

**Subject: Land Exchange of 529 Tremblay Road and 530 Tremblay Road with
His Majesty the King in Right of Canada**

File Number: ACS2022-PIE-CRO-0002

**Report to Finance and Economic Development Committee on 1 November 2022
and Council 9 November 2022**

**Submitted on August 17, 2022 by Peter Radke, Director, Corporate Real Estate
Office, Planning, Real Estate and Economic Development Department**

**Contact Person: Kim Millar, Manager, Realty Initiatives and Development,
Corporate Real Estate Office**

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Ward: Alta Vista (18)

**Objet : Échange de terrains (529, chemin Tremblay et 530, chemin Tremblay)
avec Sa Majesté le Roi du chef du Canada**

Dossier : ACS2022-PIE-CRO-0002

Rapport au Comité des finances et du développement économique

le 1er novembre 2022

et au Conseil le 9 novembre 2022

**Soumis le 17 août 2022 par Peter Radke, Directeur, Bureau de l'immobilier de la
Ville, Direction générale de la planification, de l'immobilier et du développement
économique**

**Personne ressource : Kim Millar, Gestionnaire, Initiatives immobilières et
développement, Bureau de l'immobilier de la Ville**

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Quartier : Alta Vista (18)

REPORT RECOMMENDATIONS

That the Finance and Economic Development Committee recommend Council approve the following:

- 1. Declare a portion of 529 Tremblay Road legally described as part Lot 11, concession Gore Junction, Part 1, 2 and 3, on 5R9226; part blocks K and M, Plan 84, Part Catherine Street, Plan 84, Part 4, 5R9226, Gloucester, now in the City of Ottawa, containing approximately 1.184 hectares (2.926 acres) subject to final survey and shown annexed as Location Map 1 as surplus to City's requirements;**
- 2. Approve the Memorandum of Agreement, attached as Document 2 dated January 2022 between the City, Public Works and Government Services Canada, and Canada Lands Company Limited;**
- 3. Direct that this report be submitted in the new term of Council at Council's first regular meeting subsequent to the meeting where the Governance Report is considered; and**
- 4. Authorize and Delegate the Director, Corporate Real Estate Office to negotiate, conclude, amend, and execute all documents incidental, necessary or desirable to give effect to the Memorandum of Agreement on behalf of the City, including the final documents to complete this transaction.**

RECOMMANDATIONS DU RAPPORT

Que le Comité des finances et du développement économique recommande au Conseil d'approuver ce qui suit :

- 1. Déclarer une partie du 529, chemin Tremblay légalement décrit comme étant une partie du lot 11, concession Gore Junction, les parties 1, 2 et 3 sur le plan 5R9226, une partie des îlots K et M, plan 84, une partie de la rue Catherine, plan 84, la partie 4 sur le plan 5R9226, Gloucester, maintenant sur le territoire de la Ville d'Ottawa, d'une superficie d'environ 1,184 hectare (2,926 acres), sous réserve d'un levé définitif et illustrées sur la carte de localisation 1 ci-jointe, comme étant excédentaires pour les besoins de la Ville;**

2. **Approuver le protocole d'entente ci-joint en tant que document 2 et daté de janvier 2022, conclu entre la Ville, Travaux publics et Services gouvernementaux Canada et la Société immobilière du Canada;**
3. **Demander que le présent rapport soit présenté lors du prochain mandat du Conseil, durant la première réunion ordinaire du Conseil qui suivra la réunion au cours de laquelle le Rapport sur l'examen de la structure de gestion publique sera étudié; et**
4. **Autoriser le directeur du Bureau des biens immobiliers municipaux, et lui conférer les pouvoirs en ce sens, à négocier, à conclure, à modifier et à signer tous les documents accessoires, nécessaires ou souhaitables pour donner effet au protocole d'entente au nom de la Ville, y compris les documents finaux nécessaires pour réaliser cette transaction.**

BACKGROUND

529 Tremblay Road - City Property

The subject property is a parcel of non-viable City owned land, comprised primarily of roadway, located adjacent to Highway 417 and St. Laurent Boulevard. The property shown annexed as Location Map 1, is legally described as part of Lot 11, Concession Gore Junction, parts 1, 2 and 3, on plan 5R9226; part blocks K and M, Plan 84, part Catherine street, Plan 84, part 4, 5R9226, former Gloucester, now City of Ottawa, containing an area of 1.184 hectares (2.926 acres) subject to final survey. The site is zoned TD - Transit Orientated Development.

530 Tremblay Road - Crown Lands PWGSC-PSPC-CLC

These lands are shown as parcels 1 and 2 annexed here as Location Map 2, legally described as part of Block K, L, M, and N on Registered Plan 84 and part of Lots 11,12 Gore Junction, former Gloucester, now in City of Ottawa, containing approximately 1.683 hectares (4.159 acres) subject to final survey. The Site is Zoned TD-Transit Orientated Development.

