENT IMPLICATIONS

There are no risks associated with this application.

RURAL IMPLICATIONS

There are no rural implications associated with this application.

SUPPORTING DOCUMENTATION

Document 1 Location Map

DISPOSITION

Office of the City Clerk, Council and Committee Services to notify the owner of City Council's decision.

Legal Services, City Manager's Office to forward the implementing bylaw to City Council.

