

Subject: Lansdowne Partnership Plan - Authorization to Proceed to the Next Steps in the Redevelopment Report

File Number: ACS2023-PRE-GEN-0009

Report to Joint Finance and Corporate Services Committee & Planning and Housing Committee on 2 November 2023

and Council 10 November 2023

Submitted on October 6, 2023 by Cyril Rogers, General Manager, Finance and Corporate Services Department, and Don Herweyer, General Manager, Planning Services, Planning, Real Estate and Economic Development

Contact Person: Isabelle Jasmin, Deputy City Treasurer, Corporate Finance and Sean Moore, Director, Lansdowne Redevelopment Project, Planning Services

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Ward: City Wide

Objet : Plan de partenariat du parc Lansdowne – Rapport sur l'autorisation de procéder aux prochaines étapes dans le Rapport sur le réaménagement

Dossier : ACS2023-PRE-GEN-0009

Rapport déposé à la réunion conjointe du Comité des finances et des services organisationnels et du Comité de la planification et du logement le 2 novembre 2023

et au Conseil le 10 novembre 2023

Soumis le 6 octobre 2023 par Cyril Rogers, Directeur général des finances et des services organisationnels et Don Herweyer, Directeur général de la planification, des biens immobiliers et du développement économique

Personne ressource : Isabelle Jasmin, Deputy City Treasurer, Corporate Finance and Sean Moore, Director, Lansdowne Redevelopment Project, Planning Services

Telephone Number, Email Address

Quartier : À l'échelle de la ville

REPORT RECOMMENDATIONS

That the Joint Finance and Corporate Services Committee & Planning and Housing Committee recommend that City Council:

1. Approve the recommended revised concept plan for the new Event Centre, and new North Side Stands, and mixed-use development, as described in this report and attached as Document 7, as the basis for the next steps, subject to the completion of the next steps, including future Site Plan and Procurement approvals;
2. Approve the financial funding strategy, as detailed in this report, for the construction of a new Event Centre and North Side Stands, including increasing the budget authority by \$86.5 million, for an estimated total of \$419.1 million, to be financed by a combination of the disposal of subterranean and property air rights, debt and City capital budgets for City-specific and internal project management costs, including as follows:
 - a. Approve the Business Case estimating the tax supported debt servicing budget to be increased by \$16.4 million and gradually increase the annual budget pressure for debt servicing, as part of the annual budget approval process by \$1.3M each year, starting in 2024, to be offset by 75% of the increase in property taxes expected to start by 2031 from additional Lansdowne retail and residential properties, ticket surcharge revenue, rent and net cashflows from the Lansdowne Master Limited Partnership (LMLP) waterfall over the term of the agreement.
 - b. Approve the establishment of a Lansdowne Debt Servicing Reserve to put aside the \$1.3 million budget increase each year as a contribution to that reserve until the debt on Lansdowne is issued, at which time the reserves can offset any funding gap until the full \$16.4 million base budget is established.
 - c. Approve that the Mayor pursue additional capital funding from the federal and provincial governments estimated at between \$20 - \$50 million.
 - d. Approve an \$18.6 million budget for the construction of a maximum of 140 parking spaces beneath the North Side Stands to be leased to the

- residential tower owners and funded by debt with the lease revenue offset by debt servicing to be paid from the parking reserve.
- e. Approve, in addition to the existing spending authority of \$8 million, the estimated costs of \$10 million for the next steps in the project to be spent against the project budget authority, and authorize the City Manager to amend Cost Sharing Agreements with OSEG for detailed design work for the public Event Centre, required to continue the work
 - f. Waive the Affordable Housing Land & Funding Policy whereby the policy requires either 25 per cent net proceeds of the sale of City land to the Affordable Housing Reserve Fund, or inclusion of 25 per cent housing within the development is affordable and direct Staff to allocate 10% of the value of the subterranean and property air rights disposal to the Affordable Housing Reserve Fund.
 - g. Approve a maximum limit of \$2 million to be allocated from the construction budget for the Event Centre and North Side Stands, included within the \$419.1 million budget authority, for Public Art Commissions.
3. Authorize the General Manager, Planning, Real Estate and Economic Development to continue with the Official Plan Amendment process as described in this report
 4. Approve the recommended Zoning By-law and Official Plan Amendment changes deemed necessary to implement the revised Lansdowne Partnership Sustainability and Redevelopment Concept Plan, as described in this report and as outlined in Documents 2, 3, 4, 5, and 6, including as follows:
 - a. An amendment to the Official Plan to clarify the intent to permit maximum building heights up to 40 stories within the Lansdowne Special District, as detailed in Document 2;
 - b. An amendment to the Official Plan to clarify that an Event Centre (sports arena) is permitted within the established areas of greenspace and public space at Lansdowne Park, as detailed in Document 2;

- c. **An amendment to the Official Plan to clarify that an Event Centre is permitted within the Greenspace Designation portion of the Lansdowne Special District Designation, as detailed in Document 2;**
 - d. **An amendment to the L2C Subzone to create a new subsection and establish new performance standards related to the new mixed-use development, including permitted uses, maximum building height, maximum podium heights, minimum tower setbacks, maximum permitted dwelling units, and minimum parking rates, as detailed in Documents 3, 4, 5, and 6;**
 - e. **An amendment to the L2C Subzone to create a new subsection and establish new performance standards related to the new Event Centre (sports arena), including permitted uses, maximum building heights, minimum parking rates, and to add a new holding symbol to be removed upon Site Plan Approval, as detailed in Documents 3, 4, 5, and 6;**
 - f. **An amendment to the Schedule 258-A to permit a new maximum building height of 138 metres for the new mixed-use development (Area N) and a new maximum building height of 15.5 metres for the new Event Centre (Area E), as detailed on Document 5; and**
 - g. **A new Schedule to the Zoning By-law to delineate the area of the new mixed-use development (Area A) and the area of the new Event Centre (Area B), as detailed on Document 6.**
5. **Direct Staff to develop a public realm improvement plan in association with the Site Plan Control application for the Event Centre and North Side Stands redevelopment, such that it addresses improvements in a phased approach and in coordination with construction staging, as described in this report, based on extensive public consultation; and develop a multi-year plan to fund design and implementation up to \$10 million to be approved in future budgets.**
6. **Approve the next phase of the property rights process as described in this report and as follows:**
 - a. **Declare surplus the lands described as Parcel A as shown in Document 9 attached to this report and subject to final survey.**

- b. Approve delegation of authority to the General Manager, Planning, Real Estate and Economic Development Department for the disposal of either the Lease Fee or Fee Simple subterranean and property air rights for Parcel A in keeping with the Council approved Disposal of Real Property Policy.**
 - c. Approve delegation of authority to the General Manager, Planning, Real Estate and Economic Development Department, for the acquisition of the subterranean and property air rights for retail development, in keeping with the Council approved Acquisition of Real Property Policy.**
 - d. Direct Staff to report back to Council on the results of the subterranean and property air rights disposal and property rights acquisition, prior to finalization, for approval.**
- 7. Direct Staff to undertake an analysis of the potential benefits and drawbacks associated with various project delivery models and report back on the recommended procurement delivery model for the construction of the Event Centre and North Side Stands for Council consideration and approval, on the understanding that staff will also report back on the results of the Event Centre and North Side Stands tender process and provide an update to the financial model including any variables such as the procurement method, interest rates, and results of the property air rights disposal, construction escalation, and schedule status.**
- 8. Direct the City Manager, in consultation with the Chief Financial Officer/Treasurer and City Solicitor to negotiate the amendments to the Lansdowne Partnership Plan agreements necessary to reflect the changes to the Partnership as described in this report and the decisions of Council.**

RECOMMANDATIONS DU RAPPORT

Que le Comité des finances et des services organisationnels et le Comité de la planification et du logement recommandent au Conseil municipal, pendant leur réunion conjointe :

- 1. d'approuver le plan conceptuel révisé et recommandé pour le nouveau Centre d'événements et les nouveaux gradins du côté nord, de même que pour le complexe d'aménagement polyvalent selon les modalités exposées**

dans ce rapport et reproduites ci-joint dans la pièce 7, comme point de départ pour les prochaines étapes, à la condition de réaliser les étapes suivantes, dont le plan d'implantation projeté et les approbations dans l'attribution de l'approvisionnement;

- 2. d'approuver la stratégie de financement selon les modalités précisées dans ce rapport pour la construction du nouveau Centre d'événements et des gradins du côté nord, dont l'augmentation de 86,5 millions de dollars de l'autorisation budgétaire, soit un total estimatif de 419,1 millions de dollars, à financer à la fois par la cession des droits de propriété du sous-sol et du dessus, par emprunts et par les budgets de dépenses en immobilisations de la Ville pour les coûts propres à la Ville et les coûts de gestion interne du projet, à savoir :**
 - a. approuver l'analyse de rentabilité estimant qu'il faut augmenter de 16,4 millions de dollars le budget du remboursement de la dette payée à partir des recettes fiscales et hausser graduellement de 1,3 million de dollars par an, à partir de 2024, le budget annuel obligatoire du remboursement de la dette, à compenser par 75 % de l'augmentation, normalement à partir de 2031, des impôts fonciers au titre des commerces de détail et des propriétés résidentielles supplémentaires du parc Lansdowne, des recettes apportées par le supplément de prix des billets, par les loyers et par les rentrées de fonds nettes apportées par la structure en cascade de l'Accord de société en commandite principale Lansdowne (ASCPL) au cours de la durée de l'accord;**
 - b. approuver l'établissement de la réserve pour le remboursement de la dette du parc Lansdowne afin de réserver chaque année la hausse budgétaire de 1,3 million de dollars pour contribuer à cette réserve jusqu'à ce que les titres de dette sur le parc Lansdowne soient émis; les réserves permettront alors de compenser les déficits du financement jusqu'à ce qu'on ait établi l'intégralité du budget de base de 16,4 millions de dollars;**
 - c. autoriser le maire à faire des démarches auprès du gouvernement fédéral et du gouvernement provincial pour un financement complémentaire des infrastructures, estimé à une somme comprise entre 20 millions et 50 millions de dollars;**

- d. approuver un budget de 18,6 millions de dollars pour la construction d'au plus 140 places de stationnement sous les gradins du côté nord à louer aux propriétaires des logements des tours résidentielles et à financer par dette en compensant les recettes locatives par la charge de la dette à rembourser à même la réserve du stationnement;
 - e. approuver, outre le pouvoir de dépense existant de 8 millions de dollars, les coûts estimatifs de 10 millions de dollars pour les prochaines étapes du projet, à consacrer aux crédits budgétaires du projet, et autoriser la directrice municipale à modifier les accords de partage des coûts avec l'OSEG pour les travaux de conception détaillés du Centre d'événements public, accords nécessaires pour poursuivre les travaux;
 - f. renoncer à l'application de la Politique sur les terrains et le financement pour les logements abordables; cette politique oblige soit à consacrer 25 % du produit net de la vente des terrains de la Ville au Fonds de réserve pour le logement abordable, soit à inclure une part de 25 % des logements dans le complexe d'aménagement pour en faire des logements abordables et demander au personnel de la Ville d'affecter, au Fonds de réserve pour le logement abordable, 10 % de la valeur des droits de propriété du sous-sol et du dessus cédés;
 - g. approuver une limite maximum de 2 millions de dollars, à puiser dans le budget de construction du Centre d'événements et des gradins du côté nord et comprise dans les crédits budgétaires de 419,1 millions de dollars pour les commandes d'œuvres d'art public;
3. d'autoriser le directeur général, Direction générale de la planification, de l'immobilier et du développement économique à enchaîner avec le processus de modification du Plan officiel selon les modalités exposées dans ce rapport;
4. d'approuver les modifications qu'il est jugé nécessaire d'apporter au *Règlement de zonage* et au Plan officiel afin de mettre en œuvre le Plan de viabilité révisé pour la Société en commandite du parc Lansdowne et le Plan révisé de l'avant-projet de réaménagement, selon les modalités exposées dans ce rapport ainsi que dans les pièces 2, 3, 4, 5 et 6, à savoir :

- a. **la modification à apporter au Plan officiel afin de préciser l'intention d'autoriser des hauteurs maximums d'au plus 40 étages pour les bâtiments du secteur spécial du parc Lansdowne, selon les modalités précisées dans la pièce 2;**
- b. **la modification à apporter au Plan officiel pour préciser que le Centre d'événements (établissement de sports) est autorisé dans les zones établies pour les espaces verts et les espaces publics du parc Lansdowne, selon les modalités précisées dans la pièce 2;**
- c. **la modification à apporter au Plan officiel pour préciser que le Centre d'événements est autorisé dans la partie de la désignation des espaces verts du secteur spécial du parc Lansdowne, selon les modalités précisées dans la pièce 2;**
- d. **la modification à apporter à la sous-zone L2C pour créer une nouvelle sous-section et pour établir les nouvelles normes de rendement se rapportant au nouveau complexe d'aménagement polyvalent, dont les vocations autorisées, la hauteur maximum des bâtiments, la hauteur maximum des podiums, les marges de retrait minimums des tours, le nombre maximum autorisé de logements et les tarifs minimums de stationnement, selon les modalités précisées dans les pièces 3, 4, 5 et 6;**
- e. **la modification à apporter à la sous-zone L2C afin de créer une nouvelle sous-section et d'établir de nouvelles normes de rendement se rapportant au nouveau Centre d'événements (établissement de sports), dont les vocations autorisées, les hauteurs maximums des bâtiments, les tarifs minimums de stationnement, de même que pour ajouter un nouveau symbole d'aménagement différé, à supprimer dès l'approbation du plan d'implantation, selon les modalités précisées dans les pièces 3, 4, 5 et 6;**
- f. **la modification à apporter à l'annexe 258-A pour autoriser la nouvelle hauteur maximum de 138 mètres pour les bâtiments du nouveau complexe d'aménagement polyvalent (secteur N) et la nouvelle hauteur maximum de 15,5 mètres pour le bâtiment du nouveau Centre d'événements (secteur E), selon les modalités précisées dans la pièce 5;**

- d. **demander au personnel de rendre compte, au Conseil municipal, des résultats de l'aliénation des droits immobiliers et de l'acquisition des droits de propriété du sous-sol et du dessus, avant la finalisation, pour approbation;**
7. **de demander au personnel de la Ville de mener l'analyse des avantages et des inconvénients potentiels liés à différents modèles de réalisation du projet et de rendre compte du modèle recommandé pour l'attribution de l'approvisionnement de construction du Centre d'événements et des gradins du côté nord, à étudier et à approuver par le Conseil municipal, étant entendu que le personnel rendra également compte des résultats de l'appel d'offres portant sur le Centre d'événements et les gradins du côté nord et apportera une mise à jour au modèle financier, dont les variables, par exemple la méthode d'attribution de l'approvisionnement, les taux d'intérêt, ainsi que les résultats de la vente des droits de propriété du dessus, de l'indexation des prix des travaux de construction et du statut du calendrier;**
8. **de demander à la directrice municipale de négocier, de concert avec le chef des finances et trésorier et avec l'avocat général, les modifications à apporter aux accords à conclure dans le cadre du Plan de partenariat du parc Lansdowne afin de tenir compte des changements apportés à la Société en commandite selon les modalités exposées dans ce rapport et conformément aux décisions du Conseil municipal.**

EXECUTIVE SUMMARY

Lansdowne is one of the City of Ottawa's most important assets. It's one of Ottawa's biggest attractions and a significant economic driver. Since improvements were made to the site in 2014, more than four million people visit Lansdowne annually to play in the park, attend community events, visit the farmers market, shop, eat, and participate in or watch sports events.

Lansdowne belongs to the people of Ottawa. The new infrastructure has been a success, turning Lansdowne 1.0 from a crumbling sports facility surrounded mostly by concrete and parking spaces into a vibrant public space with many different purposes and activities, more green space, more outdoor public realm, and more excitement. Now, further improvements are required to protect and sustain this important community asset.

The arena and north-side stands are functionally obsolete, significant users of energy, and reaching the end of their lives. Recent international events have been jeopardized by leaks and other faults in the infrastructure. These facilities need to be replaced so that the Lansdowne Partnership can achieve financial sustainability.

City council asked staff and the Ottawa Sports and Entertainment Group to propose a more sustainable partnership that will address the end-of-life infrastructure, environmental considerations, public spaces, and more. Council also asked staff to look at opportunities to build new facilities that match new levels of quality and environmental standards and better serve the community for the next 50 years.

The funding model proposed in this agreement achieves that objective. The cost of doing nothing, as outlined below, will be extremely expensive for Ottawa residents, as much as \$625 million over the next 50 years. The construction costs to move forward with this recommendation, \$419 million, will be partly offset by \$143 million in incremental revenues from the partnership and \$75 million in residential and commercial development.

The recommended new plan responds to community concerns about density on the site, proposing two towers instead of three, the previous recommendation. It improves public space significantly. And it includes a new, state-of-the-art, 5,500-seat event centre, to serve many purposes including women's professional hockey and junior hockey, and new north-side stands for the outdoor stadium. The result is an even better site for the community and a sustainable financial model for generations to come.

BACKGROUND

This is the fourth report City Council will consider for the continued evolution of Lansdowne Park, more commonly referred to as Lansdowne 2.0. The process to develop options to evolve Lansdowne has been undertaken in stages to ensure that there is due diligence and public consultation to inform each decision Council makes.

This report makes recommendations on a Concept Plan for Lansdowne 2.0 that has been revised from the plan that staff presented with Ottawa Sports and Entertainment Group (OSEG) in the May 2022. These changes are a result of the public consultations, the City's due diligence through the air rights Request for Expressions of Interest (REOI) process, the *Planning Act* process, the financial review process, and reflect the complexity of the site. The Public Realm plan will also be further refined consistent with public feedback and coordinated with future work on site.

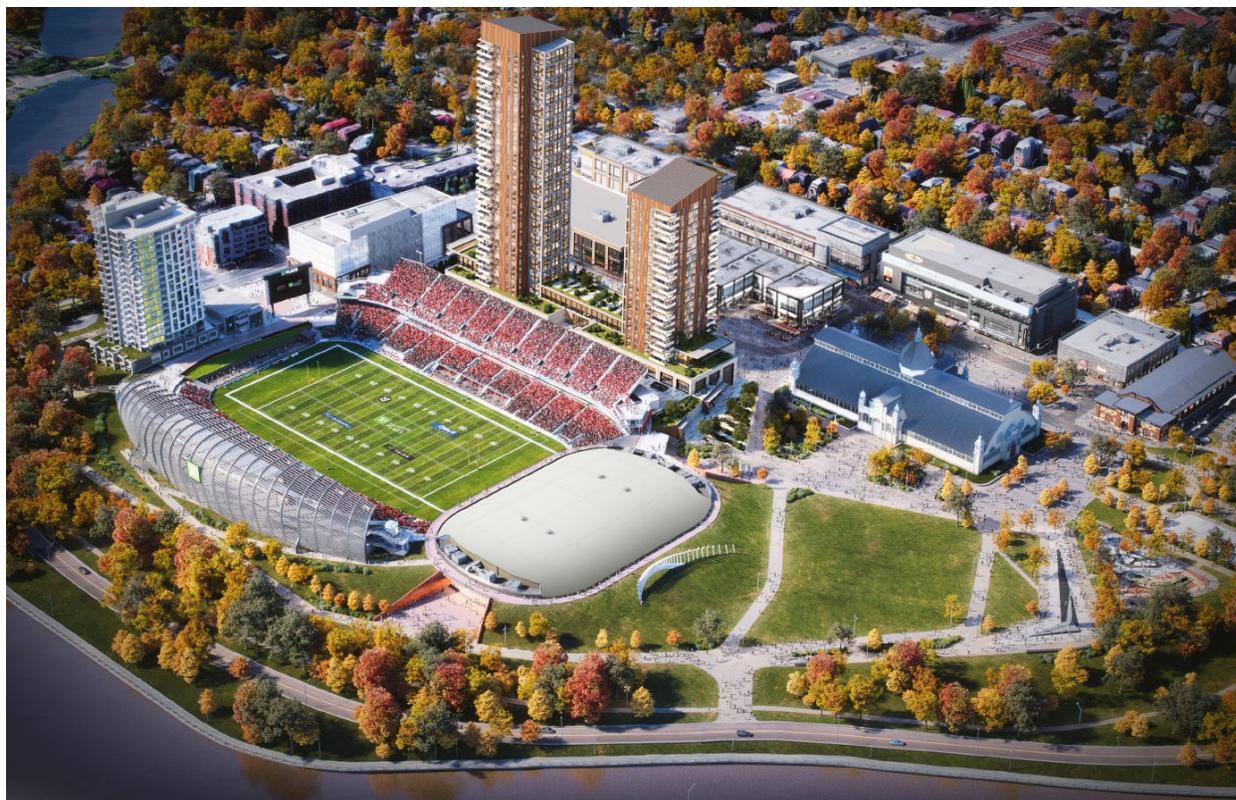
Council will be asked to consider and approve a Business Case and funding plan that reflects the revised Concept Plan and approve the implementing Official Plan and Zoning amendments. As well, Council will be asked to provide staff with direction on proceeding with the following next steps: the process to sell subterranean and property air rights for residential development, advance the planning process, consult on the public realm plan, analyze the benefits and risks of various procurement models for construction, and negotiate necessary changes to the Lansdowne Partnership Agreement based on Council's decisions in this report (noting that any changes will be considered by Council in a subsequent reports).

Previous City Councils have already determined that the original renewal of Lansdowne Park (Lansdowne 1.0) was an important city-building initiative, and that completing the revitalization is necessary for the medium- and long-term sustainability of the Lansdowne Park Partnership (Partnership) and the continued growth of Lansdowne as a destination spot for residents and tourists alike. Staff believes that the recommended proposals in this report achieve the goals set by Council, is affordable for taxpayers and is responsive to community feedback.

LANSDOWNE 2.0 OVERVIEW

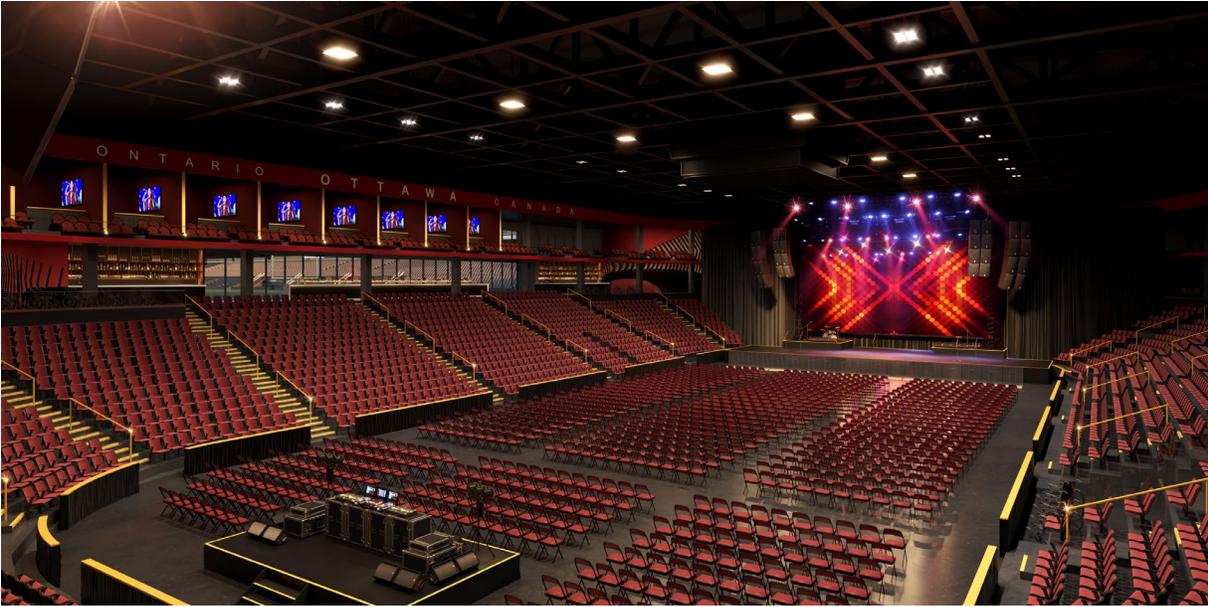
The report outlines the revised Concept Plan, which would see:

1. a new, state-of-the-art, 5,500 seat Event Centre;
2. new North Stadium Stands with 11,200 seats;
3. much needed residential density with 770 units in two residential buildings;
4. a replacement of a portion of the mixed-use retail space; and
5. City-public realm enhancements.



Together the City-owned Event Centre and Stadium facilities bring diverse programming that significantly adds to the vibrancy of our city with over 160 events a year.

The new Event Centre, located at the east end of current TD Place stadium, will enable the Ottawa region to host over 100 events a year including World Junior Hockey Championships, international and national men's and women's curling and tennis championships, international professional volleyball, and different genres of music- and cultural events. In addition, it will be home to the Ottawa 67's hockey club, Ottawa BlackJacks professional basketball and to Ottawa's new Professional Women's Hockey League (PWHL) franchise.



The Event Centre will provide guests with greater accessibility, reduce the environmental impact of the current operations, will be integrated with the Great Lawn and maintain views of the Aberdeen Pavilion. Limited new parking for the Event Centre will support accessibility requirements for guests with mobility issues, and allow for access for community uses such as youth hockey.

The new North Side Stands would complete the replacement of the City's 56-year-old Civic Centre complex to allow the Ottawa region to continue to host major events such as Grey Cups, NHL outdoor games, FIFA Women's World Cups and outdoor concerts of 30,000 plus people. It will also continue to be home the Ottawa REDBLACKS football club and Atletico Ottawa professional soccer.

Both the Event Centre and Stadium will continue to be home to university sports rivalry games between Ottawa and Carleton Universities including the historic Panada Game (which is the largest annual uSport event in Canada), men's and women's hockey and basketball games and National uSports Championships.

The existing 41,000 square feet of retail (currently occupied by GoodLife, Beandigen Indigenous Café, the OSEG teams' store and Lansdowne box office, and other local businesses) would be replaced with a new retail podium of 49,000 square feet that is set back further from Exhibition Way and would open up views to the Aberdeen Pavilion from Bank Street to improve pedestrian and vehicle circulation.

Two residential buildings on the retail podium will add much needed housing to Lansdowne with up to 770 residential units.



The City will also be investing in new enhancements to the public realm spaces at Lansdowne to facilitate better enjoyment of the city programmed space. Approximately 27,900 square feet of new community space will be integrated with the existing plaza space surrounding the Aberdeen Pavilion and integrated with the Event Centre and Great Lawn.



SUMMARY CHANGES TO THE INITIAL LANSDOWNE 2.0 PROPOSAL

The changes to the Concept Plan proposed in this report respond to community input that the original plan for 1200 units and three towers was too much density for the site, which could negatively affect the character of Lansdowne. The City's financial, construction and market due diligence confirmed that a reduced footprint for the residential simplified the construction phase, improved pedestrian and mobility on the site, and better aligned with public expectations. The reduced density confirmed that the revitalization could not be accomplished in the same revenue-neutral financial model as Lansdowne 1.0. In other words, as outlined later in this section and detailed in the report, at a high level, there are not enough revenues (including property tax uplift from the number of residential units, subterranean and property air rights, ticket fees, rent and distributions from the Partnership) to cover the additional debt servicing cost that the City will need to incur for the necessary renewal of the City owned arena and north side stands.

That said, the funding plan that staff developed in response to the reduced intensification on the site is affordable, places the City higher up in the waterfall for a quicker return on its investment, and staff are recommending as a fair and sustainable Business Case for the City. The new material revenues that will accrue to the City from Lansdowne will help upgrade an important city-building capital project with over 69% of the new debt servicing costs covered by new sources of revenue generated from the proposed redevelopment.

While the funding strategy recommended by staff is affordable and innovative, it is not without risk. However, these risks are much less than the risks to the City if the revitalization does not proceed and the City's partnership fails. The risks are outlined later in this section and detailed in the report. The staff recommended financial model is consistent with city practices and policy on risk mitigation and is designed to manage risks associated with the recommendations being proposed.

THE PARTNERSHIP OVERVIEW

The City, not the Partnership, owns the facilities at Lansdowne, including the stadium, the arena and the retail space. It is a unique and multi-faceted asset that requires significant annual maintenance and upkeep to thrive as a welcoming and much-loved people place for the whole city. The pre-amalgamation City of Ottawa funding levels to maintain and operated this site were inadequate for many years and resulted in Lansdowne declining into disuse and disrepair. As detailed in the previous reports on

Lansdowne, in 2010, the City of Ottawa entered into a partnership with the Ottawa Sports and Entertainment Group (OSEG) to turn Lansdowne from what had become an admission-only, gated asphalt and concrete campus in disrepair into a place “where people can go to walk, cycle, shop, enjoy a good meal, be entertained, work, live, and play in an environment respectful of our architectural heritage” (Lansdowne Partnership Plan and Implementation report (ACS2010-CMR-REP-0034)). In the first nine years of operations, there have been over 25 million visitors to the Lansdowne and TD Place sports and entertainment district. There have been over 1,000 large and small events for people of all ages.

The site currently houses over 50 businesses and has created over 4,000 full and part-time jobs. In 2017, the OSEG Foundation was established to lower the financial barriers of entry to enable kids from all socio-economic backgrounds to participate in organized sport. Since its founding, the OSEG Foundation has contributed \$3.7 million to the community and REDBLACKS and 67’s players spend 7,000 hours annually off the field volunteering with community groups and organizations.

The Lansdowne Master Limited Partnership (LMLP) is a private public partnership between the City and Ottawa Sports and Entertainment Group. The Lansdowne Park Partnership Plan (LPP) Agreements establish how the City and OSEG work together. The LPP sets out that the City of Ottawa is a “Limited Partner” in the Master Limited Partnership established to manage construction of the Lansdowne project, oversee its ongoing operations, and share in the subsequent revenues that will be distributed through a closed financial system, also called the “waterfall” (described later). Specifically, the City continues to own the Civic Centre, Stadium, retail structures and public parking and OSEG has a lease agreement with the City to operate and maintain these assets.

The REDBLACKS and 67’s are owned by the limited partnership, and if sold, the proceeds would flow back into the LMLP closed financial system (the waterfall). In 2020, OSEG agreed to ensure that the sports teams would continue to play at Lansdowne for 18 years from the lease start date in 2014.

As part of the current agreement, the Partnership leases the land, retail and stadium for \$1 annually, and OSEG funds any net negative cashflows. The revenues, expenditures and financing related to REDBLACKS, 67’s, retail, stadium, including concerts and events all flow through the consolidated LMLP closed financial system. The Urban Park (including the Horticulture and Aberdeen Pavilion buildings) is not included in the

Partnership Agreement, and the capital costs of maintaining and operating these assets are the responsibility of the City.

The initial terms and conditions of the Partnership were established in 2012, and were based on an asset revitalization plan that balanced the risks between the parties, established a fair relationship where the City and OSEG aligned their respective investments and risks so that the City had a strong chance of repayment on its deemed equity, and a reasonable chance of a positive return on the stadium investment, and that OSEG would be able to generate a reasonable return on their investment. Those estimates were based on a projected financial model before the site was developed, and prior to when the true conditions and energy requirements of the existing assets were fully understood and before operating realities were known. And of course, before the never anticipated global pandemic would close operations for over a year.

The financial arrangement for the LPP is based on a closed system that defines equity contributions from the City and OSEG to be used solely for the purposes of the total project -- in other words all revenues are to go to the maintenance and operations of Lansdowne after which any profits are divided between the partners OSEG was required to contribute minimum equity at the start of the project and cover additional equity for any excess stadium/parking construction costs or to cover any negative operational cash flows. Any net positive cash flows from the stadium, sports franchises and retail operations are distributed to each partner (the City and OSEG). However, there have been no positive cashflows since inception, and no distributions to either partner, other than the repayment of the cost of the repairs to the arena's steel frame roof to OSEG, as approved by Council. OSEG's return is based solely on what they invested and not from any of the investment of the City's funds.

The primary benefit of this partnership agreement for the City is that the City is protected from having to contribute any money for asset lifecycle maintenance or operating deficits for the stadium, parking, retail or sports teams throughout the entire length of the agreement, which is now forty years to 2054. The costs of the original redevelopment of Lansdowne Park have been shared between the City of Ottawa and OSEG. The City's total capital cost to complete the stadium, arena, the City's portion of the parking garage, the Urban Park (which includes the Horticulture Building relocation and retrofit), site servicing costs, site management and all associated soft costs was approximately \$210 million. The City paid for the construction of the stadium renovation and expansion up to a maximum of \$135.8 million, while OSEG guaranteed

the completion of the stadium and parking structure and was responsible for any cost overruns. Again, these assets are all owned by the City.

OSEG has contributed over \$160 million in additional cash since operations began in 2012 – funds that the City did not have to contribute to its own facilities. Further, the original partnership agreements introduced the concept of revenue neutrality, which was based on the principle of not increasing the overall cost to the taxpayer. To assess revenue neutrality, cash inflows to the City over the agreement's term are compared to the cash outflows to ensure they are of equal or greater value. This concept worked well for Lansdowne 1.0 where debt was issued in 2014 and debt servicing began in that same year. The funding source was to notionally come from the property tax uplift which also started in 2014 and cost avoidance of \$3.8 million annually which began in 2012. Debenture funding requirements were effectively satisfied by using 75% of the municipal portion of realty taxes for the retail, office and parking elements and the avoided costs of \$3.8M, as was confirmed by the Auditor General in the November 24, 2020 Audit of Lansdowne Accounting/Waterfall report. Based on these results, there was no need for additional funding from the waterfall to meet the debt funding requirements for Lansdowne 1.0.

CURRENT SITUATION AND PRECEDING LANSDOWNE 2.0 WORK

Staff believe that the Partnership is at risk of not being able to continue based on current arrangements for several reasons. First, the 56-year-old city-owned facilities are functionally obsolete and environmentally inefficient and will not be able to serve the needs of the Partnership over what was initially assumed to be its 30-year life (at which time the original deal assumed the facility would need to be replaced at the City's cost). As the facilities continue to degrade and prove unable to meet the needs of event promoters or to visitors the result will be less events and lower attendance as the facility deteriorates over time. This degeneration of the assets will negatively impact the financial sustainability of an already financially challenged Partnership. Another issue is that the current model didn't contemplate OSEG contributing so much additional equity, primarily to cover year over year operating deficits since inception. As of March 31, 2022, OSEG has contributed \$160 million to the Partnership, which is \$100 million more than projected in 2012. They have also accumulated \$71.1 million of interest on this equity at 8 per cent interest. Not only is this unsustainable for OSEG, but because of this, projecting this accumulating interest, there are no expected returns from the waterfall to be paid to the City for the term of the agreement. This is primarily because the City only gets paid after all equity and return on equity is paid back to OSEG first,

and it has already been identified that it is impossible under the current arrangements for OSEG to recoup what it has invested.

Information related to the successes and challenges of the Partnership has been brought to Council for their awareness and consideration every year with an annual report. In late 2020, given the impact of the pandemic, the Lansdowne Annual Report and COVID-19 Impacts Update report recommended an approach to begin the conversation to address the challenges to the Partnership's long-term sustainability. Specifically, given that OSEG had already had to contribute significantly more equity to date than it would be able to recoup in the waterfall, there were serious operating and financial challenges with the operations of the 56-year-old north side stands and arena. Work was underway to try to bring more reliable foot traffic to the site on non-event days, with an overall goal of attracting five million visitors to the site each year; however, the pandemic placed additional pressures on the Partnership that could not have been anticipated at its inception.

To start the process of ensuring that the Partnership would be positioned to thrive post-pandemic over the life of the Partnership, Council approved some amendments to the agreement that would help OSEG weather the COVID-19 impact on the LPP's operations by allowing them to access the lifecycle reserve for three years, extending the term of the agreement to forty years to allow OSEG more time to recoup their investment and to eliminate the need to start paying the City participation rent and base rent in the event of a permitted transfer of the retail component to additional investors during the term of the partnership, if required. These measures were instrumental in helping OSEG get through the last three years of pandemic impact. However, it was understood the financial sustainability issues raised as far back as 2018 would likely continue to persist, and, on December 9, 2020 Council directed that a working group comprised of City staff and OSEG representatives further explore options to enhance the sustainability and long-term financial viability of Lansdowne's operations and the Partnership, including both operating and capital requirements. The review was to include ways to increase foot traffic on the site, including the options to enhance animation, improve public amenities, assess aging infrastructure and to increase the density in keeping with Council's urban intensification principles, including exploring the impact on the financial model of adding affordable housing.

In July 2021, Council approved the "Lansdowne Park Partnership: Path to Sustainability and Next Steps" report (ACS2021-PIE-GEN-0004). In this report, staff presented Council with information on current and previous high-level assessments of the aging

infrastructure at Lansdowne, specifically the North Side stands/Civic Centre, which were assessed to be functionally obsolete. This report included the framework and principles for improving Lansdowne Park and making the Lansdowne Partnership sustainable over the term of the partnership. It also directed staff to negotiate with OSEG on a commercially confidential basis on a proposal to revitalize Lansdowne Park and ensure the site can live up to its potential as a City-wide destination and be financially sustainable over the long-term.. Further, Council directed staff to complete the necessary due diligence and business case and bring forward the findings and recommendations based on the results of the necessary due diligence review.

Council gave further direction to bring forward a proposal that can attract more people to Lansdowne Park annually, with considerations to increase density with more housing and to increase foot traffic by expanding retail. Staff were also asked to examine public access, consider safety for all users and make recommendations for capital improvements to support site animation, create a more welcoming outdoor Urban Park and develop public programming to increase site use. The overall plan for the Urban Park and Public Realm would highlight Lansdowne as a city-wide facility and acknowledge the role of the site as an attraction for all residents and visitors of Ottawa. Council also updated the Guiding Principles to provide a high-level notional concept of how the sports facilities could be replaced with contemporary facilities. The seven negotiating principles approved by Council included the following: the overall package must be affordable and have a material and/or financial benefit to the City of Ottawa and the taxpayer; the proposal has to be fair to both parties and sustainable over the long term; City funds will not be used to subsidize OSEG operations; there will continue to be City-owned and managed assets that are distinct from the partnership; new retail or commercial development must remain within the waterfall; a competitive tender process be used for the new public facilities; and affordable housing will be a consideration in whatever is negotiated.

In May 2022, in the 2022 Lansdowne Partnership Sustainability Plan and Implementation Report, City Council approved the preliminary Concept Plan for the redevelopment of the North Side Stands and the Civic Centre prepared by OSEG consistent with Council's seven (7) negotiating principles. The preliminary Concept Plan proposed a new state-of-the-art stand-alone and fully accessible 5,500 seat Event Centre that would be the home of the Ottawa 67's and Ottawa BlackJacks, and a regional venue to attract and support a diverse range of music, cultural and festival events to Ottawa for diverse users. The North Side Stands would be reconstructed to the latest accessibility standards and include improved amenities, larger concourses,

and better views of the field. There would be a new retail component to replace the “J Block”, with a two level podium structure, increasing the commercial floor area from 41,178 square feet to an estimated 108,000 square feet. The podium would be set farther back from the current internal road, which will open the historic viewpoints of the Aberdeen Pavilion from Bank Street and improve the pedestrian experience and site circulation.

The proposal also included an estimated 1200 housing units within a three-tower configuration, such that two towers were to be constructed above the retail podium in the space currently occupied by the Civic Centre and the third between the new North Side Stands and Event Centre. It was identified that a portion of the tax revenue from the residential units could help defray the capital cost of reconstructing the public facilities. Subterranean and property air rights for the residential development would generate revenue in a lease or sale, thus creating the opportunity to assist in financing of the replacement of the City’s sporting facilities. Any additional parking would only be for the purposes of the new residential units. The residential component of the revitalization project would explore a minimum 10 per cent of the units as affordable, with further exploration on the ability to provide deeper affordability through a non-profit housing provider.

Through this report, Council established the road map for moving forward with OSEG concept through six core directions and approvals. This included approving the proposed Concept Plan in principle (the development of a new Event Centre, new North Side Stands, a new mixed-use development in the location of the existing Civic Centre, comprising 100,000 square feet of retail and 1200 new housing units) as the basis for negotiations between the City and the Ottawa Sports and Entertainment Group for the redevelopment; directing staff to initiate a rezoning and undertake public consultation to facilitate the redevelopment, and additional development to finance the replacement of the functionally obsolete sporting facilities; directing that an affordable housing target of 10% be included in the disposal process for the subterranean and property air rights such that the ownership and operation of the affordable units would rest with an established non-profit housing provider; approval of the recommended business model and financial funding strategy, with a budget authority for the cost of construction and preliminary works being established with an upset limit of \$332.6 million to be financed by a combination of the sale of subterranean and air subterranean and property air rights, debt and City capital budgets for City-specific and internal project management costs, with annual debt servicing to be funded by property tax uplift, ticket surcharge revenue, net cashflows from the Lansdowne Master Limited Partnership (LMLP)

waterfall on the condition that the planned uses and source of funds for the City portion maintains revenue neutrality and is aligned with Long Range Financial Plan; delegating authority to the City Manager to negotiate terms and conditions for the partnership with OSEG for construction of new event center, north side stands, and new retail that is aligned with legal framework and amendments described in the report and within parameters of the funding strategy and report back to Committee and Council; and approval for \$8 million for the next steps in the project to be spent against the project budget authority and cost sharing provisions and authorizing the City Manager to formalize Engagement and Cost Sharing Agreements with OSEG for the planning, design and engineering steps for the public sports facilities required to be completed until the next Council approval in the project.

Staff were also directed to take the next steps in the redevelopment of the Urban Park/Public Realm components of Lansdowne Park, including the development of a strategic public investment plan of capital improvements to the Urban Park and Public Realm to enhance site animation, programming, and public access, to be informed by feasibility studies and further consultation with stakeholders.

DUE DILIGENCE

Following Council approval, staff undertook four streams of due diligence work: a Request for Expression of Interest in Subterranean and property air rights (REOI); financial due diligence; *Planning Act* applications; and public consultations on both the proposal and the public realm components. They also looked at questions of constructability, the impacts of staging the construction and the complexities of the site operations. Third-party validations were conducted throughout this due diligence phase. These are all described in detail in the report and can be found in the attached documents.

Listening to the Community – the Revised Concept Plan

The City's due diligence and public consultations have resulted in substantial City modifications to the May 2022 OSEG proposal, including the residential portion and its interface with the North Side Stands. Specifically, the Concept Plan has been revised to remove the third residential tower closest to the Aberdeen Pavilion, resulting in a 2-tower concept of 40 and 25 storeys in height. This decision was based on the opportunity to introduce new public realm space in the order of 27,900 sq.ft next to the Aberdeen Pavilion, creating a new public space between the Aberdeen Pavilion and the new Event Centre. The prioritizing of additional public space was a to respond to public

critiques of the reduced green space in the original Lansdowne 2.0. The tower removal ensures residential density, and building heights are confined to the south side of Exhibition Way, reducing visual impacts on the Aberdeen Pavilion.

The revised Concept Plan also recommends that the retail podium is developed as a two-storey built form, with building setbacks to the residential podium above. While the podium will maintain the overall look and feel from the 2022 Concept Plan, it reduces the amount of space for commercial uses from 108,000 to 49,000 square feet, but an increase of 8,000 square feet compared to the current retail podium. This remaining space will be included in the Residential Development for residential amenity areas through the Request for Proposal for subterranean and property air rights as a means of increasing foot traffic on site. The streamlined retail program provides cost savings to the City in the construction of retail space, while still maintaining the retail strategy to activate the ground floor and contribute to year-round vitality off Lansdowne.

Considerations of the public realm components were central to all discussions around the redevelopment, and includes enhancements to Aberdeen Square to better align with public expectations, as well as operational requirements of the Farmers Market and to address seasonal market and programming requirements. For fall 2023, the City will be installing improved street furniture, such as moveable benches, picnic tables, sunshades and planters in the Square, to promote a welcoming atmosphere and revive this area and respond to the largest concerns expressed by the community in the consultations on the public realm.

The revised Concept Plan indicates that the location of the new Event Centre will displace approximately 50,000 square feet of the existing space occupied by both the existing berm and the Great Lawn., resulting in the current configuration of the Great Lawn reduced to 68,000 square feet. This is offset by 27,9000 square feet in a new, programable area between the Event Centre and the Aberdeen Pavilion and the reintroduced berm between the Event Centre and Great Lawn. Staff has reviewed capacity limits for events considering the resized Great Lawn and have determined that the current 9,000 person capacity is maintained in the reconfigured site. During the Site Plan design for the Event Centre, there will be additional public consultations on the design and integration between the new Event Centre and the Great Lawn.

The report also recommends at ten year dedicated annual capital fund to further enhance the Urban Park. The Ottawa Farmers Market will remain a vital core attraction in the Urban Park. Enhancements will include consideration of important additions to the playground portion of the park, that could include items suggested during the

consultation such as a water play feature, better lighting and audio equipment for the sports court and rink, wifi, etc.

Overall, staff believes the revised Concept Plan strengthen the urban design and public realm experience along Exhibition Way by introducing an appropriate scale of buildings, creating new high-quality public realm spaces, and encouraging vibrancy and vitality for a mix of uses.

Affordable Housing

The changes to the Concept Plan resulted in some changes to the funding model and business case, as did the refined costs of construction. These changes, as well as a review of costs and the construction schedule, resulted in a new recommended approach to affordable housing for Lansdowne 2.0. Members will recall that, in order to make the Lansdowne 2.0 proposal revenue neutral, staff had to assume that property taxes through increased density would need to be collected from the planned 10% affordable units. This helped to make the financial model for Lansdowne balanced but, did not achieve true affordability per market and regulatory standards. Council asked staff to look at options for making these units more affordable.

As described in detail in the report, staff worked with Ottawa Community Housing (OCH) to estimate the impact of adding more deeply affordable units on this site (noting that, with the reduced density on the site, the ten per cent affordable housing originally estimated at 120 units would come down to 75 units). The assumption used for this analysis was that the developer would construct the units to the specifications of OCH and then sell those units back to OCH.

Based on the due diligence, staff estimated that it could cost approximately 20% more to build affordable housing at Lansdowne compared to other sites in the city that are already under consideration for affordable housing. Further, any housing built at Lansdowne would not be available for occupancy until the towers are completed in 2033, which is a long wait to meet an urgent need for more affordable units. Given all the circumstances around funding the redevelopment as a whole, the premium that would be paid for housing on this site (meaning the City would get less 'bang' for its affordable housing contribution) and the time it will take for the housing to be built, staff is recommending that ten per cent of the value of the sale of the subterranean and property air rights be allocated to affordable housing reserve fund and that the remaining 15% that would normally be deducted per the City policy be exempt (meaning \$5.9 million of the subterranean and property air rights revenue would remain as a

funding source for the project, otherwise more City funding is required). This option provides cash of approximately \$3.9 million as soon as it is received that can be used towards the City's priority list as identified in the September 6, 2023 Affordable Housing Capital Strategy and Update Report. These are affordable and supportive housing projects consisting of 572 units that are prioritized for funding this term of Council, many of which will support the Integrated Transition to Housing Strategy. When taken as a whole, the affordable housing approach recommended by staff reduces the negative impacts on the overall financial model and speeds up the funding for affordable housing capital to address the immediate housing needs. Any further contribution from the subterranean and property air rights proceeds will negatively impact the city's position in the overall financial model.

The Capital Program

The total capital cost of the revised Concept Plan is now estimated at \$419.1 million. This estimate includes the cost of preliminary works, construction, soft costs related to design and delivery, escalation allowances, and contingency and can be considered to be a Class C estimate. A benchmarking exercise was also undertaken by an independent cost consultant and confirmed that the estimate lies comfortably within the range of recent projects of similar size and scope. Escalation has been added to the cost estimate to account for the fact construction contracts are anticipated to occur in the future and Council should understand that the escalation amount is influenced by the project delivery model that is selected.

Budget authority for the redevelopment was already established for \$332.6 million based on the May 2022 report. The construction costs have increased compared to the May 2022 proposal for a variety of reasons, namely market conditions, the construction of materials and labour cost escalation and ongoing supply chain disruptions that have occurred between 2021/2022 up to Q2 2023. The due diligence exercise also identified several costs that were not included in the previous estimates and exceed the contingency applied in 2022, primarily related to the following: The 2022 estimate did not include any additional parking and the current proposal includes adding 35 parking stalls for accessible at the Event Centre. LEED costs have been included as an allowance for all facilities in accordance with City policy and were previously assumed included in the construction costs. As well, more detailed itemization of soft costs, design, project management, contract administration, has resulted in an increase in the estimates.

Budget and Funding Strategy

Staff recommend that the budget authority for this project be increased by \$86.5 million to \$419.1 million in order to proceed with the next stages, to maintain current timelines and to reduce the risk of construction escalation costs due to delays. The budget would be re-established at an upset limit of \$419.1 million and staff would report back to Council for approval with the final construction tender price and subterranean and property air rights sale value. Staff recommend that only \$10 million be authorized for spending in addition to the initial \$8 million requested in May 2022 to continue to the next stage of work to be completed.

The funding strategy for this revised estimate now aligns with the updated costs and scope and site changes. The funding strategy has also evolved based on additional due diligence work and the changes to the density of the site for both residential and retail development, which reduces the amount of offsetting revenues expected in the original Concept Plan. The funding strategy also better aligns with the timing of debt servicing costs and projected sources of revenue.

The estimated total new debt that will be issued for this project would be \$312.7 million at an estimated annual debt servicing cost of \$16.4 million, assuming a 40-year term at 4.25 per cent. The initial source of funding for the debt servicing requirement will be the City's tax-supported debt servicing budget. Over time, as described later in this report, this cost will be offset by other sources of funding directly attributable to the redevelopment with the revised Concept Plan. The other funding sources detailed in the report are: sale of subterranean and property air rights through a competitive process (\$39 million less \$3.9 million for the affordable housing fund), grants from other levels of government (\$20 million), residential and hotel property tax uplift determined by City Revenue Services experts and based on a thorough external property market review and the reduced number of units (\$3.3 million annually at 75% of total uplift), commercial property tax uplift based on the additional due diligence and reduced square footage of the retail component (\$100,000 annually), potential Hotel Tax such that, if there is a hotel on the site, could generate funding from tourism that could be allocated to this project (\$500,000 annually), ticket surcharge (\$700,000 annually), rent from OSEG for the retail lands, stadium and event centre (\$500,000 annually), and other waterfall distributions (return of equity, return on equity and residual share of profits to the City in the waterfall). Internal costs (such as due diligence and public art) will be paid through the City's tax-supported budget as with any other capital build.

The proposed changes to the partnership agreement and changes to the waterfall of priorities pays the City back at the same time as OSEG based on contributed equity. OSEG's contributed equity will include the \$160 million that they have contributed to date, less the \$30 million of minimum equity they have agreed to write-off and any accumulated interest for a net contribution of \$107 million. The City's contributed equity is estimated at \$217 million, which is equal to the total cost of construction less total revenue sources calculated on a net present value basis. Revenue sources relevant for the calculation of funding equity include the sale of subterranean and property air rights, grants from senior levels of government, 75% of the "actual" property tax uplift achieved, plus the reduction to property taxes resulting from the decision to reduce density on the site (i.e., the difference in property tax uplift from 1,200 units versus actual number of units built); a hotel tax, guaranteed payments from the closed financial system (ie. ticket surcharge and rent) and the City capital budget for internal City costs.