Public Services Procurement Canada (PSPC) by transfer of Administration and Control became the owner February 2009 of the property municipally known as 530 Tremblay Road in February 2009. The property consists of approximately 12 hectares (30 acres) of vacant land located at the southwest corner of Highway 417 and the St. Laurent Boulevard interchange.

The lands being exchanged by the parties are located within the Tremblay Road, Elmvale Gardens area and will be used for development of the PSPC office building and as a future roadway within the planned subdivision developments of Canada Lands Company Limited (CLC).

The City of Ottawa and Public Works and Government Services Canada (PWGSC) initially executed a Memorandum of Understanding (MOU) attached as Document 1 dated November 24, 2011. The intent of the MOU was to provide for an exchange of lands by the parties in order that PSPC could build a major Federal office development and at its own expense; a permanent enclosed weather protected pedestrian bridge funded by PSPC between the property and the City's rapid transit station at St. Laurent Shopping Centre and dedicating said pedestrian bridge to the City of Ottawa.

Due to changes in policy within PSPC, the property at 530 Tremblay Road was identified as an underutilized asset. The Minister of PSPC set out as a priority and expectation of CLC, to work with the department (PWGSC) to take on innovative projects to deal with underutilized assets.

As a result of PWGSC's interest in acquiring portions of 529 Tremblay Road, an internal circulation was completed in February 2020 to determine if the property was surplus to City requirements.

DISCUSSION

Following the execution of the MOU in 2011 attached as Document 1, PWGSC reviewed and eventually scaled back portions of its initial plan due to new policy directives within PSPC, which involved providing any available lands to CLC. The two government agencies developed a plan whereby PWGSC continued to develop the office component and CLC was brought in to develop the commercial and residential components of the new project.

The new direction from PWGSC and CLC required drafting of a new Memorandum of Agreement (MOA) between PWGSC, CLC and the City. As part of the new MOA, PWGSC has requested changes to the requirement for PWGSC to build the permanent weather enclosed pedestrian bridge from the property to St. Laurent rapid transit station. PSPC has stated in correspondence from June 24, 2022 that the pedestrian bridge remains an integral part of the site development, but additional due diligence is required to ensure the bridge can be delivered from both a technical and financial perspective.

The following are pertinent changes from the original MOU to the MOA:

- CLC now included as a signatory
- Project now to include a commercial and residential component
- CLC to apply for a Plan of Subdivision and Road Closing Application
- Pedestrian bridge design requires additional due diligence before PSPC can fully commit to the requirement
- City to grant a future easement to PWGSC for potential pedestrian bridge

Due to the changes to the original MOU, City staff renegotiated with PWGSC to ensure that if the pedestrian bridge is not built, PWGSC will compensate the City for the sale of lands located at 529 Tremblay Road. The values will be verified and agreed upon with third party appraisals at time of disposition.

Should the pedestrian bridge be built, the City is prepared to accept the asset, provided it is built to City standards, as a portion will be on City lands and PWGSC has requested reasonable open and safe ingress and egress easement to the retained lands via the pedestrian bridge.

The value of the City's parcel at 529 Tremblay Road is approximately \$ 7,600,000 and the value of the Crown's land at 530 Tremblay Road is \$12,500,000. The net result of this land exchange is that the City will be getting 1.683 hectares (4.159 acres) of land from PWGSC, and the City will be conveying 1.184 hectares (2.926 acres) of the closed Tremblay Road allowance to PWGSC. Even though more lands are being conveyed by PWGSC to the City and the area is worth more than the Tremblay Road allowance lands, no exchange of monies is contemplated, as previously reported, unless PWGSC does not build the pedestrian bridge, then the City will be compensated.

Although PWGSC as a federal agency and higher level of government is not subject to provincial or municipal land use controls, PWGSC is prepared to enter into an agreement to address matters of mutual interest between itself, CLC and the City relating to the delivery and installation of servicing and transportation infrastructure and the overall planning and land uses for the subject lands.

Along with the exchange of lands, the City will also receive as part of the planning process lands referred to as Storm Water Management pond, Open Space, annexed as Location Map 3.

The endorsement of the execution of the MOA in Recommendation 2 is recommended for approval within the details of this report shown attached as Document 2.

RURAL IMPLICATIONS

There are no rural implications as a result of this report.

COMMENTS BY THE WARD COUNCILLOR

The Ward Councillor is aware of this report.

LEGAL IMPLICATIONS

This report can be considered by Finance and Economic Development Committee at its meeting of October 4, 2022. However, as this report deals with a matter caught by the restrictions in the Municipal Act, section 275 (c) the disposition of any real or personal property of the municipality which has a value exceeding \$50,000 at the time of disposal; for adoption by Council, it will have to be directed to a meeting of the new term of Council.

RISK MANAGEMENT IMPLICATIONS

There are no risk implications associated with this report.

ASSET MANAGEMENT IMPLICATIONS

There is existing subsurface City infrastructure located within these parcels. Easements will be addressed as part of the land exchange negotiations.