The subterranean and property air rights would be disposed through a competitive process, with proponents demonstrating compliance with design criteria set out through the Request for Proposal process. As stated earlier, staff is recommending that ten per cent of the net proceeds from the subterranean and property air rights disposal be provided to the City's priority affordable housing projects as soon as possible following the sale.

Risk Mitigation and Cashflow

This report outlines the results of the due diligence undertaken by Ernst and Young (EY) on the pro forma projections for the redevelopment on behalf of the City. This pro forma guided the development of the revised funding strategy and included recommended changes to the structure of the waterfall to ensure the City's contributions, if approved, are materially recognized in the waterfall and that the City realizes some direct benefit to assist with affordability. This will involve changes to the Partnership Agreement.

Staff conducted a full financial due diligence analysis of each element of the funding strategy proposed in the May 2022 report to Council. The funding strategy at that time was at a high level and required external validation and greater detail and refinement. The conclusion of this more detailed analysis confirms that Lansdowne 2.0 would not be revenue neutral as per the definition above and will face issues with the timing of cashflows. Construction is estimated to be completed in 2029, debt would be issued shortly thereafter, and debt servicing would begin in 2030. The property tax uplift portion

of the funding is not expected to be fully realized until 2034 and distributions from the Partnership are not expected to begin until 2030.

The recommended funding strategy proposed in this report is based on the City funding the debt servicing from the operating budget in the early years, which would then, gradually, be offset by additional sources of revenue that will come to the City from the redevelopment in the years to follow. This funding strategy recognizes the uniqueness of the Lansdowne site as a public and private partnership. It recognizes that the North Side stands and the Civic Centre arena are 100% owned by the City of Ottawa and these assets are due for renewal in the near future. It recognizes that for other City assets, such as its community centres, arenas and libraries, the cost of renewal must come from the City's tax supported capital budget; however, the Lansdowne site is unique in that it is a revenue-generating operation in a public-private partnership and therefore, any early investments by the City can be repaid with development on the site in the form of property tax uplift and increased net cashflows from operations.

Staff also recognizes that, as opposed to the revenue-neutral agreement the City had with OSEG for Lansdowne 1.0, the funding strategy for Lansdowne 2.0 will also be dependent on net cashflows from the Partnership to offset the cost of debt and these net cashflows are a risk to the City if they do not materialize. The City's robust due diligence exercise, together with expert advice from EY (Ernst & Young), provided staff with assurances of returns in the future, but this does not eliminate all possible risk, so staff's funding strategy also includes some risk mitigation measures. Specifically, staff recommend that the City's debt servicing budget be increased gradually over the next several years, to establish the required base budget for the debt requirement. The tax supported debt servicing budget would be increased within the City's annual tax target, with increases starting in 2024, and with the debt servicing increases set aside as a contribution to a dedicated reserve for Lansdowne 2.0, that could be drawn down when the debt is issued in 2030. This approach gives the City several years to build up the debt servicing base budget to a sufficient level to fund the debt servicing costs for Lansdowne 2.0 regardless of any future revenues. Any future revenues that are realized, would then be additional revenue in future budget years to offset debt servicing or will be available to be spent on other city-wide services without having to increase property taxes.

The net budget pressure for the taxpayer for the redevelopment will be \$5.0 million in debt servicing cost on average over the life of the agreement. As explained earlier, Lansdowne is a City-owned asset. The 56-year-old arena and northside stands need to

be replaced. This recommendation means the City will be investing \$419.1 million in the City's assets for a net debt servicing requirement of \$5.0 million. This equates to \$95.4 million in net present value terms. That means taxpayers are getting a \$419.1 million asset for a net cost of \$95.4 million. This does confirm that this solution is not revenue neutral, but it is important to note that \$3.9 million of the \$95.4 million is to make up for the requested contribution to affordable housing, and \$28.6 million is to make up for the reduced density from 1,200 units to 750 units requested through public consultation. Over and above the \$95.4 million, the City is contributing existing funds from a debenture premium of \$33 million and capital budget envelope of \$18.3 million, for a total investment of \$146.6 million for a \$419.1 million asset.

THE COST OF DOING NOTHING

Staff analysis of the funding strategy also considered the "Do Nothing" option outlined below. Council has the choice between investing \$16.4 million in debt servicing (which we are expected to recover \$11.4 million, leaving a net investment of \$5 million for the City) now, to acquire a new, more vibrant, energy efficient facility, or lose up to \$12.5 million annually maintaining and operating an old and functionally obsolete facility that will eventually have to replace at the City's full cost, rather than through the Partnership.

At each stage of this exercise, staff has weighed the cost of Lansdowne 2.0 against the cost of the status quo, or doing nothing. These costs could be as much as \$400 million or more over the next 40 years, if OSEG defaults on the Agreement and the Partnership fails without any facility upgrades. The City cannot assume that OSEG could or would continue to contribute to the Partnership without a reasonable expectation of being able to achieve financial stability. Essentially, the City would be left operating retail and sports businesses, with an old, functionally obsolete facility, and would have to fund net operating deficits and increasing maintenance costs going forward. It would be difficult to find new investor-operators, whether from the private or non-profit sector, to take over OSEG's role, given the site's historical operating performance and proforma projections, and it is realistic to expect that any new investor group would seek to amend the terms of the partnership agreement to cure many of the challenges the current Partnership has faced, resulting in a likely higher transaction cost to the City for a new contract or agreement.

If new investors could not be found, the City would be responsible for operating and funding the site, buying the teams or they would be sold to another buyer. The City would not likely get optimal lease rates from the teams for a sub-standard stadium and would continue to incur the total costs of operating an older facility. The City would earn

the retail net revenues, but would also be responsible for repaying the outstanding loan on both the retail buildings and arena. Stadium and arena lifecycle costs would continue to escalate as the building ages. Decreased tenancies in the retail and office spaces will occur as a result of site obsolescence and would contribute to further operating losses and reduced realty taxes, both of which would be borne solely by the City.

Many of the assumptions described above were included in the 2020 estimated cost of termination. Since that time, many of these assumptions have actually worsened -- not least of which, is the increased cost of financing since 2020, and the unlikely possibility of another investor continuing to operate the teams with a comparable lease.

Staff is therefore recommending the revised Concept Plan for Lansdowne 2.0, with the proposed funding strategy and mitigation measures, as the best and most prudent business case for Lansdowne which, again, is owned entirely by the City.

Other Financial and Economic Implications of Lansdowne 2.0

In addition to the above, the report outlines other financial implications of the Lansdowne redevelopment that are outside of the scope of the funding strategy, namely the incremental development charges and community benefit charges for the residential development, estimated to be approximately \$15 million in revenue; the incremental water bill revenue from the new residential development, which is estimated to generate approximately \$250,000 per year and would be sufficient to cover the City's variable cost of service and would help fund the City's fixed costs of providing rate-based services. Doing nothing would avoid a small loss of approximately \$270,000 per year in the City's event revenues during the construction of the event centre. There may also be a loss of revenue from the Horticulture Building, depending on the level of disruption experienced through construction.

Based on the capital investment for the North Stadium Stands, Event Centre, retail podium and parking the economic construction impacts in the Ottawa CMA are estimated at \$387 million in GDP, \$275 million in labour income, and 3,694 person year FTEs. When considering the broader economic impact to the Province of Ontario, the economic impacts are estimated at \$565 million in GDP, \$366 million in labour income, and 5,171 person year FTEs. The economic impacts in the Ottawa CMA for the construction of the residential towers are estimated at \$187 million in GDP, \$128 million in labour income, and 1,798 person year FTEs. In Ontario, the economic impacts are estimated at \$278 million in GDP, \$174 million in labour income, and 2,555 person year FTEs.

The annual average contributions from operating the new site over the 40+ years following the start of construction are estimated at \$59 million in GDP, \$49 million in labour income, and 799 FTEs in the Ottawa CMA. In Ontario, annual average contributions are estimated at \$86 million in GDP, \$69 million in labour income, and 1,044 FTEs.

In addition to the impacts from the construction and future operations of Lansdowne 2.0, EY estimated the impact of visitor spending on the regional and provincial economy. These impacts were developed using historical non-local visitation at ticketed events at Lansdowne. Annual non-local visitor spending is estimated at \$53 million and is expected to sustain an annual benefit to the economy. This spending is estimated to contribute \$33 million in GDP, \$27 million in labour income, and 689 person year FTEs in the Ottawa CMA on an annual basis. For Ontario, it is estimated to contribute \$51 million in GDP, \$36 million in labour income, and 850 person year FTEs annually.

NEXT STEPS

Council is being asked to approve the recommended Official Plan and Zoning Bylaw amendments necessary for the competitive subterranean and property air rights sale process, and the ultimate realization of the Concept Plan (noting that there are still a number of Council approvals ahead, outlined later in this section and detailed in the report), as well declaring the specific parcel for the residential area surplus and proceed with the sale of the subterranean and property air rights, with the results being reported back to Council for approval.

Council is being asked to approve that staff proceed with the next phases of the planning process, ensuring that there is comprehensive public consultations on both the site plan and the urban park/public realm plan before any recommendations come back to Council.

Council is also being asked to direct staff to do an analysis of the potential benefits and drawbacks associated with different project delivery models and report back on the recommended procurement delivery model for the construction of the Event Centre and North Side Stands for Council consideration and approval, ensuring that the results of whatever delivery model Council chooses will also be subject to a competitive process, with those results also being reported back for approval.

As part of each of these processes, staff will prepare any updates to the financial model including any variables such as the procurement method, interest rates, and results of

the property air rights disposal, construction escalation, schedule status, undertake all necessary due diligence and report these back to Council.

Staff are also asking for delegated authority to begin the negotiations with OSEG for the changes to the Partnership Agreement that will reflect the necessary changes to the waterfall and reflect any other Council decisions that will impact the Agreement. The results of these negotiations will be brought back to Council for consideration and approval before any changes are finalized and executed.

Staff has been advised that the City's Auditor General will be undertaking an agile audit of Lansdowne financial strategy and, in addition to giving her team full access to any and all information and providing her with timely responses to any questions, staff will be mindful of this work as it proceeds through the next steps when determining the timing of reports. Staff will also be mindful of the cost escalation risk of significant delays to the process, and work co-operatively and on a best efforts basis with the Auditor General on assessing any risks.

At this point in time, the City and OSEG have a notional implementation plan for tasks following Council's consideration and approval of the recommendations in this report as outlined below. Council can accept, amend or reject staff's recommendations at each stage.

Planning

- Initiate detailed design (estimated at a cost of \$10M) on the Event Centre through the recommended \$419.1 million budget authority; (Estimated Timeline: Q4 2023)
- Approve the city-initiated Site Plan Control application for the Event Centre, estimated at a cost of \$1.1 million, funded through the existing spending authority budget of \$8 million previously allocated for planning work; (Estimated Timeline: Q3 2024)
- Respond to possible appeals to the Ontario Land Tribunal for the subject Zoning By-law Amendment and Official Plan Amendment;
- Lift of the holding provision following Site Plan approval of the Event Centre; (Estimated Timeline: Q3 2024)
- Initiate subsequent site plan and detailed design work for the North Side Stands (Estimated Timeline: Q4 2024).

Public Engagement

- Initiate public engagement through the Site Plan Control application process for the Event Centre and North Side Stands; (Estimated Timeline: Q1 2024)
- Develop a public engagement strategy on the Strategic Investment Plan for the publicly controlled portions of the site and engage public on public realm improvements; (Estimated Timeline: Q3 2024)

Infrastructure

- Report back to Council on staff's recommended delivery model for the procurement of the Event Centre and North Side Stands; (Estimated Timeline: Q1 2024)
- Report back to Council prior to final procurement acceptance on any changes that impact the funding strategy or budget authority; (Estimated Timeline: Q2 2024)
- Undertake an assessment of the impacts to the urban park and businesses during construction and its staging and provide the information to Council; (Estimated Timeline: Coordinated with each site plan approval stage).

Real Estate

- Issue the Request for Offer of Subterranean and property air rights; (Estimated Timeline: Q1 2024)
- Report back to Council on the results of the Request for Offer of Subterranean and property air rights and staff recommendations; (Estimated Timeline: Q2 2024).

Partnership

- Continue negotiations with OSEG;
- Report back on the amended LMLP Legal agreements for the next phase of redevelopment to Council for approval.

Staff believe the best-case/most optimistic order of operations and associated timelines are as follows:

a) New stand-alone Event Center: Start as early as Fall 2024 ready for use for the 2026/2027 Ottawa 67s season.

Beginning construction with the Event Centre ensures a continuation of use and public attendance at events and that there is no impact to the Ottawa 67's, or any planned events in the existing Civic Centre during construction. Upon completion of the Event Centre, the Ottawa 67's will be relocated into the new Event Centre, so that demolition of the existing Civic Centre and North Side Stands could commence.

b) Demolition and Reconstruction of North Side Stands: Start as early as Fall 2026 for a duration of 30 months

The demolition of the existing Civic Centre and North Side Stands will reduce seating capacity in the stadium for the 2027 and 2028 seasons. Temporary seating will be erected in the end zones to add up to 5,000 temporary seats.

The Zoning By-law Amendment and Official Plan Amendment in this report are subject to appeal to the Ontario Land Tribunal, and if appealed would add risk to the implementation timelines above.

CONCLUSION

The first phase of development at Lansdowne Park has been a resounding success. Millions of people visit the site every year and Lansdowne has become one of the city's biggest attractions and most important assets.

This recommendation protects and sustains this important community asset and avoids the enormous costs associated with the status quo, if the arena and north-side stands are not upgraded and the current financial model is not improved. It's financially affordable and responsive to community feedback. It builds on the previous success and ensures an even better Lansdowne Park for the next 50 years.

RÉSUMÉ

Le parc Lansdowne est l'un des actifs les plus importants de la Ville d'Ottawa. C'est aussi l'une des plus grandes attractions et un moteur économique important de cette ville. Depuis les améliorations apportées au site en 2014, plus de quatre millions de personnes visitent chaque année le parc Lansdowne pour s'y divertir, participer à des événements communautaires, visiter le Marché agricole, faire des emplettes, aller au restaurant et prendre part ou assister à des manifestations sportives.

Le parc Lansdowne appartient aux citoyens d'Ottawa. Les nouvelles infrastructures connaissent du succès : elles ont permis de transformer le parc Lansdowne 1.0, qui était une installation sportive délabrée, entourée essentiellement de béton et de places

de stationnement, pour en faire un lieu public revitalisé, réunissant de nombreuses vocations et activités différentes, plus d'espaces verts, un plus vaste domaine public en plein air et plus d'animation. Il faut aujourd'hui y apporter de nouvelles améliorations afin de protéger et de pérenniser cet important actif communautaire.

L'aréna et les gradins du côté nord sont fonctionnellement obsolètes, sont très énergivores et sont sur le point d'atteindre la fin de leur durée utile. De récents événements internationaux ont été pénalisés par des fuites et d'autres défauts dans les infrastructures. Il faut remplacer ces installations pour pérenniser financièrement la Société en commandite du parc Lansdowne.

Le Conseil municipal a demandé au personnel de la Ville et à l'Ottawa Sports and Entertainment Group de proposer un partenariat plus durable, qui permettra de réaménager les infrastructures en fin de durée utile, de se pencher sur les considérations environnementales et de réaliser des espaces publics, entre autres. Le Conseil a aussi demandé au personnel de se pencher sur les possibilités de construire de nouvelles installations correspondant aux nouvelles normes de qualité et d'environnement et permettant de mieux servir la collectivité dans les 50 prochaines années.

Le modèle de financement proposé dans cet accord atteint cet objectif. L'option qui consiste à « ne rien faire », comme nous l'expliquons ci-après, sera extrêmement onéreuse, financièrement, pour les résidents d'Ottawa et pourrait représenter 625 millions de dollars sur les 50 prochaines années. Les coûts de construction à engager dans l'application de cette recommandation, soit 419 millions de dollars, seront en partie compensés par les recettes incrémentielles de 143 millions de dollars apportées par la Société en commandite et par la somme de 75 millions de dollars dans l'aménagement des logements et des commerces.

Le nouveau plan recommandé répond aux inquiétudes de la collectivité à propos de la densité du site; on propose d'aménager deux tours d'habitation plutôt que trois, comme on le faisait dans la recommandation précédente. Ce plan améliore considérablement l'espace public. Il prévoit aussi un nouveau centre d'événements de pointe de 5 500 places, qui servira à de nombreuses activités, dont les matchs de hockey professionnel féminin et de hockey junior, ainsi que les nouveaux gradins du côté nord pour le stade. On pourra ainsi compter sur un site encore meilleur pour la collectivité et sur un modèle financier durable pour les générations à venir.

CONTEXTE

Il s'agit du quatrième rapport que le Conseil municipal étudiera pour l'évolution continue du parc Lansdowne, plus couramment appelé le « Projet Lansdowne 2.0 ». Le processus consiste à mettre au point des options pour veiller à ce que l'évolution du parc Lansdowne se déroule par étapes, pour veiller à mener un examen préalable et une consultation publique afin d'éclairer chacune des décisions du Conseil municipal.

Le présent rapport comprend les recommandations du plan conceptuel de Lansdowne 2.0, qui a été révisé à partir du plan que le personnel a déposé, avec l'Ottawa Sports and Entertainment Group (OSEG), en mai 2022. Les changements apportés sont le fruit des consultations publiques, de l'examen préalable de la Ville dans le cadre de la Demande de manifestation d'intérêt (DMI) sur les droits de propriété du dessus, de la *Loi sur l'aménagement du territoire* et du processus d'examen financier, en tenant compte de la complexité du site. Le plan du domaine public sera lui aussi réétoffé conformément aux commentaires du public et sera réalisé de concert avec les travaux projetés sur le site.

Le Conseil municipal sera invité à étudier et approuver l'analyse de rentabilité et le plan de financement qui correspond au plan conceptuel révisé, ainsi qu'à approuver la mise en œuvre des modifications à apporter au Plan officiel et au *Règlement de zonage*. En outre, le Conseil municipal sera invité à donner au personnel des directives sur la réalisation des prochaines étapes suivantes : le processus de vente des droits immobiliers souterrains et droits de propriété du dessus pour l'aménagement des tours d'habitation, l'avancement du processus de planification, la consultation sur le plan du domaine public, l'analyse des avantages et des risques de différents modèles d'attribution d'approvisionnement des travaux de construction, ainsi que la négociation des changements à apporter à l'Accord de société en commandite Lansdowne d'après les décisions prises par le Conseil municipal selon ce rapport (en notant que tous les changements seront étudiés par le Conseil municipal dans un rapport ultérieur).

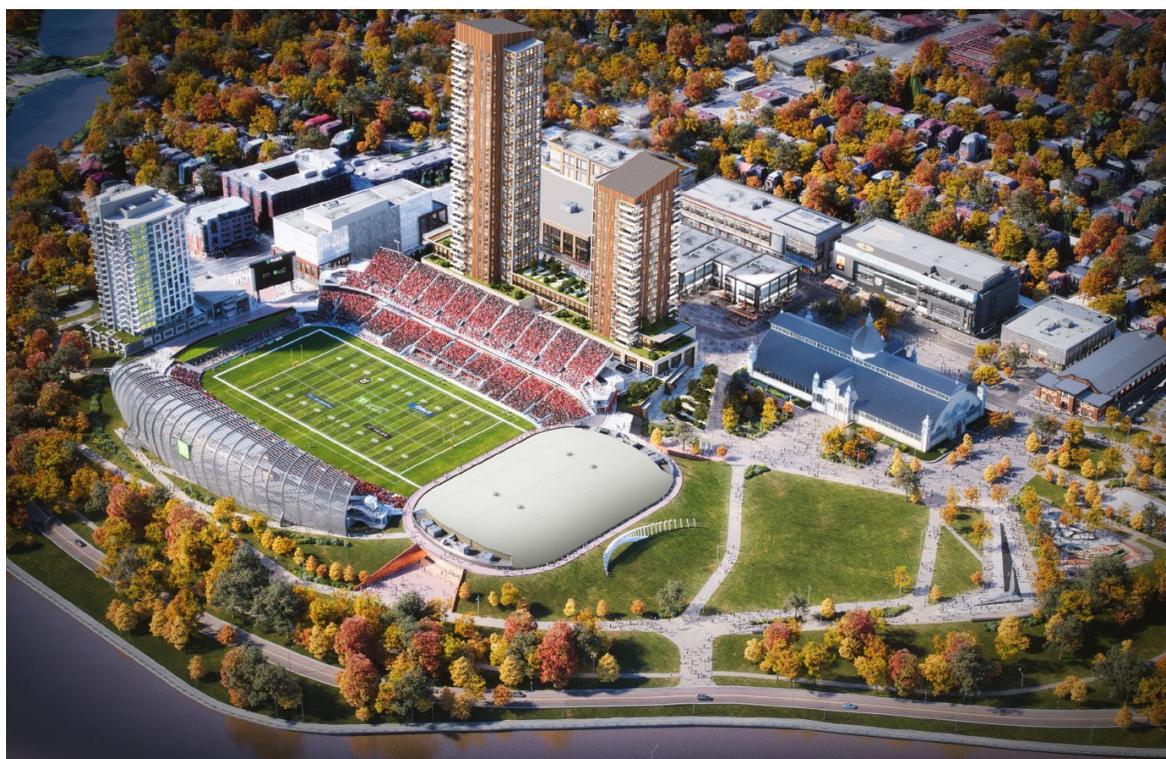
Dans ses précédents mandats, le Conseil municipal a déjà déterminé que le renouvellement originel du parc Lansdowne (le Projet Lansdowne 1.0) constituait une initiative importante et constructive pour la Ville et qu'il fallait mener à bien la revitalisation du parc pour assurer la stabilité, à moyen et à long termes, de la Société en commandite du parc Lansdowne (la Société en commandite) et la croissance continue de ce parc comme destination pour les résidents comme pour les touristes. Le personnel de la Ville croit que les propositions recommandées et exposées dans ce rapport permettront d'atteindre les objectifs fixés par le Conseil municipal, sont

abordables pour les contribuables et sont réceptives aux commentaires de la collectivité.

VUE D'ENSEMBLE DU PROJET LANSDOWNE 2.0

Le rapport décrit dans ses grandes lignes le plan conceptuel révisé, qui prévoirait :

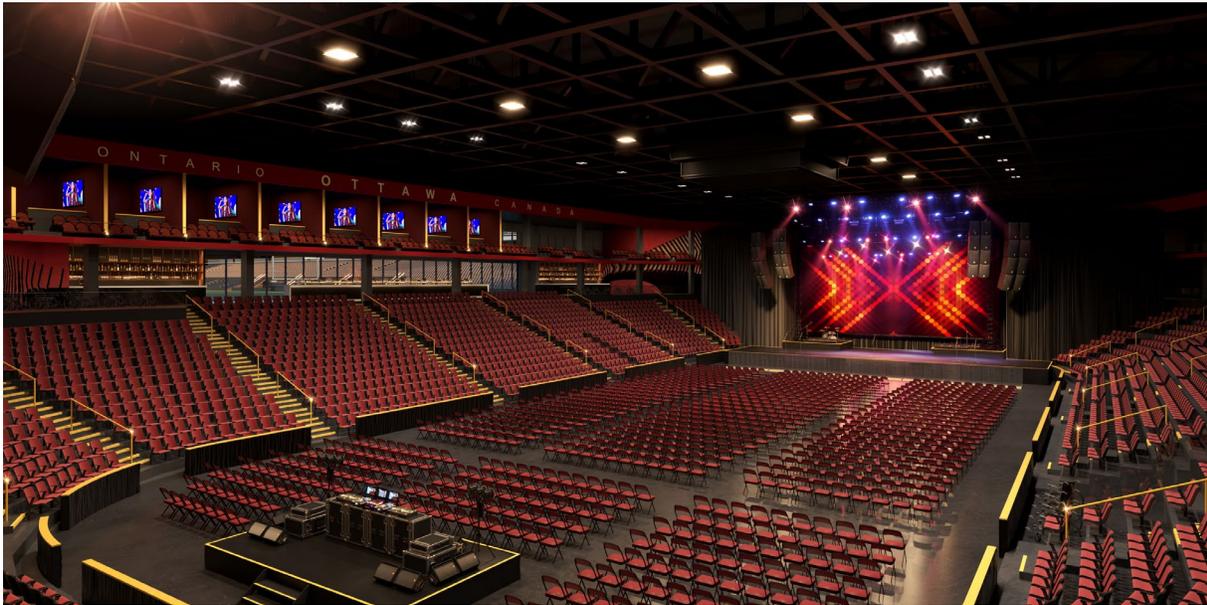
1. le nouveau Centre d'événements de pointe de 5 500 places;
2. les nouveaux gradins du côté nord de 11 200 places;
3. une densité résidentielle absolument nécessaire, grâce à 770 logements dans deux immeubles résidentiels;
4. le remplacement d'une partie des locaux polyvalents des commerces de détail;
5. les améliorations à apporter au domaine public de la Ville.



Ensemble, le Centre d'événements et les installations du stade, qui appartiennent à la Ville, assurent la diversité de la programmation qui enrichit considérablement la vitalité de notre ville grâce à plus de 160 événements par an.

Le nouveau Centre d'événements, situé dans le secteur est de l'actuel stade de la Place TD, permettra à la région d'Ottawa d'organiser plus de 100 événements par an,

dont le Championnat mondial junior de hockey, les championnats internationaux et nationaux de curling et de tennis masculins et féminins, des matchs de volleyball professionnel internationaux et différents genres de spectacles de musique et d'événements culturels. De plus, il sera le siège du club de hockey des 67 d'Ottawa, de l'équipe de basketball professionnelle des BlackJacks d'Ottawa et de la nouvelle équipe-concession de la Ligue professionnelle de hockey féminin (LPHF) d'Ottawa.



Le Centre d'événements offrira aux visiteurs une plus grande accessibilité, réduira l'impact environnemental des opérations actuelles, sera intégré avec la Grande pelouse et préservera les panoramas donnant sur le pavillon Aberdeen. Le nombre limité de nouvelles places de stationnement du Centre d'événements permettra de répondre aux impératifs de l'accessibilité pour les visiteurs qui ont des problèmes de mobilité et donnera accès aux activités communautaires comme les matchs de hockey des jeunes.

Les nouveaux gradins du côté nord permettront d'assurer le remplacement du complexe du Centre municipal aménagé il y a 56 ans par la Ville; la région d'Ottawa pourra ainsi continuer d'être l'hôte de grands événements comme les matchs de la Coupe Grey, les matchs en plein air de la LNH, la Coupe du Monde Féminine de la FIFA et les concerts en plein air réunissant plus de 30 000 personnes. Ils continueront aussi d'accueillir les spectateurs du club de football du ROUGE et NOIR d'Ottawa et du club de soccer professionnel Atlético Ottawa.

Le Centre d'événements et le stade continueront d'accueillir les matchs compétitifs de sports universitaires opposant l'Université d'Ottawa et l'Université Carleton, dont

l'historique match Panda (qui est le plus important événement annuel U SPORTS au Canada), les matchs de hockey et de baseball masculins et féminins ainsi que le Championnat national U SPORTS.

Les locaux des commerces de détail existants de 41 000 pieds carrés (3 809 mètres carrés) (actuellement occupés par GoodLife, Beandigen Indigenous Café, le magasin des équipes de l'OSEG et la billetterie du parc Lansdowne, ainsi que d'autres entreprises locales) seraient remplacés par un nouveau podium de commerces de détail de 49 000 pieds carrés (4 552 mètres carrés), à aménager plus en retrait par rapport à la voie Exhibition et offrirait de meilleurs panoramas sur le pavillon Aberdeen depuis la rue Bank pour améliorer la circulation piétonne et automobile.

Deux immeubles résidentiels surmontant le podium des commerces permettront d'aménager les logements absolument nécessaires, soit à concurrence de 770 logements, dans le parc Lansdowne.



La Ville investira aussi dans les nouvelles améliorations à apporter dans les espaces du domaine public du parc Lansdowne pour permettre de mieux profiter de l'espace municipal programmé. Environ 27 900 pieds carrés (2 592 mètres carrés) des nouveaux locaux communautaires seront intégrés dans l'espace de l'esplanade existante entourant le pavillon Aberdeen, ainsi qu'avec le Centre d'événements et la Grande pelouse.



SYNTHÈSE DES CHANGEMENTS APPORTÉS À LA PROPOSITION INITIALE DU PROJET LANSDOWNE 2.0

Les changements que nous proposons d'apporter, dans ce rapport, au plan conceptuel donnent suite aux commentaires de la collectivité selon lesquels le plan original de 1 200 logements et de trois tours d'habitation était beaucoup trop dense pour le site, ce qui pourrait avoir des incidences négatives sur la nature du parc Lansdowne. L'examen préalable par la Ville qui a porté sur le financement, la construction et le marché, a confirmé que l'empreinte au sol réduite des aménagements résidentiels simplifiait la phase des travaux de construction, améliorerait la circulation piétonne et la mobilité du site et cadrerait mieux avec les attentes du public. La réduction de la densité a permis de confirmer que la revitalisation ne pourrait pas être réalisée dans le même modèle financier de neutralité du point de vue des recettes que le Projet Lansdowne 1.0. Autrement dit, comme nous l'indiquons plus loin dans cette section et comme nous le précisons dans le rapport, dans l'ensemble, il n'y a pas suffisamment de recettes (en tenant compte du relèvement de l'impôt foncier grâce au nombre de logements, des droits immobiliers souterrains et droits de propriété du dessus, des frais perçus au titre des billets, des loyers et des distributions de la Société en commandite) pour financer la charge supplémentaire dans le remboursement de la dette que la Ville devrait engager pour assurer le renouvellement nécessaire de l'aréna et des gradins du côté nord, qui appartient à la Ville.

Ceci dit, le plan de financement que le personnel a mis au point en raison de la réduction de la densification du site est abordable, relève le rang de la Ville dans la structure en cascade pour accélérer le rendement de son investissement, et le personnel recommande une analyse de rentabilité équitable et pérenne pour la Ville. Les recettes nouvelles et importantes apportées à la Ville par le parc Lansdowne permettront de rehausser un important projet d'infrastructures pour l'aménagement de la municipalité, puisque plus de 69 % de la nouvelle charge dans le remboursement de la dette financée grâce aux nouvelles sources de recettes apportées par le projet de réaménagement proposé.

Si la stratégie de financement recommandée par le personnel est abordable et innovante, elle n'est pas sans risque. Or, ces risques sont nettement moindres que les risques que prendrait la Ville si ce projet de revitalisation n'est pas réalisé et que le partenariat de la Ville échoue. Ces risques sont exposés plus loin dans cette section et sont précisés dans le rapport. Le modèle financier recommandé par le personnel concorde avec les pratiques de la Ville et avec sa politique sur la maîtrise des risques et est destiné à permettre de gérer les risques associés aux recommandations proposées.

VUE D'ENSEMBLE DE LA SOCIÉTÉ EN COMMANDITE

C'est la Ville, et non la Société en commandite, qui est propriétaire des infrastructures du parc Lansdowne, dont le stade, l'aréna et les locaux des commerces de détail. Cet actif à la fois exceptionnel et polyvalent réclame d'importants travaux annuels d'entretien et de maintenance pour être florissant et constituer un lieu humain accueillant et très prisé pour l'ensemble de la Ville. Les niveaux de financement de la Ville d'Ottawa avant la fusion pour maintenir et exploiter ce site ont été insuffisants pendant de nombreuses années, et c'est ce qui explique que le parc Lansdowne soit tombé en désuétude et soit en mauvais état. Comme le précisent les précédents rapports sur le parc Lansdowne, la Ville d'Ottawa a conclu, en 2010, un accord de société en commandite avec l'Ottawa Sports and Entertainment Group (OSEG) afin de transformer le parc Lansdowne, qui était devenu un site en béton et en asphalte en mauvais état avec guichets à l'entrée, pour en faire un lieu « où les citoyens peuvent se rendre à pied ou à vélo, faire des emplettes, savourer un bon repas, se divertir, travailler, habiter et jouer dans un environnement qui respecte notre patrimoine architectural » (Plan de partenariat du parc Lansdowne et rapport sur la mise en œuvre [ACS2010-CMR-REP-0034]). Dans les neuf premières années de leur exploitation, le parc Lansdowne et le quartier des sports et des loisirs de la Place TD ont attiré plus de

25 millions de visiteurs. Plus de 1 000 événements, de plus ou moins grande envergure, y ont été organisés pour des personnes de tous les groupes d'âge.

Le site regroupe aujourd'hui plus de 50 entreprises et a permis de créer de plus de 4 000 emplois à temps plein et à temps partiel. En 2017, on a créé la Fondation de l'OSEG pour alléger les contraintes financières liées aux frais d'entrée afin de permettre aux enfants de tous les milieux socio-économiques de participer à des sports organisés. Depuis sa création, la Fondation de l'OSEG a versé 3,7 millions de dollars à la collectivité, et les joueurs du ROUGE et NOIR et des 67 d'Ottawa consacrent 7 000 heures par an, hors du terrain, à faire du bénévolat auprès de groupes et d'organismes communautaires.

L'Accord de société en commandite principale Lansdowne (ASCPL) est un partenariat privé-public réunissant la Ville et l'Ottawa Sports and Entertainment Group. Les accords du Plan de partenariat du parc Lansdowne (PPPL) établissent les modalités de la collaboration entre la Ville et l'OSEG. Le PPPL dispose que la Ville d'Ottawa est un « commanditaire » de la Société en commandite principale fondée pour gérer la réalisation du projet du parc Lansdowne, pour en surveiller les opérations permanentes et pour participer aux recettes distribuées dans le cadre du système financier fermé, aussi appelé « structure en cascade » (que nous décrivons plus loin). Essentiellement, la Ville est toujours propriétaire du Centre municipal, du stade, des locaux des commerces de détail et du parc de stationnement public, et l'OSEG a conclu avec la Ville un bail pour l'exploitation et l'entretien de ces actifs.

Le ROUGE et NOIR et les 67 appartiennent à la Société en commandite, et si ces équipes sont vendues, le produit de la vente reviendrait au système financier fermé (la structure en cascade) de l'ASCPL. En 2020, l'OSEG s'est engagée à veiller à ce que les équipes sportives continuent d'évoluer dans le parc Lansdowne pendant 18 ans à partir de la date du début du bail, en 2014.

Dans le cadre de l'accord actuel, la Société en commandite loue le terrain, les commerces de détail et le stade en contrepartie de la somme symbolique de 1 \$ par an, et l'OSEG finance toutes les rentrées de fonds négatives nettes. Les recettes, les dépenses et le financement se rapportant au ROUGE et NOIR, aux 67, aux commerces de détail, au stade, ainsi qu'aux concerts et aux événements, reviennent tous dans le système financier consolidé de l'ASCPL. Le parc urbain (dont l'Édifice de l'horticulture et le pavillon Aberdeen) ne fait pas partie de l'accord de société en commandite, et les dépenses en immobilisations à consacrer à l'entretien et à l'exploitation de ces actifs sont du ressort de la Ville.

Les dispositions initiales de l'accord de partenariat, qui ont été établies en 2012 et qui sont fondées sur un plan de revitalisation des actifs qui mettaient en équilibre les risques entre les parties, ont permis d'établir une relation équitable dans le cadre de laquelle la Ville et l'OSEG harmonisent leurs investissements et leurs risques respectifs; ainsi, la Ville avait une forte probabilité d'être remboursée de ses capitaux propres réputés et une occasion raisonnable de dégager un rendement positif sur l'investissement du stade, et l'OSEG était en mesure de générer un retour sur investissement raisonnable. Ces estimations étaient fondées sur un modèle financier projeté avant que le site soit aménagé, avant que l'on analyse l'ensemble des conditions véritables et des vrais besoins en énergie des actifs existants et avant qu'on en connaisse les réalités opérationnelles, et, bien sûr, avant même que la pandémie mondiale que personne n'attendait interrompe les opérations pour plus d'un an.

Le montage financier du PPPL se fonde sur un système financier fermé, qui définit les contributions en capitaux propres de la Ville et de l'OSEG qui serviront uniquement à financer les besoins de l'ensemble du projet — autrement dit, toutes les recettes seront consacrées à l'entretien et à l'exploitation du parc Lansdowne, après quoi les résultats bénéficiaires seront divisés entre les associés commanditaires. L'OSEG devait apporter des capitaux propres minimums au début du projet et financer les capitaux propres supplémentaires pour tout l'excédent des coûts de construction du stade et du parc de stationnement ou pour financer toutes les rentrées de fonds opérationnelles négatives. Tous les flux de trésorerie positifs nets du stade, des concessions sportives et des activités de vente au détail sont distribués parmi les partenaires (soit la Ville et l'OSEG). Toutefois, il n'y a pas eu de rentrées de fonds positives depuis le début, ni distribution parmi les partenaires, sauf le remboursement, à l'OSEG avec l'approbation du Conseil municipal, des frais de réparation de la toiture à charpente d'acier de l'aréna. Le rendement de l'OSEG est calculé uniquement sur ce qu'elle a investi, et non sur l'investissement des fonds de la Ville.

Le principal avantage que tire la Ville de cet accord de société en commandite est qu'elle est exemptée de toute contribution financière pour l'entretien lié au cycle de vie des actifs ou qu'elle n'a pas à éponger les déficits d'exploitation du stade, du stationnement, des commerces de vente au détail ou des équipes sportives pendant toute la durée de l'accord, qui s'étend désormais sur 40 ans, jusqu'en 2054. Les coûts du réaménagement originel du parc Lansdowne ont été partagés entre la Ville d'Ottawa et l'OSEG. Les investissements totaux de la Ville pour l'achèvement du stade, de l'aréna, de la partie du garage de stationnement lui appartenant, du parc urbain (qui comprend le déménagement et la modernisation de l'Édifice de l'horticulture), les coûts

d'entretien du site, la gestion du site et tous les coûts accessoires connexes s'élevaient à environ 210 millions de dollars. La Ville a financé la construction du stade ainsi que la rénovation et l'agrandissement de l'aréna à hauteur d'un maximum de 135,8 millions de dollars, alors que l'OSEG garantissait l'achèvement du stade et du parc de stationnement et était responsable de tous les surcoûts. Rappelons que ces actifs appartiennent à la Ville.

L'OSEG a apporté des fonds supplémentaires de 160 millions de dollars depuis le lancement des opérations, en 2012; ce sont des fonds que la Ville n'a pas eu à verser pour ses propres infrastructures. En outre, les accords de commandite conclus à l'origine prévoyaient la notion de neutralité des recettes, qui était fondée sur le principe selon lequel il ne fallait pas augmenter dans l'ensemble le fardeau financier du contribuable. Afin d'évaluer la neutralité des revenus, on compare les rentrées de fonds de la Ville sur la durée de l'accord avec les sorties de fonds pour s'assurer que la valeur des rentrées est égale à la valeur des sorties de fonds ou qu'il y a plus de rentrées que de sorties de fonds. Ce concept a donné de bons résultats pour le Projet Lansdowne 1.0, dans le cadre duquel les titres de dette ont été émis en 2014; on a commencé à rembourser la dette dans la même année. En théorie, on devait puiser le financement dans le relèvement de l'assiette foncière, qui a aussi été lancé en 2014, ainsi que dans les coûts évités de 3,8 millions de dollars par an, qu'on a commencé à éviter en 2012. On a effectivement répondu aux impératifs du financement par débentures en faisant appel à 75 % de la tranche municipale des impôts immobiliers pour les commerces de détail, les bureaux et les places de stationnement et en se servant des coûts évités de 3,8 millions de dollars, ce qui a été confirmé par le vérificateur général le rapport du 24 novembre 2020 sur la Vérification de la comptabilité et des distributions en cascade de Lansdowne. D'après ces résultats, il n'était pas nécessaire de faire appel au financement complémentaire des distributions en cascade pour répondre à ces impératifs dans le financement par titres de dette pour le Projet Lansdowne 1.0.

SITUATION ACTUELLE ET TRAVAUX PRÉCÉDENTS DANS LE CADRE DU PROJET LANSDOWNE 2.0

Le personnel croit que la Société en commandite risque de ne pas pouvoir continuer d'exercer ses activités d'après les accords actuels pour plusieurs raisons.

Premièrement, les infrastructures municipales, construites il y a 56 ans, sont fonctionnellement obsolètes et environnementalement inefficientes et ne permettront pas de répondre aux besoins de la Société en commandite sur la durée qui était censée, à l'origine, être de 30 ans. (À l'époque, l'accord originel supposait qu'il faudrait

remplacer les installations aux frais de la Ville.) Puisque les infrastructures continuent de se dégrader et que l'on constate qu'elles ne permettent pas de répondre aux besoins des promoteurs d'événements ni des visiteurs, il y aura moins d'événements et moins d'achalandage en raison de la détérioration des installations à la longue. Cette dégénérescence des actifs nuira à la viabilité financière de la Société en commandite déjà financièrement malmenée. Il y a un autre problème, puisque le modèle actuel ne tient pas compte de la possibilité que l'OSEG apporte autant de capitaux propres supplémentaires, surtout pour financer les déficits opérationnels sur un an depuis le lancement. En date du 31 mars 2022, l'OSEG a apporté des capitaux de 160 millions de dollars à la Société en commandite, soit 100 millions de dollars de plus que projetés en 2012. Elle a aussi cumulé sur ses capitaux propres des intérêts de 71,1 millions de dollars, au taux d'intérêt de 8 %. En raison de cette situation, qui n'est pas viable pour l'OSEG, en projetant ce cumul des intérêts, la Ville ne doit pas s'attendre, sur la durée de l'accord, à des rendements dans le cadre de la structure en cascade. S'il en est ainsi, c'est surtout parce que la Ville ne touche des fonds que lorsque tous les apports en capitaux propres et tout le rendement sur les capitaux propres sont d'abord versés à l'OSEG, et on a déjà constaté que cette éventualité est impossible à réaliser dans le cadre des accords actuels de l'OSEG, pour récupérer ce qui a été investi.

L'information sur les succès et les difficultés de la Société en commandite a été soumise chaque année dans un rapport annuel au Conseil municipal pour qu'il en prenne connaissance et qu'il se penche sur la question. À la fin de 2020, à cause du choc de la pandémie, le personnel de la Ville a recommandé, dans le Rapport annuel sur le parc Lansdowne et dans le Compte rendu sur les incidences de la COVID-19, d'adopter une approche pour entamer le dialogue afin de résoudre les difficultés relatives à la viabilité à long terme de la Société en commandite. Essentiellement, puisque l'OSEG a déjà dû apporter beaucoup plus de fonds propres, jusqu'à maintenant, qu'elle aurait pu le faire pour récupérer sa mise dans la structure en cascade, on a relevé d'importantes difficultés opérationnelles et financières dans l'exploitation des gradins du côté nord et de l'aréna construits il y a 56 ans. On a réalisé des travaux pour tâcher d'attirer sur le site un achalandage piétonnier plus constant les jours où il n'y avait pas d'événements, et dans l'ensemble, l'objectif consistait à attirer chaque année sur le site 5 millions de visiteurs; toutefois, la pandémie a fait peser sur la Société en commandite des pressions supplémentaires que l'on n'aurait pas pu prévoir au moment de sa fondation.

Pour lancer le processus qui permettrait de s'assurer que la Société en commandite serait en mesure d'être florissante, après la pandémie, durant toute son existence, le

Conseil a approuvé certaines modifications à apporter à l'accord pour permettre à l'OSEG d'amortir le choc de la COVID-19 sur les opérations du PPPL en lui permettant de puiser pendant trois ans dans la réserve du cycle de la durée utile, en prorogeant à 40 ans la durée de l'accord afin de donner à l'OSEG plus de temps pour récupérer son investissement et pour éliminer la nécessité de commencer à payer le loyer participatif et le loyer de base de la Ville dans l'éventualité du transfert autorisé des locaux des commerces de détail à d'autres investisseurs pendant la durée de l'accord de société en commandite, au besoin. Ces mesures étaient essentielles pour permettre à l'OSEG de résoudre les difficultés des trois dernières années du choc pandémique. Or, on croyait savoir que les problèmes de viabilité financière évoqués dès 2018 seraient probablement appelés à s'inscrire dans la durée, et le 9 décembre 2020, le Conseil municipal a demandé à un groupe de travail constitué d'employés de la Ville et de représentants de l'OSEG se penchent plus attentivement sur les options permettant d'améliorer la pérennité et la viabilité financière à long terme des opérations du parc Lansdowne et de la Société en commandite, en tenant compte des besoins en capitaux pour les opérations et les infrastructures. Cet examen devait porter sur les moyens d'augmenter l'achalandage des piétons sur le site, dont les options destinées à améliorer l'animation et les équipements publics, à évaluer les infrastructures vieillissantes et à augmenter la densité conformément aux principes de densification urbaine du Conseil, notamment en se penchant sur l'impact du modèle financier en aménageant des logements abordables.

En juillet 2021, le Conseil municipal a approuvé le rapport « Société en commandite du parc Lansdowne : Parcours sur la voie de la durabilité et prochaines étapes (ACS2021-PIE-GEN-0004) ». Dans ce rapport, le personnel de la Ville a présenté au Conseil municipal de l'information sur les évaluations globales actuelles et antérieures du vieillissement des infrastructures du parc Lansdowne, surtout les gradins du côté nord et le Centre municipal, qu'on a jugés fonctionnellement obsolètes d'après l'expertise. Ce rapport portait entre autres sur la structure-cadre et les principes de l'amélioration du parc Lansdowne et pour assurer la viabilité de la Société en commandite du parc au cours de son existence. Le Conseil municipal a aussi demandé au personnel de négocier avec l'OSEG, selon des principes commercialement confidentiels, une proposition pour revitaliser le parc Lansdowne et s'assurer que le site pourrait faire fructifier son potentiel de destination sur tout le territoire de la Ville, en plus d'être financièrement viable à long terme. Le Conseil a également demandé au personnel de mener l'examen préalable et l'analyse de rentabilité nécessaires, en plus de lui

soumettre les constats et les recommandations inspirés des résultats de l'examen préalable nécessaire.

Le Conseil municipal a aussi donné pour consigne de déposer une proposition qui permettrait d'attirer chaque année un meilleur achalandage dans le parc Lansdowne, en tâchant d'accroître la densité grâce à un plus grand nombre de logements, en plus d'augmenter l'achalandage piétonnier en agrandissant les locaux des commerces de détail. Il a aussi demandé au personnel de la Ville d'examiner les moyens d'accès public, de se pencher sur la sécurité de tous les utilisateurs et de faire des recommandations pour améliorer les infrastructures afin de promouvoir l'animation du site, de créer un parc urbain en plein air plus accueillant et de mettre au point des programmes publics pour accroître l'utilisation du site. Dans l'ensemble, le plan du parc urbain et du domaine public rehausserait le statut d'infrastructure municipale du parc Lansdowne et confirmerait le rôle du site comme attraction pour tous les résidents et visiteurs d'Ottawa. Le Conseil municipal a aussi actualisé les Principes-cadres afin d'adopter un concept notionnel d'ensemble pour les moyens permettant de remplacer les infrastructures sportives par des installations contemporaines. Voici en quoi consistent les sept principes de négociation approuvés par le Conseil municipal : dans l'ensemble, le programme doit être abordable et apporter à la Ville d'Ottawa et aux contribuables des avantages matériels et financiers; la proposition doit être équitable pour les deux parties et viable à long terme; les fonds de la Ville ne serviront pas à subventionner les opérations de l'OSEG; il y aura toujours des actifs municipaux en gestion distincts de ceux de la Société en commandite; les nouveaux aménagements pour les commerces de détail ou les bureaux doivent continuer de relever de la structure-cadre; on lancera un projet de marché public en régime de concurrence pour les nouvelles infrastructures publiques; enfin, le logement abordable sera une considération dans tout ce qui sera négocié.

En mai 2022, le Conseil municipal a approuvé, dans le cadre du Plan de viabilité de la société en commandite du parc Lansdowne et du Rapport sur la mise en œuvre 2022, sur le plan conceptuel préliminaire du réaménagement des gradins du côté nord et du Centre municipal préparé par l'OSEG, ce qui concorde avec les sept (7) principes de négociation du Conseil. Dans le plan conceptuel préliminaire, on proposait d'aménager le nouveau Centre d'événements de pointe, autonome et parfaitement accessible de 5 500 places, qui serait le siège des 67 et des BlackJacks d'Ottawa, ainsi qu'un établissement régional pour attirer et promouvoir toutes sortes d'événements musicaux, culturels et festivaliers à Ottawa pour différents utilisateurs. Les gradins du côté nord seraient reconstruits selon les normes d'accessibilité les plus récentes et

comprendraient des commodités améliorées, des galeries plus grandes et de meilleurs panoramas sur le terrain. De nouveaux locaux pour les commerces de détail remplaceraient l'îlot J par un podium de deux niveaux, ce qui permettrait d'augmenter la superficie commerciale, qui passerait de 3 826 mètres carrés (41 178 pieds carrés) à 10 034 mètres carrés (108 000 pieds carrés) environ. Le podium serait décalé vers l'arrière par rapport à la voie de desserte actuelle, ce qui permettra d'élargir les points de vue historiques donnant sur le pavillon Aberdeen à partir de la rue Bank et d'améliorer l'expérience offerte aux piétons et la circulation sur le site.

La proposition prévoyait aussi environ 1 200 logements dans une configuration de trois tours d'habitation; deux tours seraient construites sur le podium des commerces de détail, dans l'espace actuellement occupé par le Centre municipal, et la troisième tour serait bâtie entre les nouveaux gradins du côté nord et le nouveau Centre d'événements. On a constaté qu'une partie des recettes fiscales apportée par les logements permettrait de financer les dépenses en immobilisations à consacrer à la reconstruction des établissements publics. Les droits immobiliers souterrains et droits de propriété du dessus du complexe résidentiel apporteraient des recettes au titre de la location à long terme de la vente, ce qui permettrait d'aider à financer le remplacement des infrastructures sportives de la Ville. Toutes les nouvelles places de stationnement seraient aménagées exclusivement pour les nouveaux logements. Le volet résidentiel de ce projet de revitalisation prévoirait un minimum de 10 % de logements abordables, et on continuerait de se pencher sur la possibilité d'améliorer l'abordabilité en faisant appel à un organisme fournisseur de logements à but non lucratif.

Dans ce rapport, le Conseil municipal a tracé la feuille de route dans l'application du concept de l'OSEG en adoptant six grandes orientations et en donnant les approbations correspondantes. Il s'agissait entre autres d'approuver en principe le plan conceptuel proposé (pour l'aménagement du nouveau Centre d'événements, des nouveaux gradins du côté nord, du nouveau complexe polyvalent appelés à remplacer le Centre municipal existant, soit 9 290 mètres carrés ou 100 000 pieds carrés (9 290 mètres carrés) de locaux pour les commerces de détail et 1 200 logements neufs) comme point de départ pour les négociations du projet de réaménagement entre la Ville et l'Ottawa Sports and Entertainment Group; le Conseil municipal a demandé au personnel de déposer une demande de rezonage et de mener une consultation publique pour permettre de réaliser ce projet de réaménagement et d'autres projets d'aménagement afin de financer le remplacement des infrastructures sportives fonctionnellement obsolètes; il a demandé d'intégrer une cible de 10 % pour les logements abordables dans le processus de vente des droits immobiliers souterrains et droits de propriété du dessus

pour que la propriété et l'exploitation des logements abordables soient confiées à un organisme fournisseur de logements à but non lucratif établi; il a approuvé le modèle opérationnel et la stratégie de financement recommandés en donnant une autorisation budgétaire des coûts de construction et des travaux préliminaires sous réserve d'une limite supérieure de 332,6 millions de dollars, à financer à la fois par la vente des droits immobiliers souterrains et droits de propriété du dessus, par emprunt et en puisant dans les budgets des dépenses en immobilisations de la Ville pour les coûts de gestion de projet propres à la Ville et internes, en finançant le remboursement annuel de la dette en faisant appel au rehaussement de l'assiette foncière, aux recettes apportées grâce au supplément sur les frais de billets et aux rentrées de fonds nettes apportées par la structure en cascade de l'Accord de société en commandite principale Lansdowne (ASCPL), à la condition que les vocations planifiées et l'origine des fonds pour la tranche de la Ville restent neutres du point de vue des recettes et cadrent avec le Plan financier à long terme; il a délégué à la directrice municipale le pouvoir de négocier les clauses et les conditions du partenariat avec l'OSEG pour la construction du nouveau Centre d'événements, des gradins du côté nord et des nouveaux commerces de détail, pour qu'ils concordent avec la structure-cadre juridique et les modifications décrites dans le rapport et pour respecter les paramètres de la stratégie de financement, en en rendant compte au Comité et au Conseil municipal; et il a approuvé 8 millions de dollars pour les prochaines étapes du projet, à consacrer aux pouvoirs budgétaires du projet, ainsi que les dispositions prévues pour le partage des coûts, en autorisant la directrice municipale à officialiser les accords de consultation et de partage des coûts avec l'OSEG pour les étapes de la planification, de la conception et de l'ingénierie des infrastructures sportives publiques à achever jusqu'à ce que le Conseil approuve ensuite le projet.

Le Conseil a aussi demandé au personnel de la Ville de réaliser les prochaines étapes du réaménagement des constituantes du parc urbain et du domaine public du parc Lansdowne, dont l'élaboration d'un plan stratégique d'investissement public pour les améliorations apportées aux infrastructures du parc urbain du domaine public afin de rehausser l'animation, la programmation et l'accessibilité publique du site, en s'inspirant des études de viabilité et d'une consultation complémentaire auprès des intervenants.

EXAMEN PRÉALABLE

Dans la foulée de l'approbation délivrée par le Conseil municipal, le personnel de la Ville s'est consacré à quatre volets de l'examen préalable : la Demande de manifestation d'intérêt sur les droits immobiliers souterrains et droits de propriété du

dessus (DMIDI); l'examen financier préalable; les demandes à déposer dans le cadre de la *Loi sur l'aménagement du territoire*; et enfin, les consultations publiques sur la proposition et les constituantes du domaine public. Le personnel s'est aussi penché sur les questions de constructibilité, sur les incidences de l'aménagement du chantier de construction et sur les complexités de l'exploitation du site. Des validations indépendantes se sont déroulées pendant toute cette phase de l'examen préalable. Nous les décrivons toutes dans les détails dans ce rapport et nous les reproduisons dans les pièces jointes.

À l'écoute de la collectivité – Le plan conceptuel révisé

L'examen préalable et les consultations publiques de la Ville l'ont amenée à apporter des modifications substantielles à la proposition de l'OSEG en date de mai 2022, dont la tranche résidentielle et son interface avec les gradins du côté nord. Essentiellement, on a révisé le plan conceptuel pour supprimer la troisième tour d'habitation, soit la tour la plus proche du pavillon Aberdeen, ce qui donne un concept de deux tours de 40 et de 25 étages de hauteur. Cette décision se fondait sur la possibilité d'aménager, sur le domaine public, un nouvel espace de l'ordre de 27 900 pieds carrés (2 592 mètres carrés) non loin du pavillon Aberdeen, en créant un nouvel espace public entre le pavillon Aberdeen et le nouveau Centre d'événements. La priorisation de ce nouvel espace public donnait suite aux critiques du public à propos de l'espace vert réduit dans le projet originel Lansdowne 2.0. La suppression d'une tour permettait d'assurer la densité résidentielle et de veiller à ce que les hauteurs des immeubles soient confinées au côté sud de la voie Exhibition, afin de réduire les impacts visuels sur le pavillon Aberdeen.

Dans le plan conceptuel révisé, on recommande aussi que le podium des commerces de détail soit aménagé sous la forme d'un bâtiment de deux étages, en prévoyant des marges de retrait par rapport au podium résidentiel du dessus. Même s'il garde, dans l'ensemble, l'allure et l'ambiance du plan conceptuel de 2022, le podium réduit la superficie des locaux commerciaux, qui passe de 108 000 à 49 000 pieds carrés (4 552 mètres carrés), mais qui augmente de 8 000 pieds carrés (743 mètres carrés) par rapport à l'actuel podium des commerces de détail. Le reste de cette superficie sera comprise dans l'aménagement résidentiel des zones de commodités des logements dans le cadre de la Demande de propositions pour les droits immobiliers souterrains et droits de propriété du dessus; il s'agira d'un moyen d'augmenter l'achalandage piétonnier du site. Le programme simplifié des commerces de détail prévoit que la Ville réalisera des économies sur les coûts dans la construction des locaux des commerces

de détail, tout en continuant de respecter la stratégie des commerces de détail pour activer le rez-de-chaussée et pour concourir à la vitalité du parc Lansdowne toute l'année.

Les considérations relatives aux constituantes du domaine public ont été essentielles dans toutes les discussions qui ont porté sur le réaménagement et tiennent compte des améliorations à apporter à la place Aberdeen pour mieux répondre aux attentes du public, ainsi qu'aux impératifs opérationnels du Marché agricole et pour satisfaire aux besoins saisonniers du marché et de la programmation. Pour l'automne 2023, la Ville installera un mobilier urbain amélioré, dont des bancs publics amovibles, des tables à pique-nique, des ombrières et des jardinières dans l'esplanade, afin de promouvoir une ambiance accueillante, de ranimer ce secteur et de répondre aux grandes inquiétudes exprimées par la collectivité dans les consultations qui ont porté sur le domaine public.

Le plan conceptuel révisé indique que la localisation du nouveau Centre d'événements aura pour effet de déplacer approximativement 50 000 pieds carrés (4 645 mètres carrés) de l'espace existant occupé par l'actuel talus et la Grande pelouse, de sorte que la configuration actuelle de la Grande pelouse sera réduite et portée à 68 000 pieds carrés (6 317 mètres carrés). Cette réduction de la superficie sera compensée par 27 900 pieds carrés (2 592 mètres carrés) dans un nouveau secteur programmable entre le Centre d'événements et le pavillon Aberdeen, ainsi que le talus réaménagé entre le Centre d'événements et la Grande pelouse. Le personnel de la Ville a revu les limites de capacité des événements en tenant compte de la nouvelle superficie de la Grande pelouse et a déterminé que la capacité d'accueil actuelle de 9 000 personnes est préservée sur le site reconfiguré. Pendant l'étude du plan d'implantation du Centre d'événements, il y aura des consultations publiques supplémentaires sur l'étude et l'intégration du nouveau Centre d'événements et de la Grande pelouse.

Dans le rapport, on recommande aussi de constituer un fonds annuel réservé aux infrastructures et étalé sur 10 ans pour continuer d'améliorer le parc urbain. Le Marché agricole d'Ottawa continuera de représenter une attraction essentielle vitale du parc urbain. Les améliorations à apporter prévoient d'importantes additions au terrain de jeux du parc, notamment les éléments suggérés durant la consultation, par exemple une infrastructure de jeux d'eau, un meilleur éclairage et du matériel audio pour le terrain de sports et la patinoire, ainsi que le réseau Wi-Fi.

Dans l'ensemble, le personnel croit que le plan conceptuel révisé étoffera l'esthétique urbaine et l'expérience de domaine public sur la voie Exhibition, en adoptant l'échelle adaptée à la construction des bâtiments, en créant de nouveaux espaces de grande

qualité dans le domaine public et en favorisant l'animation et la vitalité pour différentes vocations.

Logement abordable

Les changements apportés au plan conceptuel ont donné lieu à certaines modifications du modèle de financement et de l'analyse de rentabilité, au même titre que les coûts de construction affinés. Ces changements ainsi que l'examen des coûts et du calendrier de construction ont donné lieu à la nouvelle approche recommandée pour le logement abordable dans le cadre du Projet Lansdowne 2.0. Les membres du Conseil se souviendront que pour que la proposition du Projet Lansdowne 2.0 soit neutre du point de vue des recettes, le personnel a dû supposer qu'il faudrait percevoir des taxes foncières en raison de l'accroissement de la densité sur 10 % des logements abordables planifiés. C'est ainsi qu'on a pu équilibrer le modèle financier du projet Lansdowne, sans toutefois assurer une véritable abordabilité selon les normes du marché et les normes réglementaires. Le Conseil municipal a demandé au personnel de se pencher sur des options permettant de rendre ces logements plus abordables.

Comme le précise le rapport, le personnel a travaillé de concert avec Logement communautaire d'Ottawa (LCO) pour estimer l'impact de l'aménagement de logements plus abordables sur ce site (en faisant observer qu'en raison de la densité réduite du site, le nombre de logements abordables estimé à l'origine à 120 serait abaissé à 75 logements, ce qui représente toujours 10 % de l'ensemble des logements). Selon l'hypothèse utilisée dans cette analyse, le promoteur construirait des logements selon le cahier des charges de LCO et les revendrait à LCO.

Dans l'examen préalable, le personnel a estimé que l'on pourrait compter un surcoût qui pourrait être de l'ordre de 20 % pour construire des logements abordables dans le parc Lansdowne par rapport à d'autres sites sur le territoire de la Ville qui sont déjà à l'étude pour l'aménagement de logements abordables. En outre, tous les logements construits dans le parc Lansdowne ne pourraient être occupés qu'à la fin des travaux de construction des tours, en 2033, ce qui représente un long délai d'attente, puisqu'il s'agit de répondre à un besoin urgent et qu'il faut offrir un plus grand nombre de logements abordables. Compte tenu de toutes les circonstances du financement de l'ensemble de ce projet de réaménagement, du surcoût qu'il faudrait financer pour construire des logements sur ce site (ce qui voudrait dire que la Ville « en aurait moins pour son argent » dans sa contribution au logement abordable) et du délai qu'il faudra compter pour construire ces logements, le personnel recommande de consacrer 10 % de la valeur de la vente des droits immobiliers souterrains et droits de propriété du

dessus au fonds de réserve du logement abordable et d'exempter le reliquat de 15 % qui serait normalement déduit selon la politique de la Ville. (Autrement dit, une tranche de 5,9 millions de dollars des recettes apportées par les droits immobiliers souterrains et droits de propriété du dessus continuerait de constituer une source de financement pour le projet, faute de quoi la Ville devrait apporter une plus large part du financement.) Cette option apporte des fonds de l'ordre de 3,9 millions de dollars dès qu'ils sont perçus, qui pourront être consacrés à la liste des priorités de la Ville dressée dans le rapport publié le 6 septembre 2023 sous le titre Stratégie et compte rendu : investissement pour le logement abordable. Il s'agit de projets de logements abordables et en milieu de soutien, constitués de 572 logements qui sont priorisés pour le financement pendant le mandat actuel du Conseil municipal, et nombre de ces logements permettraient d'assurer la transition intégrée avec la Stratégie du logement. Dans l'ensemble, l'approche recommandée par le personnel pour l'aménagement des logements abordables réduit les répercussions négatives de tout le modèle financier et accélère le financement des infrastructures du logement abordable pour répondre aux besoins immédiats en logement. Toute autre part du produit de la vente des droits immobiliers souterrains et droits de propriété du dessus mise en contribution aura une incidence négative sur la position de la Ville dans l'ensemble du modèle financier.

Programme des infrastructures

Le coût en capital total du plan conceptuel révisé est aujourd'hui estimé à 419,0 millions de dollars. Cette estimation comprend le coût des travaux préliminaires, les travaux de construction, les coûts variables liés à l'étude et à la réalisation, les provisions pour indexation, ainsi que la provision pour éventualités; on peut considérer qu'il s'agit d'une estimation du type C. Un expert-conseil indépendant a aussi réalisé une analyse comparative et a confirmé que l'estimation s'inscrit tout à fait dans la fourchette des projets récents de même envergure et de périmètres comparables. Nous avons indexé l'estimation des coûts pour tenir compte des contrats de construction qui devraient se dérouler éventuellement et du fait que le Conseil municipal doit savoir que la provision pour indexation est déterminée par le modèle sélectionné pour la réalisation du projet.

On a déjà établi l'autorisation budgétaire du réaménagement de 332,6 millions de dollars d'après le rapport de mai 2022. Les coûts de construction ont augmenté pour différents motifs, par rapport à la proposition de mai 2022, notamment en raison de la conjoncture du marché, de l'indexation des coûts des matériaux de construction et de la main-d'œuvre, ainsi que des blocages continus de la chaîne logistique qui se sont produits entre 2021-2022 et le deuxième trimestre de 2023. L'examen préalable a aussi

permis de recenser plusieurs postes de frais qui n'étaient pas compris dans les estimations précédentes et qui dépassent la provision pour éventualités comptabilisée en 2022, essentiellement parce que l'estimation de 2022 ne tenait pas compte des places de stationnement supplémentaires et que la proposition actuelle prévoit d'aménager 35 places de stationnement accessibles dans le Centre d'événements. Les coûts des normes LEED sont calculés dans la provision constituée pour toutes les installations, conformément à la politique de la Ville; on supposait auparavant qu'ils faisaient partie des coûts de construction. De plus, le calcul plus détaillé des coûts variables et des frais de conception, de gestion du projet et d'administration du contrat a donné lieu à une augmentation des estimations.

Budget et stratégie de financement

Le personnel recommande que l'autorisation budgétaire de ce projet soit augmentée de 86,5 millions de dollars pour passer à 419,1 millions de dollars afin d'enchaîner avec les étapes suivantes, pour respecter les délais actuels et pour réduire le risque d'indexation des coûts de construction en raison des retards. Le budget serait rétabli à une limite supérieure de 419,1 millions de dollars, et le personnel rendrait compte au Conseil municipal de l'approbation du prix final de l'appel d'offres pour les travaux de construction et de la valeur de la vente des droits immobiliers souterrains et droits de propriété du dessus. Le personnel recommande d'autoriser seulement 10 millions de dollars pour les dépenses, en plus des 8 millions de dollars demandés initialement en mai 2022 pour enchaîner avec l'étape suivante des travaux à réaliser.

La stratégie de financement de cette estimation révisée cadre aujourd'hui avec la mise à jour des coûts et de la portée des travaux, ainsi qu'avec les changements apportés au site. La stratégie de financement a aussi évolué en raison de l'examen préalable complémentaire et des changements apportés à la densité du site pour les travaux d'aménagement des tours d'habitation et des commerces, ce qui réduit la somme des recettes compensatoires attendues dans le plan conceptuel originel. Cette stratégie de financement cadre également mieux avec le calendrier du remboursement de la dette et des sources de recettes projetées.

Le total estimatif des nouveaux titres de dette qui seront émis pour ce projet s'élèverait à 312,7 millions de dollars, ce qui donne une charge annuelle estimative de 16,4 millions de dollars pour le remboursement de la dette, en supposant que cette dette s'étendra sur 40 ans et que le taux d'intérêt sera de 4,25 %. La source initiale du financement des besoins en remboursement de la dette sera le budget du remboursement de la dette à financer à partir des recettes fiscales de la Ville. Au fil des

ans, comme nous l'expliquons plus loin dans ce rapport, ces coûts seront compensés par d'autres sources de financement directement attribuables au réaménagement selon le plan conceptuel révisé. Font partie des autres sources de financement précisées dans ce rapport, la vente des droits immobiliers souterrains et droits de propriété du dessus en régime de concurrence (39 millions de dollars moins 3,9 millions de dollars pour le fonds des logements abordables), les subventions apportées par d'autres ordres de gouvernement (20 millions de dollars), le relèvement de l'impôt foncier résidentiel et hôtelier déterminé par les experts des Services des recettes de la Ville en s'inspirant d'un examen externe rigoureux du marché immobilier et en tenant compte du nombre réduit de logements (3,3 millions de dollars par an pour 75 % du relèvement total), le relèvement de l'assiette foncière commerciale d'après l'examen préalable complémentaire et selon la réduction de la superficie des commerces de détail (100 000 \$ par an), la taxe potentielle sur les chambres d'hôtel, ce qui pourrait générer, s'il y a un hôtel sur le site, des recettes touristiques qui pourraient servir à financer ce projet (500 000 \$ par an), le supplément sur le prix des billets (700 000 \$ par an), les loyers versés par l'OSEG sur les terrains des commerces de détail, le stade et le Centre d'événements (500 000 \$ par an), ainsi que les autres distributions en cascade (rendement des capitaux propres, rendements sur les capitaux propres et part résiduelle des résultats bénéficiaires revenant à la Ville dans la structure en cascade). Les coûts internes (dont les frais de l'examen préalable et les œuvres d'art public) seront financés à même le budget des recettes fiscales de la Ville, comme dans tous les autres projets de construction d'infrastructures.

Les changements que l'on propose d'apporter à l'accord de société en commandite et les changements à apporter à la structure en cascade des priorités permettent de rembourser la Ville dans le même temps que l'OSEG d'après les fonds propres apportés. Les capitaux propres apportés par l'OSEG comprendront la somme de 160 millions de dollars que cette société a apportée jusqu'à maintenant, moins les capitaux propres minimums de 30 millions de dollars qu'elle s'est engagée à radier et tous les intérêts cumulés, ce qui donne un apport net de 107 millions de dollars. On estime à 217 millions de dollars les fonds propres apportés par la Ville, ce qui est égal au coût total de la construction diminué du total des sources de recettes calculées à la valeur nette actualisée. Font partie des sources de recettes pertinentes dans le calcul des capitaux propres servant au financement, la vente des droits immobiliers souterrains et droits de propriété du dessus, les subventions versées par les ordres supérieurs de gouvernement, la part de 75 % du relèvement « réel » de l'impôt foncier réalisé, ainsi que la réduction des impôts fonciers découlant de la décision de réduire la

densité du site (soit la différence dans le relèvement de l'impôt foncier en passant de 1 200 logements au nombre réel de logements construits), la taxe sur les chambres d'hôtel, les paiements garantis dans le cadre du système financier fermé (soit le supplément sur le prix des billets et les loyers), ainsi que le budget municipal des dépenses en immobilisations pour les coûts internes de la Ville.

Les droits immobiliers souterrains et droits de propriété du dessus seraient vendus en régime de concurrence; les proposants devront démontrer qu'ils respectent les critères de la conception définis dans la Demande de propositions. Comme nous l'avons mentionné, le personnel recommande de consacrer, le plus tôt possible après la vente, 10 % du produit net apporté par la cession des droits immobiliers souterrains et droits de propriété du dessus pour financer les projets prioritaires de construction de logements abordables de la Ville.

Maîtrise des risques et rentrées de fonds

Le rapport décrit dans leurs grandes lignes les résultats de l'examen préalable réalisé, pour le compte de la Ville, par Ernst & Young (EY) et qui a porté sur les projections pro forma du projet de réaménagement. Ces projections pro forma ont guidé l'élaboration de la stratégie de financement révisée et tiennent compte des changements que l'on recommande d'apporter à la structure en cascade pour s'assurer qu'il est essentiellement tenu compte des apports de la Ville, s'ils sont approuvés, dans la structure en cascade et que la Ville réalise certains avantages directs pour promouvoir l'abordabilité des logements. Il faudra donc apporter des changements à l'accord de société en commandite.

Le personnel a mené l'analyse complète de l'examen financier préalable de chaque volet de la stratégie de financement proposée dans le rapport de mai 2022 au Conseil municipal. À l'époque, il s'agissait d'une stratégie de financement générale, qu'il a fallu valider en externe, puis détailler et affiner. La conclusion de cette analyse plus détaillée confirme que le Projet Lansdowne 2.0 ne serait pas neutre du point de vue des recettes selon la définition ci-dessus et qu'il affrontera des difficultés dans la chronologie des rentrées de fonds. On estime que les travaux de construction seront achevés en 2029, que les titres de dette seront émis peu de temps par la suite et que l'on commencerait à rembourser la dette en 2030. On ne s'attend pas à réaliser intégralement avant 2034 la tranche du relèvement de l'assiette foncière pour le financement, et les distributions de la Société en commandite ne devraient normalement pas commencer avant 2030.

La stratégie de financement recommandée et proposée dans ce rapport se fonde sur le financement apporté par la Ville dans le remboursement de la dette à même le budget opérationnel des premières années, qui serait peu à peu compensé par les recettes supplémentaires apportées à la Ville par les travaux de réaménagement dans les années qui suivront. Cette stratégie de financement tient compte de l'unicité du site du parc Lansdowne dans le cadre de ce partenariat public-privé. Cette stratégie confirme que les gradins du côté nord et l'aréna du Centre municipal appartiennent exclusivement à la Ville d'Ottawa et que ces actifs doivent être renouvelés dans le proche avenir. Cette stratégie confirme aussi que pour les autres actifs de la Ville, dont les centres communautaires, les arénas et les bibliothèques, les coûts du renouvellement doivent être puisés dans le budget des dépenses en immobilisations financé par les recettes fiscales de la Ville; toutefois, le site du parc Lansdowne est exceptionnel, puisqu'il s'agit d'un site productif de recettes qui s'inscrit dans un partenariat public-privé et que par conséquent, tous les investissements initiaux de la Ville peuvent être remboursés grâce à l'aménagement du site selon le principe du relèvement de l'impôt foncier et en augmentant les rentrées de fonds nettes apportées par les opérations.

Le personnel reconnaît aussi que par opposition à l'accord neutre du point de vue des recettes, que la Ville avait conclu avec l'OSEG pour le Projet Lansdowne 1.0, la stratégie de financement du Projet Lansdowne 2.0 dépendra aussi des rentrées de fonds nettes apportées par la Société en commandite pour compenser la charge de remboursement de la dette et que ces rentrées de fonds nettes représentent un risque pour la Ville si elles ne se matérialisent pas. Le rigoureux examen préalable de la Ville ainsi que les conseils spécialisés d'EY (Ernst & Young) ont donné au personnel des assurances sur les rendements dans l'avenir, sans toutefois éliminer tous les risques envisageables; c'est pourquoi la stratégie de financement du personnel comporte aussi certaines mesures de maîtrise des risques. Essentiellement, le personnel recommande d'augmenter graduellement dans les prochaines années le budget du remboursement de la dette de la Ville et d'établir le budget de base obligatoire pour les besoins relatifs à la dette. Le budget du remboursement de la dette grâce aux recettes fiscales serait rehaussé d'après les augmentations cibles annuelles des taxes, à partir de 2024, et les hausses dans la charge de remboursement de la dette seraient provisionnées dans un apport à la réserve spécialisée pour le Projet Lansdowne 2.0; on pourrait prélever des sommes dans cette réserve quand les titres de dette seront émis, en 2030. Cette approche donne à la Ville plusieurs années pour étoffer le budget de base du remboursement de la dette afin de le porter à un niveau suffisant pour financer les frais

de remboursement de la dette du parc Lansdowne 2.0 sans égard aux recettes projetées. Toutes les recettes réalisées viendraient alors s'ajouter aux recettes des exercices budgétaires futurs pour compenser le remboursement de la dette ou pourront être consacrées à d'autres services offerts sur tout le territoire de la Ville sans avoir à augmenter les impôts fonciers.

La charge budgétaire nette pour le contribuable au titre des travaux de réaménagement représentera 5,0 millions de dollars pour la somme à consacrer au remboursement de la dette, en moyenne, sur la durée de l'accord. Comme nous l'avons expliqué, le parc Lansdowne est un actif qui appartient à la Ville. Il faut remplacer l'aréna et les gradins du côté nord, construits il y a 56 ans. En raison de cette recommandation, la Ville investira dans ses actifs 419,1 millions de dollars, pour une charge nette de 5,0 millions de dollars dans le remboursement de la dette. Cette somme équivaut à 95,4 millions de dollars en valeur nette actualisée. Autrement dit, les contribuables obtiennent un actif de 419,1 millions de dollars en contrepartie d'un coût net de 95,4 millions de dollars, ce qui confirme effectivement que cette solution n'est pas neutre du point de vue des recettes; il faut toutefois noter qu'une part de 3,9 millions de dollars sur la somme de 95,4 millions de dollars vise à compenser l'apport demandé au logement abordable, et qu'une part de 28,6 millions de dollars vise à compenser la densité réduite en passant de 1 200 à 750 logements demandés dans le cadre de la consultation publique. En plus de cette somme de 95,4 millions de dollars, la Ville apporte les fonds existants produits par le supplément sur les débetures de 33,0 millions de dollars ainsi qu'une enveloppe budgétaire de 18,3 millions de dollars pour les dépenses en immobilisations, ce qui représente un investissement total de 146,6 millions de dollars pour un actif de 419,1 millions de dollars.

LE COÛT DE L'OPTION QUI CONSISTE À « NE RIEN FAIRE »

Dans son analyse de la stratégie de financement, le personnel s'est aussi penché sur l'option qui consiste à « ne rien faire » et que nous exposons ci-après. Le Conseil municipal a le choix entre investir aujourd'hui 16,4 millions de dollars dans le remboursement de la dette (ce qui devrait permettre de récupérer 11,4 millions de dollars et ce qui donne un investissement net de 5,0 millions de dollars pour la Ville), pour faire l'acquisition d'un actif neuf, plus vigoureux et économe d'énergie, ou perdre 12,5 millions de dollars par an dans l'entretien et l'exploitation d'un actif vétuste et fonctionnellement obsolète, qu'il faudra finalement remplacer à un coût qui sera entièrement à la charge de la Ville, plutôt qu'en faisant appel à la Société en commandite.

À chacune des étapes de cet examen, le personnel a pondéré le coût du Projet Lansdowne 2.0 par rapport au coût du statu quo, soit l'option qui consiste à « ne rien faire ». Ces coûts pourraient atteindre 400 millions de dollars ou plus sur les 40 prochaines années, si l'OSEG est en défaut dans le cadre de l'Accord et que la Société en commandite échoue sans apporter d'améliorations aux installations. La Ville ne peut pas supposer que l'OSEG pourrait continuer ou continuerait de concourir à la Société en commandite sans s'attendre à juste titre à pouvoir assurer sa stabilité financière. Essentiellement, la Ville devrait alors exploiter des commerces de détail et des entreprises sportives, ainsi qu'une installation vétuste et fonctionnellement obsolète, et devrait financer des déficits opérationnels nets et la hausse des frais d'entretien à terme. Il serait difficile de trouver de nouveaux investisseurs-exploitants, dans le secteur privé comme dans le secteur des organisations à but non lucratif, pour jouer le rôle de l'OSEG, compte tenu de la performance opérationnelle antérieure du site et des projections pro forma, et il est réaliste de s'attendre à ce qu'un nouveau groupe d'investisseurs veuille sans doute modifier les conditions de l'accord de partenariat afin de résoudre de nombreux problèmes qu'a dû affronter la Société en commandite actuelle, ce qui donnerait lieu à des frais de transaction probablement supérieurs pour la Ville dans le cadre d'un nouveau contrat ou d'un nouvel accord.

Si elle ne peut pas trouver de nouveaux investisseurs, la Ville serait responsable de l'exploitation et du financement du site, et devrait racheter les équipes ou les vendre à un autre acheteur. La Ville ne pourrait probablement pas compter sur des tarifs de location optimaux auprès des équipes pour un stade inférieur aux normes et continuerait d'engager l'ensemble des frais d'exploitation d'une installation surannée. La Ville percevrait les recettes nettes sur les commerces de détail, mais devrait rembourser l'encours du prêt sur les locaux des commerces de détail comme sur l'aréna. Les coûts du cycle de la durée utile du stade et de l'aréna continueraient d'augmenter en fonction de la vétusté des bâtiments. Les locaux des commerces de détail et les bureaux seront de moins en moins occupés en raison de l'obsolescence du site, ce qui aurait pour effet d'augmenter les pertes opérationnelles et de réduire les taxes sur les biens-fonds, qui seraient toutes deux exclusivement à la charge de la Ville.

La plupart des hypothèses décrites ci-dessus faisaient partie de l'estimation des frais de résiliation de 2020. Depuis, nombre de ces hypothèses se sont en fait détériorées, dont la hausse des frais de financement depuis 2020 n'est pas la moindre, et il est improbable qu'un autre investisseur continue d'exploiter des équipes dans le cadre d'un bail comparable.

C'est pourquoi le personnel recommande d'adopter le plan conceptuel révisé pour le projet Lansdowne 2.0, ainsi que la stratégie de financement et les mesures de maîtrise des risques proposées qui constituent l'analyse de rentabilité la meilleure et la plus circonspecte pour le parc Lansdowne, qui, à nouveau, appartient entièrement à la Ville.

Autres répercussions financières et économiques du Projet Lansdowne 2.0

Outre ce qui précède, le rapport décrit dans leurs grandes lignes d'autres incidences financières du réaménagement du parc Lansdowne qui débordent le cadre de la stratégie de financement, dont les frais d'aménagement incrémentiels et les frais au titre des retombées communautaires de la construction des tours d'habitation, dont les recettes sont estimées à 15 millions de dollars environ; les recettes incrémentielles apportées par les comptes de taxes d'eau des nouvelles tours d'habitation, qui devraient rapporter environ 250 000 \$ par an, seraient suffisantes pour financer les coûts variables des services de la Ville et permettraient de financer les frais fixes de la Ville dans les services tarifés. L'option qui consiste à « ne rien faire » permettrait d'éviter une modeste perte de l'ordre de 270 000 \$ par an au titre des recettes événementielles de la Ville pendant la construction du Centre d'événements. La Ville pourrait aussi perdre les recettes apportées par l'Édifice de l'horticulture, selon l'importance des inconvénients causés pendant les travaux de construction.

D'après les investissements dans les infrastructures des gradins du stade du côté nord, du Centre d'événements, du podium des commerces de détail et du parc de stationnement, les répercussions économiques de la construction dans la RMR d'Ottawa sont estimées à 387 millions de dollars pour le PIB, à 275 millions de dollars pour les revenus des travailleurs et à 3 694 ETP en années-personnes. Pour l'ensemble de l'Ontario, les répercussions économiques sont estimées à 565 millions de dollars pour le PIB, à 366 millions de dollars pour les revenus des travailleurs et 5 171 ETP en années-personnes. Les répercussions économiques dans la RMR d'Ottawa pour la construction des tours résidentielles sont estimées à 187 millions de dollars pour le PIB, à 128 millions de dollars pour les revenus des travailleurs et à 1 798 ETP en années-personnes. En Ontario, les répercussions économiques sont estimées à 278 millions de dollars pour le PIB, à 174 millions pour les revenus des travailleurs et à 2 555 ETP en années-personnes.

Les apports moyens annuels des dépenses d'exploitation du nouveau site sur les 40 années et plus suivant le début des travaux de construction sont estimés à 59 millions pour le PIB, à 49 millions pour les revenus des travailleurs et à 799 ETP dans la RMR d'Ottawa. En Ontario, les apports annuels moyens sont estimés à

86 millions de dollars pour le PIB, à 69 millions pour les revenus des travailleurs et à 1 044 ETP.

Hormis les répercussions des travaux de construction et des opérations projetées du parc Lansdowne 2.0, EY a estimé l'impact des dépenses des visiteurs sur l'économie régionale et provinciale. Cet impact a été calculé d'après les visites non locales antérieures dans le cadre des événements payants du parc Lansdowne. Les dépenses annuelles des visiteurs non locaux sont estimées à 53 millions de dollars et devraient faire rejallir en permanence sur l'économie des retombées annuelles. Ces dépenses devraient, selon les estimations, apporter chaque année 33 millions de dollars au PIB, 27 millions de dollars aux revenus des travailleurs et 689 ETP en années-personnes dans la RMR d'Ottawa. Pour l'Ontario, on estime qu'elles apporteront chaque année 51 millions au PIB, 36 millions de dollars aux revenus des travailleurs et 850 ETP en années-personnes.

PROCHAINES ÉTAPES

On demande au Conseil municipal d'approuver les modifications que l'on recommande d'apporter au Plan officiel et au *Règlement de zonage* et qui sont nécessaires pour mettre en vente les droits immobiliers souterrains et droits de propriété du dessus en régime de concurrence et pour réaliser en définitive le plan conceptuel (en notant que le Conseil devra encore délivrer un certain nombre d'approbations, que nous exposons plus loin dans cette section et que nous précisons dans le rapport), en plus de déclarer excédentaire la parcelle spécifique de la zone résidentielle et de procéder à la vente de droits immobiliers souterrains et droits de propriété du dessus, en rendant compte des résultats au Conseil pour approbation.

On demande au Conseil municipal de donner au personnel de la Ville l'approbation qui lui permettrait d'enchaîner avec les phases suivantes du processus de planification, en veillant à mener des consultations publiques complètes à la fois sur le plan d'implantation et sur le plan du parc public et du domaine public avant de redéposer des recommandations auprès du Conseil.

Le Conseil municipal est aussi invité à demander au personnel de mener l'analyse des avantages et des inconvénients potentiels liés aux différents modèles de réalisation du projet et de rendre compte du modèle recommandé pour l'attribution de l de construction du Centre d'événements et des gradins du côté nord, pour étude et approbation par le Conseil municipal, en veillant à ce que les résultats du modèle de

réalisation que choisira le Conseil fassent aussi l'objet d'un marché attribué en régime de concurrence, en rendant également compte de ces résultats pour approbation.

Dans le cadre de chacun de ces processus, le personnel préparera les mises à jour à apporter au modèle financier, dont les variables comme la méthode de passation du marché, les taux d'intérêt et les résultats de la cession des droits de propriété du dessus, l'indexation des coûts de construction, le statut du calendrier, en plus de mener tout le travail d'examen préalable nécessaire et d'en rendre compte au Conseil municipal.

Le personnel de la Ville demande aussi qu'on lui délègue le pouvoir d'entamer les négociations avec l'OSEG pour les changements à apporter à l'accord de société en commandite, qui feront état des modifications à apporter à la structure en cascade et des autres décisions du Conseil municipal qui se répercuteront sur l'Accord. Les résultats de ces négociations seront soumis au Conseil pour étude et approbation avant de finaliser et de signer tous les changements à apporter à l'Accord.

Le personnel de la Ville a appris que la vérificatrice générale procédera à une vérification agile de la stratégie financière du parc Lansdowne; en plus de donner à son équipe tous les droits d'accès à toute l'information et d'apporter rapidement des réponses à toutes ses questions, le personnel sera attentif dans le déroulement de ces travaux et dans la réalisation des prochaines étapes lorsqu'il s'agira de fixer les délais de dépôt des rapports. Le personnel sera également attentif au risque, dans l'indexation des coûts, des retards importants dans le processus et travaillera en collaboration et au mieux de ses efforts avec la vérificatrice générale dans l'évaluation de tous les risques.

Au moment d'écrire ces lignes, la Ville et l'OSEG ont un plan de mise en œuvre notionnel pour les tâches à accomplir lorsque le Conseil municipal se sera penché sur les recommandations de ce rapport et les aura approuvées selon les modalités exposées ci-après. Le Conseil municipal peut adopter, modifier ou rejeter les recommandations du personnel à chacune des étapes.

Planification

- Lancer la conception détaillée (estimée au coût de 10 millions de dollars) du Centre d'événements grâce au crédit budgétaire recommandé de 419,1 millions de dollars. (Délai estimatif : quatrième trimestre de 2023)
- Approuver la demande de réglementation du plan d'implantation à déposer à l'initiative de la Ville pour le Centre d'événements, estimé au coût de 1,1 million

de dollars et financé grâce au budget du pouvoir de dépenses existant de 8 millions de dollars déjà affecté aux travaux de planification. (Délai estimatif : troisième trimestre de 2024)

- Donner suite aux appels qui pourraient être déposés devant le Tribunal ontarien de l'aménagement du territoire pour la modification du *Règlement de zonage* et la modification du Plan officiel en cause.
- Lever les dispositions de l'aménagement différé lorsque le plan d'implantation du Centre d'événements aura été approuvé. (Délai estimatif : troisième trimestre de 2024)
- Lancer le plan d'implantation du site subséquent et les travaux de conception détaillés pour les gradins du côté nord. (Délai estimatif : quatrième trimestre de 2024)

Consultation publique

- Lancer la consultation publique dans le cadre du processus de traitement de la demande de réglementation du plan d'implantation pour le Centre d'événements et les gradins du côté nord. (Délai estimatif : premier trimestre de 2024)
- Mettre au point une stratégie de consultation publique sur le Plan d'investissement stratégique pour les parties contrôlées publiquement du site et consulter le public sur les améliorations à apporter au domaine public. (Délai estimatif : troisième trimestre de 2024)

Infrastructures

- Rendre compte au Conseil municipal du modèle de réalisation recommandé par le personnel pour le projet de marché du Centre d'événements et des gradins du côté nord. (Délai estimatif : premier trimestre de 2024)
- Rendre compte au Conseil municipal de tous les changements qui se répercutent sur la stratégie de financement ou sur les crédits budgétaires avant de passer définitivement le marché public. (Délai estimatif : troisième trimestre de 2024)
- Mener une évaluation des incidences des travaux de construction et de la gestion du chantier sur le parc urbain et sur les commerces et donner

l'information au Conseil municipal. (Délai estimatif : à coordonner avec chaque étape de l'approbation du plan d'implantation.)

Immobilier

- Lancer la demande d'offres pour les droits immobiliers souterrains et droits de propriété du dessus; (délai estimatif : premier trimestre de 2024).
- Rendre compte au Conseil municipal des résultats de la demande d'offres pour les droits immobiliers souterrains et droits de propriété du dessus et pour les recommandations du personnel; (délai estimatif : troisième trimestre de 2024).

Société en commandite

- Poursuivre les négociations avec l'OSEG.
- Rendre compte des accords officiels modifiés de la SCPL pour la prochaine phase du réaménagement afin de demander au Conseil de les approuver.

Le personnel de la Ville croit que dans le meilleur des cas, soit le scénario le plus optimiste, les opérations doivent se dérouler dans l'ordre et dans les délais suivants.

a) Nouveau Centre d'événements indépendant : à lancer dès l'automne 2024 pour que le centre soit prêt pour le début de la saison 2026-2027 des 67 d'Ottawa.

Le lancement des travaux de construction du Centre d'événements permet d'assurer la continuité de l'utilisation et de l'achalandage public des événements et de veiller à ce qu'il n'y ait aucune incidence sur les matchs du 67 d'Ottawa ni sur les événements planifiés dans le Centre municipal existant pendant les travaux de construction. Lorsque le Centre d'événements sera achevé, les 67 d'Ottawa se réinstalleront dans ce centre, ce qui permettra de commencer à démolir le Centre municipal existant et les gradins déjà aménagés du côté nord.

b) Démolition et reconstruction des gradins du côté nord : à lancer dès l'automne 2026 pour une durée de 30 mois

En raison de la démolition du Centre municipal existant et des gradins déjà aménagés du côté nord, la capacité d'accueil du stade du point de vue du nombre de places assises sera réduite pour les saisons de 2027 et de 2028. Des gradins temporaires seront aménagés dans les zones des extrémités afin d'ajouter 5 000 sièges temporaires.

La modification du *Règlement de zonage* et la modification du Plan officiel dont fait état ce rapport peuvent faire l'objet d'appels devant le Tribunal ontarien de l'aménagement du territoire. Si des appels sont déposés, on augmente les risques pour les délais de mise en œuvre exposés ci-dessus.

CONCLUSION

La première phase de l'aménagement du parc Lansdowne a connu un succès retentissant. Des millions de personnes visitent chaque année le site, et le parc Lansdowne est devenu l'une des plus grandes attractions de la Ville et l'un de ses actifs les plus importants.

Cette recommandation protège et pérennise cet important actif collectif et permet d'éviter les frais énormes associés au statu quo, si l'aréna et les gradins du côté nord ne sont pas modernisés et que le modèle financier actuel n'est pas amélioré. Ce projet est financièrement abordable et réceptif aux commentaires de la collectivité. Il mise sur le succès remporté et permet de s'assurer que le parc Lansdowne sera encore meilleur pour les 50 prochaines années.

BACKGROUND

Learn more about [link to Development Application process - Zoning Amendment](#)

For all the supporting documents related to this application visit the [link to Development Application Search Tool](#).

Background

Lansdowne is a place of history and civic pride. For over 175 years, it has been a gathering place for neighbours, residents of Eastern Ontario and Western Québec, and for tourists from across Canada and around the world. It is a place of connection and celebration for sports, cultural and community events.

In 2012, City Council entered into a 30-year partnership (now a 40-year partnership) with the Ottawa Sports and Entertainment Group (OSEG) for the renewal and revitalization of Lansdowne with a new South Stadium Stands, new mixed-use retail and reimagined public realm spaces and subterranean parking.

Since then, Lansdowne has welcomed over 25 million visitors for major events and championships, football, hockey, soccer, basketball, festivals, concerts, cultural celebrations, community gatherings, farmers' markets, and to enjoy the green space

and amenities that support day-to-day life in the heart of the city. Lansdowne, along with its sports and entertainment events, restaurants and retailers have become an important public space for the community and a destination for residents of the National Capital Region and tourists alike. It is an integral part of Ottawa's quality of life and economic development fabric.

When the Partnership was established, discussions were held as to whether the arena and North Stadium Stands complex, a Centennial project constructed in 1967, should also be re-constructed. A joint decision was taken to make short-term, mostly cosmetic, improvements to the aging infrastructure and stabilize the operations of the complex until such a time that full renewal was required, later in the term of the partnership.

The 56-year-old complex has reached functional obsolescence. The Ottawa Civic Centre is one of the oldest municipal arenas of its use in Canada, and interim measures are proving to be costly, inefficient, and not in the interest of Lansdowne's long-term sustainability. There are accessibility, environmental, energy efficiency and health and safety challenges to be resolved. In addition, the arena and North Stadium Stands are inconsistent with the rest of the Lansdowne site, making it difficult to attract guests who have many entertainment options and expectations of modern conveniences. As a result, the North Stadium Stands and arena complex are increasingly hindering Lansdowne's ability to reach its full potential as the region's pre-eminent gathering place and to support its long-term financial sustainability.

The "functional obsolescence" of this complex is characterized by its lack of accessible features, as well as its operational and financial inefficiencies, energy and sustainability inefficiencies, as well as its general non-compliance with current building codes. The City's ability to attract events is compromised and will diminish as the facilities continue to age and decay.

The Partnership now sees a significant opportunity to redevelop Lansdowne in a manner that reinvigorates the facilities, improves the visitor experience, and strengthens its economic viability and appeal to tourists and residents. A more robust Lansdowne Park means a more vital city of Ottawa overall.

New Event Centre

The investment in the replacement of the City's Civic Centre with a new City owned Event Centre will result in a state-of-the-art facility, modern kitchen and concession areas, industry standard media facilities, and 'back of house' facilities to accommodate the full range of events that are expected to be hosted at the new facility. Designed by

Brisbin Brook Beynon Architects, the Event Centre will accommodate 4,696 general admission seats, 804 premium seats, and 700 standing room allocations. Overall, the seating capacity will be 5,500 for hockey and 6,500 for concert events, with the extra capacity derived from retractable and flexible seating. The modern facility will feature industry standard suites and loges to accommodate premium group seating, with bar and restaurant options in the upper concourse to further the in-game, or in-concert experience.

New North Side Stands

The replacement of the North Side Stands component of the City's TD Place Stadium will result in new north side stands, designed by Brisbin Brook Beynon Architects, featuring similar attributes as the current South Side Stands. The overall seating capacity will be reduced from 14,000 to 11,200 (plus 900 standing), but with a modern stadium design will accommodate new premium seating, field level suites, fan decks, and club seating areas. The success of the concourse level on the South Side Stands will be introduced into the new North Side Stands where food and beverage services will be situated such that fans can experience the in-game or in-concert action while at the concessions.

The two new City facilities will allow modern, more comfortable venues to be realized that meet current day accessibility standards, including the *Ontario Building Code*, the *Accessibility for Ontarians with Disabilities Act (2005)* and the City's Accessibility Design Standards. By improving the accessibility of the built environment within the Event Centre and North Side Stands more people with disabilities, and people of all ages, will be able to use these facilities.

Lansdowne Park Partnership Achievements

The LPP has achieved Council's vision of making what had become an admission-only, gated asphalt and concrete campus in disrepair into a place "where people can go to walk, cycle, shop, enjoy a good meal, be entertained, work, live, and play in an environment respectful of our architectural heritage" ([Lansdowne Partnership Plan and Implementation report \(ACS2010-CMR-REP-0034\)](#)). In the first nine years of operations, there have been over 25 million visitors to the Lansdowne Park and TD Place sports and entertainment district. There have been over 1,000 large and small events for people of all ages. The site currently houses over 50 businesses and has created over 4,000 full and part-time jobs. In 2017, the OSEG Foundation was established to lower the financial barriers of entry to enable kids from all socio-economic

backgrounds to participate in organized sport. Since its founding, the OSEG Foundation has contributed \$3.7M to the community and REDBLACKS and 67's players spend 7,000 hours annually off the field volunteering with community groups and organizations.

Attracting marquee sporting competitions such as the 2023 World Rugby Pacific Four Series and the 2025 IIHF World Junior Championship are the primary goal of the "bid more, win more, host more" strategy, a joint effort between Ottawa Tourism and the City of Ottawa to promote the capital as a world-class event-hosting destination. Continuing to attract world-class sports and entertainment events requires world-class venues, and event organizers and concert promoters will turn to other cities and more state-of-the-art facilities if the systemic issues related to the complex are not addressed.

2018 and 2019 – Lansdowne Annual Reports

Since 2018, OSEG has advised that the financial sustainability of Lansdowne is at risk. A significant financial challenge that the Partnership has faced is the amount of capital that was required to finish the construction and refurbishment project of City-owned assets. This included the complex retail construction and the refurbishment of the 50-year-old arena and north stadium complex (including unplanned technology improvements that necessitated \$10 million in incremental capital) and funding for initial operations. These costs were funded by OSEG with no additional funding provided by the City.

The reports noted that OSEG had contributed in excess of \$160 million to the partnership to date, and that their projections were that they would not have received repayment of \$102 million in equity contributions that they have made over the term of the partnership.

In 2018, OSEG commenced the development of an updated, long-term strategic plan for the Lansdowne partnership. This work included new near-term operational initiatives aimed at stabilizing the waterfall results. Longer term, larger scope initiatives that increase visitors to Lansdowne, provide additional programming and improve the closed financial system (the 'waterfall') returns to both OSEG and the City were also evaluated and included in this strategic review.

2020 - Lansdowne Annual Report and COVID-19 Impacts Update

On December 9, 2020, City Council considered the [Lansdowne Annual Report and COVID-19 Impacts Update report \(ACS2020-CMR-OCM-0003\)](#) which identified the

significant and unforeseeable impacts from the COVID-19 global pandemic experienced by all of Lansdowne Park's operations, caused by the mandated provincial public health closures and other measures in place since March 2020, as well as the threats to the longer-term sustainability of the Partnership.

The pandemic impacts had a profound negative effect on the closed financial system within the Lansdowne Park Partnership. At the time it was estimated that OSEG would have to make an estimated cumulative \$192M in equity contributions to the Partnership compared to a total commitment in 2012 of \$55M (minimum equity plus additional equity). With these additional contributions OSEG would be owed well over \$500M under the waterfall in 2044 in unpaid minimum equity, additional equity, and interest, which could not be recovered within the Partnership.

Council approved some amendments to the agreement that would help OSEG weather the COVID-19 impact on the LPP's operations by allowing them to access the lifecycle reserve for three years, extending the term of the agreement to allow OSEG more time to recoup their investment and to eliminate the need to start paying the City participation rent and base rent in the event of a permitted transfer of the retail component to additional investors during the term of the partnership, if required. These measures were instrumental in helping OSEG get through the last three years. However, the financial sustainability issues raised as far back as 2018 continue to persist.

In 2020, Council directed staff to work with OSEG representatives to explore options that would enhance the sustainability and long-term financial viability of Lansdowne's operations and the Partnership, including both operating and capital requirements. The review was to include options to increase foot traffic on the site, enhance animation, improve public amenities, assess aging infrastructure and increase density in keeping with Council's urban intensification principles, including affordable housing.

2021 - Lansdowne Park Partnership: Path to Sustainability and Next Steps

In July 2021, Council approved the [Lansdowne Park Partnership: Path to Sustainability and Next Steps report \(ACS2021-PIE-GEN-0004\)](#). In this report, staff presented Council with information on previous high-level assessment of the aging infrastructure at Lansdowne. The North Side stands/Civic Centre were the subject of extensive building and structural condition assessments from 2007-2009, during the initial period of the Lansdowne Park redevelopment discussions. The City commissioned Adjelian, Allen, Rubeli Limited (AARL) to complete a structural adequacy report for the North Side

stands/Civic Centre complex in 2007. This report recommended additional investigation for specific structural elements. Fourteen engineering reviews were completed by AARL on behalf of the City from 2007 to 2010. The summary of conditions showed the Civic Centre complex and North Stadium Structure to be in generally good condition. The Arena complex was deemed to be structurally adequate and capable of supporting anticipated loads. Reports prepared for OSEG by Morrison Hershfield at the time of the Agreement reached similar conclusions.

In 2020 Morrison Hershfield developed a 40-year capital repair and replacement plan for the North Side Stands and Civic Centre and identified a workplan from 2019 to the year 2054 with a cumulative value of approximately \$25 million dollars in renewal events to maintain the integrated stands and arena in safe, operating condition. The capital repair and replacement plan accounts for demolition after the 40th year (2054) and as such if demolition is extended, the workplan does not account for extending the life of components with maintenance. The City and OSEG work together to prioritize and plan the renewal forecast projects with considerations including operation and maintenance experience, review of condition and coordination of projects. Despite this collaborative effort to maintain the nearly 56 year old facility both staff and OSEG believe in order to continue the success of Lansdowne going forward the facilities need to be renewed.

In 2021 Staff presented Council with 3 options for maintaining and investing in the City facilities.

Option 1 Staff identified that Council could choose to maintain the Civic Centre/North Side stands at their current level of functionality until the end of the Partnership in 2054. Repairs would continue to be made to address internal climate control issues, water infiltration issues, and improving antiquated mechanical and electrical systems in accordance with the Stadium Lifecycle Plan that was a foundation of the Partnership Agreement. However, by maintaining the status quo the facilities will not address the underlying functional deficiencies of the 56-year old building that will continue to decline in commercial usability, making it harder for the Partnership to successfully compete for events and visitors to the stadium and arena. The impact of this will be that it will become impossible for the Partnership to meet its commercial, operational and financial sustainability requirements. This is expected to worsen as the facility ages. At the end of the Agreement in 2054, the Civic Centre/North Side stands would be 87 years old.

Option 2 Staff explored a second option to go beyond the existing Lifecycle Plan and complete substantial upgrades to the facility to deal with the underlying functional deficiencies

Although staff did not have a detailed cost estimate of the works that would be required to upgrade the existing facility, the ROSSETTI and Liebe reports identify many issues that gave doubt that the facility could even be upgraded. The ROSSETTI report concluded, “The two key types of physical and functional obsolescence found within this facility are deemed incurable as they would require the introduction of new fundamental spatial characteristics in each venue which are not currently adaptable due to the completely inflexible existing structural system and the complex interconnected relationship of the two current venues.”