FINANCIAL IMPLICATIONS

No exchange of funds is contemplated, unless PWGSC does not build the pedestrian bridge. Should the bridge not be built, the City will be compensated based on values verified and agreed upon with third party appraisals at time of disposition.

ACCESSIBILITY IMPACTS

There are no accessibility implications as a result of this report.

TERM OF COUNCIL PRIORITIES

This project addresses the following Term of Council Priorities:

- The recommendation in this report will support Economic Growth and Diversification, along with Sustainable Infrastructure and Thriving Workforce with the development of the project lands, the proposed new commercial and

residential subdivision, Office building and associated infrastructure by the proponents.

SUPPORTING DOCUMENTATION

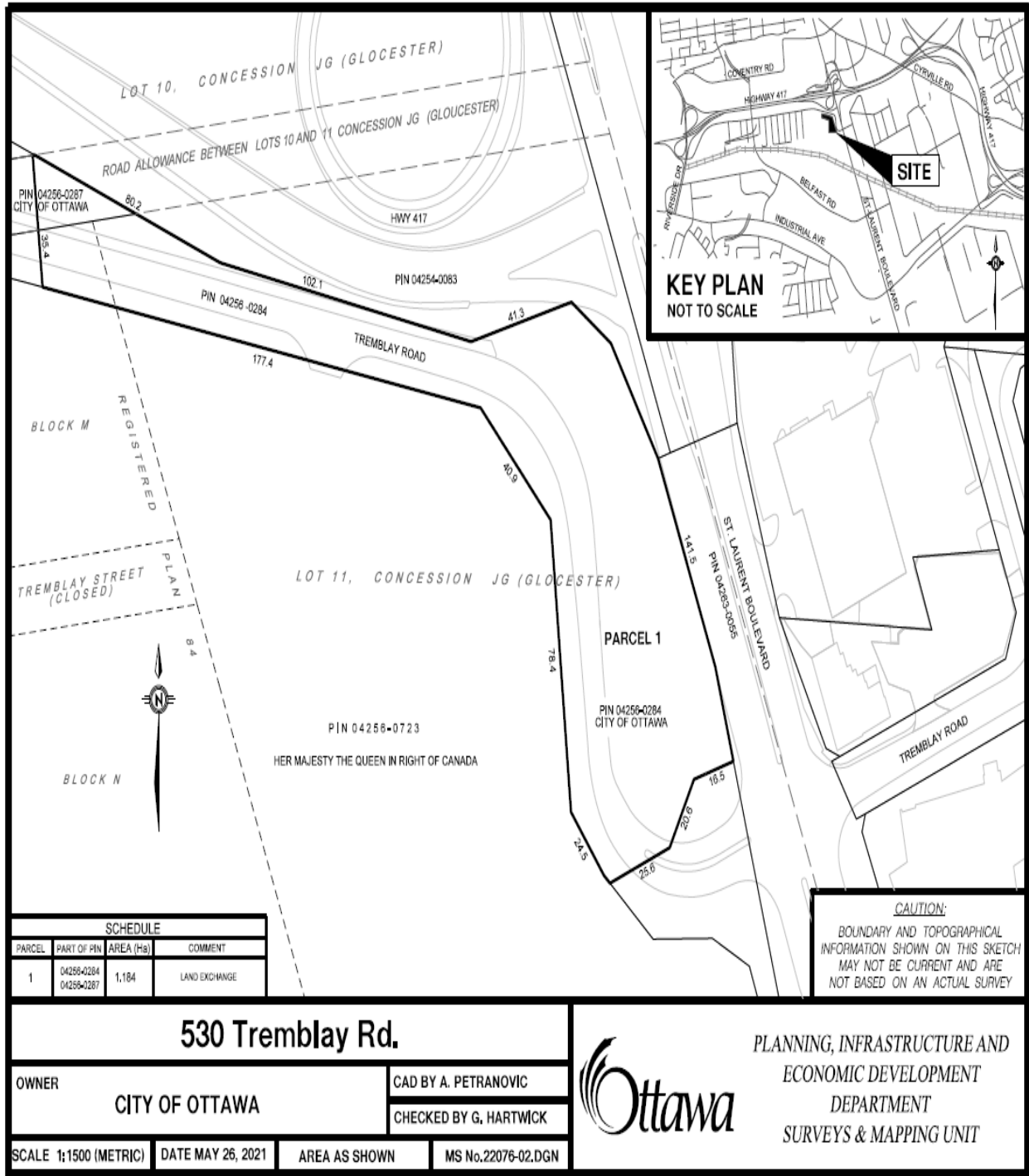
Document 1 Memorandum of Understanding Tremblay Road Complex.

Document 2 Memorandum of Agreement Land Exchange of Tremblay Road

DISPOSITION

The disposition of this report will be completed by Corporate Real Estate Office, working in conjunction with Legal Services to complete an Agreement of Purchase and Sale. Planning Infrastructure Economic Development will complete the subdivision and related planning requirements with PWGSC and CLC.

Annex – Location Map 1



Annex – Location Map 2