The Liebe Engineering Associates report concluded that a seismic upgrade of the building would be required in any major redevelopment and that “the existing structure and foundations of Ottawa Civic Centre and North Stands are not structurally adequate to allow for a redevelopment into a mixed-use residential, retail and sports complex, with a life expectancy of 50 years. The seismic upgrading, structural reinforcements and other Building Code upgrades, required for a redevelopment, would require the demolition of the existing Ottawa Civic Centre and North Stands.”

Staff did not recommend this option due to the complexity and uncertainty about the ability to control the scope of the project once the building was opened. Attempting to remedy the issues described above brings considerable risk without necessarily improving the long-term sustainability of the Partnership.

Option 3 Staff recommended pursuing a replacement option which City Council approved. The plan to move forward on the replacement of the City facilities included directing staff to work with OSEG to bring forward detailed plans and cost estimates for the revitalization of Lansdowne Park and conduct a due diligence review of all financial estimates and proforma projections; a funding strategy for the City’s portion of the construction cost related to City assets; an assessment of revenue neutrality and assessment of the financial implications for the City for the term of the Partnership agreement, as well as undertake the other required due diligence. Staff were delegated authority to negotiate with the Ottawa Sports and Entertainment Group (OSEG), on a commercially confidential basis, on a proposal to revitalize Lansdowne Park.

The following negotiating principles were approved by Council and formed the negotiation of the 2022 proposal from OSEG:

1. The overall package must have a material and/or financial benefit for the City and the taxpayer, as well as adhering to the basic principles of fairness to both parties and ensuring the Partnership is sustainable over its entire term.
2. The overall package must be affordable for the City, as determined by the City CFO/Treasurer and independently validated and be in keeping with the terms of the LMLP Partnership Agreement, the Long-Range Financial Plan and consistent with the requirements of the Municipal Act, 2001 and any other relevant legislation.
3. City funds will not be used to subsidize any of OSEG's operations, including the professional sports teams, retail, or residential, and including any impacts of construction on those operations.
4. There will continue to be City-owned and managed assets that are distinct from the OSEG Partnership.
5. Affordable housing will be a key consideration in whatever is negotiated.
6. Retail and commercial (existing and potential new) remains in the waterfall, to a level deemed satisfactory to the City.
7. Any new municipal or public facilities will be done through a competitive tendered process administered under the City's procurement methodology with oversight by a construction management team involving both parties.

2022 - Lansdowne Partnership Sustainability Plan and Implementation Report

On the basis of the seven (7) negotiating principles OSEG developed a preliminary Concept Plan for the redevelopment of the North Side Stands and Civic Centre, replacing them with the following:

- A new state-of-the-art stand-alone Event Centre, home of the Ottawa 67's and Ottawa BlackJacks, and regional venue to attract and host a diverse range of events to Ottawa. This new 5,500 seat stand-alone and fully accessible Event Centre will support an expansion of local events, concerts, markets and music festivals for diverse users. It would further align with the goal of Ottawa Tourism partners to provide more provincial, national and international festivals.
- Reconstruction of the North Side Stands to replace the aging infrastructure and rebuild it to the latest accessibility standards. It will include improved amenities, larger concourses, better views of the field and will enhance the overall user experience.

- A new retail component to replace the “J Block”, which is the two-storey space currently occupied by the Box Office, the Team Store, and GoodLife Fitness. The new retail component would be two levels above grade and form part of a podium structure. The OSEG concept plan increased the commercial floor area from 41,178 square feet to an estimated 108,000 square feet. The podium will be set farther back from the current internal road, which will open the historic viewpoints of the Aberdeen Pavilion from Bank Street.
- An estimated 1200 housing units were identified within a three tower configuration. Two towers were to be constructed above the retail podium in the space currently occupied by the Civic Centre and the third between the new North Side Stands and Event Centre. A portion of the tax revenue from the residential units could defray the capital cost of reconstructing the public facilities.
- Air rights for the residential development would generate revenue in a lease or sale, thus creating the opportunity to assist in financing of the replacement of the sporting facilities.
- As directed by Council, the residential component of the revitalization project would include a minimum 10 per cent of the units as affordable, with further exploration on the ability to provide deeper affordability through a non-profit housing provider.
- Any additional parking would only be for the purposes of the new residential units, with no additional non-residential parking on the site proposed.

2022 Council Direction

Council set forth the road map ahead for moving forward with OSEG concept through 6 core directions and approvals from the **2022 Lansdowne Partnership Sustainability Plan and Implementation Report**

1. Approve in principle the recommended concept plan, including the development of a new Event Centre, new North Side Stands, a new mixed-use development in the location of the existing Civic Centre, comprising 100,000 square feet of retail and 1200 new housing units as the basis for negotiations between the City and the Ottawa Sports and Entertainment Group for the redevelopment.
2. Direct the General Manager of Planning, Real Estate and Economic Development to initiate rezoning and undertake public consultation to facilitate the Event Centre, and

additional development to finance the replacement of the functionally obsolete sporting facilities

3. Approve an affordable housing target of 10% to be embedded in the disposal process for the air rights. The ownership and operation of the affordable units to rest with an established non-profit housing provider.
4. Approve the recommended business model and financial funding strategy – establish a budget authority for the cost of construction and preliminary works being established with an upset limit of \$332.6 million to be financed by a combination of the sale of air rights, debt and City capital budgets for City-specific and internal project management costs, with annual debt servicing to be funded by property tax uplift, ticket surcharge revenue, net cashflows from the Lansdowne Master Limited Partnership (LMLP) waterfall on the condition that the planned uses and source of funds for the City portion maintains revenue neutrality and is aligned with Long Range Financial Plan.
5. Delegate authority to City manager to negotiate terms and conditions for the partnership with OSEG for construction of new event center, north side stands, and new retail that is aligned with legal framework and amendments described in the report and within parameters of the funding strategy and report back to Committee and Council.
6. Approve the estimated costs of \$8 million for the next steps in the project to be spent against the project budget authority and cost sharing provisions, authorizing the City Manager to formalize Engagement and Cost Sharing Agreements with OSEG for the planning, design and engineering steps for the public sports facilities required to be completed until the next Council approval in the project.

Overview of the Lansdowne Master Limited Partnership (Lansdowne 1.0)

The Lansdowne Partnership Plan (the “LPP”) was approved by Council on June 28, 2012 and October 10, 2012. The LPP is a private public partnership between the City and Ottawa Sports and Entertainment Group (“OSEG”). The LPP is primarily composed of the Lansdowne Master Limited Partnership (the “LMLP”) between the City and OSEG and four subsidiary limited partnerships for each of the main components of the LPP being: (1) the Stadium Component; (2) the Retail Component; the Ottawa Red Blacks CFL Team; and (4) the Ottawa 67’s hockey team.

The City retains ownership of the Civic Centre, Stadium, Retail structures and public parking and two of the subsidiary limited partnerships¹ have lease agreements with the City to occupy, operate and maintain these assets. The REDBLACKS and 67's are owned by the other two subsidiary limited partnerships², and if sold, the proceeds would flow back into the LMLP closed financial system. In 2020, OSEG agreed to ensure that the sports teams would continue to play at Lansdowne for 18 years from the lease commencement date in 2014.

As part of the LPP, the Lansdowne Stadium Limited Partnership leases the Stadium Component (which includes the Civic Center) from the City for \$1 annually and the Lansdowne Retail Limited Partnership leases the Retail Component from the City for \$1 annually, and OSEG funds any net negative cashflows. The revenues and expenditures related to REDBLACKS, 67's, retail, stadium, including concerts and events all flow through the consolidated LMLP closed financial system.

The initial terms and conditions of the Partnership were established in 2012, and were based on balancing the risks between the parties, and establishing a fair relationship where the City and OSEG aligned their respective investments and risks so that the City had a strong chance of repayment on its deemed equity, and a reasonable chance of a positive return on the stadium investment, and that OSEG would be able to generate a reasonable return on their investment. Those estimates were based on a projected financial model before the site was developed and before operating realities were known and never anticipating that a pandemic would close operations for over a year.

The overall investment into revitalizing Lansdowne to date is estimated to be \$425 million. The costs of the redevelopment of Lansdowne have been shared between the City of Ottawa and OSEG, as well as other partners. The City's total capital cost to complete the stadium, arena, the City's portion of the parking garage, the Urban Park (which includes the Horticulture Building relocation and retrofit), site servicing costs, site management and all associated soft costs is approximately \$210 million. The City paid for the construction of the stadium and arena renovation up to a maximum of \$135.8 million, while OSEG guaranteed the completion of the stadium and parking structure and was responsible for any cost overruns. In the case of the retail buildings, the Partnership paid for the construction of the buildings, which was funded and the loan guaranteed by OSEG. The \$210 million funded by the City, is broken down as follows: \$133.8 million for the stadium and arena, \$45.7 million for the urban park, and \$32.2

¹ The Lansdowne Stadium Limited Partnership and the Lansdowne Retail Limited Partnership

² The Ottawa 67's Limited Partnership and the Capital Gridiron Limited Partnership

million for the retail and office parking. Debt was issued in the amount of \$127.6 million (excluding the urban park) for an annual debt servicing amount of \$6.9 million. As of the end of 2022, the debt servicing cost has been offset by 75% of the new retail/commercial property taxes combined with the savings from the cost avoidance of \$3.8 million, as per the initial business case.

In 2012, it was estimated that over the 30-year term of the agreement, the Partnership would pay out \$58 million to the lifecycle reserve to maintain the City's assets and the City would earn \$60.8 million of interest on its deemed equity and earn 32.8 million in profit share. These returns to the City were not expected to start until 2035. OSEG was projected to earn \$162.2 million on contributed equity of \$55 million. In the latest proforma projections assuming no redevelopment, the City is not expected to receive any distributions from the partnership over the 40-year term of the agreement. The Partnership must continue to contribute to the lifecycle reserve and OSEG's projected equity contribution is now \$168 million. There are insufficient projected future cashflows to repay OSEG all of the interest on this much higher equity or to get any of the contributed equity returned.

The primary benefit of this P3 agreement for the City is that the City is protected from having to contribute any money for asset lifecycle maintenance or operating deficits for the Stadium, Parking, Retail or sports teams throughout the entire 40-year agreement. This protection would be expected to continue with redevelopment. The City has determined that redevelopment is the preferred option forward to ensure that the Partnership can become financially sustainable. Without replacement of the outdated and functionally obsolete city-owned facilities, the City cannot assume that OSEG will continue to fund what are expected to be ongoing operational losses and capital investment in the aged and substandard facilities.

The implications of an OSEG default was described in the December 2020 report to Council. The Chief Financial Officer had determined, with independent validation, that, if OSEG defaults, there would be an immediate negative impact on the 2021 operating budget that would range between \$4.5 million (optimistic) and \$12.5 million (pessimistic), and would result in additional costs to the City over the term of the agreement of between \$118 million and \$407 million. In 2020, the immediate negative impacts were based on the assumption that in order to minimize the negative financial impacts to the City, the scope of operations at Lansdowne Park would need to be reduced, the sports teams would be folded/shutdown or sold, there would be fewer events, and retail occupancy would be reduced. The City would also likely assume

outstanding loans for the retail component (\$120 million) and the arena (\$16 million). Council approved OSEG's temporary use of the lifecycle fund and other measures to improve financial sustainability in the near term. At that time, OSEG also signed a covenant ensuring that the 67's and REDBLACKS would continue to operate at Lansdowne for 18 years following the lease commencement date of 2014, essentially until 2032.

The Cost of No Redevelopment

If the City were to do nothing, the City cannot assume that OSEG, given its investments and losses to date, would continue to fund the Partnership. A default would result in termination of the agreements and the City would be left operating a financially challenged business, with old, functionally obsolete facilities, and having to fund net operating deficits going forward. It would be difficult to find new investor-operators, whether from the private or non-profit sector, to take over OSEG's role, given the site's historical operating performance and proforma projections, and a new investor group would seek to amend the terms of the partnership agreement to cure many of the challenges the Partnership has faced and resulting in a likely higher transaction cost to Ottawa for a new contract or agreement.

If new investors were not found, the City would be responsible for operating and funding the site, buy the teams or they would be sold to another buyer. The City would not likely get optimal lease rates from the teams for a sub-standard stadium and continue to incur the cost of operating an older facility. The City would earn the retail net revenues but would also be responsible for repaying the outstanding loan on both the retail buildings and arena. Stadium and arena lifecycle costs would continue to escalate as the building ages. Decreased tenancies in the retail and office spaces will occur as a result of site obsolescence and would contribute to further operating losses and reduced realty taxes, both of which to be borne by the City.

Many of the assumptions described above were included in the 2020 estimated cost of termination and many of these assumptions have actually worsened as a result of post-Covid impacts; not least of which, is the increased cost of financing since 2020, and performance of the Ottawa REDBLACKS. There is also an unlikely possibility of another investor continuing to operate the teams with a comparable lease.

The cost of Lansdowne Redevelopment 2.0 must therefore be weighed against the cost of doing nothing, which could be as much as \$400 million or more over the next 40 years, if OSEG were to default on the agreement. The cost to continue to maintain the

asset would only increase over time. Current estimates from Morrison Hershfield based on a 40-year capital repair and replacement plan for the facility and to keep the old building operational and demolish it at the end, would require an investment in the order of \$40 million. At the end of the 40-year period, or likely sooner, the City would have to decide to replace these facilities and bear the full cost.

DISCUSSION

Due Diligence on the 2022 OSEG Concept Plan

Moving forward on Council's direction in 2022 to establish the OSEG 2022 Concept Plan as the basis for negotiations, and to fulfill Council's further directions with respect to the project Staff proceeded on 4 streams of due diligence work; Request for Expression of Interest in Subterranean and Property Air Rights (REOI); Financial Due Diligence; *Planning Act* applications; and Public Consultation.

Staff initiated the Council directed Zoning By-law amendment, and an initiated an Official Plan amendment. The proposed Official Plan and Zoning By-law Amendments for Lansdowne 2.0 represent the next step in the evolution and progression of Lansdowne towards a redevelopment approach that will allow the site to succeed as an important residential, sports, culture, recreation, commercial, and entertainment destination, and a more vibrant day-to day hub for Ottawa.

The Revised Concept Proposal

The City's due diligence through the REOI process, *Planning Act* process, Financial review process, and public consultation have led to substantial City modifications to the residential over build of the 2022 OSEG proposal, and its interface with the North Side Stands.

The concept has been revised to remove the residential tower closest to the Aberdeen Pavilion, resulting in a 2-tower concept, with demonstrated heights of 40 storeys and 25 storeys. The decision to remove a tower creates an opportunity to introduce a new public realm space in the order of 27,900 square feet adjacent to the Aberdeen Pavilion, creating a public plaza between the Aberdeen Pavilion and the new Event Centre. The buildings and tower heights are now confined to the south side of Exhibition Way, lessening impacts on the Aberdeen Pavilion.

The second major revision to the OSEG proposal focused on the size (overall building mass) of the towers. The revised concept proposes a reduction in tower floor plates

(square metres of floor area each tower floor covers) from approximately 900 square metres to approximately 800 square metres. The reduction in floor plate sizes was a result of consultation with the City's Urban Design Review Panel and the City's Architectural Consultants. A narrower tower will have a positive effect of lessening wind and shadow impacts on the public realm areas of Lansdowne. The smaller tower floor plates, coupled with one less tower, will increase tower separation in the range of 40 to 60 metres between towers, significantly greater distance than required as per the City's Urban Design Guidelines for High Rise Buildings.

These two significant design revisions have resulted in a decrease in the anticipated unit yield from the estimate of 1200 to 770 units, distributed between the two towers and potentially in a shared residential podium above the commercial podium. This unit count is recommended as a maximum in the proposed zoning.

The reduction in the number of residential units has resulted in a reduction in the residential parking requirement. The OSEG proposal included 739 parking stalls underground in a multi-level design. The revised concept has an estimated 336 stalls dedicated to the residential on one level under the NSS and retail. This represents a parking ratio of 0.43 stalls per unit. The fewer number of vehicles will lower the peak hour transportation demands with 42% less trips than originally estimated.

The revised concept plan identifies approximately 35 parking spaces to be built and allocated within the new underground garage for the Event Center. The creation of parking in proximity to the Event Centre is an opportunity to ensure there is accessible parking for guests with mobility issues and to support community uses including minor hockey. The remaining 336 parking spaces are for the sole support of the property rights over-build.

The retail podium will be developed as a two-storey built form, with building setbacks to the residential podium above. While the podium will maintain the overall look and feel from the 2022 Concept Plan, it will decrease in the amount of space for commercial uses from 108,000 to 49,000 square feet. The decrease can be mostly accounted for by the removal of a proposed music hall (27,800 square feet), and one of the upper-level retail units (25,000 square feet). This space will be reallocated to the Residential Developer to program and in the revised concept is assumed to be a residential amenity area. The streamlined retail program provides cost savings to the City in the construction of retail space, while still maintaining the retail strategy to activate the ground floor and contribute to the year-round reason for visiting Lansdowne.

Overall, the revised concept will strengthen the urban design and public realm experience along Exhibition Way by introducing an appropriate scale of buildings, creating new high-quality public realm spaces, and encouraging vibrancy and vitality through the mix of uses.

Table 1 Comparison of Concept Plans

Concept Plan	# of Units	Retail (s.f.)	Parking Stalls	New Public Realm (s.f.)
OSEG 3 tower Proposal - Heights of 40, 34 and 29 storeys	1200	108,000	739	None
City 2 tower Proposal - Heights of 40 and 25 storeys	770	49,000	336 (Residential) 35 (Event Centre)	27,900

Improvements to Constructability

The OSEG 2022 concept plan assumed the parking would be delivered in Phase 2 of construction of the North Side Stands and residential podium. The parking garage would be one structure built and paid for by the City. The City would in turn sell off the parking to the Residential Developer. There was some risk and financial uncertainty in the proposed scenario. The City's proposed modification is to vertically separate the North Side Stands development from the retail podium and residential development as a means to disassociate the parking responsibilities underneath the retail podium from the City. The City would be responsible for the cost of less parking, removing the 2 levels of mezzanine parking, while the property rights developer would be responsible for underground parking beneath the retail podium.

Vertical separation of the new North Side Stands from the retail podium would also create a distinct parcel of land for the disposal of the subterranean and property air rights to a residential developer, while allowing the use of that land for construction staging of the north side stands.

The construction methodology in the 2022 Concept Plan assumed a 'transfer slab' approach to construction, whereby the retail podium would be constructed by the City and the successful purchaser of the air rights would construct overtop on a structurally designed element that would enable the tower to rise from the pre-built retail podium (or a Transfer Slab). The City proposes to modify the approach towards a more conventional approach where the parcel of land free of the new North Side Stands is disposed in its entirety, with the City purchasing back the retail podium from that developer. The concept moves away from solely 'air rights' and into a scenario where the City controls the design of the retail podium and purchases it back at cost. A stratified condominium arrangement would be created where the podium is owned by the City, within a building, and overtop an underground garage owned by the land developer.

The revised City proposal is premised on a simplified construction staging, constructability method, and parking arrangement. The underlying principle of the revised City proposal is the removal of Tower 3, elimination of the costly mezzanine levels of parking, the structural separation of the stadium from the retail podium, and the reduction second floor commercial space in the podium. The revised City proposal follows Ottawa LRT Public Inquiry recommendation to avoid whenever possible complexity in major components of a project.

Disposal of Subterranean and Property Air Rights

The disposal of the subterranean and property air rights, identified for residential development in the Concept Plan, is to follow the process used in the original Lansdown development. In the initial Lansdowne development staff conducted a two-stage process with the first stage being a Request for Expressions REOI. This was followed with the issuance of a Request for Offers (RFO) to dispose of property air rights as per the City's Disposal of Real Property Policy. The disposal of subterranean and property air rights, under either a long-term lease or fee simple transaction is a core business principle of the funding strategy. The funds generated from the disposal of property will be used towards the capital development of the new City sports arena and stadium, adhering to the Parkland Acquisition and Funding Through Property Disposal Policy.

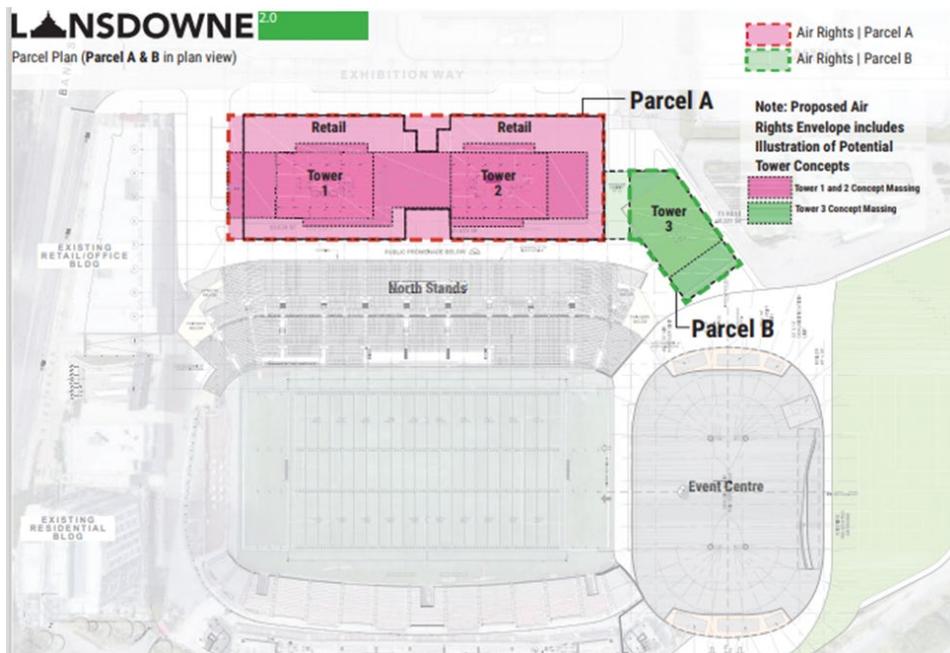
Request for Expression of Interest

As part of the due diligence process, staff initiated a Request for Expression of Interest (REOI) on April 14, 2023. A notice was placed on the MERX website, advertising that the City is seeking a real estate builder/developer who is interested in either leasing or

purchasing the subterranean and property air rights highlighted in the OSEG proposal. Notices were also placed in trade magazines and emails were sent to developers directing them to the MERX site. The REOI identified that the City, as part of the Lansdowne revitalization, would be moving forward with a real estate development opportunity.

The OSEG concept plan was presented in the REOI as an Exemplar Development Concept in the allocation of gross floor area and unit count. The OSEG proposal was up to 1,200 residential units in two separate development parcels. Parcel A comprised of a site area of approximately 68,150 square feet and able to support a twin tower podium. Parcel B had a smaller site area with a footprint of 12,435 square feet and able to support a single tower adjacent the new event center. (Refer to Diagram 1 and Document 9).

Diagram 1 – Parcel A



The REOI did not require submissions (Concept Plans) from the Respondents and the OSEG Exemplar Development Concept was used as the basis for discussion. The City retained the services of a Fairness Commissioner to oversee the entire REOI. The commissioner ensured the process was carried out in a fair, open and transparent manner. The REOI was exploratory and did not commit the City to any further action subject to Council approving an RFO for the subterranean and property air rights. The REOI was inclusive and flexible and did not pre-qualify respondents for any subsequent

RFO. Interested parties who did not participate in the REOI - Stage 1 are not precluded from participating in the RFO - Stage 2.

Respondents were screened in for Commercially Confidential Meetings (CCMs) and met with City staff from Real Estate Office, Housing Branch, Finance and Corporate Services, Procurement, Planning, an external architectural consultant hired by the City and the Fairness Commissioner. The CCMs followed a consistent structure. The industry feedback obtained on the development opportunity provided a framework to help evaluate the relevant components of the OSEG Exemplar Concept Plan. The feedback from Respondents was used to test the concept design, better understand project scheduling, and focus on the essential business terms and conditions for the lease or purchase of the subterranean and property air rights. The information assembled in the REOI stage will be used to draft the RFO document to be responsive to the needs of the development community in order to maximize the financial return to the City.

Findings of the REOI and Subsequent Due Diligence

REOI is an important part of the due diligence process providing insight into how the real estate development industry would react to the mix use development opportunity within the proposed OSEG revitalization plan. The REOI process provided staff with insight on the viability of the residential development. CCMs permitted both the City and the Respondents to partake in an open exchange to identify trends and emerging issues that could impact or reshape the OSEG design concept. The outcome of the REOI, together with additional staff investigations, had implications on 1) the residential form (rental apartment/condominium), 2) density/size (number of units) of development, 3) the constructability of the proposal, 4) parking (size, ownership and operation), 5) the delivery of the retail podium, and 6) valuation of the subterranean and property air rights for residential development.

1. Residential Built Form

Respondents consistently identified that the current high rise residential market is focused on purpose-built rental product as opposed to condominium. CREO staff had also concluded that a rental project was the likely development scheme and that Parcel B was a potential candidate for a condominium tower. The perception that development in the near term would focus on the rental market was also identified by the Altus Group, the City' external valuation consultants, and by Ernst & Young (EY) when

reviewing the business terms of the OSEG development proposal. In addition, a potential hotel use in portions of the podium was also identified as a possibility similar to the Ottawa Art Gallery development.

2. Density and Size of Residential Development

The size/density of 1,200 units and the market absorption of either rental or condominium units was identified as a risk element in the acquisition of the subterranean and property air rights. The option to remove a tower (Parcel B) was examined to reduce the number of units by approximately 33% to +/-800. The Altus Group ran multiple development scenarios considering only the residential podium on Parcel A changing the number of units, the unit ownership types, the unit mix of bachelor, one, two and three bedrooms and hotel units. Furthermore, EY provided estimated unit counts, unit sizes and unit typologies for both the OSEG 2022 proposal and the City's 2-tower approach. Staff engaged the services of Hobin Architecture Inc for design, and Webster Urban Design for constructability and together worked with OSEG's architect to reconfigure the Exemplar Development Concept, specifically the residential podiums, to reflect more market-based assumptions and the physical attributes (limitations) of the Parcel A. Each variation to the Concept Plan had multiple impacts on the business case analysis being developed by staff.

3. Constructability and Staging

Respondents raised questions on the constructability of the residential component in OSEG proposal. The concept combined as a single City construction project, managed by OSEG, the subgrade of the North Side Stands together with the subgrade and the first two floors of the retail podium. Once the retail podium was built by the City a second build would commence over the retail podium by the Residential Developer. This plan of development followed a similar tiered construction process used to develop the condominium at the corner of Bank Street and Holmwood Avenue.

The respondents in the CCMs had concerns regarding the proposed building program. Though the process was done in the initial development of Lansdowne, the experience was not positive from the City's perspective. The complexities in dealing with two constructors at the same time working over each other, shared infrastructure, design coordination, and scheduling added layers of complexity and additional costs. Staff hoped to avoid these issues in the go forward.

City engineers in Building Code Services, together with the architectural consultant, also raised concerns over the constructability of the OSEG proposal when considering the residential development. Many questions as to the process were unanswered as the

design had not been fully advanced to consider the impact of two developers/owners. Respondents in the CCMs noted that if the residential project on Parcel A could be untangled from the North Side Stands it would reduce the overall complexity of the project. A Residential Developer could streamline the project and construct from the ground up in one continuous build (parking, retail and residential). It would also provide the Residential Developer with the option to stagger the timing of construction of the towers to better match market demand.

In consideration of the past City experience, the complexities of the proposed tiered construction process, the ownership model, and industry feedback from the REOI, staff concluded that the sub-grade parking garage, the retail podium, and the residential projects (within Parcel A) should be planned, coordinated, and constructed as one project by the Residential Developer. Thus, a key outcome of staff due diligence is that Parcel A should form a separate project with no shared building elements with the North Side Stands. The residential component, to be built by a third party, would not be reliant on the City construction schedule and the delivery of parking and retail elements as per the original OSEG proposal.

Working with the City architectural consultants, OSEG's architect consultant was asked to modify the concept plan to separate out the development for the North Side Stands from Parcel A and to examine how shared access points could be coordinated considering the different construction schedules.

Co-ordination and organization of all site developers and associated designers and constructors are critical to its scheduling and project success. In addition, Staff note that OSEG intends to continue the operations of its sports teams throughout the construction period. The on-site staging, material handling/storage, traffic access/egress, site safety, sharing and staging of towers cranes etc. must be planned out as part of the project requirements. Shared operations and site maintenance between parking, retail and residential users/owners will be address to a limited degree in RFO and in more detail in the Construction Management Agreement between the Residential Developer, the City and OSEG.

4. Parking

The number of parking spaces and the cost is a critical planning element for residential projects in an urban context. A fundamental development principle at Lansdowne is that all residential parking is to be built below grade. The number of parking stalls that could be built across Parcel A and the North Side Stands was reviewed by the architectural

teams. Based on the physical limitations to the site, it was estimated that 336 parking stalls could be constructed below grade to support the residential use.

The number of residential units has a correlation to the number of available parking stalls. Respondents to the REOI showed significant interest in the amount of parking. Based on the CCM discussions, and a review of recent development applications, the allocation of parking for purpose-built rental apartments tended to range from 0.4 to 0.5 stalls per unit of development while condominium typology supported a 0.8 to 1.0 ratio of stalls per unit. With a parking limitation of 336 stalls a Residential Developer would estimate that Parcel A has a yield of between 700-800 rental units and 330 to 410 condominium units subject to any zoning limitations.

The zoning of Parcel A is discussed later in the report. The proposed zoning will set a fixed maximum 1,050 residential units on all of Lansdowne. This represents an increase of up to 770 units for the new build. The parking ratio of the available parking stalls (336) to the maximum number of new dwelling units on site (770) is 0.43. Based on industry feedback, staff concluded the disposal of Parcel A under current market conditions would likely be for purpose built rental development and there is sufficient parking to support the anticipated level of development.

The proximity of parking to residential buildings, as well as the developer's ability to control parking spaces through ownership are important elements in a purpose-built rental building. The 336 parking stalls are spread out within Parcel A (~200 stalls) and under the North Stadium Stands (140 stalls). The Residential Developer would be responsible to construct, at their cost, the 200 parking stalls within the boundaries of the podium development. In the construction of the new North Side Stands the City would build, at its cost, the 140 parking stalls in the space left behind by the removal of the arena. The two parking structures will share an access lane and can be connected to function as one entity. The stadium parking will be constructed in advance of the residential podium development. The access/use of the City built 140 spaces will be included as part of the RFO for the disposal of Parcel A in a similar process as the residential parking component in the initial Lansdowne Development.

The risk to the City of not receiving a payment from the residential builder for the purchase or lease for some or all of the parking is considered extremely low. The CCM respondents commented that parking would be at a premium. In the unlikely event that the developer of the residential component does not acquire some or all of the rights to the City built parking, the City has the ability to independently lease out the spaces directly to on-site residents.

Retail Development

The OSEG proposal had the retail component built, along with all the underground parking supporting the residential component, by the City as part of the North Side Stands construction. These elements were then be stratified to create separate property parcels with Parcel A having three separate “property” parcels of; parking garage (subgrade); retail (podium); and the residential (tower development). Parcel B was different in that it had no retail component having two levels of a subgrade parking garage and above this the residential tower development. With the recommendation to delete the third tower (Parcel B) all the new retail development will be in the podium of the proposed development in Parcel A.

The OSEG proposal had an estimated 108,000 square feet of retail/commercial being built by the City in Parcel A. This was in part to replace the 41,000 square feet removed with the demolition of the Civic Center (Block J). The proposal called for an increase of approximately 67,000 square feet, most of which represented second level space and a musical hall venue. This space was to be included in the waterfall but carried a cost to the City, net of OSEG financing, estimated at \$10M in the May 2022 Council Report.

Through the financial due diligence process, Staff, with the support of EY, found there was no financial benefit to adding 67,000 square feet of retail space when considering its estimated total cost of construction. Staff recommended a reduction in the amount of new retail space to maximize the revenue per square foot of new retail within the waterfall. OSEG’s desire was, at a minimum, to replace the space removed from the waterfall and to make every effort to retain displaced tenancies that generate traffic such as GoodLife Fitness.

The updated concept design provides an example of how the retail can be reduced and reconfigured. Sections of the podium at grade are required for the lobby and service areas for the residential towers. The remainder of the podium at grade, of approximately 24,000 square feet fronting Exhibition Way, has been blocked into the design for retail uses. An additional 25,600 square feet on the second level of the podium is configured primarily for the relocation of the GoodLife Fitness tenancy. Staff felt that this redesign was a reasonable compromise with one caveat. The Residential Developer would now be the builder of the retail space. Thus, the City would need to work with the Residential Developer to create a retail component that it can purchase.

The retail component can be surveyed and stratified into separate legal parcels to create condominium unit(s) to which the City can acquire the legal ownership. To

protect the City's interest in the retail, the purchase option for this space will be incorporated into the RFO disposal process for Parcel A. The City would dispose of Parcel A retaining a right to purchase the fee simple interest in the retail components under a predetermined pricing formula. In the financial model the future acquisition cost, adjusted for inflation, for the retail component of 49,000 square feet is estimated at \$34.7 million.

Under the Lansdowne Partnership agreement this new retail space will be treated in the same manner as the existing retail at Lansdowne and be leased back to OSEG under an amended Retail Lease Agreement. Revenue and operating costs from the retail in Parcel A will be included in the waterfall. In turn, OSEG has agreed to remortgage its entire Lease Fee interest in the +/- 368,000 square feet of retail space at Lansdowne. OSEG will commit to apply the net mortgage proceeds (new mortgage amount less current mortgage) to reimburse the City for the acquisition of the retail component in Parcel A.

Staff are seeking the delegation of authority for the General Manager, Planning, Real Estate and Economic Development Department, for the future acquisition of the Fee Simple subterranean and property air rights for the retail development in Parcel A, in keeping with the Council approved Acquisition of Real Property Policy.

5. Valuation of Subterranean and Property Air Rights for Disposal

The Respondents to the REOI had commented that the project could include a mix of rental and condominium housing options with the ratio between the types being determined by market conditions at the time of expected completion. The mix was subject to the limitations on design and availability of parking. Parcel B had been the choice for a condominium location. As noted above, with the removal of Parcel B from the OSEG proposal, the anticipated build will be smaller and likely focuses primarily on rental accommodation, with an option for some form of hotel type accommodation.

During the due diligence process City appraisers working with the Altus Group tested multiple scenarios to assess the probable value of Parcel A. The final terms of reference for the valuation are based on the revised concept plan relating to the reduced scope of development. Parcel A will represent a development opportunity being:

- Two tower podium design (rental) with a height limit of 40 stories;
- Disposal of entire subterranean and property air rights for Parcel A to enable one construction project separate from the North Side Stands;

- Yield of 750 units (marginally less than maximum permitted);
- Parking limitation of approximately 200 stalls on site responsibility of Residential Developer;
- Ability to acquire control approximately 140 additional parking stalls on adjacent lands; and
- No requirement to provide a Cash-lieu of Parkland development fee (in accordance with the Parkland Dedication Bylaw); and
- Residential Developer to build as per City requirements and sell to the City on a cost recovery formula 49,000 square feet of retail space.

Based on the foregoing terms of reference appraisals were completed as per City Disposal Policy. The appraisers estimated a value based on a fee simple disposal. In determining a market value both the direct comparison and the land residual approach was applied. Staff reconciled the valuations and concluded a \$39M estimate of value as the expected proceeds for the subterranean and property air rights in Parcel A under a fee simple transaction. This amount was used in the financial model.

Summary of the Disposal of the Subterranean and Property Air Rights

A comprehensive review of the OSEG proposal as it pertains to the disposal of City property air rights was completed by staff. This included the issuance of the REOI as the first stage in a potential disposal process. Significant revisions were made to the OSEG proposal to better align with market conditions. Under the revised development scenario described in the report the market value for Parcel A is estimated at \$39M.

Should the revitalization plan for Lansdowne proceed as anticipated Parcel A will need to be severed and declared surplus prior to its disposal. Staff recommendations seek Council declaration of surplus.

Subsequent to the declaration of surplus, staff are seeking in Recommendation 6b the delegation of authority to the General Manager, Planning, Real Estate and Economic Development Department, for the disposal of the subterranean and property air rights in Parcel A for residential development, including subsurface rights for parking, in keeping with the Council approved Disposal of Real Property Policy.

Based on Council direction, staff will proceed with the disposal of the subterranean and property air rights in the lands described as Parcel A with a Request for Offer process and report back to Council on the results.

Public Input

City of Ottawa staff and the Lansdowne Project team have engaged in open public consultation with residents following the Council approved [Public Engagement Strategy](#). Public engagement was launched through the [Engage Ottawa Lansdowne Park](#) project page and has since received almost 14,000 unique visits. The website hosted all public posted information, documents, surveys, As We Heard It reports, and information on Public Information Sessions.

The City has hosted four public information sessions on April 27, May 17, July 13, and September 6, 2023. With an attendance of over 150 residents at each session. The April 27th topics included: the overall proposal, the funding strategy and business model, and the property air rights process including the Request for Expressions of Interest (REOI). The May 17th session focused on the Public Realm and Urban Park, and the July 13th and September 6th sessions focused on the City-initiated rezoning and Official Plan Amendment applications. Each session included a presentation and a Question-and-Answer period.

Staff have also hosted weekly Coffee Chats, Pop-up events, distributed pamphlets and posters, launched public surveys with over 3000 responses, met with the ward Councillor on a weekly basis, presented at the Accessibility Advisory Committee, and the Ambassadors Working Group, have reached out to Indigenous Groups, hosted a transportation workshop, participated in the Urban Design Review Panel and run a multi-layered advertising campaign.

The key themes of public comments from the four public information sessions, email correspondence and coffee chat series include:

- Density and residential tower height
- Green space
- Transportation and transit
- Public realm and urban park
- Retail and entertainment
- Financial impact and arrangement

Financial Due Diligence

The May 2022 report presented a business model and funding strategy primarily based on OSEG's projections from the closed financial system. Since then, staff have refined the business model and funding strategy with the assistance of financial advisory expertise from Ernst & Young (EY), and additional third-party reviews of capital costs and subterranean and property air rights. The following financial due diligence tasks have been completed:

- EY conducted an in-depth due diligence review of the updated financial projections of the closed financial system prepared by OSEG, including sensitivity analyses on the assumptions used to forecast revenue and expenses.
- EY completed due diligence on the proposed residential development by analyzing housing market trends and identifying feasible unit counts, unit sizes and unit types for the site. EY's analysis informed Revenue Services' calculation of property tax uplift.
- The City's Revenue Services team, which has the expertise in calculating property taxes and assessing properties for municipal taxation, led the property tax uplift estimation using EY's proposed residential unit mix.
- Turner and Townsend (T&T), an industry leader to undertake a third-party independent costing, validated OSEG's estimates for construction.
- The Corporate Real Estate Office updated the market value of the subterranean and property air rights sale with appraisal support services from Altus.
- EY completed a detailed economic impact assessment that considered the ongoing operating costs of the closed financial system as well as capital costs of the residential development, parking garage, stadium, event center and new retail.
- EY completed a tourism and socioeconomic impact assessment.
- EY identified funding models used for past stadium and arena projects in Canada and provided staff with funding alternatives to consider for Lansdowne 2.0.
- EY performed a financial risk analysis of the City's funding strategy to assess the City's overall financial risk exposure.

Estimated Economic Impact of the Project

EY's proprietary economic model was used to assess the economic impacts of the construction and future operations of Lansdowne 2.0 to the Ottawa Census Metropolitan Area (CMA) and the Province of Ontario.

Economic impacts were captured through three distinct channels: direct, indirect, and induced impacts. Direct impacts are supported directly by capital and operational spending associated with Lansdowne 2.0. Indirect impacts are from supporting industries that supply goods and services to support construction and operations. Induced impacts occur when employees and contractors associated with Lansdowne 2.0 spend their additional wages and salaries on consumer goods and services within the Ottawa CMA and the Province of Ontario. These impacts individually, and collectively represent how construction and operational activities impact the economy.

Economic impacts are shown through three key economic indicators: Gross Domestic Product (GDP), Wages & Salaries, and Full Time Equivalent Jobs (FTEs). Capital investments are expected to stimulate a one one-time benefit to the economy whereas the impacts from operational spending are expected to be sustaining in nature barring any significant changes to business activity. The Ottawa CMA impacts are economic contributions that are expected to remain in the Ottawa CMA, and do not include leakages of activity to the rest of the province so they will be less than the provincial figures.

Based on the capital investment for the north stadium stands, Event Centre, retail podium and parking the economic impacts in the Ottawa CMA are estimated at \$387 million in GDP, \$275 million in labour income, and 3,694 person year FTEs. When considering the broader economic impact to the Province of Ontario, the economic impacts are estimated at \$565 million in GDP, \$366 million in labour income, and 5,171 person year FTEs.

The economic impacts in the Ottawa CMA for the construction of the residential towers are estimated at \$187 million in GDP, \$128 million in labour income, and 1,798 person year FTEs. In Ontario, the economic impacts are estimated at \$278 million in GDP, \$174 million in labour income, and 2,555 person year FTEs.

The annual average contributions from operating the new site over the 40+ years following the start of construction are estimated at \$59 million in GDP, \$49 million in labour income, and 799 FTEs in the Ottawa CMA. In Ontario, annual average contributions are estimated at \$86 million in GDP, \$69 million in labour income, and 1,044 FTEs.

In addition to the impacts from the construction and future operations of Lansdowne 2.0, EY estimated the impact of visitor spending on the regional and provincial economy. These impacts were developed using historical non-local visitation at ticketed events at Lansdowne, where 'non-local' is defined as visitors originating from regions outside Ottawa's boundaries. Annual non-local visitor spending is estimated at \$53 million and is expected to sustain an annual benefit to the economy. This spending is estimated to contribute \$33 million in GDP, \$27 million in labour income, and 689 person year FTEs in the Ottawa CMA on an annual basis. For Ontario, it is estimated to contribute \$51 million in GDP, \$36 million in labour income, and 850 person year FTEs annually.

These economic impacts are summarized in the Economic Implications section in Table 2.

Table 2 – Economic Impact

	Area	GDP (\$ millions)	Wages (\$ millions)	FTEs
One-time contribution - construction of City Facilities	Ottawa CMA	387	275	3,694
	Ontario	565	366	5,171
One-time contribution - construction of Residential towers	Ottawa CMA	187	128	1,798
	Ontario	278	174	2,555
Annual contribution – Operating	Ottawa CMA	59	49	799
	Ontario	86	69	1,044
Annual contribution – Visitor Spending	Ottawa CMA	33	27	689
	Ontario	51	36	850

In addition to the economic impact assessment, it is also important to consider the broader socioeconomic benefits the Lansdowne 20 redevelopment could deliver to the regional economy. Based on EY's review of comparable jurisdictions that have undergone similar transformations, mixed use developments have been observed to encourage follow on investment in surrounding areas, which has the potential to support future regional economic development. Follow on investment could include additional retail space, accommodation services, office space, entertainment venues and new residential development in surrounding areas. While further thought and planning must be undertaken in the context of the City's Official Plan, including the 'Bank Street in the Glebe Height and Character Study', this follow on investment is expected to contribute to a steady improvement in the vibrancy and the economic vitality of the Glebe area in the years after the initial redevelopment.

Financial Business Case and Funding Strategy

Estimated Capital Cost

The total capital cost is estimated at \$419.1 million. This estimate includes the cost of preliminary works, construction, soft costs related to design and delivery, escalation allowances, and contingency.

The construction estimate was prepared by BTY on behalf of OSEG and the City, reviewed by City staff, and was vetted by a third-party cost consultant (T&T) who prepared an independent estimate and confirmed this number to be in-line with industry standards. A benchmarking exercise was also undertaken by the same independent cost consultant and confirmed that the estimate prepared by OSEG lies comfortably within the range of recent projects of similar size and scope. This effort aligns with Ottawa LRT Public Inquiry recommendation #3 to strive to avoid uniqueness bias. While Lansdowne is unique in Ottawa, work to learn from other similar projects has informed cost estimates and is further discussed in regard to cost contribution from other levels of government.

Contingency is added to an estimate to account for cost items that are not known, at this stage of the project. At the Conceptual level, project cost estimates provide an order of magnitude and can be used for comparison purposes. This is called a Class D estimate as was presented in May 2022. Council's approval directed staff to continue to advance due diligence efforts to provide more information to support decision making. The current cost estimate is considered a Class C estimate, reflecting Planning level knowledge and functional requirements of the project. The report describes the work

completed to increase our understanding of the project scope and support the next point for decision making.

The Ottawa LRT Public Inquiry recommendations include the need for clear communication about cost estimates and explanation of how costs change as project planning progresses. Public entities are cautioned to not commit to an estimate as if it is a budget. As a Class C estimate, staff have included contingency within this range. Subsequent sections of this report discuss sensitivity analysis work that has been completed to inform of the impacts of construction cost changes on the City's funding strategy.

Escalation has been added to the cost estimate to account for the fact construction contracts are anticipated to occur in the future. Escalation amount is influenced by the project delivery model that is selected. Recommendation #7 directs staff to seek advice on the preferred procurement method (in compliance with LRT Inquiry recommendation to use objective criteria when making this decision and also to access appropriate expertise). The escalation amount will vary based on the procurement model selected. The best-case scenario for this project would see a public tender occur Q3 2024. Escalation values shown here reflect construction cost increases from 2023 to assumed time of tender, based on a design-bid-build project delivery model. Input on the escalation rates was provided by BTY and was vetted by the independent cost consultant and were deemed to be a fair assumption for the purpose of this exercise. \$26.5 million has been set aside to address escalations within the total capital cost as long as tender date assumptions are met. As discussed later in this report, construction delay is a risk that could affect the financial performance of the proforma and the City's funding strategy.

Based on the cost estimate (Work Breakdown Structure) prepared by BTY on behalf of OSEG, there is sufficient detail to accept this as a Class C level estimate. Per Council approved City policy for Class C estimates, contingency of 20-30% should be applied, with a level of accuracy of plus or minus 20%. Contingency of \$51.0 million has been applied to construction costs.

The Ottawa LRT Public Inquiry recommendations caution public entities to avoid setting budgets too early and to remain flexible as project estimates evolve. Support for this proposal will allow design work to advance and supports future consideration at the next decision gate.

Table 3 provides a breakdown of the estimated costs to the City for this project. Since OSEG has agreed to obtain financing for the purchase back of the retail podium, assuming the City guarantees the loan, it does not factor into the total capital cost shown in Table 3. The cost of the retail podium being financed by OSEG is estimated at \$34.7 million.

Table 3 – Estimated Cost of Construction

Amount (in Millions \$)	May 2022 Report	Updated Costs	Change in Cost
Event Centre	106.4	135.1	28.7
North Side Stands	80.7	90.9	10.2
Shared and Stand-Alone Areas	11.0	18.6	7.6
Parking for Event Center	-	3.5	3.5
Administrative Offices and Retrofits	14.5	10.0	(4.5)
LEED (included in the construction cost line items above in May 2022 column)	-	12.6	12.6
Site development: services and utilities	5.0	9.8	4.8
Subtotal construction costs	217.6	280.5	62.9
Soft Costs	19.9	39.9	20.0
Other Costs (contract administration, permits, public art, specialty professional services)	6.2	8.5	2.3
Project management	2.4	12.7	10.3
Retail Component net of OSEG Financing	10.0	-	(10.0)
Contingency	51.2	51.0	(0.2)
Escalation	25.3	26.5	1.2
Total estimated cost	332.6	419.1	86.5

Budget authority was already established for \$332.6 million based on the May 2022 report. Staff recommend that the budget authority for this project be increased by \$86.5 million to \$419.1 million in order to proceed with the next stages, to proceed on time and to reduce the risk of construction escalation costs due to delays. The budget would be re-established at an upset limit of \$419.1 million and staff would report back to Council with the approved construction tender price and subterranean and property air rights sale value.

The construction costs have increased compared to the May 2022 proposal for a variety of reasons, namely attributed to market conditions, the construction of materials and labour cost escalation and ongoing supply chain disruption that have occurred between 2021/2022 up to Q2 2023. The due diligence exercise also identified several costs that were not included in the previous estimates and exceed the contingency applied in 2022, primarily related to the following:

- a) The 2022 estimate did not include any additional parking and the current proposal includes adding 35 parking stalls that are more accessible from the Event Centre,
- b) LEED costs have been included as an allowance for all facilities in accordance with City policy and were previously assumed included in the construction costs.

More detailed itemization of soft costs, design, project management, contract administration, has resulted in exceeding the overall percentage applied in 2022.

Other Estimated Costs

Council direction to investigate a roof for the North Side Stands and green roof options for the Event Centre has been completed. The following costs in Table 4 were not included in the estimates above or the following funding strategy. Adding these components will increase the amount of debt required to finance the project and would result in more debt servicing costs, as described in the Financial Risk Analysis section that follows.

Table 4 – Other Estimated Costs not Included

(in Millions \$)	Hard Costs (2023\$)
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Green Roof for Event Center	4.2 ³ – 28.8 ⁴
North Side Roof	13.7

Proforma Projections

Since the May 2022 report, as a result of the financial due diligence exercise, and OSEG's further refinement of operating and business assumptions, changes have been made to the proforma projections for scenarios with and without redevelopment. The proforma projections without redevelopment span 40 years from inception of the partnership including the recent addition of ten years to the agreement approved in 2020. To better align the partnership agreement with the requirements of this redevelopment project, staff recommended in May 2022 that the agreement be extended an additional twelve years to December 31, 2066 to better align the waterfall agreement with the end of the retail lease in 2066. The revised proforma projections with redevelopment of Lansdowne also take into account a 4.5-year period of construction, first to build the Event Centre over two years, and then demolish the existing podium and North Side Stands and rebuild those over the next 2.5 years.

OSEG provided staff and EY with their revised proforma projections and assumptions. EY conducted a thorough due diligence review of those projections, assessed all key assumptions, and based on expertise and research, compared those assumptions against market benchmarks. EY reduced projections in areas where more downside risk was needed and adjusted upwards in areas where OSEG's projections were determined to be too conservative. EY provided both a realistic scenario and an optimistic scenario. See attached Document 10 for EY's report.

The May 2022 report estimated total waterfall distributions over a 52-year agreement to be \$851 million, which OSEG refined further and decreased this estimate to \$755 million which is 96 million less. Their key assumptions increasing waterfall distributions under a redevelopment scenario were as follows:

- Retail rent prices would stabilize to market rent for the area.

³ No Access

⁴ Accessible, controlled, and restricted access for 9000 people

- Retail space increases by 67,000 square feet and vacancies are estimated at 5 per cent. This was later changed to 8,000 additional square feet.
- The addition of a third external sports team in the Event Centre starting in 2030, which was subsequently removed.
- Concert and event revenue would increase by 5 per cent in each of the first two years of operation, which was subsequently reduced.
- Additional premium seating in Event Centre for concerts/events/67's games, increases premium ticket revenue.
- 10 per cent increase in parking revenue.
- The lifecycle costs for maintaining the North Side Stands would be reduced and are assumed to be in line with the lifecycle costs for the South Stadium Stands.
- 67's and the Stadium/Event Centre continue to operate at a slight deficit, but improve overall due to redevelopment, and the projected net operating surplus from the REDBLACKS and the retail component continue to contribute to the net positive results.

As a result of EY's financial due diligence review, several adjustments were made to OSEG's assumptions, most of which OSEG agreed to and changed in their own projections. Some of the key changes recommended by EY include the following:

- Reduction in projected revenue from REDBLACKS games
- Reduction in projected revenue from 67's games
- Upward adjustment to near-term expense growth
- Additional costs of new tenants in the retail space
- Increase in demand for long-term parking
- Reduction in mortgage interest rates that were overly conservative.

The revised proforma increased retail space by only 8 thousand square feet, due to the cost of construction and financing exceeding potential revenue from additional space, which was information that came to light as part of EY's due diligence review. In addition to changing the number of additional square feet in the retail podium, 100 per

cent of the financing of the new retail space is to be borne by the closed financial system instead of 75 per cent.

Adjustments made by EY as the result of the financial due diligence review has reduced the projected waterfall distributions to \$725.4 million, based on a realistic scenario. EY also looked at an optimistic scenario estimating potential distributions over the 52 years of up to \$769.5 million. EY's Financial Due Diligence Summary report is attached as Document 10. Despite this decrease from the May 2022 report, total waterfall distributions with redevelopment are still higher compared to the status quo without redevelopment, as they reflect the revenue opportunities of a more modern and expanded facility. The redevelopment of Lansdowne is required to improve the long-term financial sustainability of this partnership.

EY's realistic scenario projection was used as the basis for the funding strategy and business case for the proposed redevelopment of Lansdowne with adjustments to reflect new business terms agreed to with OSEG to ensure the balance of investment, risk and opportunity continue to be balanced. Updates to the proposed changes to the Partnership agreement are detailed in a section that follows later in this report. The following table summarizes the revised proforma projections adopted by the City over a 52-year period with waterfall distributions totalling \$716.8 million, assuming redevelopment of Lansdowne and new business terms agreed to with OSEG. See Document 11 attached for details of how these cashflows are generated and disbursed over time.

Table 5: Revised 52-year Operating Revenue, Expense and Cashflow Projections

(in millions \$)	City Adopted Projection
Revenue	
REDBLACKS	1,879.2
Ottawa 67s	392.2
Stadium and Event Centre	1,284.3
Retail	1,710.8
<i>Total Revenue</i>	<i>5,266.5</i>
Operating Expense	

REDBLACKS	1,728.5
Ottawa 67s	396.7
Stadium and Event Centre	1,449.2
Retail	627.4
<i>Total Expenses</i>	<i>4,201.8</i>
Total Operating Income	1,064.7
Other Cashflows	
Interest Expense	-204.9
Changes in Working Capital and Other	22.7
Cashflows from Operating Activities	
Retail Leasing Costs and Tenant Inducements	-60.1
Asset Acquisitions	-330.2
Borrowing	3.4
Contributions from partners	165.6
Lifecycle Reserve	55.6
Waterfall Distributions	716.8

Details of EY's redevelopment projections are included in Document 11. EY's projection numbers include the following assumptions:

- REDBLACKS
 - Paid attendance averages 17,500 per game in 2023 season.
 - Average number of annual home playoff games 0.5.
 - Average annual revenue growth rates over the next 6 years of 5.9%, 3% years 7 to 9 and stabilized long-term growth rate beyond 9 years of 2.0%.
 - Annual expense growth rates over initial 6 years 2.50% and 2.0% beyond 6 years

- A stabilized profitability of approximately 6% by year-end of fiscal year 2027/28.
- 67s
 - Paid attendance averages nearly 4,000 per game in 2023/24 season.
 - Average number of annual home playoff games 4.65.
 - Average annual revenue growth rates over the next 6 years of 4.1%, 3% years 7 to 9 and stabilized long-term growth rate beyond 9 years of 2.0%.
 - Annual expense growth rates over initial 6 years 2.25% and 2.0% beyond 6 years.
- Stadium and Event Center
 - Annual revenue growth for Stadium and Event Center will average 6.8% per year over the next 6 years with 2% growth beyond 6 years.
 - The lifecycle costs for maintaining the North Side Stands will be reduced and are assumed to be in line with the lifecycle costs for the South Stadium Stands.
 - Annual expense growth for Stadium and Event Center over initial 6 years 2.25% to 2.5% and 2% beyond 6 years.
- Retail
 - Retail space increases by 8,000 square feet.
 - Retail rents based on contractual lease information with market rent inflation at 2.25% per year occurring on tenant renewal and/or expiry, except between 2033 and 2037 where a rate of 3% was used in consideration of the increased tenant demand from the construction of the residential towers. This would be applicable to the new commercial units, existing commercial units are 2.25% throughout
 - General vacancies, excluding anchor tenants and high covenant tenants, are estimated at 3 per cent of Potential Gross Revenue.
 - Expense growth rate of 3%

- Leasing commissions of 4% for new tenants and 1% on lease renewals
- Structural allowance for capital expenditures is 0.50% of effective gross rents.
- Average retail mortgage interest rate of 4.25% for new or renewed mortgages from 2030 to 2060.
- Other redevelopment assumptions
 - Number of concerts and events scheduled at the stadium and event center will increase by 30% due to redevelopment.
 - Increase in stadium and event center sponsorship and naming rights.
 - 22.5 per cent increase in long-term parking demand.
 - Additional premium seating in Event Centre will increase premium ticket revenue for sports, concerts and events.

Distributions from the Waterfall

The following table (Table 6) summarizes the estimated waterfall proforma projections for the redevelopment of Lansdowne, compared to the projection without redevelopment. It is important to note that the estimate without redevelopment is a 40-year projection and the Lansdowne redevelopment projections reflects the 12-year extension to 52 years, which has been extended to take into account the time it will take to complete redevelopment. The City will receive \$358.6 million more in waterfall distributions under the redevelopment scenario with the revised projections and the proposed changes to the partnership agreement.

Table 6: Comparison of Waterfall Distributions (in Nominal \$)

Nominal Amounts (in millions \$)	City-adopted Projection without redevelopment 40 Years	City-adopted Projection with Redevelopment 52 Years
Lifecycle Fund	63.3	55.6
OSEG Summary		
Return of OSEG Minimum Equity	17.0	17.0
Return of OSEG Additional Equity	6.5	118.6
Return on OSEG Equity	173.3	111.6
Residual Profit Share	0	55.4
Total OSEG	196.8	302.6
City of Ottawa Summary		
Fees Paid to the City (Ticket Surcharge and Rent)	0	45.1
Return of City of Ottawa Equity	0	217.0
Return on City of Ottawa Equity	0	39.1
Residual Profit Share	0	57.4
Total City	0	358.6
Total Waterfall Distributions	260.1	716.8

Proposed Changes to the Partnership Agreement

The current financial arrangement for the LLP, also known as the waterfall, is based on a closed financial system that defines equity contributions from the City and OSEG to be used solely for the purposes of the total project.

OSEG's equity contributions are broken down into two categories in the existing waterfall: minimum equity and additional equity, which both represent cash contributed into the closed financial system. OSEG contributed \$30 million of minimum equity at the start of the partnership and additional equity to cover any excess stadium/parking construction costs on Lansdowne 1.0 and to cover any negative operational cash flows.

The City's equity contributions are broken down into two categories in the existing waterfall: funding equity and deemed equity. The City's funding equity for Lansdowne 1.0 is \$0 since its revenue sources were greater than the net financing costs. The City's deemed equity of \$23.7 million represents the market value of the land and an opportunity cost to the City. There was no cash outlay at the start of the agreement for this amount.

Annual net cash flows from the stadium, sports franchises and retail operations are distributed to each partner (the City and OSEG). The distribution is based on a "waterfall" of priorities; first, to the Stadium and Parking Lifecycle Replacement reserve; second, return on equity to OSEG and the City (which is zero for the City as it did not contribute any equity); third, return of OSEG additional equity; fourth, return of OSEG minimum equity; fifth return on the City's deemed equity; and finally, any remaining balance is shared equally by the City and OSEG. Return on equity is set at 8 per cent non-compounding interest.

The problem with the current model is that it didn't contemplate OSEG contributing so much additional equity, primarily to cover year over year deficits since inception. As of March 31, 2022, OSEG has contributed \$160 million, which is \$100 million more than projected in 2012, primarily to cover year over year deficits. They have also accumulated \$71.1 million of interest on this equity at 8 per cent interest. Projecting this accumulating interest there is no expected returns from the waterfall to be paid to the City for the term of the agreement. This is primarily because the City only gets paid after all equity and return on equity is paid back to OSEG first.

Lansdowne 2.0 will require an equity contribution from the City. The next section will describe the overall funding strategy, which requires a portion of the funding to come from the waterfall distributions. If the agreement were to stay as is, the likelihood of the City receiving any of those funds, even with the projected \$716.8 million in total

disbursements, would be quite low. Therefore, OSEG and the City have agreed to the following changes to the waterfall framework and partnership agreement, much of which was included in the May 2022 report with a few more added:

Table 7 – Proposed Partnership Agreement Amendments and Rationale

There are approximately twenty-seven different agreements which were required to implement the original LPP. There are another approximately eight amending agreements which amended various parts of the LPP since its closing on October 12, 2012 (the original LPP agreements and amendments referred to as the “LPP agreements”). In order to amend the LPP to carry out the Redevelopment Proposal outlined in this Report, many of the LPP agreements will need to be amended, in some cases substantively and some new agreements may be required. Below is a preliminary list of the LPP agreements that would likely need to be amended:

- The Project Agreement between the City and OSEG;
- The Master Limited Partnership Agreement between the City, OSEG, Lansdowne Master GP and the general partners of OSEG;
- The Stadium Lease;
- The Retail Lease;
- The Stadium Component Limited Partnership Agreement;
- The Retail Component Limited Partnership Agreement;
- The REDBLACKS Component Limited Partnership Agreement;
- The Ottawa 67’s Component Limited Partnership Agreement; and
- The five Reciprocal Agreements for the site.

It is expected that a number of new agreements may be required including but not limited to:

- A Cost Sharing Agreement;
- A Project/Construction Management Agreement; and
- Loan and other Guarantee Agreements;

It is expected that as the City and OSEG negotiate the final wordings of the amendments and agreements required to carry out the Redevelopment Proposal, other issues may be uncovered or come to light that require further negotiation and development by the parties. There are also third parties who are either parties to or have a legal interest in some of the existing agreements who may need to be considered as part of the process of carrying out the contemplated changes to the LPP.

At this stage of the negotiations, it is not possible to describe every amendment that would be needed to existing agreements to carry out the Redevelopment Proposal; however, in general terms the primary amendments that would be needed are as follows:

#	Proposed Partnership Agreement Amendments	Rationale
1	Eliminate the 8 per cent return on equity starting at the end of the 2022/23 fiscal year. Reduce return on equity to 5 per cent which will only be effective for the period of construction. Once construction is completed, return on equity will be 0 per cent to the end of the agreement.	Continuing to provide return on equity during construction provides some risk protection. Eliminating interest returns from end of construction to the end of the agreement, significantly improves allocation of overall returns to the City.
2	Extend the waterfall expiry date to December 31, 2066.	Six years before the end of construction has an impact on financial returns in those years and the waterfall disbursement timeframe needs to be increased. This expiry date better aligns with the term of the 40-year debentures that will be issued in 2029, expected to mature in 2069 and aligns with the term of the retail lease.

#	Proposed Partnership Agreement Amendments	Rationale
3	Add two additional 10-year options to the Retail Lease to the existing two 10-year options now expiring 2106. The amended lease would continue to have an initial term that expires on December 31, 2066	Same as above. The time to stabilization has been extended and with the additional redevelopment investments the time to make this agreement financially viable pre and post waterfall expiry is longer.
4	OSEG will forgive the \$30 million in contributed Minimum Equity contributed in 2012 and accrued interest accrued to date of approximately \$26.6 million.	In the current proforma projections, OSEG will not recover this investment and by removing it from the waterfall calculation, net cashflows available to fund redevelopment are significantly improved.
5	City will eliminate the concept of “deemed equity” initially valued at \$23.7 million and forgive interest accrued to date of approximately \$19.5 million.	Same rationale as above. Furthermore, the deemed equity represented the market value of the land and an opportunity cost to the City. There was no cash outlay at the start of the agreement for this amount.
6	Reprioritize the waterfall distributions such that OSEG and the City are repaid their equity contribution at the same time on a pro-rata basis.	The City will be issuing debentures for the cost of construction and is dependent on receiving cashflows from the waterfall to help fund the debt servicing starting at the end of construction. The City cannot afford to wait until OSEG is repaid its equity contribution to receive these funds.

#	Proposed Partnership Agreement Amendments	Rationale
7	Level 1 will continue to include a contribution to the Lifecycle Reserve for City assets and a new Level 2 fee will be paid to the City to help fund debt servicing costs.	The new ticket fee to the City will be funded by a Lansdowne ticket surcharge fee. This will be guaranteed at \$300,000 annually for the first 10 years and then \$1.50 for every ticket sold for 67's, REDBLACKS, and concert and event tickets, increased by \$0.25 every five years going forward.
8	The waterfall will reimburse the net equity contributed by the City for the construction of the North Side Stands and new Event Centre. Net equity contribution will be defined as the difference between an agreed construction cost amount and actual funding received from other sources such as sale of subterranean and property air rights, property tax uplift, City capital budgets for internal costs, and ticket surcharge revenue.	Unlike Lansdowne 1.0, there is insufficient estimated property tax uplift or avoided cost to fund the debt servicing cost of Lansdowne 2.0. The City's business case assumes that by investing in Lansdowne, and restructuring the waterfall, there is a greater opportunity for the City to share in net positive returns from operations. This is a fairer distribution of risk and return for both OSEG and the City.

#	Proposed Partnership Agreement Amendments	Rationale
9	<p>OSEG's contributed equity for the purposes of calculating the prorata share of future waterfall distributions will include OSEG's additional equity contributions to date plus accrued interest calculated at 8%, then calculated at 5% for any new contributed equity during construction and post construction.</p> <p>Although none are expected, OSEG will continue to be responsible for any net negative cashflows after construction and these contributions will be factored into their prorata share calculation..</p>	<p>OSEG has given up their minimum equity and agreed to reducing the interest earned to 5% during construction and continuing to earn 5% post construction on any new equity, if required, and to share in net positive returns on a prorata basis.</p> <p>They continue to be responsible for funding net negative cashflows, and these contributions should factor into their contributed equity calculation. For this continued investment OSEG would earn 5% on any new equity going forward. This item is still being negotiated and will be factored into the risk return analysis.</p>
10	<p>The new podium retail of 49,000 square feet will be included as part of the Retail Leased Premises. This only equates to an incremental 8,000 square feet, compared to the existing podium.</p> <p>The retail buyback will be 100 per cent funded by OSEG with a loan guarantee from the City.</p>	<p>Any new or additional retail must remain within the partnership. Retail is critical to the affordability of the overall partnership and the business case for redevelopment.</p> <p>The City is now dependent on waterfall distributions and a guarantee from the City on the retail loan would help to reduce the cost of borrowing.</p>
11	<p>OSEG's annual stadium and event centre rent will be increased from \$1 to \$500,000 .</p>	<p>With the City's agreement to eliminate the City's return on deemed equity from the waterfall, OSEG agreed to increase the rent payable on the City-owned facilities to the City.</p>

#	Proposed Partnership Agreement Amendments	Rationale
12	The City will pay for cost overruns, if any, related to the event centre, stadium and parking construction.	OSEG contributed significantly more equity than originally anticipated some of which was related to cost overruns due to design decisions they did not control. A strong governance model will need to be in place to manage construction costs. Staff will assess the appropriate procurement models for approval by Council prior to beginning the procurement process for construction.
13	OSEG will secure a loan for \$20 million to be guaranteed by the City to finance any net negative cashflows expected through the construction period. This line of credit will stay within the closed financial system and will not be used for cash distributions to the partners.	Annual deficits are likely to continue throughout the construction phase due to disruptions to operations, as a result of reduced stadium capacity and loss of retail space to be demolished during this period. This is a temporary and risk mitigation measure to keep the closed financial system fully funded during the construction period.

These are the key proposed changes to the agreement that are fundamental to making the City investment in the reconstruction of the North Side Stands, Event Centre and retail/podium feasible and affordable. These proposed changes, reflect a more balanced sharing of risks and benefits.

By elevating the City within the waterfall the City will be receiving cash disbursements earlier, some portion of which is guaranteed and a portion of which will be at risk if the net income from Lansdowne operations is lower than currently projected. In this revised waterfall framework, the City is benefiting much more from the partnership than previously, and the risk allocation is more balanced. OSEG would continue to fund any operating deficits, but during the construction period there may be impacts to operations

that may require some funding from the City as a partner in this LLP, and only for those elements that are directly impacted by the construction of the Event Centre and Stadium. These lease disruption costs primarily related to the loss of seating in the stands and retail space will be shared between the City and OSEG. These are currently estimated at \$10 million for the City and an additional \$2 million for temporary stands/fit-up during construction and are included in the total estimated cost of \$419.1 million.

In terms of the lease disruption impact on the podium's anchor tenant, the Partnership will make all commercially reasonable efforts to honour its contractual terms to the anchor tenant by relocating them into an acceptable, existing Lansdowne retail space during the construction period. In the event that this is not possible, the City will make the Horticulture Building available for relocation during the Lansdowne retail construction term (expected to be two to three years). The tenant would continue to pay rent and operating costs as per its lease with Lansdowne Retail Limited Partnership ("LRLP") to the Partnership during this term. Leasehold improvements to the Horticulture Building, subject to approval by the City, will be paid by the LMLP (and included as a part of the lease disruption costs) and left in place for future use by the City, only if required, when the Horticulture Building is returned for City use and programming. The LMLP will be responsible for the operations of the Horticulture Building during this period.

If the Horticulture Building is utilized during construction, then during this period the Partnership will make space available in the Event Centre for community use that might have otherwise taken place in the Horticulture Building. Continued use of the Event Centre for community use will also be explored as part of the continued negotiation of agreement terms.

Staff are recommending that these amendments form the basis for further negotiations to develop the detailed terms and conditions associated with each one and any other changes to the LPP agreements that may be required for a continued, financially viable partnership, which protects the City's interests. Other proposed changes that require further legal review include the following:

- Elimination of the CRF reserve requirement and replacement with a process whereby a third party engineering report is prepared to establish a 40-year plan that will guide the LLP and City to agree to a lifecycle plan and budget each year for the following year.

- Amendment of the definition of Redevelopment Costs in the Partnership and Project agreements to align with Lansdowne 2.0.
- The City would purchase additional units for a nominal amount to write-off OSEG's initial minimum equity investment of \$30 million.
- Other amendments required after nine years of actual operations of the LPP that better align the agreements with the underlying LPP operations and intent of agreement provisions.

Any agreed to changes would need final approval from Council.

Funding Strategy

Lansdowne 1.0 introduced the concept of revenue neutrality which is based on the principle of not increasing the overall cost to the taxpayer. To assess revenue neutrality, cash inflows to the City over the term of the agreement are compared to the cash outflows to ensure that they are of equal or greater value. This concept worked well for Lansdowne 1.0 where debt was issued in 2014 and debt servicing began in that same year. The funding source was to notionally come from the property tax uplift which also started in 2014 and cost avoidance of \$3.8 million annually which began in 2012. Debenture funding requirements were effectively satisfied by using 75% of the municipal portion of realty taxes for the retail, office and parking elements and the avoided costs of \$3.8M, as was confirmed by the Auditor General in the November 24, 2020 Audit of Lansdowne Accounting/Waterfall report. Based on these results there was no need for additional funding from the waterfall in order to meet those debt funding requirements.

Staff conducted a full financial due diligence analysis of each element of the funding strategy proposed in the May 2022 report to Council. The funding strategy at that time was at a high level and required external validation and greater detail and refinement. The conclusion of this more detailed analysis confirms that Lansdowne 2.0 would not be revenue neutral as per the definition above and will face issues with the timing of cashflows. Construction is estimated to be completed in 2029, debt would be issued shortly thereafter, and debt servicing would begin in 2030. The property tax uplift is not expected to be fully realized until 2034 and distributions from the Partnership are not expected to begin until 2030.

The revised funding strategy proposed here is dependent on the City funding the debt servicing from the operating budget in the early years, which would gradually be offset

by additional sources of revenue that will come to the City in the years to follow. This funding strategy recognizes the uniqueness of the Lansdowne site as a public and private partnership. The stadium and arena are 100% owned by the City of Ottawa and these assets are due for renewal. For all other City assets, the cost of renewal must come from the City's tax supported capital budget. The Lansdowne site is unique in that it is a revenue generating operation and therefore, any early investments by the City can be repaid with development on the site in the form of property tax uplift and increased net cashflows from operations. However, as opposed to the risk-free agreement the City had with OSEG for Lansdowne 1.0, the funding strategy for Lansdowne 2.0 will be dependent on net cashflows from the Partnership to offset the cost of debt that may not materialize. Which is why staff conducted a robust due diligence exercise with expert advice from EY to have some assurance of returns in the future, but this does not eliminate all possible risks.

Staff propose to reduce the dependence on future cashflows, that the City's debt servicing budget be increased gradually over the next several years, to establish the required base budget for the debt requirement. The tax supported debt servicing budget would be increased within the City's annual tax target increases starting in 2024. The debenture would be issued in 2029 after construction is complete and the debt servicing costs would begin in 2030. If we put aside the debt servicing increases as a contribution to reserve for Lansdowne that could be drawn down when the debt is issued, then the required annual increases to the tax-supported debt servicing budget would be estimated at just 1.6%. This approach gives the City several years to build up the debt servicing base budget to a sufficient level to fund the debt servicing costs for Lansdowne 2.0 regardless of any future revenues. Any future revenues that are realized, would then be additional revenue in future budget years to offset debt servicing or to be spent on other city-wide services without having to increase property taxes. This funding strategy is illustrated in Table 9 – Debt Servicing Budget and Reserve Contribution Schedule.

Table 8 below details the total funding requirement and funding sources for the proposed Lansdowne 2.0 construction project.

Table 8 – Funding Requirement and Funding Sources (in millions \$)

Funding Source	Funding Amount
Sale of Subterranean and Property Air Rights	39.0
Contribution to Affordable Housing	-3.9
Debenture Premium from Lansdowne 1.0	33.0
Capital Envelope (2023-2028)	18.3
Provincial/Federal Funding	20.0
Debt (40-Year Term @ 4.25%)	312.7
Total Funding Sources	419.1
Annual Debt Servicing Costs	16.4

The total estimated cost of construction of \$419.1 million will be funded by an estimated \$39 million from the sale of subterranean and property air rights, 10% of which will be directed to the affordable housing reserves. The debenture premium of \$33 million is also available for this project. This is the premium that the City has received on the re-issuance of the original Lansdowne 1.0 debenture. With the reduction in interest since that initial issuance the City has received premiums on the subsequent re-issuances of this debenture. The Municipal Act allows funds obtained in a debenture issue that are not required to fund the projects identified, to be used to repay any other capital expenditure of the municipality funded from the same class of ratepayers, in this case, City Wide tax. Internal City costs of \$18.3 million such as project management

resources, public art and utilities allowances will be funded by the City's tax supported capital budget envelope throughout the construction timeframe.

Staff also recommend that Council seek additional funding from the Provincial and Federal governments for this important economic development project. Other CFL and OHL stadiums have received funding from senior levels of government and there is no reason why Ottawa could not expect some level of support of \$20 million, at a minimum. EY conducted a review of the financing structures of other stadiums in Canada for comparison purposes and to identify other financing tools that we could leverage in the Lansdowne funding strategy. Funding received from senior levels of government for other stadiums was one of their key findings. The results of that analysis is detailed in Document 10. If this funding were not to materialize there is sufficient funding in the City Wide Capital Reserves account to absorb this risk.

The estimated total new debt that will be issued for this project would be \$312.7 million at an estimated annual debt servicing cost of \$16.4 million, assuming a 40-year term at 4.25 per cent. The initial source of funding for the debt servicing requirement will be the City's tax supported debt servicing budget. Over time this cost will be offset by other sources of funding directly attributable to redevelopment. A description of each source of funding and assumptions used is as follows:

- Residential and Hotel Property Tax Uplift:

The estimated property tax uplift for Lansdowne has been adjusted after a thorough external review by EY of the Ottawa residential market and likely unit mix on the site. This detailed analysis is included in EY's report included as Document X. The assumption used is now based on the lower density model of 750 units versus 1,200 and assumes that one-third of the units are condominiums and two-thirds are rentals. The property tax uplift on rentals is estimated to be lower than for condominiums. The property tax uplift also includes an estimate for a boutique hotel with approximately 111 units. Staff have also reduced the percentage of the property tax uplift that would be available to offset debt servicing from 90% to 75%. This takes into consideration the cost of delivering City services. Staff relied on Hemson's Update of Comparative Municipal Fiscal Impact Analysis completed in 2021, which indicated that development in the higher-density urban category produced a surplus per capita from the combination of tax and rate supported services, whereas development in lower density areas produce a deficit per capita. Based on the cost estimates used for that study and tying this back to services relevant

to the Lansdowne site, where EY's research indicated an average household size of 1.6 people per unit, staff estimate that the cost to deliver tax and rate services to this site would be roughly 50% of the municipal property tax and water rates collected. Estimating that 25% of the tax surplus could be directed to asset renewal on the site, then 25% of the tax surplus would remain for City Wide services.

On average over the term of the agreement 75% of the estimated property tax uplift for 750 residential and hotel units is \$3.3 million annually.

As part of the proposed agreement with OSEG, any difference in estimated property tax and actual property tax collected will be counted towards City contributed equity and could be recovered from waterfall distributions to the City. However, the reduction in estimated property tax uplift that is the result of reducing the density on the site from 1,200 units to 750 units does not get factored into the City's equity contribution and must be borne by the City. The annual impact of reduced density is estimated at \$1.5 million.

- Commercial Property Tax Uplift:

The May 2022 estimate assumed an increase of 67,000 square feet and this has now been reduced to 8,000 square feet of additional retail space. EY's financial due diligence analysis revealed that with the increased cost of construction and increased borrowing costs, the financial returns of the 67,000 additional square feet of retail would likely be significantly reduced. In order to improve the financial returns of the proforma only 8,000 square feet of added, but the property tax uplift expected from retail operations is less than the May 2022 estimate. The estimated property tax uplift for the additional retail is \$100,000 annually, on average over the term of the agreement.

- Hotel Tax:

EY proposed several potential sources of funding that were not contemplated in the May 2022 funding strategy. Some of the sources were not feasible due to current municipal regulation. One of the recommendations was to charge a hotel tax or leverage the accommodation tax that could be generated for any hotel built on the site. The City currently collects a 4% municipal accommodation tax and 100% of the funds are distributed to Ottawa Tourism. Staff will explore the possibility of collaborating with Ottawa Tourism to direct these funds to the City to

help fund the new Event Centre intended to draw more tourism to Ottawa. The estimated hotel tax or accommodation tax that could be generated from a hotel on this site is \$500,000 annually.

- Ticket Surcharge:

OSEG has agreed to pay to the City a guaranteed amount of \$300,000 for the first 10 years and then \$1.50 for every ticket sold for the REDBLACKS, 67's, and concerts and events, increased by \$0.25 every five years after that. This funding source provides an average of \$700,000 annually in payments over the term of the agreement.

- Rent:

Currently, OSEG pays \$1 annually as land rent for the retail lands and the Stadium. OSEG have agreed to pay rent for both the stadium and event centre as a guaranteed payment of \$500,000 annually.

- Other Waterfall Distributions (return of equity, return on equity and residual share of profit):

For Lansdowne 2.0, there is insufficient property tax uplift to cover the additional debt that the City will need to incur. The proposed changes to the agreement described earlier and changes to the waterfall of priorities pays the City back at the same time as OSEG based on contributed equity and accumulated interest. OSEG's contributed equity will include any outstanding balance of Additional Equity, which is currently at \$107 million. The City's contributed equity is estimated at \$217 million, which is equal to the total cost of construction less total revenue sources calculated on a net present value basis. Revenue sources relevant for the calculation of contributed equity include:

- Sale of subterranean and property air rights
- Grants from senior levels of government
- 75% of the "actual" property tax uplift achieved, plus the reduction to property taxes resulting from the decision to reduce density on the site (i.e., the difference in property tax uplift from 1,200 units versus actual number of units built).
- Hotel tax

- City capital budget for internal costs
- Guaranteed payments from the closed financial system (i.e. ticket surcharge and rent)

The following table (Table 9) details the funding sources available for the debt servicing cost associated with the \$312.7 in new debt. The funding sources are discounted and shown as net present values. As such, the amounts shown from the waterfall will differ than the nominal values shown in Table 6.

Table 9 – Debt Servicing Funding Sources and Estimated Annual Revenue (in millions \$)

Funding Sources Available for Debt Servicing	Net Present Value	Estimated Average Annual Revenue Over 40 Years
Residential and Hotel Property Tax Uplift	63.4	3.3
Hotel Tax	9.4	0.5
Commercial Property Tax Uplift	1.7	0.1
<i>Sub-total Development</i>	74.5	3.9
Ticket Surcharge	12.9	0.7
Rent Paid to the City	9.2	0.5
Return of City Equity from Waterfall	120.7	6.3
<i>Sub-total Partnership</i>	142.8	7.5
City Investment for Reducing Residential Density	28.6	1.5
City Investment for Affordable Housing	3.9	0.2
City Additional Investment	62.9	3.3
<i>Sub-total City</i>	95.4	5.0

Total Funding Sources for Debt Servicing	312.7	16.4
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\$5.0 million in debt servicing cost will be the net budget pressure for the taxpayer on average over the life of the agreement. As explained earlier, Lansdowne is a City-owned asset. The arena and northside stands need to be replaced. We would be investing \$419.1 million in the City's assets for a net debt servicing requirement of \$5.0 million. This equates to \$95.4 million in net present value terms. That means taxpayers would be getting a \$419.1 million asset for a net cost of \$95.4 million. This does confirm that this solution is not revenue neutral, but it is important to note that \$3.9 million of the \$95.4 million is to make up for the contribution to affordable housing, and \$28.6 million is to make up for the reduced density from 1,200 units to 750 units. Over and above the \$95.4 million, the City is contributing existing funds from a debenture premium of \$33 million and capital budget envelope of \$18.3 million for a total investment of \$146.6 million for a \$419.1 million asset. Council must also consider this recommended funding strategy against the "Do Nothing" option. We can invest \$16.4 million in debt servicing (which we are expected to recover \$11.4 million leaving a net investment of \$5 million for the City) to acquire a new, more vibrant, energy efficient facility or lose up to \$12.5 million annually maintaining and operating an old and functionally obsolete facility.

Parking Cost and Funding Strategy

The May 2022 estimate did not include the cost and revenue associated with parking for the residential development as it was assumed to be break-even. As a result of the financial due diligence on the OSEG proposal that assumption has changed primarily due to the high cost of construction.

The cost of constructing 140 stalls under the stadium in the City proposal is estimated at \$18.6 million with annual debt servicing over 40 years of approximately \$1 million. This estimate was prepared by staff based on an industry standard costing guide referenced by EY and includes the same level of contingency, escalation and provision for soft costs identified previously for the event center and stadium. Staff recommend that the budget authority for this component of the project be set at \$18.6 million.

EY validated staff's parking revenue projections and provided conservative operating expenses and lifecycle costs for comparable underground parking garages. Parking revenues will be realized either through a lease agreement with the developer or

through the sale of parking passes directly to residents. Financing costs related to the parking debt use the same assumptions as the event center and stadium (4.25% and 40 years). Net parking revenues available to service the debt costs total approximately \$400,000 annually, on average over the term of the term of the debt.

The annual debt servicing cost is estimated at \$1 million. This would be offset by the estimate \$400,000 in annual parking lease revenue. The \$600,000 annual shortfall would be covered by the City's Parking Reserves. This gap is a conservative estimate and may be reduced in negotiations with the developer for these parking spaces. The 140 stalls are needed to maximize the value of the sale of subterranean and property air rights, achieve the minimum of 0.4 parking spaces per residential unit and it was the best option in terms of construction costs to fill the space that will be left behind by the removal of the old arena.

Debt Levels

As described earlier, the debt servicing budget for the City will need to increase by \$16.4 million for the North Side Stands and Event Center. The best way to achieve that is to build it up over time, since there is sufficient time until the debenture for this project will need to be issued and the City begins to incur debt servicing costs. Also, by contributing this increase each year to a Lansdowne Reserve account, sufficient funds can be built up to help pay for the debt servicing in the early years, thereby stretching out the time needed to achieve a \$16.4 million base budget and reducing the contribution required annually. The following table details the annual increase to the city wide debt servicing budget of approximately \$1.3 million annually (1.6% of the 2023 budget), the contribution to reserves, the debt servicing payments beginning in 2030 and the drawdown on reserves to make up the difference until the full \$16.4 million base budget is achieved in 2036. As well, the table below shows the forecasted Lansdowne revenue sources that were identified and explained in the funding strategy section. Over time these revenue sources increase to offset the debt servicing cost or to be used towards Citywide services, but the full amount is never completely offset, hence not revenue neutral, requiring some investment from taxpayers for a City-owned and declining asset. However, this funding strategy guarantees a source of funding for the debt servicing costs.

Table 10 – Lansdowne 2.0 Debt Servicing Budget and Reserve Contribution Schedule

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037-2069 Average
Annual Budget Increase	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	0
Base Budget for Debt Servicing	1.3	2.5	3.8	5.0	6.3	7.6	8.8	10.1	11.3	12.6	13.9	15.1	16.4	16.4
Debt Servicing	-	-	-	-	-	-	16.4	16.4	16.4	16.4	16.4	16.4	16.4	16.4
Contribution from/(to) reserves	(1.3)	(2.5)	(3.8)	(5.0)	(6.3)	(7.6)	7.6	6.3	5.0	3.8	2.5	1.3	-	-
Reserve Balance	1.3	3.8	7.6	12.6	18.9	26.5	18.9	12.6	7.6	3.8	1.3	0.0	0.0	0.0
Revenue Sources	-	-	-	-	-	-	2.6	3.0	4.8	4.5	6.1	5.8	5.6	15.6

City Council has endorsed the use of debt financing for projects that are classified as being “legacy”. Projects of this nature must be “one of a kind”, contribute towards the quality of life in the city and have “multi-generational benefit”. The Lansdowne redevelopment project fits these criteria and therefore can be classified as being “legacy” capital works.

The City’s Fiscal Framework sets a limit on the amount of debt that can be used to fund capital projects: principal and interest payments for tax supported debt must not exceed 7.5% of the City’s own source revenues. In order to ensure that the increase in debt servicing required as a result of this project does not exceed that limit, a 12-year projection of debt servicing was prepared based on projected capital work to be undertaken by the City, that is to be repaid using taxation (both city-wide and transit). The results show that debt servicing rises to 4.6 per cent of own source revenues by 2030, well below the 7.5 per cent limit.

The City's Fiscal Framework also limits the amount taxes can be increased in a given year to service the debt on non-legacy projects to no greater than one-quarter of 1% of property taxes. As the Lansdowne redevelopment is classified as legacy capital works, this limitation does not apply. Furthermore, the strategy to increase it gradually over the next 13 years keeping the budget increase to only \$1.3 million annually, also mitigates this issue.

Financial Risk Analysis

In Lansdowne 1.0 the City is isolated from financial risks. OSEG covered cost overruns on construction and funds operating cashflow deficits. As well, the City is able to fund its debt servicing requirements from the property tax uplift on the new residential units and avoided costs. Consequently, the City has not contributed any funding equity into the closed financial system, whereas OSEG has contributed \$160 million to date. In the redevelopment scenario, the ratio of contributed equity (including accumulated interest through construction) is expected to be 53% for the City compared to 47% for OSEG, which means the City shares risks and opportunities more evenly with OSEG going forward. However, OSEG would continue to bear the risk of net negative cashflows if they persist. For the City, the funding strategy for Lansdowne 2.0 will be dependent on funding sources that are not guaranteed, which exposes the City to some financial risk. The greatest risk comes from the waterfall distributions that are not guaranteed, including its return of equity, return on equity and residual share of profit. However, this only impacts the possible offset of debt servicing costs in future years. The funding strategy proposed by staff to establish the full budget for debt servicing, building it gradually over time and maintaining a reserve to manage fluctuations helps to reduce the impact of this risk.

EY performed a sensitivity analysis on the pro-forma and concluded the following assumptions have the highest degree of sensitivity on waterfall distributions:

- Stabilized growth rate of operating expenses and revenues
- Number of new events
- Sponsorship and naming rights
- Average mortgage interest rate

EY advised that construction delays would have an unfavourable impact to waterfall distributions due to the delay in collecting revenues for the new retail podium, premium

seating, and/or new events. EY also identified the following factors that could impact the waterfall distributions:

- Economic conditions that can impact consumer discretionary spending and willingness of companies to sponsor events or advertise at Lansdowne
- Sport team and league performance
- Local competition for sports and events

Overall, EY concluded that the incremental income generated from the Partnership will generate a positive cashflow although sustainable net positive cashflows will likely be weighted towards the second half of the partnership agreement.

A sensitivity analysis was also performed by staff to assess other areas of potential financial risk. The levers tested included the impact of changes in debenture interest rates, property rights revenue, construction costs, and valuation of property taxes.

Including parking, the total debt servicing requirement of 17.4 million is based on borrowing \$331.1 million at an interest rate of 4.25 per cent. EY conducted a comprehensive review of the historical interest rates and municipal credit spreads and concluded the interest rate assumption of 4.25% for the 40-year bond issuance is reasonable. A change in interest rate of 0.5%, or 50 basis points, would increase or decrease the overall annual debt servicing requirement by approximately \$1.3 million.

Changes in property rights revenue or capital costs will impact the borrowing requirement. A \$10 million change in borrowing could increase or decrease annual debt servicing requirements by approximately \$500,000.

Revenue Services provided property tax uplift calculations using realistic assumptions but also provided a range of scenarios. In the optimistic scenario, property tax uplift for the residential units and the hotel would be 7 per cent and 15 per cent higher, respectively. In the pessimistic scenario, property tax uplift for the residential units and the hotel would be 10 per cent and 20 per cent lower, respectively. To be conservative the funding strategy assumes only 1/3 of the residential units will be assessed as condos, which are assessed differently than rental units and typically have higher assessed values. If the residential units are 100% condos the City has the opportunity to realize approximately \$700,000 more revenue per year to fund the debt requirement. However, if the residential units are 100% rentals the City would have \$300,000 less revenue per year.

There is also the possibility of a positive impact from reassessment. The Municipal Property Assessment Corporation (MPAC) conducts a province-wide reassessment every four years to update the assessed value of all Ontario properties. The last assessment was carried out in 2016 and the assessed property value was then phased in over the four-year cycle, between 2017 to 2020. The Ontario government has postponed the planned reassessment that was scheduled in 2020 indefinitely. Therefore, taxation will continue to be based on the 2016 valuation until the next re-assessment occurs.

Municipalities are prohibited by the Municipal Act from benefiting from market value increases (re-assessment). Following a re-assessment the City of Ottawa must adjust the baseline tax rates downward to account for overall assessment increases in order to collect the same amount of revenues. However, there is shifting of taxes within the tax classes. If a property's annual assessment value increase is higher than the average of all properties in the same class, the property will see a higher than normal tax increase. Conversely, if a property's assessment value increase is less than the average of all properties in the same class, the property will see a lower than normal tax increase. If all properties were to increase the same amount, there would be no difference in their property tax amount, outside of the annual increase approved by Council if there have been no changes to the property.

There could be a possibility that the market increase of the properties at Lansdowne may be higher than the Citywide market increase and therefore generate higher taxes per unit, however until the reassessment occurs that remains an unknown and City staff have to assume that properties will increase equally for the purposes of modelling. Further, given that Ontario has postponed the reassessment indefinitely, with no signs of resuming in the immediate future it remains unclear how long we will continue to use 2016 property valuation for purposes of property tax billing.

Lastly, EY completed a financial risk and reward analysis to assess whether the appropriate amount of financial risk is borne for each party. The scope of the analysis was broad in nature and included additional City revenues and costs that are outside of the funding strategy for Lansdowne 2.0. EY concluded that return profiles for the City and OSEG were comparable and profit margins for OSEG did not come at the cost of the City of Ottawa's returns.

Other Financial Implications

Other financial implications of the Lansdowne redevelopment that are outside of the scope of the funding strategy are provided below:

- Incremental development charges and community benefit charges: The residential development is estimated to raise approximately \$15 million in revenue.
- Incremental water bill revenue from the new residential development is estimated to generate approximately \$250,000 per year. This revenue is sufficient to cover the City's variable cost of service and helps fund the City's fixed costs of providing rate-based services.
- During construction of the event center the City's event revenues for the Great Lawn and South Court are expected to decrease by approximately \$270,000 per year for two years. Loss of revenue from the Horticulture Building may also occur depending on the level of disruption experienced through construction.

Affordable Housing

In the May 2022 report staff recommended that the new residential component would have a minimum of 10 per cent affordable housing estimated at 120 units. With the reduced density proposed by staff this number would come down to 75 units.

Affordable Housing, for the purposes of this development, was defined as rental housing where the monthly rent does not exceed the City-Wide Average Market Rent (AMR) by unit type (i.e., one-bedroom, two bedrooms etc.) as determined by the Canada Mortgage Housing Corporation (CMHC). In order to make the Lansdowne 2.0 proposal revenue neutral, staff had to assume that property taxes would need to be collected from these affordable units. This helped to make the financial model for Lansdowne balanced but did not achieve true affordability per market and regulatory standards. Council asked staff to look at options for making these units more affordable.

As requested by Council, staff worked with Ottawa Community Housing (OCH) to estimate the impact of adding more deeply affordable units on this site. Two models were examined in comparison to the initially proposed model in May 2022:

1. May 2022 Affordability Model:
 - a. 20% of the units @ AMR

- b. 80% of the units @ 35% above AMR
2. Minimum CMHC NHCF Affordability Requirements:
- a. 30% of the units @ below 80% of MMR (Glebe)
 - b. 70% of the units @ AMR
3. Minimum Bill 23 Affordability Requirements:
- a. All units @ 80% of AMR

The assumption used for this analysis was that the developer would construct the units to the specifications of OCH and then sell those units back to OCH. Based on feedback staff received from developers during the REOI process, there is an assumption that this site would be one of the more expensive sites to build on due to its location and complexity associated with coordination and integration with the existing site and ongoing operations. Staff estimated that it could cost up to 20% more to build on this site compared to other sites in the city that are already under consideration for affordable housing. The estimated cost to build at Lansdowne is \$483,000 per unit without parking and \$513,000 with 0.4 parking per unit. This compares to \$473,000 for comparable units on other sites with similar parking ratios, that would be on the City's priority list. This premium equates to approximately \$40,000 per unit or \$3 million for 75 units. Furthermore, dedicating 10% of the 750 units to affordable housing would reduce the property tax uplift assumed in the funding strategy for Lansdowne 2.0, which would equate to a loss of approximately \$330,000 annually. Furthermore, based on current estimated timelines these towers would not be completed until 2033.

Therefore, staff recommend that 10% of the subterranean and property air rights be allocated to affordable housing and that the remaining 15% that would normally be deducted per the City policy be exempt. This option provides cash of \$3.9 million as soon as it is received, that can be used towards the City's priority list as identified in the September 6, 2023 Affordable Housing Capital Strategy and Update Report. These projects are affordable and supportive housing projects consisting of 572 units that should be prioritized for funding this term of Council, many of which will support the Integrated Transition to Housing Strategy.

The 15% exemption will ensure that \$5.9 million of the subterranean and property air rights revenue remains as a funding source for the project, otherwise more City funding is required.

Current Public Realm Improvements Underway

During public engagement seeking suggested improvements for the Aberdeen Square in 2019-2000, the City heard community suggestions, such as the need for seating areas, picnic tables, more planting and shade, and to add moveable furniture within the Aberdeen Square for day-to-day use by visitors.

The Recreation, Cultural and Facility Services Department (RCFS) has taken the feedback and is implementing the first phase of a plan to improve the Aberdeen Square public realm, one that would meet the public expectations, as well as the Farmers Market's flexible set up requirements based on seasonal changes to the weekly market. For fall 2023, the City will be installing comfortable and friendly furnishing, such as moveable benches, picnic tables, sunshades and planters in the Square, to promote a welcoming atmosphere and revive the public realm.

The natural wood log benches and picnic tables will create opportunities for gathering, eating, play and to enjoy the space. The benches are to be located near the trees for shade, creating more intimate spaces within the square. Some benches come with back rests and armrests for universal accessibility and comfort. The natural wood furniture are made of upcycled FSC hardwood. Its wood log format makes it easy to be moved and not easily damaged. Each table will have an umbrella to provide sought after shade in the Square. Planters with seasonal grasses will create a softer green effect at ground level and will enhance the vegetation presence within the square.

The furniture will be relocated for the market days as well as on events/performances days. This adaptability to accommodate different uses will also retain the square's ability to be easily transformed for a variety of uses and to remain flexible and open to program innovation and support year-round animation.

This initial City of Ottawa investment in the Urban Park of just under \$500,000 addresses several of the top priorities identified during previous community consultations, and is a first step towards a multi-year commitment to enhance the public realm.

Over the next ten years the City will request capital fund through the annual budget process to further enhance the Urban Park. This will include consideration of important additions to the playground portion of the park, that could include items suggested by members of the public such as a water play feature, better lighting and audio equipment for the sports court and rink, wifi, etc.

Improvements to the play area will be undertaken with the intent that they be complimentary to what current exists at the adjacent Sylvia Holden Park. This park already features a significant concentration of active-play amenities to meet local and district needs. These include two high-caliber lit Level 1 Ball Diamonds, a large and very popular wading pool and comfort station with washrooms, a fenced dog park, a basketball court, various play equipment for different age groups and passive greenspace and pathways. As well, the City has recently invested over \$220,000 to create an annex to Sylvia Holden Park next to the fire station. This project has converted an unused side yard to the station into additional neighbourhood greenspace. Through community consultation, new amenities have been added to the park including a large gazebo with a table and benches, a pathway with seating area, enhanced landscaping, park furnishings and additional trees. The development of this parcel of land has also created a natural linear link between the play amenities of Sylvia Holden Park and those found immediately across Fifth Avenue in Lionel Britton Park.

Event Centre Accessibility and the Great Lawn Programming

The Great Lawn provides the Park with a large expanse of natural turf to support a variety of active and passive outdoor activities. Though this part of the park contributes significantly to the greening of the site, its present design and use as a festival venue could be improved to enhance its ability to host more frequent and creative activities. The lawn requires significant ongoing maintenance to keep the turf healthy, and prolonged periods of restrictions on its use to regenerate the turf between large events. The absence of supporting amenities, including adequate electrical and water supply, event equipment and storage is detrimental to its full use.

The Great Lawn comprises over 100,000 square feet of unobstructed programming space, with an additional 70,000 square feet of area dedicated to the existing berm. With pathways and planting areas, the total green space amounts to approximately 172,000 square feet.

The current state of the Great Lawn is being used as a location to enjoy passive activities such as walking your dog, throwing a frisbee or flying a kite. It is where Full Moon Yoga is held as well as Movies in the Park. It has been the location of choice for smaller types of events such as start and end location for many races, Wiggle Waggle and City of OM. The Great Lawn can accommodate 8,000-9,000 persons comfortably, not including the usage of the existing berm. This capacity has demonstrated to be adequate to host bigger types of events such as Escapade, City Folk and KPop

Festival, which have become staple events at Lansdowne. It also provides opportunity to having additional events with similar size for the Great Lawn.

The location of the new Event Centre will displace approximately 50,000 square feet of existing space occupied by both the existing berm and the Great Lawn, resulting in the Great Lawn to be reduced to 68,000 square feet. The conceptual drawings of the Event Centre illustrate another 50,000 square feet in sloped programable area between the Event Centre and the Great Lawn. Staff have reviewed capacity limits for events considering the resized Great Lawn and new sloped berm, and have concluded that a 9,000 person capacity is still viable for the site.

Moving forward with Site Plan design for the Event Centre there are opportunities to design the integration between the new Event Centre and the Great Lawn in several directions. One direction is to maintain an acceptable slope for ease of access to increase the capacity of park attendees; a second is to incorporate an amphitheatre design into the slope such that it is purpose built for concert attendees and for all types of events including smaller community events like Music in the Park, buskers and cultural performances; a third is to remove all or portions of the slope to expose the new Event Centre to the Great Lawn and expand the Great Lawn towards the Event Centre. Exposing the Event Centre would not only recover more 'flat' programable area (approximately 10,000 s.f.), but would allow for better integration of the Event Centre into the Great Lawn through provision of infrastructure and services, such as power, water, and sanitary drain for vendors such as food trucks or festivals, which are currently deficiencies in the Great Lawn today. This addition would provide the ability to offer various types of fairs and markets on the Great Lawn while enhancing the organizers' and visitors' experience. All directions identified continue to allow current passive activities to occur and be enjoyed while opening up possibilities to additional activities.

Table 11 The Great Lawn

Scenario	Great Lawn				
	Size (s.f.)	Existing Berm (s.f.)	New Berm (s.f.)	New Public Realm Square (s.f.)	Total
Current Condition	100,000	70,000	N/A	N/A	170,000
New Event Centre with berm	68,000	N/A	50,000	27,900	145,900
New Event Centre with reduced berm	78,000	N/A	40,000	27,900	145,900

The City's proposal to eliminate the 3rd residential tower closest to the Aberdeen Pavilion creates the opportunity to introduce new public realm space as an interface to the Aberdeen Pavilion West Porch and Aberdeen Pavilion Great Porch, as well as a stronger plaza entrance to the new Event Centre. This design change would increase the ability of the Great Lawn to comfortably host events with new public realm area to work into the design of event programming.

Additional Work Through Due Diligence

A series of motions and directions from the *2022 Lansdowne Partnership Sustainability Plan and Implementation Report* gave further direction to Staff to undertake in their due diligence work plan. This work included the following and is described in detail in Document 12:

1. Staff explore different **massing and height options** for the new residential to mitigate possible negative impacts on built heritage, residents, fan experience
2. Staff study **trade-offs of reducing parking** with the value of the property or air rights sale and shifting modal share while keeping the financial viability intact

3. Staff to explore a plan for **low or no cost regular shuttle** service along Bank during events to help reduce congestion
4. Staff to examine strategies to mitigate current and future transportation challenges, including **cut-through traffic**, and improving pedestrian and cycling safety and experiences on site
5. Staff to consult and report back on the option to make the **Event Centre roof accessible** to the public
6. Staff, through the Transportation Impact Assessment to develop a **Lessons Learned report** on traffic impacts since the redevelopment of Lansdowne in 2014 and **Transportation Demand Management strategy**
7. Staff to explore the delivery of **Affordable Housing** at Lansdowne
8. Staff take all steps with respect to the revitalization plan, including any rezoning to **conform to the Lansdowne Special District** policies in the new Official Plan
9. Staff to apply the **public engagement strategy** of 2021 to 3 different streams; concept plan; rezoning; public realm and urban park. including education and awareness on the property air rights process and business model

Plan to Implementation

The revised Concept Plan based upon the four streams of staff due diligence (Real Estate, Planning, Financial, and Public Engagement), will deliver on the following:

- A new state-of-the-art 5,500 seat Event Centre, to be located at the east end of TD Place stadium. The Event Centre will be designed to integrate with the Great Lawn and maintain views towards the Aberdeen Pavilion.
- A new North Side Stands, comprising 11,200 seats, in a modern stadium design, and including 25,000 square feet for administrative offices.
- Replacement of the existing 41,000 square feet of retail (currently occupied by the Box Office, the Team store, and GoodLife) with a new retail podium of 49,000 square feet. The new podium will be set back further from Exhibition Way, and will be designed to open up views to the Aberdeen Pavilion from Bank Street.
- A maximum of an additional 770 housing units in a two-tower design, to be located above the retail podium. The subterranean and property air rights will be disposed through a competitive process, with proponents demonstrating compliance with design criteria set out through the Request for Proposal process.

- A new public realm plaza in the order of 27,900 square feet to be integrated with the existing plaza space surrounding the Aberdeen Pavilion, and integrated with the Event Centre and Great Lawn.
- 10 per cent of the net proceeds from the subterranean and property air rights disposal allocated towards the City's priority affordable housing projects.
- New parking allocated for the Event Centre to ensure its new location is accessible for guests with mobility issues, and to support community uses such as minor hockey.

The City and OSEG have a notional implementation plan for tasks following Council's consideration of this report. Staff will continue to advance progress on multiple elements:

Planning

- Initiate detailed design (estimated at a cost of \$10M) on the Event Centre through the recommended \$419.1 million budget authority; (Estimated Timeline: Q4 2023)
- Approve the city-initiated Site Plan Control application for the Event Centre, estimated at a cost of \$1.1 million, funded through the existing spending authority budget of \$8 million previously allocated for planning work; (Estimated Timeline: Q3 2024)
- Respond to possible appeals to the Ontario Land Tribunal for the subject Zoning By-law Amendment and Official Plan Amendment;
- Lifting of the holding provision after Site Plan Approval of the Event Centre; (Estimated Timeline: Q3 2024)
- Initiate subsequent site plan and detailed design work for the North Side Stands; (Estimated Timeline Q4 2024)

Public Engagement

- Initiate public engagement through the Site Plan Control application process for the Event Centre and North Side Stands; (Estimated Timeline: Q1 2024)
- Develop a public engagement strategy on the Strategic Investment Plan for the publicly controlled portions of the site and engage public on public realm improvements; (Estimated Timeline: Q3 2024)

Infrastructure

- Report back on Staff's preferred delivery model for the procurement of the Event Centre and North Side Stands; (Estimated Timeline: Q1 2024)
- Report back prior to final procurement acceptance on any changes which impact the funding strategy or budget authority; (Estimated Timeline: Q2 2024)

- Undertake an assessment of the impacts to the urban park and businesses during construction and its staging; (Estimated Timeline: Coordinated with each site plan approval stage)

Real Estate

- Issue the Request for Offer of Subterranean and Property Air Rights; (Estimated Timeline: Q1 2024)
- Report back on the results of the Request for Offer of Subterranean and Property Air Rights; (Estimated Timeline: Q2 2024)

Partnership

- Continue negotiations with OSEG
- Report back on the amended LMLP Legal agreements for the next phase of redevelopment to Council for approval

Staff believe the best-case/most optimistic order of operations and associated timelines are as follows:

a) New stand-alone Event Center: Start as early as Fall 2024 ready for use for the 2026/2027 Ottawa 67s season

Beginning construction with the Event Centre ensures there is no impact to the Ottawa 67's, or any planned events in the existing Civic Centre during construction. Upon completion of the Event Centre, the Ottawa 67's will be relocated into the new Event Centre, so that demolition of the existing Civic Centre and North Side Stands could commence.

b) Demolition and Reconstruction of North Side Stands: Start as early as Fall 2026 for a duration of 30 months

The demolition of the existing Civic Centre and North Side Stands will reduce seating capacity in the stadium for the 2027 and 2028 seasons. Temporary seating will be erected in the end zones to add up to 5,000 temporary seats.

The Zoning By-law Amendment and Official Plan Amendment discussed in the next section of the report are subject to appeal to the Ontario Land Tribunal, and if appealed would add risk to the implementation timelines above.

OFFICIAL PLAN AND ZONING BY-LAW AMENDMENT

The Lansdowne Site Context

Lansdowne Park, as shown on Document 1, itself can be characterized by a mix of low-, mid-, and high-rise developments, as well as a mix of uses including commercial, office, residential, institutional, and recreational uses. The area north of the subject site is composed of mainly low-rise residential uses, with a mix of commercial uses along Bank Street. East and south of the site are National Capital Commission (NCC) lands, which lines both sides of Queen Elizabeth Driveway.

Lansdowne Park is the City of Ottawa's major downtown destination urban park, with more than a century of history as a gathering place for residents and tourists alike. After having become more and more unusable over decades due to long-standing under-investments in infrastructure, Lansdowne Park has been revitalized with its greenspaces, play areas, public art, sports venues, restored heritage buildings, pathways, parking, retail and restaurant spaces and much more.

Heritage Attributes

Lansdowne Park is the site of the former Central Canada Exhibition Association fairground (1888 – 2009). The site is adjacent to the Rideau Canal, which is a National Historic Site of Canada, a Canadian Heritage River and is designated as a UNESCO World Heritage Site.

The site contains the Aberdeen Pavilion and Horticulture Building, both of which are designated under Part IV of the Ontario Heritage Act. The Aberdeen Pavilion, a structural steel and pressed metal late-Victorian exhibition hall, was designed by architect Moses C. Edey and constructed in 1898. It is designated a National Historic Site and is also designated by the City of Ottawa under Section 29 of the Ontario Heritage Act (Bylaw No. 22-84). The Prairie-style two-storey brick Horticulture Building opened in 1914 and its design is attributed to architects Francis C. Sullivan (1882-1929) and Allan Keefer (1883-1952).

The Site is also subject to the 1993 Parks Canada and City of Ottawa Cost-Share Agreement and accompanying (1990) Aberdeen Pavilion Conservation Report that identifies the importance of maintaining clear vistas at each of the four entries to the Pavilion.

A part of the site, which includes the Aberdeen Pavilion and Horticulture Building, is subject to a 2012 Heritage Conservation Easement Agreement between the City of Ottawa and the Ontario Heritage Trust. The Easement Agreement includes protected view corridors, and delineated framing and setting lands.

Summary of Proposed Development

The City is proposing to redevelop a portion of Lansdowne Park, with the project known as Lansdowne 2.0. The proposed concept will include the demolition of the existing north side stands/arena complex and retail podium, which will be replaced with new north side stands, a new retail podium, and a new standalone Event Centre located predominantly below grade, adjacent to the east end zone. As part of the proposed concept, massing and height for future residential towers above the retail podium will be established.

The proposed redevelopment of the lands and associated City-initiated Official Plan Amendment and Zoning Bylaw Amendment applications have been informed by the recent Council approved in principle design concept as well as the existing Lansdowne Guiding Principles. In addition to the above noted key features of the development, the project will also include enhancements to the public realm and programming which will be in keeping with the approved Lansdowne Guiding Principles and be guided by the approved public consultation strategy. Important improvements to the active-transportation infrastructure on and connecting to the site will also be explored and implemented.

The proposed concept, as shown on Document 7, includes two residential towers atop a reconfigured retail podium with heights of up to 40 storeys, with the concept plan illustrating 40 and 25 storeys. The Event Centre will be approximately 15.5 metres in height above the average grade, with a more significant portion of the Event Centre located underground. The proposed towers are intended to facilitate up to 770 new residential units (not including the existing 280 residential units at Lansdowne) while 49,000 square metres of new retail space is expected to be facilitated in the new retail podium along Exhibition Way.

The principles for the Lansdowne redevelopment program continue to include establishing opportunities for various sizes and layouts of retail and commercial space along Exhibition Way. The proposed retail podium realignment and expansion will contribute to realizing the original goal of a healthy and diverse retail reality at Lansdowne.

Summary of Requested Official Plan and Zoning By-law Amendments

The City of Ottawa has initiated Official Plan Amendment and Zoning By-law Amendment applications to redevelop a portion of Lansdowne Park based on the 2022 Concept Plan approved in principle by City Council on May 25, 2022. As a result of

four streams of due diligence (planning, financial, real estate, and public engagement) the applications were revised and a new concept plan was developed.

The proposal seeks to remove the existing north side stands structure, which includes the spectator seating, concessions, and associated podium and arena, and reconstruct the stadium stands with a new retail podium. The arena will be reconstructed as a standalone structure that will constitute the new Event Centre for Lansdowne Park. In addition to these proposed developments, the building massing for two high-rise residential towers with a maximum height of 40 storeys is proposed to be established. The proposed residential towers will have up to 770 residential units, while the Event Centre will accommodate 5,500 people and the new stands will accommodate 12,000 spectators. Approximately 770 bicycle parking spaces, and 336 vehicular parking spaces are proposed to support the new residential towers, while an estimated 35 parking spaces could be made available for the new Event Centre. No new parking is proposed for the new commercial or North Side Stands.

The City initiated application will amend the Area-Specific Policy of the Lansdowne Special District designation to clarify the direction in the City's Official Plan. The amended policy will:

- Clarify that the maximum permitted height for development within the Lansdowne Special District is 40 storeys, as per Section 3.2.14 of the Official Plan;
- Clarify that an Event Centre is permitted within the established areas of greenspace and public space within the Lansdowne Special District; and
- Clarify that an Event Centre is permitted within the Lansdowne Special District, including areas designated as Greenspace Designation.

The application will also rezone a portion of the subject site from O1S (Parks and Open Space, Subzone S) to L2C (Major Leisure Facility, Subzone C) to permit the new Event Centre. The existing site-specific schedule 258-A is also required to be amended to increase the maximum permitted building height on the site to allow for the proposed height of 40 storeys (approximately 138 metres), and to allow for a maximum proposed height of 15.5 metres for the Event Centre. A holding symbol is proposed for the portion of the site where the Event Centre is proposed until such time as an addendum to the Heritage Impact Assessment is submitted for review and approval addressing any mitigation required for the placement of the building as it relates to the upper portions of the Aberdeen Pavilion. The addendum to the Heritage Impact Assessment would be completed in association with the future site plan application. The Zoning By-law

Amendment will also amend the maximum number of residential units on the site and permit residential units to front onto Exhibition Way.

OFFICIAL PLAN AND ZONING BY-LAW AMENDMENT DISCUSSION

Public consultation

Notification and public consultation for this Official Plan Amendment and Zoning By-law Amendment were undertaken in accordance with the Public Notification and Public Consultation Policy approved by City Council.

The City of Ottawa implemented a robust, city-wide engagement strategy to ensure that residents can voice their feedback on the proposed Lansdowne 2.0 project.

To reach a diversity of residents across Ottawa, staff utilized a wide range of engagements.

Engagement Tactic	Summary
Engage Ottawa Page	As a central hub for residents and stakeholders to access project information, provide feedback, and stay informed about ongoing initiatives, the project website has had 20,000 unique visits garnering hundreds of comments and feedback.
Public Sessions	Held 4 sessions on April 27, May 17, July 13, and September 6, 2023 with over 650 attendee's in total.
Surveys	Ran a public survey on the concept plan (2100 responses) as well as one on the public realm/urban park (700 responses) with a total of 2800 responses.
Pop-up Events	Staff hosted a series of pop-up events on-site at Lansdowne Park, as well as different sectors of the city, over summer and early fall.
Coffee Chats	The Project Director hosted a series of virtual coffee chats, held almost every Wednesday from 12:00 p.m. to 1:00 p.m. in June, July, August, and September to foster informal conversations with residents.
Community outreach	A range of communications materials have been published:

	<ul style="list-style-type: none"> - Pamphlets - Posters - Transit advertising - Online advertising
lansdownrenewal@ottawa.ca	Created a direct inbox for residents to ask questions or share concerns and ideas with staff. Inbox remains open providing responses to questions and feedback.
Equity Seeking Groups	Staff reached out to have detailed discussions with traditionally under-represented groups. These included: <ul style="list-style-type: none"> - Ambassadors Working Group - Accessibility Advisory Committee
Indigenous Engagement	Staff have opened a dialogue with the Anishinabe Algonquin First Nation, Indigenous communities and organizations. A commitment to ongoing discussions is in place.

Outcome of Engagement

The community engagement efforts have yielded substantial results. Based on the collective input, the top five recurring themes and topics were identified:

Density and residential tower height

Residents shared many comments and concerns regarding the original OSEG proposal of 1200 units in 3 towers with a potential height of 40 stories. Responses noted that the location is suitable for residential development, provided the infrastructure, transportation, and transit improvements can support the development, but are averse to supporting a third tower, and any towers being over 30 stories in height.

Greenspace

Residents expressed a strong desire for less concrete and more green spaces within the development, emphasizing the importance of preserving and enhancing the natural environment. The potential reduction in green space from the move of the Event Centre has been a concern for residents and they would like to see that potential loss replaced in other areas or with an accessible or green roof on the Event Centre.

Transportation and Transit

Car Restrictions: Staff heard a consensus against allowing cars inside the premises of the site to promote pedestrian safety and a more walkable environment.

Improved Public Transit: Residents urged the enhancement of public transit infrastructure to ensure better accessibility and reduce traffic congestion in the area.

Transportation: Bank Street and Queen Elizabeth Drive access to the site needs to be improved or needs to be adequate to handle any increased pressures from new residential units.

Pedestrians and Cycling-Friendly Design: The project received widespread support for creating a more pedestrian and cycling-friendly atmosphere to promote active transportation and reduce reliance on cars.

Public Realm and Urban Park

Residents would like to improve the overall site experience by adding accessible public washrooms, water fountains, additional shade structures, and seating. Other popular ideas shared were the potential for residents to host small gatherings or events on the public lawn with either no rental fees or at an affordable rate for families. In addition, interest in increased public art, additional way finding signage, and other potential winter activities was shared.

Retail and Entertainment

There is a strong desire to improve the retail and restaurant mix by providing more spaces to locally owned and operated opportunities. Residents felt that there is enough chain entities operating on site already. A new retail and restaurant mix would encourage more destination-location visitors looking for a new and original experience. Residents felt that the current offerings were well run, well managed, and provided great products and services, but are looking for something with more “wow” factor.

Financial Impact

Concerns around the complex nature of the financial agreements and financial impact of the project on the City of Ottawa were expressed throughout the consultation. Interest in financial transparency was a consistent theme.

To learn further details on engagement, the feedback received and how staff are addressing public input please see the series of As We Heard It reports published on the project website.

Theme	Response
Density and Intensification <ul style="list-style-type: none"> • Number of towers • Height of towers • Impact on traffic • Lack of public transit access • Lack of community services 	The concept has been revised to remove the 3rd residential tower closest to the Aberdeen Pavilion, resulting in a 2-tower concept of 40 and 25 storeys in height. The second major revision to tower design has been the reduction in tower

	<p>floor plates (square metres of floor area that each tower floor covers) from approximately 900 square metres to approximately 800 square metres. The two major revisions have resulted in a decrease in unit yield from 1200 units to 770 units (approximately 405 units in Tower 1 and 250 units in Tower 2, with a shared residential podium of approximately 95 units across both towers). The result also increases tower separation of 40 to 60 metres between towers, significantly greater distance required as per the City's Urban Design Guidelines for High Rise Buildings.</p>
<ul style="list-style-type: none"> • Loss of green space on Great Lawn • Lack of tree canopy • Concrete look and feel of Lansdowne • Lack of natural features 	<p>The removal of the 3rd tower has created an opportunity for the introduction of new public realm space in the order of 27,900 square feet adjacent to the Aberdeen Pavilion, creating a new plaza space between the Aberdeen Pavilion and new Event Centre.</p>
<p>Transportation and Transit</p> <ul style="list-style-type: none"> • Car traffic within Lansdowne • Lack of reliable public transit • Impact of new units on traffic • Traffic on event nights • Queen Elizabeth Driveway access 	<p>Pedestrianizing the portion of Marché Way through Aberdeen Square around the commercial block of the Cineplex and Jack Astor's, as well as expanding Aberdeen Square eastward towards the Horticulture Building can be explored as part of a comprehensive review of how to provide more amenities support social gatherings, improve the sense of place, and enhance pedestrian movement and safety.</p> <p>Opportunities to improve transit service along Bank Street for Routes 6 and 7 will be investigated through the City's</p>

upcoming Feasibility Study on active transportation and transit priority along Bank Street between the Canal and the Queensway. Potential improvements, which may include transit signal priority measures and enhanced bus shelters, can improve transit service reliability and passenger comfort. It should be noted that this is a feasibility study that will thoroughly assess the implications of options because there are many competing needs for the street's right-of-way.

Transportation improvements include The Bank Street Canal Bridge rehabilitation project, which includes the addition of cycle tracks and wider sidewalks on both sides of the bridge. The cycling tracks have been separated from the vehicular lanes which will improve the safety of all road users.

The [Bank Street Renewal \(ACS2023-PRE-TP-0007\)](#) will add cycle tracks to Bank Street between Ledbury Avenue and Riverside Drive westbound and is slated for construction over the next several years. The project will add bike lanes on Bank Street across Billings Bridge as well as modifications to the intersections of Bank Street and Riverside Drive westbound and Bank Street and Riverdale Avenue. The project also proposes to add a northbound reserved bus lane on Bank Street through Old Ottawa South in the weekday

	<p>afternoon peak period (2:30pm-5:30pm). Bikes would be permitted to use this facility.</p> <p>Billings Bridge was identified by the public as a key missing link for cycling through the online engagement tool used for the 2023 Transportation Master Plan.</p>
<p>Active Transportation</p> <ul style="list-style-type: none"> • Lack of cycling infrastructure • Pedestrian safety • Connections with Queen Elizabeth Driveway 	<p>Improved pedestrian and cycling crossing facilities are currently contemplated at the Queen Elizabeth Driveway and Princess Patricia Way site access intersection to Lansdowne. Surface bicycle parking is provided throughout the public realm at Lansdowne. In addition, for major events held on site (such as REDBLACKS games), free valet bike parking storage is provided. The proposed Zoning By-law amendment will establish a 1:1 ratio of required bike parking per residential unit, to further progress a shift in multi-modal share of transportation to cycling.</p>
<p>Public Realm & Urban Park</p> <ul style="list-style-type: none"> • Insufficient shade • Seating options • Lack of public washrooms • Lack of public water fountains • Rental fees for events • Wayfinding and signage • Public art • Winter activities 	<p>For late 2023, the City will be installing comfortable and friendly furnishing, such as moveable benches, picnic tables, sunshades and planters in the Square, to promote a welcoming atmosphere and revive the public realm.</p> <p>Each table will have an umbrella to provide sought after shade in the Square. Planters with seasonal grasses will create a softer green effect at ground level and will enhance the vegetation presence within the square.</p>

	<p>Over the next ten years the City will request capital funding through the annual budget process to further enhance the Urban Park. This will include consideration of important additions to the playground portion of the park that could include items suggested by members of the public such as a water play feature, better lighting and audio equipment for the sports court and rink, Wi-Fi, etc.</p> <p>Improvements to the play area will be undertaken with the intent that they be complimentary to what current exists at the adjacent Sylvia Holden Park. This park already features a significant concentration of active-play amenities to meet local and district needs. These include two high caliber lit Level 1 ball diamonds, a large and very popular wading pool and comfort station with washrooms, a fenced dog park, a basketball court, various play equipment for different age groups and passive greenspace and pathways. Additionally, the City has recently invested over \$220,000 to create an annex to Sylvia Holden Park next to the fire station.</p>
<p>Retail and Entertainment</p> <ul style="list-style-type: none"> • Lack of local vendors • Poor variety of vendors 	<p>The City and OSEG are committed to continually improving the quality and diversity of retail at Lansdowne Park. We understand the importance of having a mix of tenants in Lansdowne 2.0. This is why we are committed in securing core anchors tenants that would drive foot traffic but also niche retailers that would</p>

	offer unique and specialized products/services.
<p>Financial Model</p> <ul style="list-style-type: none"> • Transparency • Financial risk 	<p>We have heard the concerns expressed by the public about the complexity and financial impact of the project. Staff provided Committee and Council with a conceptual model and high level analysis of the financial impacts in May 2022. Since then, City staff have been conducting a full financial due diligence exercise and deeper analysis on the financial projections, cost estimates, funding strategy and financial benefits/risks. This updated report includes those details, based on expert external analysis. Previous reports were based on high level analyses, and as additional details are developed they will continue to be shared as part of the reporting to Committee and Council at every stage of this project.</p>

Next steps

In accordance with the approved Public Engagement Strategy for the Lansdowne 2.0 Project, the City is committed to continuing public consultation as part of the next steps.

This commitment includes the development of a public engagement strategy for the Strategic Investment Plan and robust engagement throughout the site plan application process. City Staff will consider re-establishing a dedicated Councillor Sponsor Group, comprised of Members of Council and appropriate City Staff. The Council Sponsor Group will provide ongoing advice throughout the next phase and meet at appropriate times to receive updates on the project. In addition to this, a Stakeholder Sounding Board could be re-instated. Representatives from the business community, community associations, and key stakeholders will be identified as part of the project's next phase.

Councillor Menard Survey

City staff have reviewed the survey conducted independently by Councillor Menard. The survey was more direct in its questions than the City initiated survey but the results of the two surveys are very similar. Both surveys found that the public had significant

concerns with the amount of residential density being proposed at the site, although neither survey indicated an overwhelming opposition to the inclusion of some additional density. Additionally, both surveys found that the public is concerned about transportation to and from the site, both with regards to public transit and active transportation. The surveys also found a significant appetite for an improved public realm, with a particular concern over the loss of greenspace. There was also significant concern expressed in both surveys regarding the financial model for the project.

Provincial Policy Statement (2020)

The Provincial Policy Statement, 2020 (PPS) provides direction on matters of provincial interest related to land use planning and development. The *Planning Act* requires that decisions affecting planning matters “shall be consistent with” policy statements issued under the Act, which includes the PPS.

The PPS supports the goal of enhancing the quality of life for residents of Ontario, including the protection of health and safety, the quality of the natural and built environment, and resources of provincial interest. The PPS also recognizes that the “long-term prosperity and social well-being of Ontario depends upon planning for strong, sustainable and resilient communities for people of all ages...”. The policies of the PPS support building strong healthy communities, wise use and management of resources, and protecting public health and safety.

Official Plan Designations

The subject site is located within the Inner Urban Transect on Schedule A – Transects Policy Areas, of the Official Plan (the Plan). Section 5.2 states that the Inner Urban Transect includes the pre-World War II neighbourhoods that immediately surround the Downtown Core, and the earliest post-World War II areas directly adjacent to them. Generally, the older neighbourhoods reflect the urban built form characteristics.

The subject site is designated as a Special District and is intended to support the City’s economic development and growth. Section 6.6 states that Special Districts are parts of the city that are important internationally, nationally and to the metropolitan area. They define the image of the city through their cultural heritage value, architecture, public realm, their roles as tourism attractions and/or as major economic generators. They are distinct areas that transcend the role and function of Hubs, Corridors and Neighbourhoods, and warrant unique planning approaches.

The subject site is designated Lansdowne Special District on Schedule B2 – Inner Urban Transect of the Plan. Section 6.6.2.4 (Lansdowne Special District) states that Lansdowne is a demonstration of the successful integration of a large professional sports facility within an established neighbourhood. The site provides restaurants, housing, retail, heritage resources and community facilities as well as the urban park which attracts people from all over the city to its greenspace and park amenities. Local residents are served with amenities to meet their daily needs. Its setting is within a central, mature neighbourhood that is rich in cultural heritage and geographic attributes and is framed by the Rideau Canal, a UNESCO World Heritage Site. The Aberdeen Pavilion is a prominent landmark and National Historic Site. Enhancing links to pedestrian and cycle networks, supporting transit options and transportation demand management are essential to enhance the functioning of Lansdowne Park.

A portion of the site is designated as Greenspace on Schedule B2 – Inner Urban Transect of the Plan. As per Section 7 (Greenspace Designation), Greenspace designation identifies a network of public parks, other spaces within the public realm and natural lands that collectively provide essential ecosystem services to Ottawa's residents, support biodiversity, climate resilience, recreation and healthy living. Through the City's policies, access to public Greenspaces will be preserved and enhanced where possible, especially in the urban area. The Greenspace on the subject property has been identified as Park on Schedule C12 (Urban Greenspace) of the Plan.

Section 3 (Growth Management Framework) of the Plan is premised on the ability to provide sufficient development opportunities and an appropriate range of choices, locating and designing growth so as to increase sustainable transportation mode shares and use existing infrastructure efficiently, while reducing greenhouse gas emissions. Most growth will occur within the urban area of the City, with a majority of residential growth to be within the built-up area through intensification.

Section 3.2 (Support Intensification) states that 47 per cent of city-wide dwelling growth to the built-up portion of the urban area and 46 per cent of city-wide dwelling growth to the greenfield portion of the urban area. Growth within the built-up portion of the urban area represents 51 per cent of urban area growth from 2018 to 2046. Intensification will support 15-minute neighbourhoods by being directed to Hubs and Corridors, where the majority of services and amenities are located, as well as the portions of Neighbourhoods within a short walk to those Hubs and Corridors.

Section 2.2.1 (Intensification and Diversifying Housing Options) provides direction on how growth will take place in Ottawa. Policies within this section direct residential

growth within the built-up urban area to support the evolution towards 15-minute neighbourhoods, provide housing options for larger households, and improve public amenities and services.

Section 4.2 (Housing) states that the City will promote a range of affordable and market-rate housing by providing a toolkit of planning incentives and direct supports that allows for a greater number of units within the permitted built form envelope; and application processing priority, and consider new policies or development application requirements through a housing- and mobility- affordability lens.

Section 4.3 (Large-scale Institutions and Facilities) states that large-scale institutions and facilities such as hospitals, major health care facilities, universities, community colleges, major employers, federal employment campuses, and major sports, recreational and cultural facilities are vital contributors to the City and generate economic development and employment. These spaces have a regional draw and often occupy large sites in urban areas. As large numbers of people require access, they have the potential to affect traffic significantly if not located near rapid transit stations or along a Mainstreet Corridor with frequent street transit. These facilities can better play their role if they are seamlessly integrated into their surrounding context.

Section 4.4 (Parks and Recreation Facilities) states that Parks are one component of the City's greenspace and are important for quality of life, active recreation and health. Parks provide spaces for active and passive recreation opportunities to showcase diverse cultural communities and creative expression.

Section 4.5 (Cultural Heritage and Archaeology) states that Conserving cultural heritage resources and honoring Ottawa's diverse cultural communities forms an integral part of the City's planning and decision making. Cultural heritage resources include: built heritage resources such as listed and designated properties, cultural heritage landscapes, archaeological resources, artifacts, monuments and other types of sites that are of cultural value to a community. Ottawa's unique and diverse cultural heritage is promoted through leadership, community engagement, partnerships and incentives. The preservation of sites with archaeological value provides an important link to our past and offers an opportunity for better understanding of our history, including local Indigenous history related to the Algonquin Anishinabe Nation, on whose unceded territory Ottawa is built, as well as early settlement history leading to the formation of the Nation's Capital.

Section 4.6 (Urban Design) states that urban design is the process of giving form and context to our city to create the theatre of public life. It concerns the design of both the built form and the public realm, which includes the City's buildings, landscapes, pathways, parks, and streets that connect people to places and to each other. Urban design plays an important role in supporting the City's objectives, such as building healthy 15-minute neighbourhoods, growing the urban tree canopy, and developing resilience to climate change. New development should be designed to make healthier, more environmentally sustainable living accessible for people of all ages, genders and social statuses.

The City has established Design Priority Areas (DPAs) which are intended to set the expectations for the public realm, place keeping and excellence in built form. Three tiers of DPAs have been created, with Lansdowne Park being considered a Tier 2 DPA. Tier 2 areas are of national and regional importance to defining Ottawa's image. These areas support moderate pedestrian volumes and are characterized by their regional attractions related to leisure, entertainment, nature or culture.

Bank Street is designated as a Transit Priority Corridor on Schedule C2 (Transit Network Ultimate) and an existing Arterial Road on Schedule C4 (Urban Road Network). Queen Elizabeth Drive is designated as a Major Pathway on Schedule C3 (Active Transportation Network), a Federally Owned Road on Schedule C4 (Urban Road Network), and a Scenic Capital Entry Route on Schedule C13 (Scenic Routes).

Other applicable policies and guidelines

Lansdowne Guiding Principles

The Lansdowne Guiding Principles were jointly developed by the National Capital Commission (NCC), Parks Canada, the City of Ottawa and OSEG, and informed by public consultation. The Guiding Principles provide a framework for the development of Lansdowne 2.0. When the proposed concept was considered by City Council on May 25, 2022, the proposed concept's adherence to the guiding principles was outlined in the Staff Report. Ottawa LRT Public Inquiry recommends priorities be set for complex infrastructure projects throughout the planning and implementation stages.

Lansdowne Park Design Manual

The Lansdowne Park Design Manual was prepared in June 2011 as design guidelines, directions, and strategies for site plan and architecture. The Design Manual is separated into two parts – Public Realm/Master Plan and Architecture and Buildings. At the time of

the preparation of this Design Manual, the underlying thrust and objective for the revitalization of Lansdowne was to create an urban place exhibiting high quality design for both the public realm and the buildings that define the public realm. This objective has not changed as Lansdowne 2.0 continues to be developed and designed. The Design Manual was prepared along with the final site plan for Stage 1 of the development, comprising a compilation of the design related guidelines, directions, and strategies determined through the work undertaken to respond to the various design related Site Plan condition required by City Council through the Stage 1 approval.

Urban Design Guidelines for High-rise Buildings

The Urban Design Guidelines for High-Rise Buildings were approved by Ottawa City Council in May 2018. The Guidelines for High-Rise Buildings are to be used during the preparation and review of development proposals including high-rise buildings. The guidelines focus largely on the context for high-rise buildings and appropriate transition and compatibility, while also considering their built form. Where specific policies are provided in an area-specific policy document, the area-specific policies will take precedent over the guidelines. The relevant guidelines have been reviewed as they relate to the proposed concept.

Urban Design Review Panel

The subject site is within a Design Priority Area and the Official Plan and Zoning By-law Amendment applications were subject to the Urban Design Review Panel (UDRP) process. The project team presented their concept to the UDRP at a formal review meeting held on July 7, 2023. The panel's recommendations can be found in Document 8 of this report. A second formal review will be held October 10, 2023, to inform the progression of the project design components and to inform the development of the Event Centre Site Plan Control application that will go back to the Panel in a pre-consultation meeting.

Planning Rationale

In 2022, Council passed a motion with the approval of the Lansdowne Partnership Sustainability Plan and Implementation Report which identified the desire to continue to progress the proposed concept to revitalize Lansdowne Park. The motion directed staff on the understanding of the concept plans compliance with the new Official Plan, that all steps taken with respect to the revitalization plan for Lansdowne Park, including any rezoning, should conform to the Lansdowne Special District policies in the new Official Plan adopted by Council. Council further directed the General Manager of Planning,

Real Estate and Economic Development to commence a City-initiated Rezoning application for Lansdowne Park and undertake public consultation in accordance with the *Planning Act* to facilitate the rezoning for the Event Centre and an amendment to the current zoning and applicable zoning standards to permit additional development to allow the City to finance the replacement of the functionally obsolete sporting facilities, consistent with the recommended funding strategy.

During staff's preparation for the City-initiated Zoning By-law Amendment, it was determined that policies within the Plan required amending to ensure the Event Centre and additional development, which formed the basis of the 'approved in principle plan', could be considered as per Council's direction. The Plan identifies Lansdowne as a Special District which is envisioned to focus less on land use and more on form and appropriate integration, and in particular the Lansdowne Special District is intended to comprise site components that include the stadium and arena, Front Lawn, the heritage buildings, neighbourhood-oriented commercial, community and specialty uses such as the farmers' market, horticulture building and recreational amenities such as the urban park. As such, the City initiated a concurrent Official Plan and Zoning By-law Amendment application that followed the statutory and public consultation process outlined through the *Planning Act* and as directed by Council. The intent of the Official Plan Amendment is to clarify any ambiguity in policy interpretation for the Lansdowne 2.0 concept.

The City-initiated Official Plan Amendment application is to amend the of the policies of the Lansdowne Special District designation to clarify the policy direction of the Plan. The amended policy will clarify that:

- the maximum permitted height for development within the Lansdowne Special District is 40 storeys, as per Section 3.2(14) of the Plan;
- an Event Centre is permitted within the established areas of greenspace and public space within the Lansdowne Special District; and
- an Event Centre is permitted within the Lansdowne Special District, including areas designated as Greenspace Designation.

The City-initiated Zoning By-law Amendment application will rezone a portion of the subject site from O1S to L2C to permit the new Event Centre, and amend the existing site specific schedule to increase the maximum permitted building height on the site to allow for the proposed height of 40 storeys (approximately 138 metres), and to allow for a maximum proposed height of 15.5 metres for the Event Centre. The Zoning By-law

Amendment will also amend the maximum number of residential units on the site and permit residential units to front onto Exhibition Way.

The proposed Official Plan and Zoning By-law Amendments represent the next step in the evolution and progression of Lansdowne towards a redevelopment approach that will allow the site to succeed as an important residential, sports, culture, recreation, commercial, and entertainment destination, and a more vibrant day-to-day hub for Ottawa. In considering the proposed Official Plan and Zoning By-law amendments, the key policy considerations are found within Volume 1 of the Official Plan.

Growth Management Framework

The proposal supports the Plan's growth management strategy that includes a 60 per cent intensification target by 2046. This means that by 2046, 60 per cent of all new dwelling units will be built in existing neighbourhoods as opposed to undeveloped greenfield lands. The contribution of 770 new residential units contributes to the strategy to allocate 94% of the growth within the urban area, where 47% is to occur in the already built-up area.

Directing residential intensification towards the Bank Street Corridor and the Lansdowne Special District supports the 15-minute neighbourhood concept where the proposal will contribute a range of housing options, supporting services and amenities, well-connected places and land uses; including shops, services, access to food, employment, greenspaces, parks and pathways.

As growth is directed to Hubs, Corridors, and Special Districts the means to which people move around is to vastly change. By 2046, the majority of trips in the city will be made by sustainable transportation. The overarching mobility goal of the Plan is that by the end of its planning horizon, more than half of all trips will be made by sustainable transportation such as walking, cycling, transit or carpooling. The proposal supports this mobility direction by locating density and reinvestment in the public sports facilities along a Transit Priority Street, where the Plan identifies these streets as the measurement to where density and height should be located. Also known as a 'Frequent Street Transit' in the Plan, Bank Street transit routes are identified by OC Transpo as the next highest frequency after rapid transit, where they operate seven days a week and play a structural function in the overall transit system.

Employment growth is another key driver of the City's growth management strategy. The work force is looking for liveable cities with a variety of safe, affordable, vibrant, mixed-use areas, with access to greenspace and cultural life and social harmony. The

majority of employment growth and employment intensification are the Downtown Core, Hub, Corridor, Industrial and Logistics, Mixed Industrial and Special District designations as shown on Schedules B1 through B8. Lansdowne Special District has been identified as a unique economic development driver through its tourism and entertainment lens. Tourism is a major employment sector in Ottawa. In 2016, ongoing activities carried out by businesses that serve tourists represented over 30,600 full time jobs with employees earning \$1 billion in direct wages and salaries.

Building on municipal cultural planning initiatives such as the Ottawa Music Strategy, the establishment of special events, the Lansdowne will continue support culture as an important contributor to economic development, and reduce barriers to enable arts, music and culture events. The Plan identifies that supporting existing, or creating new cultural assets can provide economic development. The Lansdowne redevelopment provides a connection between vibrant and liveable 15-minute neighbourhoods with development spaces for artistic, cultural and heritage activities.

Inner Urban Transect

The subject site is located within the 'Inner Urban Transect' on Schedule A – Transect Policy Areas of the Plan. The proposal is consistent with the following Inner Urban Transect policies that apply to the subject site and proposed concept:

Policy 5.2.1 (2) - In the Inner Urban Transect, the City shall support the development of large parcels and superblocks into fully urban districts and integrated neighbourhood centres. The proposed concept supports the idea of developing large parcels and superblocks into fully urban districts and integrated neighbourhood centres. The 2-tower concept, with active commercial podiums aids to infill underused lands with the removal of TD Arena, and builds upon the framing of Exhibition Way, strengthening the surrounding street grid pattern. The development will contribute to a high-quality public pedestrian network at Lansdowne by orientating the new commercial podium and towers toward Exhibition Way.

Policy 5.2.1 (3) - The Inner Urban Transect is generally planned for mid- to high-density development. The proposed concept is consistent with the planned mid- to high-density development within the Inner Urban Transect. The subject property has frontage on Bank Street, which has been identified as a Transit Priority Corridor with frequent bus service. As the site is subject to the Lansdowne Special District policies, there is limited direction regarding height and massing. As such, an Official Plan Amendment to create

an area-specific policy is proposed to create clearer direction for the site as it relates to land uses, height and massing.

Policy 5.2.1 (4) - The Inner Urban Transect shall continue to develop as a mixed-use environment. The Plan envisions that Hubs and a network of Mainstreets and Minor Corridors are to provide residents with a full range of services within a walking distance from home, in order to support the growth of 15-minute neighbourhoods. The proposed concept represents a mixed-use development consisting of a major recreational facility, retail office, and residential uses. The proposed concept will contain a mix of uses that serve both the immediate neighbourhood and the City as a whole. The proposed concept supports existing and potential new cultural assets that support music and nightlife, while mitigating the impacts on the existing cultural heritage assets on the site. The proposed residential development on the site will support and help to sustain the non-residential uses on the site and in the surrounding area.

Policy 5.2.1 (5) - The Inner Urban area is planned for mid- to high-density, urban development forms where either no onsite parking is provided, or where parking is arranged on a common parking area, lot or parking garage accessed by a common driveway. The proposal is consistent with this policy approach where 336 parking spaces are anticipated to be provided to support the residential tower component of the development within a common underground parking garage. No new parking spaces are proposed as a result of the new North Side Stands, and new retail podium, with minimal parking proposed for the new Event Centre (35 spaces).

Policy 5.2.2 (2) - The Inner Urban Area transect prioritizes walking, cycling and transit within, and to and from, the Inner Urban Transect. The subject site is located in an area that is accessible by all modes of transportation. The proposed concept will locate vehicular and loading access to the new podium and residential towers in the same location to reduce interference with pedestrian and cyclist movements, and to ensure that the public realm is not disturbed by vehicles. The proposed concept will provide vehicular parking at a rate of 0.4 spaces per residential unit and a bicycle parking at a rate of 1.0 spaces per spaces per residential unit. No new parking will be provided for the stadium or retail podium, with minimal parking (35-50 spaces) allocated within the new underground garage for convenience parking for the Event Centre. Residential visitor parking space rate will be reduced from 0.1 spaces per unit to zero based on the abundance of visitor parking availability within the existing 1089 publicly available spaces within the parking garage. By reducing the amount of parking being provided, walking, cycling, and transit use are encouraged to access Lansdowne Park.

Policy 5.2.2 (3) - Motor vehicle parking in the Inner Urban Transect shall only be required for large-scale developments and only to the extent needed to offset sudden large increases in parking demand. The proposal will limit the amount of new vehicular parking by providing new parking stalls only to new residential in the tower portion of the property rights. All new vehicular parking will be located underground ensuring it is hidden from view of the public realm. The supporting Transportation Impact Assessment and Transportation Demand Management Strategy further supports this policy through the continuation of the TDM strategy for Lansdowne where free transit and shuttle services are provided to all ticketed events, utilizing transit, shuttles and cycling to offset parking demands on large scale event scenarios.

Section 5.2.1(3) - High-density development along Mainstreet Corridors is permitted within the Inner Urban Transect, subject to proximity and access to transit, limits on building heights and massing, and resolution of any constraints in water, sewer and stormwater capacity. Bank Street is also a transit priority corridor with access to reliable bus service. The nearest bus stop is on the east side of Bank Street, between Exhibition Way and Marché Way in front of one of the existing mixed-use buildings on the subject property, and on the west side of Bank Street adjacent to the existing signalized intersection. The bus stops on both sides of the street service OC Transpo bus routes 6 and 7, which are both frequent bus routes, with service every 15 minutes or less on weekdays, and operating seven days per week in all time periods.

Further, the site is well served by the City's planned cycling network and active transportation network. A pathway link is located along the east and south edges of the property, with additional links located at the northeast and southwest corners of the subject site. The pathway link at the northeast corner of the site connects to O'Connor Street, which is an identified cross-town bikeway and cycling spine route. This pathway link also connects to Fifth Avenue, which connects to the Flora Footbridge, an identified cross-town bikeway and cycling spine route. The pathway links around the subject property provide connectivity to the greater cycling network via municipal roads and federally owned lands. An Assessment of Adequacy of Public Services as submitted in support of the proposed development, which has been reviewed by staff. Adequacy of public services (water, sewer and stormwater capacity) has been confirmed.

Lansdowne Special District

The subject site is designated Lansdowne Special District on Schedule B2 – Inner Urban Transect. One of Canada's marquee urban stadium developments, Lansdowne is a demonstration of the successful integration of a large professional sports facility within

an established neighbourhood. The site provides restaurants, housing, retail, heritage resources and community facilities as well as the urban park which attracts people from all over the city to its greenspace and park amenities. Local residents are served with amenities to meet their daily needs. Part of the unique status in Ottawa's planning is demonstrated in the Council approved guiding principles of the Lansdowne Partnership Agreement and Lansdowne Master Limited Partnership Agreement. In 2021 Council set forth the path of redeveloping the TD Arena (Civic Centre) and North Side Stands by adding a new guiding principle directly addressing the replacement of the functional obsolete sporting facilities:

“New mixed-use development using subterranean and property air rights can be considered in the footprint of the existing Civic Centre/North Side Stands to help defray the cost of replacing functionally obsolete sporting facilities and add to the intensity of development to keep the site active at all times”.

This key guiding principle set the stage for the four key elements of the redevelopment concept, being the new north side stands, new retail podium and property rights, and new relocated Event Centre.

The overarching policy direction of the Lansdowne Special District is for development to support the role of Lansdowne as a destination for amateur and professional sports, year-round festivals, residential, entertainment, commercial activity and a public place. Development criteria has been established through policy to guide the development and redevelopment of Lansdowne to achieve this goal. The key evaluating criteria for conformity with this overarching goal are:

- a. The site components should continue to include the stadium and arena, Front Lawn, the heritage buildings, neighbourhood-oriented commercial, community and specialty uses such as the farmers' market, horticulture building and recreational amenities such as the urban park. The Aberdeen Pavilion is a prominent landmark at the site.

The proposal meets these criteria through the reinvestment in the functionally obsolete arena and north side stands, following the Council Approved Lansdowne Guiding Principles. It will ensure sufficient intensity of development and mix of uses that will allow the site to be active on a more consistent basis through-out the week, and it clusters new retail opportunities along Exhibition Way to build upon the critical mass. The new Event Centre and North Side Stands will fulfill the guiding principle of integrating these public facilities into the Lansdowne fabric and contributing to

Lansdowne's iconic image. The increased setback for the podium on the south side of Exhibition will enhance the views of the Aberdeen Pavilion and will ensure it remains a landmark on the site.

- b. Encourage sufficient intensity of development and mix of uses that will allow the site to remain active.

Retail establishments such as cafes, restaurants, and shops create a sense of place and add vitality to Lansdowne, fostering a lively and engaging environment. Additional density in housing coupled with new retail can provide more activity, especially on non-event days and create synergies with public open space and programming within the interior of the site. The proposal of an additional 770 residential units and 49,000 square feet of retail space is consistent with this policy direction and its goal.

- c. Great care and attention are to be given to ensure the universal values of the Rideau Canal UNESCO World Heritage site are not adversely impacted or diminished. A cultural heritage impact statement (or Heritage Impact Assessment) will be reviewed in consultation with Parks Canada and the National Capital Commission for development within 30 metres of the Rideau Canal and its landscaped buffer.

A Heritage Impact Assessment (HIA) prepared by ERA Architects has been completed as part of the Official Plan and Zoning By-law Amendment applications. The Terms of Reference for the HIA was established in conjunction with Parks Canada, the National Capital Commission and the Ontario Heritage Trust. The HIA has concluded that the proposed concept generally conserves the cultural heritage value of the site, while allowing for revitalization. As per the HIA, some impact to the dynamic views of Lansdowne Park from the Rideau Canal and adjacent cultural landscapes is anticipated as the proposed residential towers will be visible above the existing tree canopy. However, the elimination of the third tower (closest to Aberdeen Pavilion), and the reduction in floor plate sizes (to approximately 800 square metres) on the remaining two towers has reduced the impact on the affected Heritage Conservation Easement Agreement viewpoints and dynamic views. Future heritage studies will be conducted during the Site Plan Control process.

The HIA established Conservation Design Parameters, which are mitigative measures, that help guide the overall design and maintain the cultural heritage value of the site. The implementation of the Conservation Design Parameters will be included as part of the Request for Offer of subterranean and property air rights and future site plan applications to help mitigate any impact on the heritage resources.

- d. Development should respect and conserve existing buildings designated under the Ontario Heritage Act. New development shall respect the established heritage values of the Aberdeen Pavilion National Historic Site of Canada and the agreements to ensure its conservation, including enhancement of views to and from the building and appropriate uses for ongoing public access and activity.

Lansdowne Park is the site of the former Central Canada Exhibition Association fairground (1888 – 2009). The site contains the Aberdeen Pavilion and Horticulture Building, both of which are designated under Part IV of the Ontario Heritage Act. The Aberdeen Pavilion - a structural steel and pressed metal late-Victorian exhibition hall – was designed by architect Moses C. Edey and constructed in 1898. It is designated a National Historic Site and is also designated by the City of Ottawa under Section 29 of the Ontario Heritage Act (Bylaw No. 22-84). The Prairie-style two-storey brick Horticulture Building opened in 1914 and its design is attributed to architects Francis C. Sullivan (1882-1929) and Allan Keefer (1883-1952).

The HIA identifies the following impacts:

- The visibility of the proposed towers beyond the silhouette of the Aberdeen Pavilion from the east having some visual impact
- Impact to the dynamic views of the site from the Rideau Canal and adjacent landscapes
- The shadow impact on existing built heritage resources
- The proposed new event centre and extended berm will encroach into the framing lands and Great Lawn south of the Aberdeen Pavilion.

The HIA report concludes that:

The proposed development generally conserves the cultural heritage value of the Site, while allowing for its revitalization. New construction is sited to the southwest portion of the Site, where high-density contemporary structures are currently located. The existing built heritage resources will be retained and rehabilitated as part of ongoing City-initiated programs. Other existing land uses and the spatial organization of the Site will remain unchanged. The proposed development has been designed and situated to minimize impact on the protected HCEA and Parks Canada Cost-Share Agreement views, the setting and framing lands, the Aberdeen Pavilion, and the Horticulture Building. Though protecting the silhouette of the Aberdeen Pavilion is not an express objective of the HCEA, the proposed towers will be visible beyond the silhouette of the Aberdeen Pavilion, creating some visual impact

The Conservation Design Parameters in the HIA will be implemented to mitigate potential impacts, guide the overall design, and maintain the cultural heritage value of the site. These measures include:

- Design the new retail podium to enhance views to and experience of the Aberdeen Pavilion;
- Enhance the public realm surrounding the new retail podium along Exhibition Way and design for year-round usability;
- Consider the form, massing and materiality of the high-rise towers to complement the new backdrop setting of the Aberdeen Pavilion;
- Consider the high-rise tower shape, placement and articulation to minimize shadow impact; and
- Design the new event centre and berm to minimize visual impact on the south elevation of the Aberdeen Pavilion, while enhancing the Great Lawn open space.

The mitigative measures will be implemented through a combination of the Request for Proposal for subterranean and property air rights, and future site plan applications and will form part the future Urban Design Review Panel analysis for design discussions.

The revised two tower concept offers significant improvements to the heritage conservation on site including:

- Increased at-grade space between the Aberdeen Pavilion and the proposed development;
 - Increased separation between the proposed residential towers and the Aberdeen Pavilion
 - Reduced shadow impact on on-site heritage resources.
- e. View lines from the property edge at Queen Elizabeth Drive and to the Aberdeen Pavilion and other requirements of the Easement Agreement with the Ontario Heritage Trust will be maintained.

The Heritage Conservation Easement Agreement (“HCEA”) between the City of Ottawa and the Ontario Heritage Trust, includes protected view corridors, and delineated framing and setting lands. The Heritage Impact Assessment concludes that the proposed development has been designed and situated to minimize impact on the protected Heritage Conservation Agreement views, the setting and framing lands. The

proposed event centre and relocated berm to the east of the TD Place Stadium will encroach into the framing lands and the Great Lawn, creating some impact.

To mitigate this the HIA concluded the proposed concept generally conserves the cultural heritage value of the site, while allowing for revitalization. The HIA identified Conservation Design Parameters for the Event Centre regarding refinement in its location and design as follows:

- Design the new berm and Event Centre to fit in with the landscape and integrate as much public access and green planting (green roof) as possible.
- Explore opportunities to align new pedestrian walkways and landscaped areas of the Great Lawn to showcase views to the Aberdeen Pavilion.
- Relocate Jill Anholt Moving Surfaces public art sculpture near to its existing location in a position that does not compromise views to the Aberdeen Pavilion from the south.

The proposed event centre and the relocated berm will encroach into the framing lands, which will require permission from the Ontario Heritage Trust through an Alteration Request to be submitted with the Site Plan Control Application. Staff invited Ontario Heritage Trust (OHT) to a pre-consultation meeting in September 2021 to present the general development concept, receive feedback and discuss the process for obtaining future approvals. OHT staff were amenable to the goals to further enhance Lansdowne Park while conserving the important heritage elements. Building upon discussions in 2021, In January and September 2023 staff had further discussions with the OHT to advance the terms of reference for the Heritage Impact Assessment (HIA) through the applications under the *Planning Act* and included the OHT in the *Planning Act* application circulation for their formal review and comment.

Through the formal circulation the OHT provided the City with comments on the proposed building heights and towers, and the Event Centre. With respect to building heights, the OHT acknowledged the proposed tower locations are not contained within the boundaries of the Provincial easement and offered their comments on the altered background, and shadowing of the Aberdeen Pavilion.

The OHT shared concerns specifically regarding the third tower closest to the Aberdeen Pavilion and its impacts on transition and scale to the heritage asset and expressed their interest in protecting views of the Aberdeen Pavilion in relationship to the location of the new Event Centre.

Removal of the third tower has been a positive impact that has opened up significant plaza space between the new Event Centre and the south and west courts of the Aberdeen Pavilion. The location of the second tower has also increased building separation from the Aberdeen, and provided a greater transition, resulting in reduction in shadow effects on both the pavilion and the Rideau Canal.

Discussions with the OHT were held in August and September 2023 to advance mitigative measures on tower placement and Event Centre height. The City and the OHT have collectively agreed to an approach of placing a holding symbol on the Event Centre area until such time as a Heritage Impact Assessment is submitted for review and approval of the Site Plan Control application addressing any mitigation required for the placement of the Event Centre as it relates to the upper portions of the Aberdeen Pavilion.

- f. To support Lansdowne's integration with the surrounding the mature residential neighbourhood, the broader area context will be examined to determine appropriate scale in building form to design the mass and height with appropriate transitioning, with specific attention to building transitions from the established low-rise residential areas.

The proposed concept will be located interior to the site, a significant distance from the surrounding mature residential neighbourhood. A community viewpoint analysis and shadow analysis has been completed for the proposed concept and shows that there is minimal impact to the neighbouring community's views, and shadowing impacts have been lessened through the two tower design.

- g. Through redevelopment applications, ensure that the design of the site will continue to maintain the high-quality public realm.

High-quality public realm forms a key part of the vision for the proposed revised concept. The proposed podium has been designed to prioritize the comfort of pedestrians along Exhibition Way by limiting the height to four storeys and stepping back the rest of the podium and towers. The podium will be highly glazed to create an interactive interface between the podium and pedestrians along Exhibition Way. The main entrance for the new Event Centre will face towards Aberdeen Pavilion, creating a new opportunity for an active pedestrian plaza.

- h. Focus development on existing built areas, avoiding or maintaining the established areas of greenspace and public space.

The Official Plan Amendment seeks to address the location of the Event Centre within the Greenspace designation by clarifying that the Lansdowne Special District designation in the overarching policy direction of the subject site and that it is intended to support the site components of the stadium, arena, Front Lawn, the heritage buildings, commercial, community and specialty uses such as the farmers' market, horticulture building and recreational amenities such as the urban park.

The design intent is to create new plaza and urban realm space through the removal of the third tower, which as the effect of introducing approximately 27,900 square feet of new space where the current pedestrian ramps and eastern portion of the North Side Stands exist today. This new plaza space will introduce new public space where analysis has demonstrated the Great Lawn can be effectively utilized for events despite the location of the new Event Centre into a portion of the Great Lawn.

- i. The design shall be responsive to how users access the site (transit, car, boat, walk, cycle) so as to prioritize pedestrians and cyclists.

The proposed concept ensures that pedestrians and cyclists are a priority on the site. Future loading and servicing of the development will occur primarily underground, with access to the loading areas and parking located closest to Bank Street. Additional covered bike parking is also proposed, which will encourage more cycling to the site as a safe location for bike parking will be available.

- j. Development shall provide high quality architecture and materiality.

Through the Site Plan Control process the architectural details will be reviewed in greater detail. The conceptual plans, and more specifically the proposed podium demonstrates how the design of the new building can integrate appropriate massing and materials that recognize the history of the site, protected views, and the lumber industry in Ottawa. Additional consultation with the Urban Design Review Panel and Ontario Heritage Trust will take place through the next stages of the project.

- k. Promote tree planting and other measures that contribute to the City's Climate Change objectives.

The proposed concept will ensure that tree planting can occur on site, with a focus on ensuring that tree planting can occur along Exhibition Way. The proposed podium has provided an increased setback from Exhibition Way, allowing for a large sidewalk and opportunity for tree planting. Through a future Site Plan Control application, a detailed

landscape plan will be prepared ensuring that tree planting can occur on site benefiting from some of the lessons learned from tree plantings with Lansdowne 1.0.

Greenspace Designation

A portion of the site is designated as Greenspace on Schedule B2 – Inner Urban Transect of the Plan. As per Section 7 (Greenspace Designation), Greenspace designation identifies a network of public parks, other spaces within the public realm and natural lands that collectively provide essential ecosystem services to Ottawa’s residents, support biodiversity, climate resilience, recreation and healthy living. Through the City’s policies, access to public Greenspaces will be preserved and enhanced where possible, especially in the urban area. The Greenspace on the subject property has been identified as Park on Schedule C12 (Urban Greenspace) of the Plan

As per Section 7.2 (1) , the City may permit art and cultural activities, including temporary or permanent art installations, in any City-owned urban greenspace, subject to such restrictions and conditions as it deems reasonable. The proposed Event Centre will be a space that accommodates art and cultural activities, such as concerts, festivals, and sporting events, among other activities.

It is not uncommon for major recreational and cultural facilities to operate in the Greenspace designation across the City. Some examples include the Nepean Sportsplex at 1645 Woodroffe Avenue, the Ron Maslin Playhouse Theatre at 1 Ron Maslin Way (Walter Baker Park), the Meridian Theatres (Ben Franklin Place) at 101 Centrepoint Drive, the Bob MacQuarrie Recreation Complex – Orléans at 1490 Youville Drive, and the Tom Brown Arena at 141 Bayview Station, which are all municipally owned properties. As such, the proposed location of the new Event Centre within City-owned greenspace is considered to be appropriate.

Building Height

Policy 3.2 (14) of the Growth Management Framework further establishes that intensification is supported and permitted in all designations. The Lansdowne Special District uses the existing height permissions in Policy 6.6 to set maximum allowable heights. Lansdowne currently has a 38 metre height limit over the stadium and arena on the south side of Exhibition Way which require an increase in height to facilitate the proposed mixed-use development to a new maximum of 138 metres. An increase in height to accommodate the Event Centre is proposed from 6.0 metres to 15.5 metres, where a portion of the Event Centre will be located in the existing 6.0 metre height limit. The proposed increases would be regulated through an amended height schedule. A

discrepancy lies in the process to increase height where, Policy 3.2 (14) of the Growth Management Framework permits a maximum height 40 storeys within the Lansdowne Special District and directs a Zoning by-law Amendment as the means to increase building height within the same height category, whereas the Lansdowne Special District regulates height through a site-specific policy. Thus, the Official Plan Amendment was introduced to increase height within the same high-rise height category to a maximum of 40 stories and provide clarity between the conflicting policies with additional site-specific policy direction within Lansdowne Special District.

The revised concept plan illustrates a 40 and 25 storey tower design, with the Zoning By-law and Official Plan Amendment seeking a maximum height permission of 40 stories. The overall height of 40 stories provides the subterranean and property air rights developer some flexibility for how they would propose to distribute the 770 units through their tower designs in terms of unit sizes, floor plate sizes and configurations of the residential podium over the retail podium.

The Event Centre and North Side Stands

Section 4.3 (Large-Scale Institutions and Facilities) of the Plan identifies hospitals, major health care facilities, universities, community colleges, major employers, federal employment campuses, major sports, recreational and cultural facilities being vital contributors to the City and generate economic development and employment. In particular, Section 4.3.1 of the Plan permits major sports arenas and stadiums within Special District designations, where the corresponding Lansdowne Special District directly identifies the goal of the district to retain the stadium and arena.

Tourism is a major employment sector in Ottawa. In 2016, ongoing activities carried out by businesses that serve tourists represented over 30,600 full time jobs with employees earning \$1 billion in direct wages and salaries. The Lansdowne Special District has a unique economic development context and is identified as having a tailored policy approach which leverages the economic benefit of tourism. The Plan directs employment to not only Special Districts, but Corridors (Mainstreets) where employment uses can mix with residential uses in a 400-metre walking distance to rapid transit stations and along frequent transit streets.

The Plan identifies facilities, such as stadiums and arenas are about city-building and shall enhance quality of life for the surrounding neighbourhood and the city as a whole through. Locations to support the 15-minute neighbourhood concept is important to this city-building principle. The development of the new Event Centre and North Side Stands

at Lansdowne provides the opportunity to enhance the existing public realm space parks, support energy efficiency, integrate Public Art and contribute to the success of both the Aberdeen Pavilion and Horticulture buildings as integrated assets of the overall Lansdowne development.

Urban Design

The subject site is within a Design Priority Area and the Official Plan and Zoning By-law Amendment applications were subject to the Urban Design Review Panel (UDRP) process. The project team presented their concept to the UDRP at a formal review meeting held on July 7, 2023. The Panel's key recommendation were:

- The Panel recommends designing the site both for event days and the everyday experience of locals.
- The Panel recommends the focus of this next phase of development should be to ensure established qualities are not compromised by the new development.
 - The Panel recommends year-round success of the pedestrian realm must be achieved and enhanced.
 - The Panel recommends the pedestrian accessibility of the site needs to be maintained for events such as the Farmer's Market and future large gatherings around the proposed event space.
- The Panel supports opening up Exhibition Way to further pedestrian activity.
- The Panel has concerns with the proposed Event Centre being too high in the landscape.
 - The Panel strongly recommends lowering the Event Centre further into the ground and providing pedestrian access to the rooftop greenspace as a continuation of the park lawn.
 - Consider the overall pedestrian accessibility to the event space, and the potential for large gatherings.
- The Panel strongly recommends the towers follow the City's guidelines of a 750-sq.m. floorplate.
 - The Panel recommends further investigating a single-tower or two-tower concept to allow for the 750-sq.m floorplates to be achieved.

- The Panel suggests doing so will improve the porosity of the site and maintain north-south views across Lansdowne Park, while minimizing wind and shadow impacts on the public realm.
- The Panel has concerns with the orientation and location of Tower 'C' and its tight condition with the Aberdeen Pavilion.
 - Consider forgoing a three-tower approach.
- The Panel recommends that the future design of the podium consider using masonry to best relate to the Bank Street frontage and neighbourhood character.

The Panel was one contributor, along with public engagement, and the City's streams of due diligence, in aiding in the implementation of the following:

- Elimination of the eastern most tower and shifting to a two tower approach.
- Introduction of a significant height variation between the two tower approach of over 10 storeys, where 40 and 25 storey towers are demonstrated. Furthermore, the two tower approach has resulted in a more generous separation of towers, where a range of 40 metres to 60 metres can be demonstrated between the towers.
- Reducing the floor plate sizes to be more in-line with the City's guidelines for High Rise development. The smaller floor plate sizes, variation in tower heights, generous tower separation, and elimination of the third tower have resulted in net positive gains in terms of wind and sun shadow impacts.
- Minimizing truck loading at Aberdeen Pavilion by moving a significant portion towards the Bank Street entrance and loading the retail units from the rear of the podium.
- Introduction of approximately 27,900 square feet of new public realm space creates opportunities for more programmable urban realm and a more generous urban plaza entrance to the new Event Centre.

With respect to the Panel's inquiry to lower the Event Centre further into the ground:

- The new Event Centre is positioned within its ground elevation such that the patrons enter at the top of the main concourse. This design permits maximization of accessibility throughout the Event Centre and seating.

The loading entrance from Exhibition Way underground to the Event Centre has a rise and run requirement that cannot be achieved should the Event Centre and its loading dock lower significantly lower.

A second formal review will be held on October 10, 2023, to inform the progression of the project design components and to inform the development of the Event Centre Site Plan Control application that will go back to the Panel in a pre-consultation meeting.

Transportation

The transportation goals of the Plan and Transportation Master Plan are to provide mobility options to safely and equitably navigate the City; promote 15-minute neighbourhoods, support growth and the shift towards sustainable modes of transportation; facilitate seamless, multi-modal travel.

The Lansdowne site is identified as being served by a Transit Priority Corridor, and Bank Street is identified as a 'Frequent Transit Street, which is the next highest frequency after rapid transit. The nearest bus stop is on the east side of Bank Street, between Exhibition Way and Marché Way in front of one of the existing mixed-use buildings on the subject property, and on the west side of Bank Street adjacent to the existing signalized intersection. The bus stops on both sides of the street service OC Transpo bus routes 6 and 7, which are both frequent bus routes, with service at least every 15 minutes on weekdays and operating seven (7) days per week.

Lansdowne is well served by existing active transportation facilities including major pathway systems such as the canal pathways, sidewalks, and cycling facilities such as on Holmwood, O'Connor, and Bank Street over the Rideau Canal.

A major pathway link is located along the south edges of the property, with additional links located at the northeast and southwest corners of the subject property. The pathway link at the northeast corner of the site connects to O'Connor Street, Fifth Avenue, and Flora Footbridge, which form part of the cross-town bikeway network. The pathway links around the subject property provide connectivity to the greater cycling network via municipal roads and federally-owned pathways.

The additional 770 units are forecasted to generate between 500 to 650 person trips during peak hours, representing 42% less new trips than originally estimated in 1200 unit design. This is inclusive of all transportation modes including auto (both drivers and passengers), transit, cycling and walking.

Modal shares were derived from the 'TRANS Trip Generation Manual (2020)', which includes locally observed trip generation studies. Modal shares that are reflective of the Ottawa Inner Area, which includes the Glebe and Lansdowne, were applied to forecast the residential trips by mode of transportation. The auto modal share for the Ottawa Inner Area is approximately 33% - meaning that approximately a third of trips generated for High-Rise Multifamily housing in this area are expected to be made by the automobile (inclusive of both auto drivers and passengers). The remaining ~ 67% of trips are forecasted to be made by transit (between 21% - 28%), cycling (between 5 – 6%), and walking (between 34% and 39%).

Based on the assumed modal shares, the 770 residential units and proposed podium level commercial retail are forecasted to generate between 122 and 165 vehicle trips during peak hours (i.e. weekday morning and afternoon rush hour, as well as the Saturday afternoon peak). Based on current travel patterns at Lansdowne, 55% of new site generated traffic is assumed to use Bank Street for access, with the remaining 30% using Queen Elizabeth Driveway, and 15% using the Holmwood Avenue private garage entrance (residential access only). This is forecasted to result in an increase of approximately 90 vehicle trips on Bank Street, 25 vehicle trips on Holmwood Avenue, and 50 vehicle trips on Queen Elizabeth Driveway during peak hours. All vehicle trips are two-way, meaning they represent total inbound and outbound activity.

Based on these volumes, these additional trips are not expected to result in any significant changes to current or projected roadway levels of service, travel delays, or vehicle queuing at intersections.

Transportation Demand Management

Similar to the initial redevelopment of Lansdowne, a robust Transportation Demand Management (TDM) plan has been identified to ensure that the transit, cycling, and walking modal shares are met. Improvements to pedestrian and cycling infrastructure, as well as improved transit service on Bank Street, will help to encourage alternative modes of transportation to Lansdowne, and reduce the reliance on the single occupancy vehicle – particularly for residents.

The TDM Strategy for Lansdowne 2.0 considers the evolving nature of Lansdowne. This includes developing strategies to accommodate the increase in transportation demands associated with the additional residential and retail density. Revising the TDM Strategy for Special Events was also completed, and it considered the unlikely event that the two separate venues were accommodating sold-out events at the same time.

Special Events TDM Program for Lansdowne 2.0

The TDM program to support special events transportation demands at Lansdowne has been largely effective in diverting automobile trips from the direct neighborhood. The continued provision of the program, which offers free transit service to all ticket-holders of special events, will be critical in maintaining the success of the program.

The original TDM plan developed for the Lansdowne Revitalization identified the transportation services needed for the following event sizes:

- 7,000 to 10,000 representing average and sold-out Arena events;
- 13,000 representing events between 10,000 and 15,000 (i.e. smaller Stadium event);
- 18,000 to 25,000 representing average and sold-out Stadium events; and
- 40,000 representing a large 'Mega Event' with expanded Stadium seating capacity, or concurrent large events.

The TDM plan for special events under Lansdowne 2.0 will be largely the same as the current TDM program with opportunities for refinement and consideration of anticipated changes in programming. These are summarized below:

- The existing 9,800 seat indoor arena and event space, known as TD Place Arena, will be replaced with a new standalone 5,500 seat (6,500 spectator) multi-purpose Event Centre that will be the new home to the OHL's Ottawa 67's, the CEBL's Ottawa BlackJacks. This change will effectively cap indoor arena events to 6,500 attendees, down from the previous 10,000 level that was previously identified for a sold-out arena event.
- The current spectator capacity for the Stadium at TD Place is 24,000. Under Lansdowne 2.0, the existing north side stands will be reconstructed with capacity for 11,200 seats (12,100 total spectators), down from the current capacity of 14,028 spectators. This means a reduction in capacity of approximately 2,000 spectators at the north side stands, resulting in a total capacity of 22,000 spectators for the Stadium at TD Place.

Minor Events

Other Modes	5%	5%	55%	5%	5%	5%	5%	5%	5%
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The TDM program for events relies on a balanced approach in accommodating transportation demands and access requirements. Bank Street is expected to continue to accommodate a significant portion of trips made to Lansdowne during major events on dedicated 450-series transit service. During major events, vehicular access to Lansdowne will continue to be temporarily restricted on Bank Street to safely accommodate the large number of transit passengers, pedestrians and cyclists accessing Lansdowne. During these temporary closures, vehicular access to the underground garage, TNC drop-offs (i.e. Uber and Lyft), and some Park & Shuttle services would continue to be accommodated at the QED access.

Any long-term, frequent closures of QED will impact the viability of events at Lansdowne, irrespective of the Lansdowne 2.0 initiative. The current programming on-site cannot be supported with severe restrictions on Bank Street. Opportunities to reduce auto travel to Lansdowne, and by extension, traffic demands utilizing QED are explored below.

TDM and Residential Development

High-rise development and density come with limited allocated space for surface or underground parking. There will be limits on residential parking as it is anticipated that those who choose to live in Lansdowne 2.0 are there to take advantage of a lifestyle that does not require car ownership. Consistent with the City of Ottawa's TDM Measures Checklist for new developments, the following TDM measures were identified in support of promoting sustainable modes of transportation and reducing the reliance on the single automobile travel for day-to-day activities at Lansdowne:

- TDM Program Management
- Supporting Walking and Cycling
- Supporting Transit
- Carsharing
- Bikesharing & Micromobility
- Parking

- TDM Marketing & Communications
- Ridesharing

As a way to support transit use, opportunities to offer residents with PRESTO cards preloaded with one monthly transit pass on resident purchase / move-in should be explored to encourage residents to use transit. Moreover, information regarding the PRESTO card system should be available on-site and provided to all households to encourage other members to sign up for monthly-debited transit passes.

Transit Priority and Cycling Improvements:

Opportunities to improve transit service along Bank Street for Routes 6 and 7 will be investigated through the City's upcoming Feasibility Study on active transportation and transit priority along Bank Street between the Canal and the Queensway. Potential improvements, which may include transit signal priority measures and enhanced bus shelters, can improve transit service reliability and passenger comfort. It should be noted that this is a feasibility study that will thoroughly assess the implications of options because there are many competing needs for the street's right-of-way.

Cycling

Lansdowne has internal pathways throughout most of the site that provide cycling connectivity. Many of the internal pathways, particularly Exhibition Way, Marché Way, and Princess Patricia Way, are designed as Pedestrian Priority Zones. Cycling access points to Lansdowne are currently provided at Bank Street at Exhibition Way and Marché Way, as well as three cycling connections to internal pathways on Holmwood Avenue. On the east and south side of Lansdowne, connections to the multi-use pathways on Queen Elizabeth Driveway are provided at numerous locations. Improved pedestrian and cycling crossing facilities are currently contemplated at the Queen Elizabeth Driveway and Princess Patricia Way site access intersection to Lansdowne. Surface bicycle parking is provided throughout the public realm at Lansdowne. In addition, for major events held on site (such as REDBLACKS games), free valet bike parking storage is provided. The proposed Zoning By-law amendment will establish a 1:1 ratio of required bike parking per residential unit, to further progress a shift in multi-modal share of transportation to cycling.

Off-site cycling improvements to improve cycling connectivity within the Lansdowne area include the Bank Street Bridge and Billings Bridge

Bank Street Bridge

The Bank Street Canal Bridge has undergone a rehabilitation project that includes the addition of cycle tracks and wider sidewalks on both sides of the bridge. The cycling tracks have been separated from the vehicular lanes which will improve the safety of all road users. This Active Transportation Project was completed in the Spring of 2023 and encourages active modes of transportation to Lansdowne.

Billings Bridge

Billings bridge was identified by the public as a key missing link for cycling through the online engagement tool used for the 2023 Transportation Master Plan. [The Bank Street Renewal \(ACS2023-PRE-TP-0007\)](#) will add cycle tracks to Bank Street between Ledbury Avenue and Riverside Drive westbound and is slated for construction over the next several years. The proposed Bank Street Cycling and Transit Improvements (Riverside Drive westbound to Aylmer Avenue) would be delivered in coordination with the Bank Street Renewal to address safety and connectivity issues for people cycling, as well as delay and reliability issues for transit customers.

The Rideau River is a significant barrier to cycling connectivity and there are currently no cycling facilities on Bank Street across Billings Bridge. Just north of Billings Bridge, OC Transpo buses travel in mixed traffic, and experience significant delay and reliability issues northbound on Bank Street in the afternoon peak period.

Approved by Council on September 13, 2023, the project will add bike lanes on Bank Street across Billings Bridge as well as modifications to the intersections of Bank Street and Riverside Drive westbound and Bank Street and Riverdale Avenue. The project also proposes to add a northbound reserved bus lane on Bank Street through Old Ottawa South in the weekday afternoon peak period (2:30pm-5:30pm). Bikes would be permitted to use this facility. The northbound curb lane is currently used for parking during the afternoon peak period.

Cycling connectivity will be significantly improved, providing better access to key destinations in the area. Transit delay and reliability issues will be reduced, which will improve customers' experience and improve access via transit.

Planning Act

The *Planning Act* requires that all City planning decisions be consistent with the Provincial Policy Statement (PPS), as the document that provides policy direction on matters of Provincial interest related to land use development.

Provincial Policy Statement

Staff have reviewed this Official Plan and Zoning By-law amendments and have determined that it is consistent with the 2020 Provincial Policy Statement.

RURAL IMPLICATIONS

There are no specific rural implications associated with the approval of this report. The Lansdowne Market operates in the Urban Park under a Licence of Occupation and supports rural producers through this initiative.

COMMENTS BY THE WARD COUNCILLOR(S)

Councillor Menard, Capital Ward, has provided comments (see Document 13)

ADVISORY COMMITTEE(S) COMMENTS

The Lansdowne 2.0 project was presented to the Accessibility Advisory Committee on August 15, 2023, as a first step in consultation on the accessibility needs of the Event Centre, North Side Stands, and overall site improvements. Marnie Peters (Accessibility Simplified) led the presentation.

The AAC were unanimously in support of the proposed redevelopment and recommended improvement, highlighting that they were moving in the right direction. While they recognized the current accessibility issues with site, they did note that the TD Arena staff does an excellent job in navigating the current accessibility issues. They recommended that the following be considered as the proposal moves forward:

- Having a separate accessible entrance for people with disabilities;
- Providing various forms of communications to accommodate differing needs (e.g. audio and visual);
- Installing directional tactile wayfinding strips from the bus stops to the Canadian National Institute for the Blind (CNIB) and an audio indicator at the CNIB;
- The challenges that exist for drop-offs/picks-ups for people with disabilities at events especially during the summer market days; and
- The implications of the QED closure on accessible entry to the site.

The project will continue to consult with the AAC through the design development of the Event Centre and North Side Stands, including through future Site Plan Control applications and tendering processes.

LEGAL IMPLICATIONS

There are no legal impediments to the approval of the recommendations contained in this Report.

It should be noted that the approval of the recommendations contained in this Report do not commit the City to the further redevelopment of Lansdowne Park. Rather, as contemplated by the July 2021 *Lansdowne Park Partnership: Path to Sustainability and Next Steps* Report (ACS2021-PIE-GEN-0004), the herein Report evidences the results of the significant negotiations that have taken place between the City and OSEG and that were “aimed at reaching agreement on the general scope of changes that would form the basis of an amended partnership”, in accordance with Council’s prior direction.

Through these negotiations, the parties have begun to set out the main elements of what could ultimately constitute the final proposal for the redevelopment of Lansdowne Park. However, while the main features of a proposal have taken shape, the specific details of that proposal remain to be negotiated and developed between the parties before a final proposal is ready for presentation to Council for approval.

As noted in the Report, there are a considerable number of agreements that make up the Lansdowne Partnership Plan (LPP) and these will need to be amended or restated in order to carry out the complex transaction contemplated herein. In negotiating the specific changes to these amended LPP agreements, it is likely that unanticipated issues may come to light, or the structure of the Proposal may require some further refinement. It is therefore premature to opine on the full details and implications of the Proposal, as these will be known once the parties have finalized their negotiations on the final wording of the amended LPP agreements.

In light of the scale of the Redevelopment Plan contemplated in this Report, it is important that the City continue to be guided by the principles set out in the July 2021 Report, namely, a commitment to a robust process of formal, documented meetings and ongoing legal and financial due diligence and analysis, with a view to ensuring that terms of the Redevelopment Plan are consistent with a prudent partnership and that they offer tangible benefits to the City, as well as enhancing the long-term viability of the Partnership.

Furthermore, careful consideration should be given to the order in which the City proceeds to negotiate and finalize the next steps of the Proposal. The sequence of the redevelopment and conclusion of the necessary agreements should be done in a manner that does not expose the City to unnecessary risk, nor unreasonably restrict the

City's ability to remain flexible as it seeks to carry out all the various elements of the Redevelopment Proposal.

Should Council approve the recommendations contained in this Report, staff will begin, with the assistance of external expertise, to negotiate with OSEG the amendments to the LPP Agreements necessary to give effect to the Redevelopment Proposal, as set out in this Report. As previously noted, and in keeping with staff's commitment, the final decision with respect to how, and whether, the City wishes to move forward with the Redevelopment Proposal City, is reserved for City Council.

The official plan and zoning amendments are City initiated. As a result, should they not be adopted, there is no appeal right to the Ontario Land Tribunal. Should they be adopted by Council, there will be the ability of those who have made oral or written submissions to appeal either or both to the Ontario Land Tribunal. The scope of any hearing would be dependent upon the nature of any appeals received.

As outlined in the report, during the course of preparing the zoning by-law amendment it was determined that there was a requirement for an official plan amendment. In light of the Council motion adopted on June 8, 2022, that all steps taken with respect to the Lansdowne revitalization were to conform to the Lansdowne Special District policies in the new Official Plan, Recommendation 3 in this report is required in order to proceed with the Official Plan Amendment.

Also as outlined in the report, an Alteration Permit will be required in respect of the Event Centre and berm for the Ontario Heritage Trust. It is noted that there is no appeal right were such permit not to be issued, nor is there an appeal right to a third party to the issuance of the permit.

RISK MANAGEMENT IMPLICATIONS

There are risk implications with this project and they have been identified throughout the report and assigned to the appropriate individuals. The Financial Risk section of this report provides significant details on the key financial risks, including a sensitivity analysis demonstrating the financial implications of any shift each risk factor.

EY, as part of their due diligence review also identified some key financial and project risks and they are described in their summary report attached as Document 10.

EY also provided staff with a risk-return analysis. As part of the overall Risk-Return evaluation, a review of various scenarios for the funding were explored from multiple

perspectives for both the City of Ottawa and OSEG. The goal was to support an evaluation of potential relative returns from these scenarios to contribute to an overall assessment of risk and return allocation. Return profiles assessed using preliminary cost and revenue estimates provided by the City signaled that profit margins for OSEG did not come at the cost of the City of Ottawa's returns. These were preliminary estimates requiring further analysis as part of a Procurement Options Analysis and legal review and assessment of the proposed term amendments.

ASSET MANAGEMENT IMPLICATIONS

The proposal would replace existing, aging assets with new facilities funded in part by the current redevelopment proposal. The new facilities acquired through the redevelopment will replace the City's inventory for operations and maintenance, as well as lifecycle renewal and replacement in the long term. The Lansdowne Partnership agreement assigns responsibilities for ongoing costs and revenues. Replacement of the existing facilities with new facilities that meet today's standards would reduce operating costs, reduce short-term lifecycle renewal needs and improve the customer level of service and experience.

It has been confirmed that there is sufficient capacity on the existing water, wastewater and stormwater infrastructure systems to accommodate the proposed redevelopment.

The recommendations documented in this report are consistent with the City's Comprehensive Asset Management (CAM) Program objectives. The implementation of the Comprehensive Asset Management program enables the City to effectively manage existing and new infrastructure to maximize benefits, reduce risk, and provide safe and reliable levels of service to community users. This is done in a socially, culturally, environmentally, and economically conscious manner.

FINANCIAL IMPLICATIONS

The financial implications are as described in this report.

The total estimated cost and budget authority requested for the stadium and event center is \$419.1 million to be funded by cash from the sale of subterranean and property air rights, government grants (or reserve funds), debt and City capital budget funding for internal costs. The annual debt servicing of \$16.4 will be gradually funded through annual budget pressures of approximately \$1.3M over 13 years in conjunction with a dedicated reserve account. The debt servicing will be subsequently funded by 75% of the property tax uplift, hotel accommodation tax from any hotel built on site,

ticket surcharge, rent payments from OSEG and other waterfall distributions to the City. The funding strategy is dependent on making changes to the waterfall distribution framework and partnership agreement as described in this report.

The total estimated cost and budget authority requested for the parking is \$18.6 million to be funded by debt. The annual debt servicing of \$1 million for parking will be funded from net parking revenues and contributions from the parking reserve.

Principal and interest payments for all of the City's tax-supported debt including all new debt for Lansdowne and new parking will be 4.6% of the City's own source tax revenue in 2030, well below the 7.5% limit approved by Council.

Staff recommend that 10% of the subterranean and property air rights revenue be allocated to the affordable housing reserve. This approach is expected to provide \$3.9 million as soon as it is received.

The City will guarantee an estimated \$34.7 million in loans to be secured by OSEG for the retail podium costs and an additional \$20 million of financing to be repaid by the Partnership and secured by OSEG to manage cashflows during construction.

ACCESSIBILITY IMPACTS

The City retained the services of Marnie Peters (Accessibility Simplified) to evaluate the existing conditions of the current TD Arena, North Side Stands and surrounding site. Staff, and their consultant, have identified key deficiencies in the City's facilities:

Existing North Side Stands

- Lack of fair seating options for those with accessibility needs;
- Lack of ability to improve options for accessible seating in locations due to lack of elevator access to upper levels;
- Lack of easily and fully accessible washrooms and universal washrooms with adult change table meeting today's codes and accessibility standards, in order to meet the needs of the wider community; and
- Concession stands do not meet accessibility standards.

Existing Event Centre

- Lack of fair seating options for those with accessibility needs;
- Stadium support columns that pose a hazard to everyone, including persons with vision disabilities;

- Lack of options for gate entry's that are accessible;
- Concession stands do not meet accessibility standards;
- Lack of easily and fully accessible washrooms and universal washrooms with adult change table meeting today's codes and accessibility standards, in order to meet the needs of the wider community;
- Locker rooms and referee facilities cannot accommodate Para sports such as sledge hockey players/officials, wheelchair basketball, curler, etc.; and
- Press facilities are not accessible.

Existing Site Conditions

- Directional TWSIs are not serving their original purpose as they are obstructed by patios, street furniture, A frame signs, etc.;
- There is no clear pedestrian path of travel;
- Patios are not accessible and do not follow the same accessibility criteria required of other patios in the City;, and
- Accessible parking can pose challenges in this area, particularly during events.

A totally new facility will allow a modern, more comfortable venue to be realized that meets current day accessibility standards, including the *Ontario Building Code*, the *Accessibility for Ontarians with Disabilities Act (2005)* and the City's Accessibility Design Standards. By improving the accessibility of the built environment within the Event Centre and North Side Stands more people with disabilities, and people of all ages, will be able to use these facilities.

Throughout the next step in the design, the design team will engage in discussion and consultation with the community, including specific input from the CNIB, as their Ottawa office is located on the site. The design team will work with the Accessibility Office to ensure that people with disabilities and older adults are engaged and that consultations are accessible.

ECONOMIC IMPLICATIONS

EY's proprietary economic model was used to assess the economic impacts of the construction and future operations of Lansdowne 2.0 to the Ottawa Census Metropolitan Area (CMA) and the Province of Ontario.

A summary of economic impacts is shown below in Table 13 through three key economic indicators: Gross Domestic Product (GDP), Wages & Salaries, and Full Time Equivalent Jobs (FTEs).

Table 13 – Economic Impact

	Area	GDP (\$ millions)	Wages (\$ millions)	FTEs
One-time contribution - construction of City Facilities	Ottawa CMA	387	275	3,694
	Ontario	565	366	5,171
One-time contribution - construction of Residential towers	Ottawa CMA	187	128	1,798
	Ontario	278	174	2,555
Annual contribution – Operating	Ottawa CMA	59	49	799
	Ontario	86	69	1,044
Annual contribution – Visitor Spending	Ottawa CMA	33	27	689
	Ontario	51	36	850

The City of Ottawa’s economic development strategy supports key strategic priorities including economic growth and diversification, business and investment attraction, and talent attraction and retention. The strategy has four areas of focus that guide the City’s investment in economic development:

- (1) Knowledge-Based Business;
- (2) Rural Economy;
- (3) Tourism and Creative Industries; and
- (4) Urban Services and Main Streets

In addition, having economic development embedded in the Official Plan ensures

planning policy considers the challenges of a growing economy and capitalizes on opportunities to support economic prosperity across the entire economic development ecosystem.

High Economic Impact Project Program

The proposed redevelopment of Lansdowne has been identified as a High Economic Impact Project (HIEP) as it is a significant development initiative that will support the City's economic development and city building priorities. The proposal has both direct and indirect economic benefits to the city from significant construction jobs and purchase of local materials during the development phase to ongoing employment and purchase of goods and services following completion.

Tourism and Creative Industries

The tourism and creative industries sectors in Ottawa are important economic drivers and contribute significantly to quality of life – an important economic indicator and key consideration for business and talent attraction and retention. Tourism is Ottawa's third leading economic driver behind the federal government and technology. Further diversifying the local economy by encouraging and supporting the growth of creative industries such as music, film, television, animation, digital media, fine arts, etc., is an important priority that not only supports employment but also grows Ottawa's reputation and profile around the world. The new state of the art Event Centre at Lansdowne will position Ottawa to continue attracting major sporting events such as 2023 World Men's Curling Championship and remain home to several Ottawa professional sports teams. Additionally, the new Event Centre will make Ottawa an even more attractive destination for music, entertainment and other cultural events.

In 2018, Council approved a three-year music strategy demonstrating recognition of the significance of this important industry to the quality of life in Ottawa. This music strategy highlighted the lack of a mid-sized (~1,000-person capacity) 'black box' venue in Ottawa and recommended that the establishment of such a venue should be prioritized by potentially repurposing existing City-owned space or as part of a new development. As part the redevelopment of Lansdowne, which is a City-owned space, there is an opportunity to establish a mid-sized music venue within the retail podium. Not only would this allow the City to implement the recommendations of its music strategy, it would also position Ottawa to be able to host those events which it would otherwise not be able to due to lack of a suitable venue. Further, it would create a space for local

event organizers in Ottawa that would not be able to afford or sell out the larger venues.

Urban Services and Main Streets

Urban Services describes the small and medium enterprises (SMEs) that form the backbone of economic activity within the city and includes several sectors such as retail, restaurants, and services. Residents and businesses rely on these sectors to support employment, create vibrant main streets and commercial districts and support overall quality of life. SMEs are critical to the overall economic health of Ottawa and prosper in response to the city's growth i.e. population, housing starts, transportation, etc.

The proposed ground floor retail space in the new podium at Lansdowne will further activate the area and contribute to increased vibrancy and sense of community. Retail establishments such as cafes, restaurants, and shops will create a sense of place fostering a lively and engaging environment. Future residents of Lansdowne will have access to a wide range of retail options both on-site and along Bank Street.

Beyond increased demand for existing and proposed retail, new residential density will increase overall pedestrian traffic that will add to the vibrancy and activation of Lansdowne and Bank Street, especially on non-event days.

The additional residential density will also result in a greater level of support for the nightlife economy. The City has recognized the importance of the nightlife economy through its recent adoption of the Nightlife Economy Action Plan. This Action Plan outlines strategies to grow and enhance the nightlife economy which has proven to be a significant economic driver for cities. Lansdowne already enjoys a high level of evening activity based on the availability of restaurants and bars on-site as well as from the sports, concerts and other events that typically take place in the afternoons and evenings. There is opportunity to further strengthen evening activity and bolster the nightlife economy with the potential additions of a live music venue and/or a destination and experiential entertainment anchor at Lansdowne.

CLIMATE IMPLICATIONS

The City is committed to reducing greenhouse gas emissions from its operations to zero by 2040. This includes all City buildings where 19% of the corporate GHG Emissions are from City facilities. In order to achieve the GHG reductions, the City's [Climate Change Master Plan](#) identifies priorities for the next 5-years (2020-2025) for

significant action and investment to put Ottawa on the path to meet the GHG emission targets and prepare for future climate conditions.

One of these priorities includes implementing Ottawa's *Energy Evolution* strategy where it is a community wide initiative with a vision to transform Ottawa into a thriving city powered by clean, renewable energy. Specific to Lansdowne, by applying a climate lens to asset management and capital projects, climate change considerations can be embedded into the design of the new city facilities.

One tool for this asset management approach is to utilize the City's [Green Building Policy](#) requiring that all newly constructed City buildings with a footprint greater than 500 square metres be designed at minimum LEED® Certified standard.

The City can use annual GHG inventories to assess how and track corporate and community reduction targets.

(The Green Building Policy is currently being updated to align with Tier 2 of the High Performance Development Standard.)

High Performance Development Standard (HPDS)

Through the City's Request for Offer (RFO) of the subterranean and property air rights process the City will incorporate the Tier 1 and Tier 2 metrics from the High Performance Development Standards (HPDS) into the scoring criteria of the RFO. Developer bidders will be required to meet the [Tier 1 metrics](#), that address item including but not limited to building energy efficiency, accessibility, sustainable roofing, and bird safe design.

As well, developer bidders will be asked to demonstrate the extent to which they can achieve the City's [Tier 2 metrics](#), which include matters such as renewal energy, waste storage and sorting, enhanced facilities and storage, electric vehicular parking, airtightness, operational energy, and resiliency.

INDIGENOUS GENDER AND EQUITY IMPLICATIONS

Indigenous Policy Considerations

Staff have opened a dialogue with the Anishinabe Algonquin First Nation, Indigenous communities and organizations. A commitment to ongoing discussions is in place.

Gender and Equity Implications

The proposed recommendations were informed by an inclusive engagement approach. This included meeting the PRED Ambassador Working Group, representing traditionally underrepresented groups such as women and gender serving organizations.

Staff are committed to continuing to use a women and gender lens when developing how best Lansdowne Park can support an inclusive city. In addition, staff will continue with this approach throughout the upcoming site plan approval and next step processes.

TERM OF COUNCIL PRIORITIES

The Lansdowne redevelopment relates to the following Strategic Priorities of Council 2023-2026.

1. A City that has affordable housing and is more liveable for all

Objective: Increase housing options including below market and leverage City land and seek sustainable funding.

Lansdowne's sale of subterranean and property air rights will contribute funding towards this term of Council's priority affordable housing projects

2. A city that is more connected with reliable, safe and accessible mobility options

Objective: Improve active transportation and deliver transit and roads to support growth.

A key element of the Lansdowne revitalization was the development and implementation of a comprehensive and aggressive TDM program to encourage and promote use of sustainable transportation for day-today activities and for events.

3. A city that is green and resilient:

Objective: Reduce emissions associated with the City's facilities.

The replacement of TD Arena with a state-of-the-art energy efficient building will aid in the reduction of Green House Gas emissions and energy waste. The Request for Offer of subterranean and property air rights will establish scoring criteria with respect to High Performance Development Standards.

4. A city with a diversified and prosperous economy

Objective: Stimulate growth in special and economic districts and diversify our economy and amplifying our regions brand.

The reinvestment in the City owned facilities will strengthen the Lansdowne Special District and position the Lansdowne such that there is continued success of its position as a sports, leisure, and entertainment destination for residents of the National Capital Region and tourists alike.

SUPPORTING DOCUMENTATION

Document 1 Location Map

Document 2 Details of Recommended Official Plan Amendment

Document 3 Details of Recommended Zoning

Document 4 Zoning Key Map

Document 5 Amended Schedule to the Zoning By-law

Document 6 New Schedule to the Zoning By-law

Document 7 Revised Concept Plan

Document 8 Urban Design Review Panel Comments

Document 9 Parcel A for Disposal

Document 10 EY Due Diligence Report

Document 11 Detailed financial projections of closed financial system

Document 12 Motions and Directions from the 2022 Lansdowne Partnership Sustainability Plan and Implementation Report

Document 13 Councillor Menard Comments (Ward 17 – Capital Ward)

Document 14 Document 14 - Lansdowne 2.0 Project As We Heard It

PLANNING CONCLUSION

The proposed concept is consistent with the Provincial Policy Statement (2020) as it provides residential development intensification, thereby increasing choices for housing, within the built-up area where existing infrastructure and public service facilities are available and where public and active transportation will be supported and encouraged;

The proposed concept conforms to the Official Plan's vision for managing growth in the urban area. The proposed concept responds to its context within the Inner Urban

Transect by proposing a high-rise development on a large parcel of land and promotes active and public transportation over other modes of transportation;

- Meets the heritage policies of Section 4.5 of the Official Plan by responding to and respecting the existing heritage assets and character on and surrounding the site;
- Meets the urban design policies of Section 4.6 of the Official Plan;
- Generally conforms to the Official Plan's direction for the Lansdowne Special District, recognizing that an Official Plan Amendment is proposed to rectify conflicting policy directions;
- Responds strongly to the Urban Design Guidelines for High-Rise Buildings by enhancing the public environment and streetscape and providing appropriate tower separation distances.

The proposed concept will allow for intensification of a site that requires a critical mass of people to support the role of Lansdowne as a destination for sports, festivals, entertainment, commercial activities, and office space at the local, regional and national level. The concept will continue to support and implement a robust Transportation Demand Management strategy.

The proposed concept will respond to the Urban Design Guidelines for High-Rise Buildings by providing a concept plan that envisions a high level of architectural detail, including glazing, active entrances, and appropriate building massing. Further, the concept plan illustrates appropriate, siting, setbacks and tower separation.

Overall, the proposed concept advances several key policy objectives at the Provincial and Municipal levels including: optimizing the use of serviced lands within the existing urban boundary, encouraging growth within the urban boundary, intensification within an identified target area and adjacent to a transit priority corridor, contributing to the range and availability of housing, and supporting the Lansdowne Special District as a key economic component of the City's Tourism industry.

DISPOSITION

Office of the City Clerk, Council and Committee Services to notify the owner; applicant; Ottawa Scene Canada Signs, 13-1920 Merivale Road, Ottawa, ON K2G 1E8; Krista O'Brien, Program Manager, Tax Billing & Control, Finance Services Department (Mail Code: 26-76) of City Council's decision.

Zoning and Interpretations Unit, Policy Planning Branch, Economic Development and Long Range Planning Services to prepare the implementing by-law and forward to Legal Services.

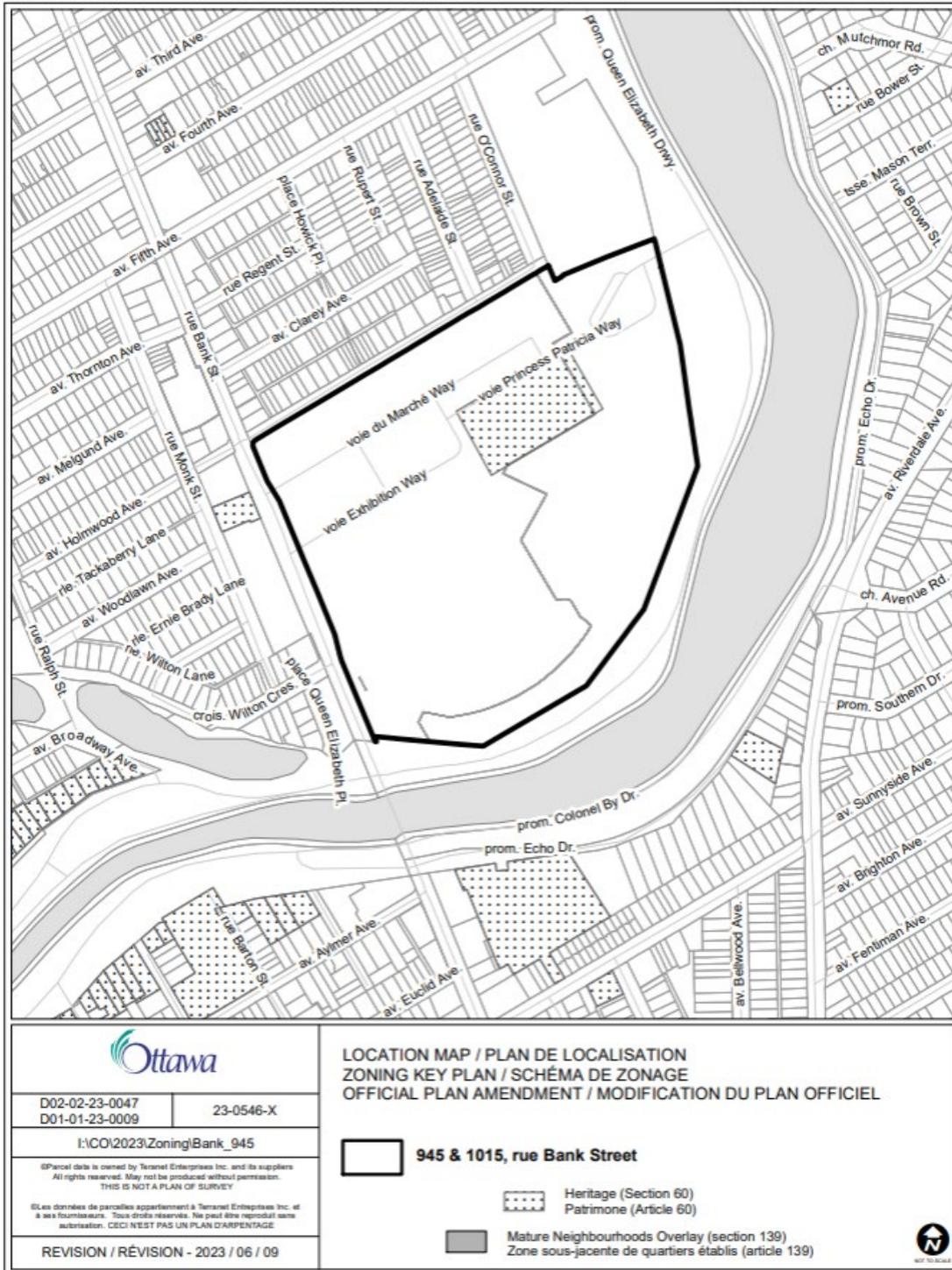
Legal Services, Innovative Client Services Department to forward the implementing by law to City Council.

Planning Operations Branch, Planning Services to undertake the statutory notification.

In accordance with the 2012 Heritage Conservation Easement Agreement between the City of Ottawa and the Ontario Heritage Trust, the City will apply for written approval from the Ontario Heritage Trust for the construction of the event centre within the framing lands, in advance of a site plan control application.

Document 1 – Location Map

For an interactive Zoning map of Ottawa visit geoOttawa



Document 2 – Details of Recommended Official Plan Amendment

**Official Plan Amendment XX to the
Official Plan for the
City of Ottawa**

INDEX

THE STATEMENT OF COMPONENTS

PART A – THE PREAMBLE introduces the actual amendment but does not constitute part of Amendment No. XX to the Official Plan for the City of Ottawa.

PART B – THE AMENDMENT constitutes Amendment XX to the Official Plan for the City of Ottawa.

PART A – THE PREAMBLE

Purpose

Location

Basis

Rationale

PART B – THE AMENDMENT

Introduction

Details of the Amendment

Implementation and Interpretation

PART C – THE APPENDIX

Schedule A of Amendment XX – Official Plan for the City of Ottawa

PART A – THE PREAMBLE

1. Purpose

The purpose of this amendment to the Official Plan is to permit building heights up to 40 storeys and facilitate a new stand-alone Event Centre at the east end of TD Place stadium.

2. Location

The subject lands are located along the east side of Bank Street, between Holmwood Avenue and Queen Elizabeth Driveway, and within the Lansdowne Special District.

3. Basis

The amendment to the Official Plan was requested by the applicant to facilitate the redevelopment of the subject site which includes the demolition of the existing north side stands/arena complex and retail podium, which will be replaced with new north side stands, a new retail podium, and a new standalone Event Centre located predominantly below grade, adjacent to the east end zone.

Rationale

The proposed Official Plan Amendment is consistent with the Provincial Policy Statement which promotes efficient development of serviced, underutilized lands located within settlement areas. The redevelopment of the site will add both housing and employment in a location that is well-served with current transit as well as active transportation networks. Redevelopment of these lands to add residential and commercial uses will contribute to meeting policies and objectives of the City's Official Plan and specific special district policies. The proposed amendment will encourage high quality urban design, protection of existing trees and natural features, where possible, and a compatible built form. Site specific design details will be reviewed as part of future development application review processes.

PART B – THE AMENDMENT

1. Introduction

All of this part of this document entitled Part B – The Amendment consisting of the following text and the attached Schedule constitutes Amendment No. XX to the Official Plan for the City of Ottawa.

2. Details

The following changes are hereby made to the Official Plan for the City of Ottawa:

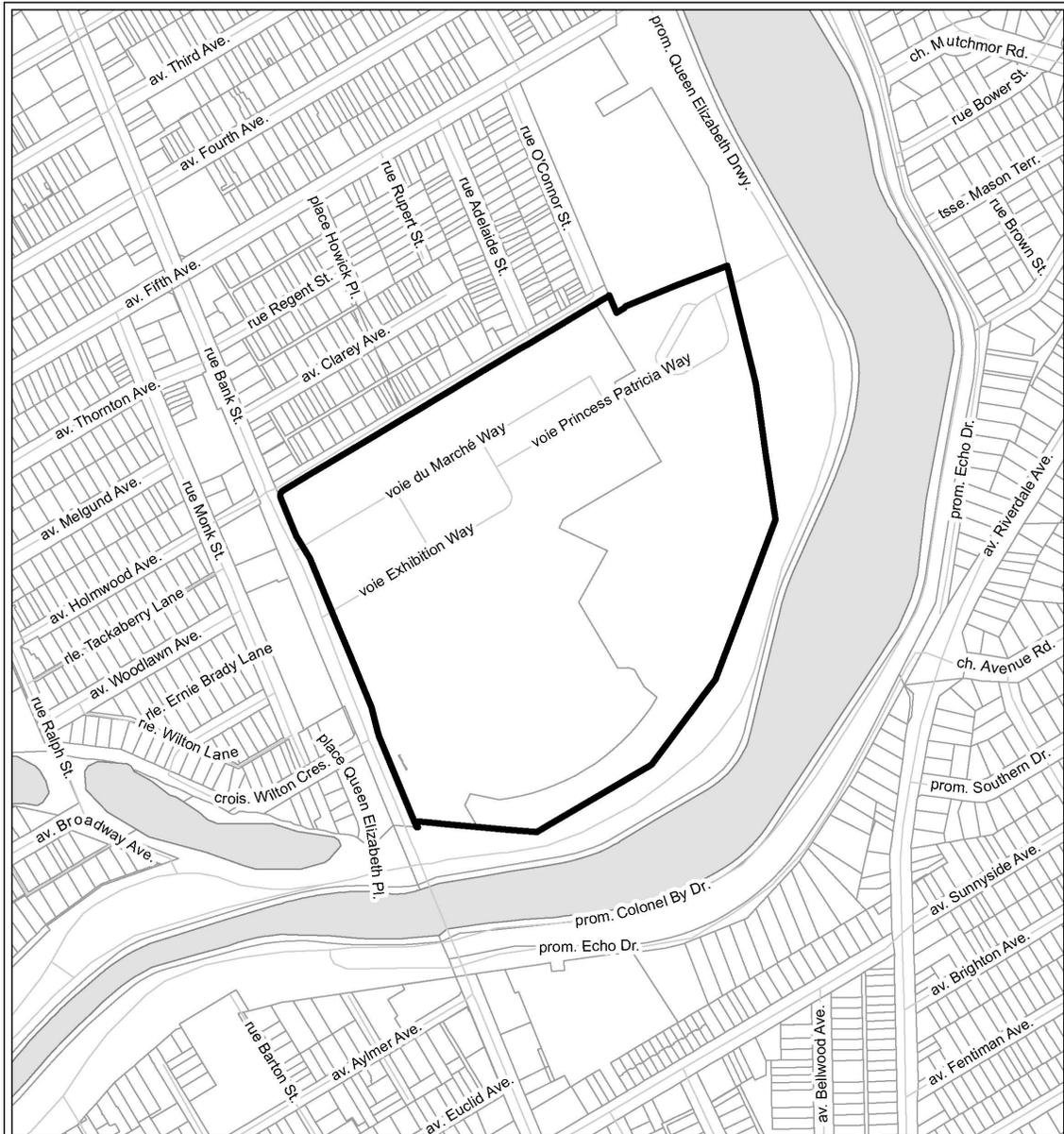
2.1 Volume 1, is hereby amended by modifying Section 6 – Urban Designations, Section 6.6.2.4 – Lansdowne Special District to add a new Area-Specific Policy as follows:

- a. ***“Notwithstanding Section 6.6.1, Policy 1) d), development in the Lansdowne Special District is permitted a maximum building height of 40 storeys.”***
- b. ***“Notwithstanding Section 6.6.2, 4) h), and Section 4.4.6, 2, a sports arena is permitted within the established areas of greenspace and public space as identified on Schedule B2.”***
- c. ***“Notwithstanding Section 7 of this Plan, a sports arena is permitted within the Greenspace Designation within the Lansdowne Special District.”***

3. Implementation and Interpretation

Implementation and interpretation of this Amendment shall be in accordance with the policies of the Official Plan for the City of Ottawa.

SCHEDULE A



		LOCATION MAP / PLAN DE LOCALISATION OFFICIAL PLAN AMENDMENT / MODIFICATION DU PLAN OFFICIEL	
D01-01-23-0009	23-0777-X		945, 1015 rue Bank Street
I:\CO\2023\OPA\Bank_945			
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REVISION / RÉVISION - 2023 / 08 / 24			
			 NOT TO SCALE

Document 3 – Details of Recommended Zoning

The proposed changes to Zoning By-law 2008-250 for 945 and 1015 Bank Street are as follows:

1. Rezone the lands as shown in Document 4, as follows:
 - a. Area A from L2C S258-A, S258-B to L2C S258-A, S258-B, Sxx1
 - b. Area B from O1S S258-A to L2C[xxx1]-h S258-A, S258-B, Sxx1
 - c. Area C from L2C S258-A, S258-B to L2C[xxx1]-h S258-A, S258-B, Sxx1
2. Add a new subsection to Section 176, L2C Subzone – Lansdowne:
 - (4) For the lands identified as Area A on Schedule Sxx1, notwithstanding Section 175 and 176 (3), the following provisions apply:
 - a. The following uses are permitted:

Non-Residential Uses:

 - i. amusement centre
 - ii. amusement park
 - iii. animal care establishment
 - iv. animal hospital
 - v. artist studio
 - vi. bank
 - vii. bank machine
 - viii. bar
 - ix. below grade parking garage
 - x. catering establishment
 - xi. cinema with a maximum of 10 theatres
 - xii. community centre
 - xiii. community health and resource centre
 - xiv. convenience store
 - xv. day care
 - xvi. drive-through facility
 - xvii. fairground
 - xviii. farmers' market
 - xix. home-based business
 - xx. home-based day care

- xxi. hotel
- xxii. instructional facility
- xxiii. golf course
- xxiv. library
- xxv. medical facility
- xxvi. municipal service centre
- xxvii. museum
- xxviii. night club
- xxix. office
- xxx. payday loan establishment (By-law 2017-302)
- xxxi. park
- xxxii. personal brewing facility (By-law 2019-41)
- xxxiii. personal service business
- xxxiv. place of assembly
- xxxv. post office
- xxxvi. production studio
- xxxvii. recreational and athletic facility
- xxxviii. research and development center
- xxxix. residential care facility (By-law 2012-349)
 - xl. restaurant
 - xli. retail food store
 - xl.ii. retail store
 - xl.iii. school
 - xl.iv. service and repair shop
 - xl.v. sports arena
 - xl.vi. theatre
 - xl.vii. training centre
 - xl.viii. urban agriculture

Residential Uses:

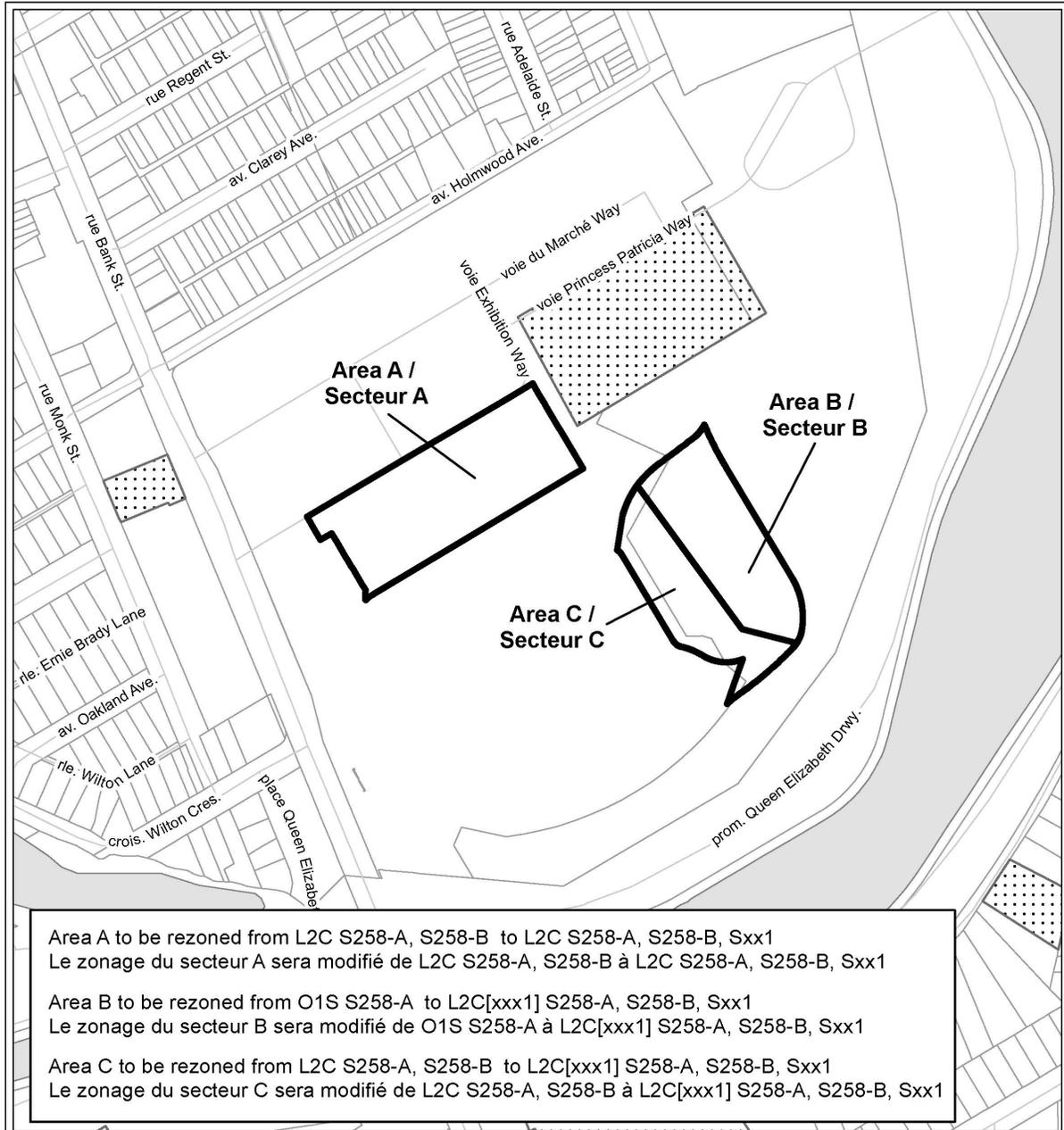
- xl.ix. apartment dwelling, low rise
 - l. apartment dwelling, mid rise
 - li. apartment dwelling, high rise
 - lii. dwelling unit
 - liii. retirement home
- b. The maximum building height for residential and mixed-use buildings: forty (40) storeys or 138 metres.

- c. The maximum number of dwelling units permitted is 770.
 - d. The minimum parking rate required is 0.4 per dwelling unit.
 - e. The minimum bicycle parking rate required is 1 per dwelling unit.
 - f. Notwithstanding Section 111, the provisions for bicycle parking spaces does not apply.
 - g. No visitor parking is required.
 - h. No non-residential parking is required.
 - i. For the purpose of (l) through (o) below, a tower is defined as the portion of the building above the podium.
 - j. A minimum separation of 25 metres between towers is required.
 - k. Buildings abutting Exhibition Way shall have a maximum podium height of four (4) storeys or 14 metres.
 - l. Towers are required to have a step back from the podium of the building:
 - i. For a building abutting Exhibition Way or facing the Aberdeen Pavilion, minimum step back required: 3 metres; and
 - ii. In all other cases, minimum step back required: 1.5 metres.
 - iii. Notwithstanding (i), balconies shall not extend greater than 1.5 metres into the required step back.
3. Add a new subsection to Section 176, L2C Subzone – Lansdowne:
- (5) For the lands identified as Area B on Schedule Sxx1, notwithstanding Section 175 and 176 (3), the following provisions apply:
- a. The following uses are permitted:
 - i. amusement centre
 - ii. amusement park
 - iii. animal care establishment
 - iv. animal hospital
 - v. artist studio
 - vi. bank

- vii. bank machine
- viii. bar
- ix. below grade parking garage
- x. catering establishment
- xi. cinema with a maximum of 10 theatres
- xii. community centre
- xiii. community health and resource centre
- xiv. convenience store
- xv. day care
- xvi. drive-through facility
- xvii. fairground
- xviii. farmers' market
- xix. home-based business
- xx. home-based day care
- xxi. hotel
- xxii. instructional facility
- xxiii. golf course
- xxiv. library
- xxv. medical facility
- xxvi. municipal service centre
- xxvii. museum
- xxviii. night club
- xxix. office
- xxx. payday loan establishment (By-law 2017-302)
- xxxi. park
- xxxii. personal brewing facility (By-law 2019-41)
- xxxiii. personal service business
- xxxiv. place of assembly
- xxxv. post office
- xxxvi. production studio
- xxxvii. recreational and athletic facility
- xxxviii. research and development center
- xxxix. residential care facility (By-law 2012-349)
 - xl. restaurant
 - xli. retail food store
 - xlii. retail store
 - xliii. school
 - xliv. service and repair shop

- xliv. sports arena
 - xlvi. theatre
 - xlvii. training centre
 - xlviii. urban agriculture
- b. The maximum building height for a sports arena (Event Centre) is 15.5 metres.
- c. No minimum parking rates are required.
4. Add a new exception [xxx1] to Section 239, Urban Exceptions, to add provisions similar in effect to the following:
- a. In Column II, Applicable Zones, add the text, “L2C[xxx1]-h S258-A, S258-B,Sxx1”
 - b. In Column V, Exception Provisions – Provisions, add the following text:
 - i. The holding symbol applies to the development of an Event Centre (sports arena). Removal of the holding symbol may occur following:
 - 1. Approval of a Site Plan Control application.
 - 2. A Heritage Impact Assessment is approved, to satisfaction of the General Manager of Planning, Real Estate, and Economic Development (PRED) or his/her designate, together with an Alteration Permit having been obtained from the Ontario Heritage Trust.
5. Amend Schedule S258-A as shown in Document 5
6. Append a new Schedule as shown in Document XX to the Zoning By-law as Schedule Sxx1.

Document 4 – Zoning Key Map



Area A to be rezoned from L2C S258-A, S258-B to L2C S258-A, S258-B, Sxx1
 Le zonage du secteur A sera modifié de L2C S258-A, S258-B à L2C S258-A, S258-B, Sxx1

Area B to be rezoned from O1S S258-A to L2C[xxx1] S258-A, S258-B, Sxx1
 Le zonage du secteur B sera modifié de O1S S258-A à L2C[xxx1] S258-A, S258-B, Sxx1

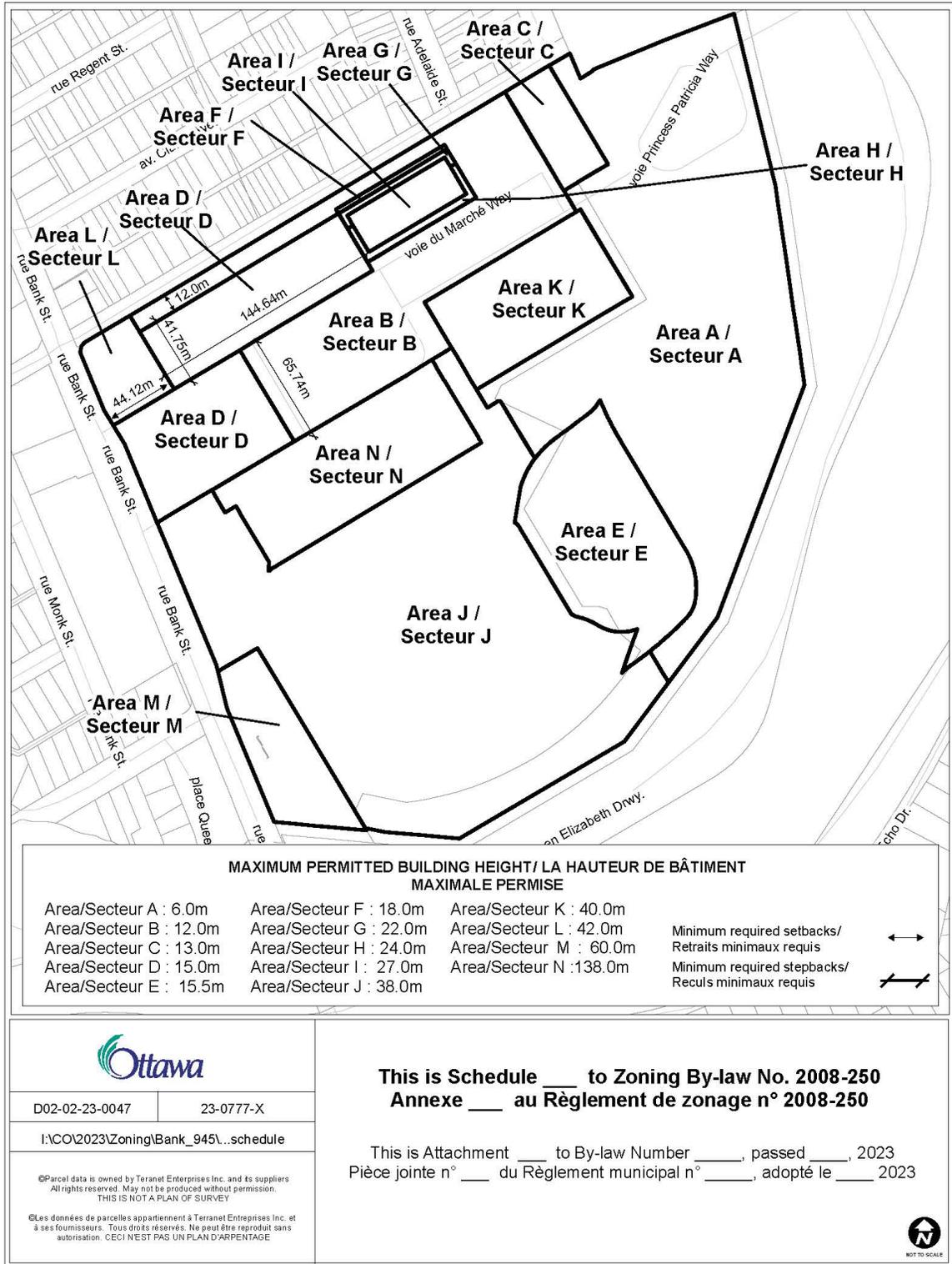
Area C to be rezoned from L2C S258-A, S258-B to L2C[xxx1] S258-A, S258-B, Sxx1
 Le zonage du secteur C sera modifié de L2C S258-A, S258-B à L2C[xxx1] S258-A, S258-B, Sxx1

		LOCATION MAP / PLAN DE LOCALISATION ZONING KEY PLAN / SCHÉMA DE ZONAGE	
945, 1015 rue Bank Street			
D02-02-23-0047	23-0777-X		
I:\CO\2023\Zoning\Bank_945			
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REVISION / RÉVISION - 2023 / 09 / 11		Entire map area is affected by the Mature Neighbourhoods Overlay (section 139) / Tout le secteur de la carte est touché par la Zone sous-jacente de quartiers établis (article 139)	

 Heritage (Section 60)
 Patrimoine (Article 60)



Document 5 – Amended Schedule to the Zoning By-law



D02-02-23-0047 23-0777-X

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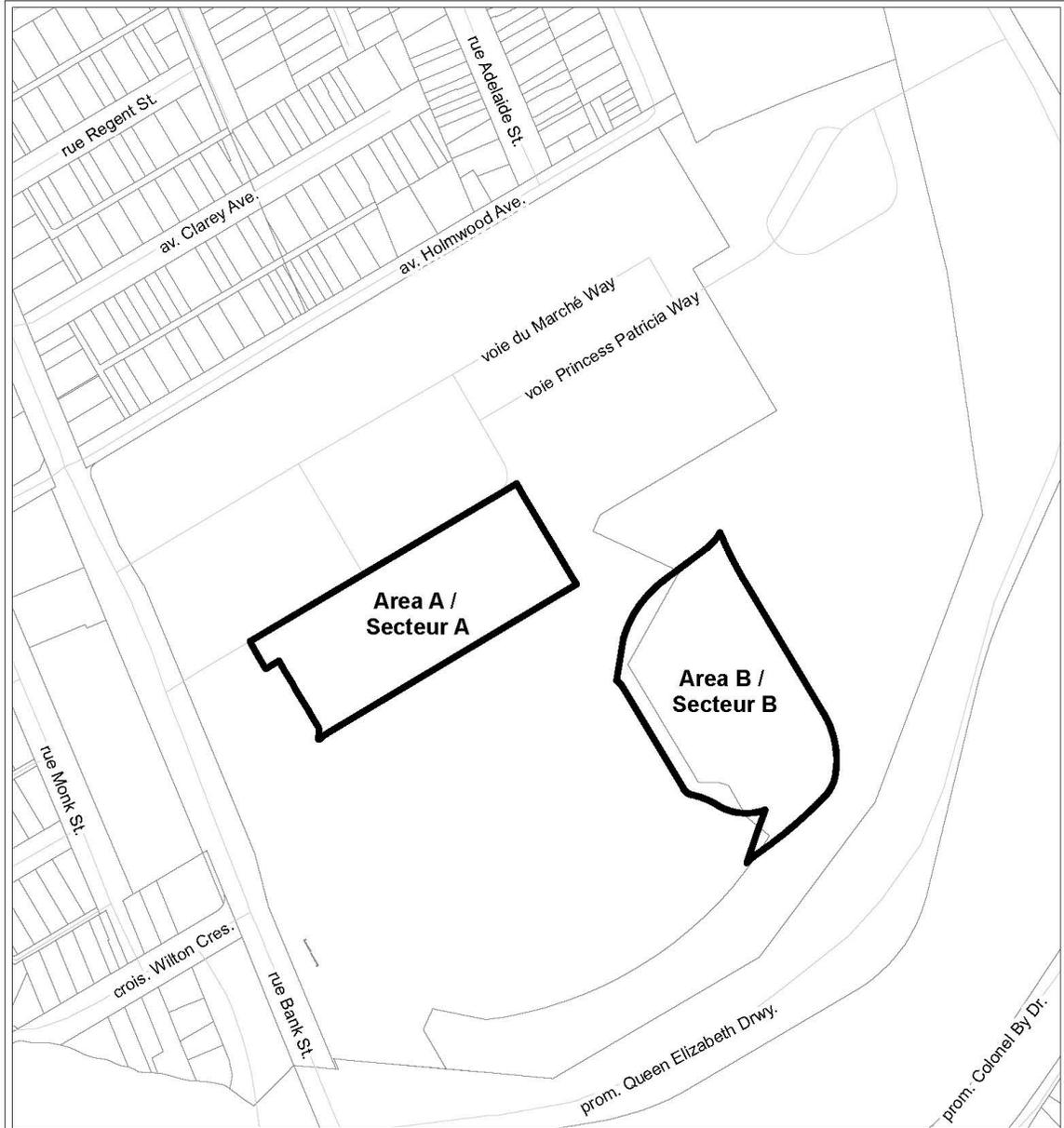
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This is Schedule ___ to Zoning By-law No. 2008-250
Annexe ___ au Règlement de zonage n° 2008-250

This is Attachment ___ to By-law Number ____, passed ____, 2023
Pièce jointe n° ___ du Règlement municipal n° ____, adopté le ____, 2023



Document 6 – New Schedule to the Zoning By-law



D02-02-23-0047

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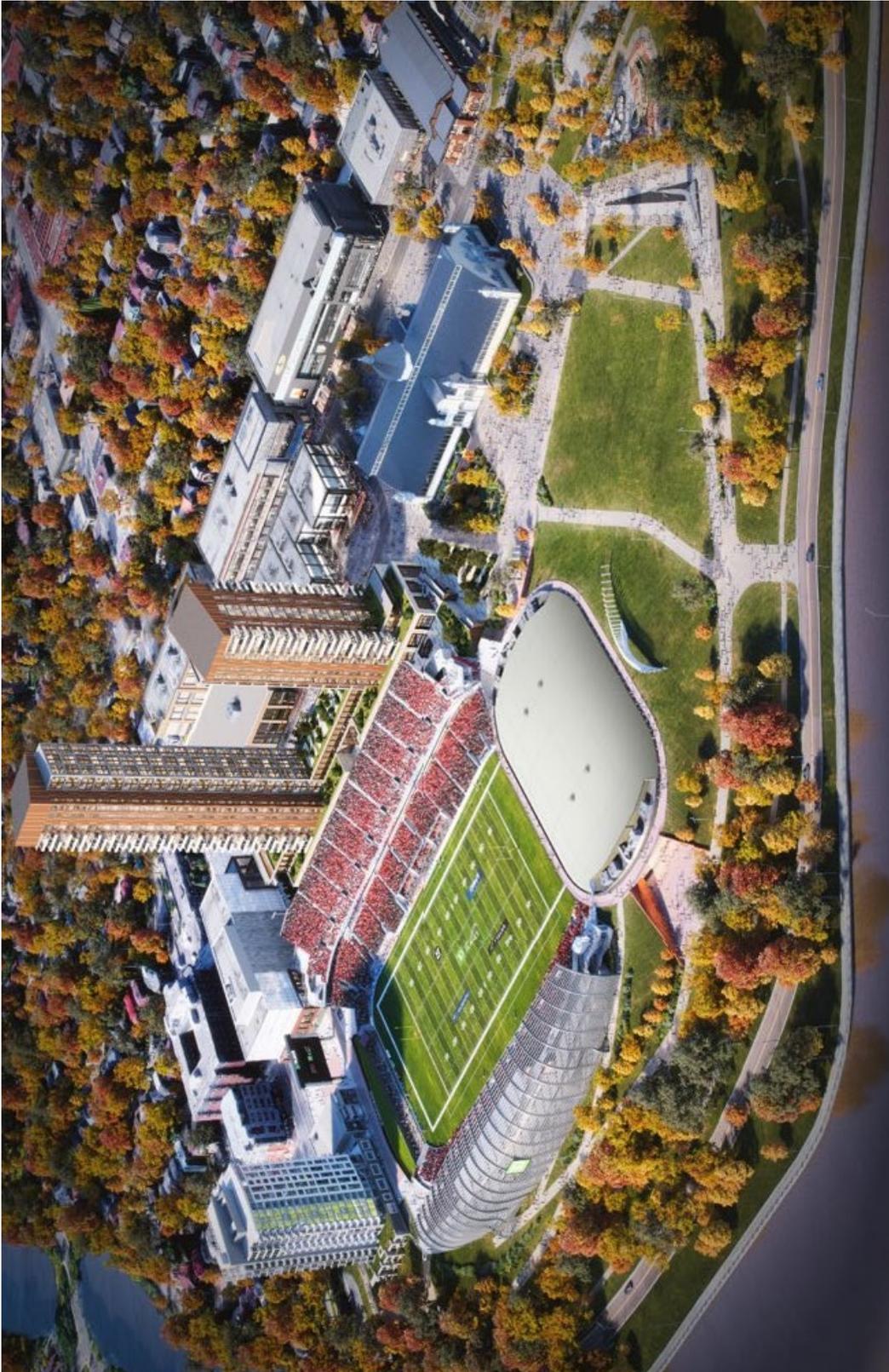
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**This is Schedule XX1 to Zoning By-law No. 2008-250
Annexe XX1 au Règlement de zonage n° 2008-250**

This is Attachment ___ to By-law Number ____, passed ____, 2023
Pièce jointe n° __ du Règlement municipal n° ____, adopté le ____, 2023



Document 7 – Revised Concept Plan



Document 8 – Urban Design Review Panel Recommendations

The following are the key recommendations from the July 7, 2023 Urban Design Review Panel’s formal review of the 2022 OSEG proposal from the City initiated Zoning By-law Amendment and Official Plan Amendment application.

Key Recommendations

- The Panel recommends designing the site both for event days and the everyday experience of locals.
- The Panel recommends the focus of this next phase of development should be to ensure established qualities are not compromised by the new development.
- The Panel recommends year-round success of the pedestrian realm must be achieved and enhanced.
 - The Panel recommends the pedestrian accessibility of the site needs to be maintained for events such as the Farmer’s Market and future large gatherings around the proposed event space.
- The Panel supports opening up Exhibition Way to further pedestrian activity.
- The Panel has concerns with the proposed Event Centre being too high in the landscape.
 - The Panel strongly recommends lowering the Event Centre further into the ground and providing pedestrian access to the rooftop greenspace as a continuation of the park lawn.
 - Consider the overall pedestrian accessibility to the event space, and the potential for large gatherings.
- The Panel strongly recommends the towers follow the City’s guidelines of a 750- sq.m. floorplate.
 - The Panel recommends further investigating a single-tower or two-tower concept to allow for the 750-sq.m floorplates to be achieved.
 - The Panel suggests doing so will improve the porosity of the site and maintain north-south views across Lansdowne Park, while minimizing wind and shadow impacts on the public realm.
- The Panel has concerns with the orientation and location of Tower ‘C’ and its tight condition with the Aberdeen Pavilion.
 - Consider forgoing a three-tower approach.
- The Panel recommends that the future design of the podium consider using masonry to best relate to the Bank Street frontage and neighbourhood character.

Site Design & Public Realm

- The Panel appreciates and understands all the challenges with funding and

- the complexity of adding users, servicing, access, and new stands, etc.
- The Panel suggests locating the truck entrance in front of the Aberdeen Pavilion is problematic and would create a lot of challenges.
 - Consider consolidating servicing to avoid conflicts.
 - Consider locating the servicing between the podium and the bleachers, preferably with access from west side closer to Bank Street to mitigate trucks driving further into the site.
 - The Panel appreciates the existing amenities of Lansdowne and how it has maintained amenities that are multi-generational, with a good balance of commercial uses and public spaces/events. Consider reinforcing this aspect of the site.
 - The Panel appreciates that the site could support additional density to help animate Lansdowne Park. However, the Panel has concerns with Lansdowne Park's ability to provide space that is pedestrian friendly and pedestrian focused, which are central to Lansdowne Park's success—and transformative for Ottawa.
 - The Panel recommends that this unique characteristic of Lansdowne as a pedestrian space and as a city outdoor public amenity must be protected and enhanced. Any diminishment of that would be a concern.
 - The Panel has concerns with the lack of porosity north-south.
 - Consider increasing the porosity between the buildings in the north-south direction.
 - The Panel has concerns with the relationship between Tower 'C' and Aberdeen Pavilion.
 - The Panel has concerns with how Tower 'C' seems to significantly obstruct the Aberdeen Pavilion and the Event Centre.
 - The Panel suggests that Tower 'C' obstructs the connectivity and accessibility of the site and negatively affects the north-south access in front of Aberdeen Pavilion.
 - The Panel has questions and concerns with the location and orientation of Tower 'C'.
 - Consider re-orientation to align with the street grid.
 - The Panel appreciates that the views from the Rideau Canal have been maintained. However, Tower 'C' shifts the views away from the heritage of Aberdeen Pavilion and is much too prominent in the view planes.
 - The Panel recommends enhancing the entrance to the Event Centre and protecting the views of Aberdeen Pavilion by removing Tower 'C'.

- The Panel recommends at a minimum to incorporate a 23-meter separation between Tower 'C' and the Aberdeen Pavilion.
- The Panel has concerns with the proposal's large impact on the pedestrian realm, and outdoor eating and patio spaces.
 - The Panel recommends a single tower and podium approach that minimizes the wind and shadowing effects of the tower on the pedestrian realm.
- The Panel appreciates that there are various elements of the proposal that are being connected through the site by the promenade behind the stands and the ceremonial stairway, however these may not be the priority to preserve in the grand scheme.
- The Panel recommends any redevelopment of Lansdowne ensures that it remains a great destination in the city for Ottawans and visitors.

Sustainability

- The Panel strongly recommends and emphasizes that it is an important task to adhere to the sustainability standards and urban design guidelines that the City has implemented or is planning on implementing.

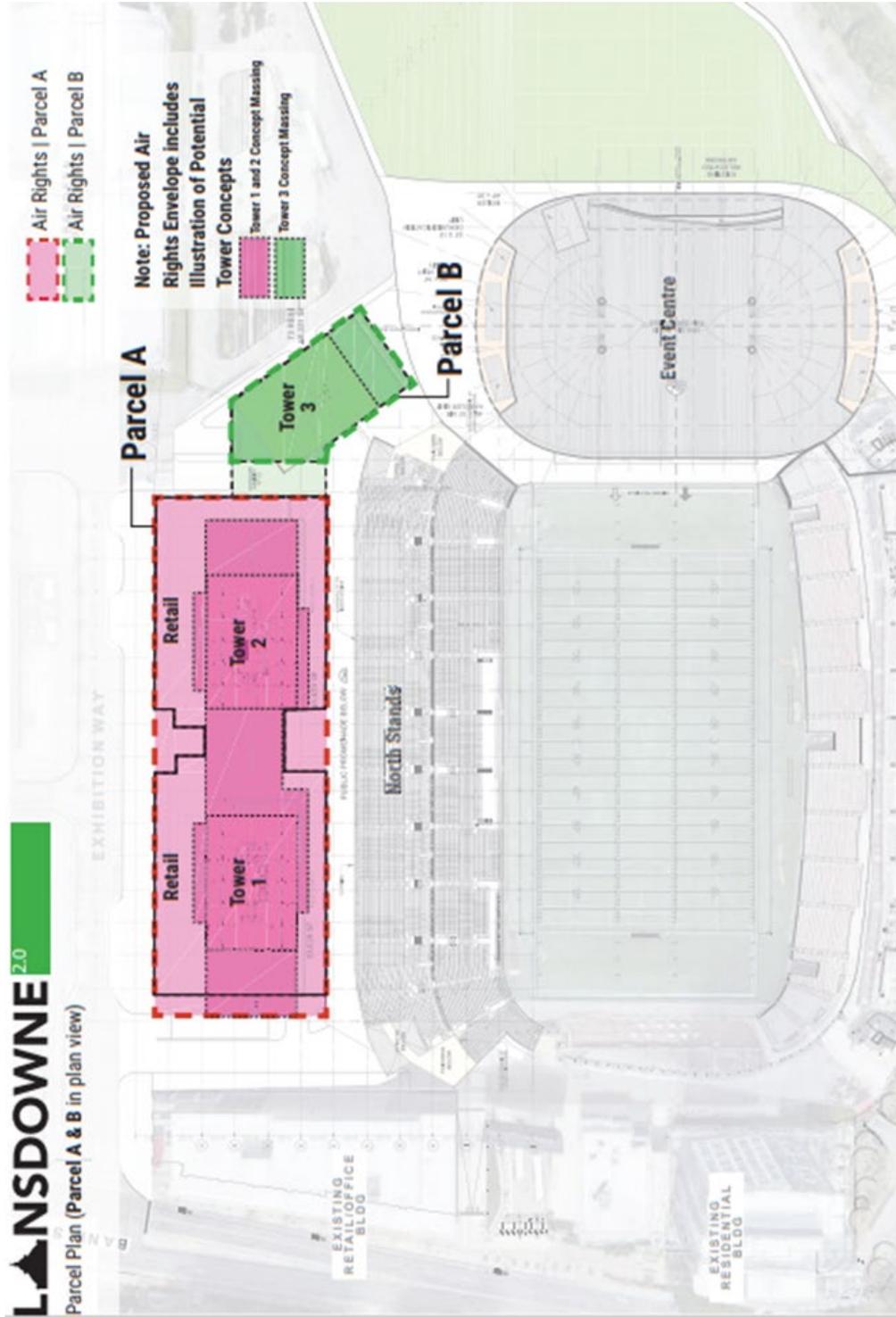
Built Form & Architecture

- The Panel appreciates the aspirations and objectives of the project and the rejuvenation of the stands and site.
 - The Panel understands the economic model of the project and the neutral cost aspect.
- The Panel strongly recommends adhering to the City's high-rise design guidelines for this City-led project.
 - The Panel strongly recommends that the guideline's 750-sq.m. floorplate should be followed.
 - Views from the entrance off Queen Elizabeth Driveway (11), from the Bank Street bridge (13), and from Sunnyside/Bristol (7) are all significantly improved with a smaller floorplate design.
 - The Panel strongly recommends the massing be adjusted with slender towers that meet the 750-sq.m. floorplates and separation distances of the guidelines. Doing so would result in much better views of Lansdowne from afar, and reduce the shadow and wind impacts on the pedestrian realm.
- The Panel recommends that more slender towers and protecting important sky views will greatly improve the proposal.
- The Panel recommends staggering the heights of the towers with the goal of making the high-rise portion seem less like a barrier.

- The Panel recommends designing the project with a brick and stone material palette to help create a cohesive sense of a precinct and to strengthen the character of the area.
 - The Panel recommends the final product pick up on the prominent use of brick as a character element of Bank Street.
 - The Panel appreciates the articulation of the podium, however, recommends the materiality should be more tactile and more residential in nature rather than having a glazed commercial appearance.
 - The Panel recommends the final product should be a residential brick and stone palette, especially on the podium, to enhance the character of Bank.
- The Panel has concerns with the Event Centre in terms of how it blocks and interrupts the pedestrian experience of the site.
 - The Panel encourages the applicant to consider alternate sectional studies and provide further analysis to better inform the end result.
 - The Panel strongly recommends lowering the Event Centre into the ground and seamlessly connecting the park with its roof to create a park space for public enjoyment, despite additional cost.
- The Panel has concerns with the residential units facing the back of the north-side bleachers.
 - Consider other amenities instead to highlight the 'highline' effect. Residential units facing the bleachers should not be an option.
- The Panel appreciates the decision to setback the podium and open up space on the south side of Exhibition Way.
- The Panel recommends further developing the ceremonial stairway. Consideration needs to be given to accessibility standards.
- The Panel recommends pursuing a two-tower approach instead of the three- tower proposal.

Document 9 – Parcel A For Disposal

*Note general location and area



DOCUMENT 13 - COUNCILLOR MENARD COMMENTS (WARD 17 – CAPITAL WARD)

The Lansdowne 2.0 proposal is an incredibly substantial plan that will radically change Lansdowne Park, the surrounding community and the city, as a whole. It requires significant spending and debt—a financial decision that must be weighed against Council's strategic priorities. Any decisions regarding the future of Lansdowne Park must be taken with due care, ensuring that we shed past mistakes and take a sober, honest look at the impacts of the plan.

If we are not careful, we will repeat the errors of the last re-development of Lansdowne Park, embarking on another rejuvenation project based on faulty premises which did not come to pass.

For the sake of our city's future, we can't afford to bungle this matter.

Last decade's original Lansdowne re-development project offered promises of a vibrant urban village, bustling retail and commercial spaces, and significant profits flowing from a financial waterfall. We are considering Lansdowne 2.0 now largely because these assurances did not come to pass.

There have been successes, with residents utilizing the park, but, too often, the space is under-used, and, to the dismay of everyone in or around Lansdowne, when it is alive with visitors, the associated traffic chokes off the neighbourhood's traditional main street, Bank Street.

A rejuvenation of Lansdowne Park is needed, but what is needed is a plan that prioritizes public amenities, public access and the public good to make it a success. The initial Lansdowne 2.0 plan was unlikely to accomplish this given it was based on a proposal authored without public input. That initial plan has since seen modifications, some of which followed our advice from BetterLansdowne.ca and as a result of feedback from the public, urban design professionals, and from Councillors offices. Some of these changes are positive and as a result, we have a better proposal before us now than we did in 2022. As it stands, however, this report still falls short of meeting the priorities referenced above.

The impetus for re-developing Lansdowne Park is to re-construct the stadium's north side stands and the arena underneath—facilities residents were told did not require imminent replacement during the original re-development of Lansdowne; facilities that we are still told could be maintained for another three decades with normal maintenance and upgrades.

That the stands can remain in place until 2054 does not, in and of itself, mean that they *must* remain for another 31 years. Re-development could be justifiable, but only if it brings commensurate benefits to the city as a whole.

This has been a troubled proposal since it was initially pondered. Originally, the plan was to be revenue neutral, but no such plan was ever actually conceivable. Originally, the city was to consult with the public before bringing the initial proposal to council, but no such consultations occurred last term. Originally there was to be no amendment to the Official Plan as directed by Council, but that was reversed without Council authority. Originally, there was to be a component of affordable housing included in the proposal, but that was cast aside for something referred to as market-affordable housing (up to 135 per cent of market rents, as though the market had not already had a hand in creating the current affordability crisis). Originally, there was to be a transportation plan included as part of Lansdowne 2.0, but no such plan exists, though residents regularly sit in traffic waiting to get to a soccer game or the Farmers Market.

All of these directives were decided by council, and none came to fruition. There can be no doubt as to why residents remain skeptical.

Skepticism is not necessarily a bad thing. We must question and we must not assume answers. Residents should be skeptical about the financing of this plan. Originally, the plan came with a \$332 million price tag. We were to pay for this using some form of property tax uplift, with 90 per cent of the new property taxes coming from the proposed towers at Lansdowne paying off this debt, and with all other property taxpayers paying to cover the gap left by the redirected tax dollars. Property taxes, after all, are supposed to be used to pay for the services and amenities residents will need; growth pays for growth...or so we've heard.

The price tag is no longer \$332 million and the ruse of revenue neutrality has more or less been abandoned. We're now looking at a \$419.1 million cost with over \$500 million to repay debt over time—that's a half billion dollars—in 2023, months or years before construction, before any contracts are signed.

The public amenities at Lansdowne could be fantastic. Slowly, we've been improving things—some more seating, some more shade, some more free events for the public. This is a wonderful opportunity to make such improvements. A better play structure! Even more seating! Integration with the canal! The list of possibilities will unspool before us if we allow it.

But where are these improvements in the proposal? We have \$10 million compared to \$419.1 million, dedicated to public amenities at some point in the future. We place no priority on these improvements, no plan to accelerate their construction or implementation. They are an afterthought. Paying for privately operated infrastructure, with the hope it will generate a profit, is prioritized over public realm enhancements.

The risk, in fact, is not that we won't make all the improvements we should; the risk is that we will make the park worse for the general public. We have a proposal that will remove 50,000 square feet of a public park—an accessible greenspace known as the "Great Lawn"—in a neighbourhood that is starved for park space. Accentuating this deficit, we seek to bring hundreds of new residents to Lansdowne Park, as well as

thousands upon thousands of new visitors to the park—and yet we are facing a reduction in park space. This will hinder our attempts to rejuvenate Lansdowne.

We have city policies in place to ensure that new density either comes with more parkland through parkland dedication, or with a cash payment in lieu of it. In this case, we are seeing a net loss of parkland, and we are being told that there will, on top of that, be no parkland dedication or cash in lieu.

Green space is not solely a matter of park space. It is also a necessary tool to mitigate climate change, absorb rainwater, and fight the heat island effect. Originally, the new arena—to be built into the lawn, taking away from park space—was to have a green roof, inaccessible, sure, but still an arrow in our climate mitigation quiver. No longer. It has been removed.

The plan before us today offers some new public space, where the high-rise closest to the historic Aberdeen Pavilion was initially proposed, to offset the 50,000sqf loss. This is a welcome addition, but it falls well short of offsetting the total loss. We had hoped for a plan that would, at minimum, see this green roof made accessible, but instead we have lost the green roof altogether, and with it, we have lost a well-loved vantage point for residents and families to observe the events taking place at the stadium.

My office surveyed nearly 1900 Ottawa residents from across the city on the various aspects of the Lansdowne 2.0 proposal, and in that survey, 79 per cent of respondents opposed a net-loss of accessible greenspace at Lansdowne Park, including a majority of respondents from every region of the city.

When looking at this new plan before us, one can't escape the idea that we're trading public amenities and enjoyment for private development. We have the arena taking up a chunk of a park, and we will be selling off public land, where there is currently the newly constructed J-block of retail stores and the north side stands, to a private developer to build high-rise towers—originally three, now two.

I am happy to see that the third tower that was initially proposed overshadowing the Aberdeen Pavilion has been removed. This is in line with the feedback received from the community, the Urban Design Review Panel, and our Built Heritage Advisory Committee.

In the survey of Ottawa residents my office conducted on the various aspects of the Lansdowne 2.0 proposal, the majority of respondents supported adding residential to Lansdowne. We agree. Adding residential units to Lansdowne makes sense. However, the question of how that density should be realized at Lansdowne saw 85 per cent of respondents support a residential built form that is not as tall as the 40-storeys currently proposed, with the most popular response from respondents in each region of Ottawa being for a mid-rise option.

Some may argue that skyscrapers are part of the solution to the affordable housing crisis. We should be clear-eyed on this: the difference in density between a high-rise building and a skyscraper does not contribute to addressing the affordable housing crisis. The difference in unit count, when realized by additional height in this way, with 75-90 per cent of the property taxes of units being redirected to the proposal, is not contributing to a supply-side solution to housing affordability—already an ineffectual solution given variable macroeconomic factors, such as financialization and supercharged demand. Greater heights come with a marginal increase to overhead costs which both incentivizes and requires accessing higher rent markets.

The Lansdowne 2.0 proposal has assumed residential development targeting higher rent markets from early on. The initial staff proposal for ‘affordable housing’ on site that I discuss further below made that clear.

The 40-storey scenario may be optimal from a net revenue perspective for a future applicant (a sweet spot for marginal costs versus marginal revenue), but it is not helping to combat the housing crisis; if anything, it is mitigating the positive impact new housing at Lansdowne can have on the latter. This project’s biggest contribution to combating the housing crisis will be determined by its commitment to a non-market housing option (or funds to that end).

As we build more at Lansdowne, we must consider for whom we are building; we must ask ourselves, “whom are we including?, whom are we excluding?” Last term, city council was clear, *we must try to include everyone*. This was not to be a development that excluded those without financial means. As a council—as a city—we wanted affordable housing included as part of this project.

With this newest proposal, there is now no affordable housing proposed as part of Lansdowne 2.0. Worse, this report is asking council to waive the requirements of one of our only existing policies that generates revenues for affordable housing: when we privatize public land for private residential use, it is our policy that 25 per cent of the proceeds of that sale are directed toward our affordable housing budget (Affordable Housing Land and Funding Policy approved by City Council on 26 April 2017). This report is asking council to waive the requirement of that policy, and to replace it with a 10 per cent requirement instead.

Not only does this report abandon requirements for the future developer to provide ‘affordable’ units, it asks us to cut our own requirement to direct land sale revenues to affordable housing by 60 per cent. That means only \$3.9 million would go to affordable housing instead of \$9.8 million. Members of council should not accept this. Private developers are often considered to have certain commitments to equity and affordability, and we as a council have often expected this from them, but here we ask little of ourselves.

In this moment, we abandon our neighbours who struggle, our neighbours who have been forced out of the housing market due to skyrocketing rents. We should under no

circumstances accept this abandonment of city policy, while approving the myriad of applications for new residential developments that have no rent control, no commitment to affordable rents, no protections for displaced tenants. We should keep our commitments to those in need of housing, and our commitments to ourselves.

When 'affordable housing' was initially proposed by staff for Lansdowne 2.0, it was for 10 per cent of units to be provided on site; a commitment that would be "embedded in the process to seek bids for air rights, consistent with Council direction;" and a commitment that would be "a requirement for the successful purchaser of air rights and will be the baseline built into the agreement between the winning bidder of the air rights (developer) and the housing provider." This made sense given that one of the seven negotiating principles council approved for staff was: "Affordable housing will be a key consideration in whatever is negotiated" in relation to the replacement of sports facilities with contemporary facilities.

Unfortunately, this same staff report also decided that OSEG's proposal for 10 per cent affordable housing should see affordable defined as up to 135 per cent of average market rent citywide (presumably with the hope that some of those limited units would be rented for less).

The average market rent for a 1-bedroom in Ottawa right now is about \$2,000. 135 per cent of that would mean affordable housing at Lansdowne, under the initial 2.0 proposal from staff, would look like renting a 1-bedroom apartment for \$2,700 a month. For those that take seriously the notion that spending about 30 per cent of your gross monthly income on rent is what should be considered affordable, then the initial proposal for affordable housing as part of Lansdowne 2.0 might only be affordable to those making a \$97,000 annual salary or greater. The other 90 per cent of residential units not classified as affordable would presumably be rented out at an even higher rate—otherwise why have a requirement at all.

Our hope was that the initial proposal would be replaced by something that was meaningful.

In response to the initial 10 per cent 'affordable housing' commitment proposed for a future developer and housing provider at Lansdowne, my office called for a more meaningful commitment to see non-market housing units provided, either on site or close by, of an amount equal to at least 15 per cent of the number of market units built on site IN ADDITION to our Affordable Housing Land and Funding Policy—which was never in question. We were hoping for a proposal that moved further in that direction, but instead we have gone backwards.

Our policy on directing a portion of the revenues received from the sale of public land for private residential use toward our affordable housing budget is distinct and is separate from the commitments to affordable housing we ask from future developments. If the intent of the report is to conflate these things, then members of council should not be confused by this sleight of hand.

In my office's survey of Ottawa residents on the various aspects of the initial Lansdowne 2.0 proposal, 62 per cent of respondents supported our ask for a 15 per cent requirement for non-market affordable housing as part of Lansdowne 2.0. This was the number one response in every region of Ottawa. Less than 12 per cent supported the initial city proposal, and even less than that (8.5 per cent of respondents) supported having no requirement at all. The current proposal is to have no requirement at all *and* to waive requirements of the city under existing policy.

Transportation access to Lansdowne should be a higher priority than it is. This plan offers no strategy to handle an increase of hundreds of thousands (and more) to Lansdowne. It offers no plan to address the *current* transportation failures we see on a weekly (and, occasionally, daily) basis.

I am pleased that the number of parking stalls proposed has come down significantly with the removal of the third tower. The initial number of 739 parking stalls has been reduced to 336 parking stalls. Most respondents to our survey supported either less additional parking or no additional parking at all as part of Lansdowne 2.0, so this is a step in the right direction.

I am also pleased to see a suggestion in this report that through traffic could be removed from the Aberdeen Square. This has long been a suggestion from local communities and my office. A firmer commitment to this should be made. 86 per cent of respondents to our Lansdowne survey supported making Lansdowne Park more welcoming for pedestrians, bicyclists and other active transportation users, even if it makes the surface of the site less accessible to cars. A firmer commitment here could be an important step in that direction.

It should still be noted, however, that the 336 parking stalls proposed is still a substantial increase in parking here, and there are insufficient answers as to how we can move more cars into and through the site, and how we do that while also maintaining a healthy, vibrant pedestrian atmosphere that welcomes people and brings patrons to the struggling businesses. A big question also remains about parking costs—the city is planning to build 140 stalls under the North side stands as parking for the residential development, selling or renting it back to the developer for what appears to be a net loss to the city.

While solutions to our current transportation quagmire won't be easy, they are not mysterious. We provide insufficient infrastructure and service for sustainable transportation, tacitly encouraging more and more people to drive, though we have limited space for the drivers we have. If we chose to get more people to Lansdowne on transit, particularly for mid-sized events, we could. If we chose to get more people to Lansdowne by bike, we could. If we chose to get more people to Lansdowne by foot, we could.

We must put an emphasis on transit. Not only do we need to increase service along routes 6 and 7 which service the Park, we could also implement a permanent shuttle,

perhaps from Billings Bridge to downtown, to better connect people, and to better connect important cross-town transit routes to Lansdowne.

We could make the shuttle free or inexpensive, reducing the price barrier for individuals and families, competing with the free parking allowed throughout the neighbourhood, complementing the often 'free for events' or \$2 weekend parking at City Hall.

We see the success of transit and shuttles during RedBlacks games. Everyone benefits from shuttles during the Panda Game. It is time for us to learn from our own successes and expand transit service and park and rides from suburban areas to Lansdowne.

We need safer active transportation routes to Lansdowne Park. People who walk to Lansdowne are forced to cross busy, dangerous streets. We need a full pedestrian crossing at Queen Elizabeth Drive and Princess Patricia Way (and better pedestrian access from that entrance into the park), and we need a second crossing at Queen Elizabeth Drive and the base of the Great Lawn. We should let people cross from the canal to Lansdowne; we should encourage it, in addition to boat-up access.

We need a signalized pedestrian crossing along Holmwood, so that people aren't forced to dart among traffic, hoping drivers will stop at the pedestrian sign. We need safe intersections up and down Bank Street. We need to get rid of beg buttons and red reverts which pose a serious hazard to pedestrians. We need to narrow the entrance at Exhibition Way and Bank Street, an opening far too wide for a pedestrian priority zone, an opening where we have already seen pedestrians and strollers struck by drivers.

We have a multi-use path running to Lansdowne, but not a single protected bicycle lane. There is no safe route to or from Lansdowne except for along the canal on a MUP that lacks a proper connection to the site and the work we've completed on the Bank Street Bridge. We could consider providing safe bicycling infrastructure on the streets that approach Lansdowne: on Holmwood and Fifth and on O'Connor and Bank.

We can also allow people to easily walk through the site. We have already made minor improvements, expanding Aberdeen Square to the Pavilion (an improvement no one is seeking to reverse). We must build from this—again, we should learn from our successes. We can keep motor vehicles out of Aberdeen Square, allowing it to turn, go underground or depart (while also maintaining access for deliveries and emergency vehicles). Aberdeen Square could be the central jewel, the charming focus of the site, where people can walk and sit and chat and simply be, freely, without the rumble of cars, without exhaust, without speeding traffic.

The residents of Capital Ward are more affected by Lansdowne—its successes, its failures, its lackluster endeavours—than other residents. They have experienced the shake-up of a massive re-development project. They have sat through consultations and information sessions with various rejuvenation plans. They have filled out surveys, attended committee meetings, sat on stakeholder groups, written articles; they have even developed their own alternative proposal for Lansdowne 2.0.

We have seen a commitment from the residents of Capital Ward to have a Lansdowne Park that functions, that thrives. They have supported Lansdowne even as their transportation routes have been affected, their sleep has been disturbed, their streets have been clogged with parking. I have been impressed with their dedication and commitment to find a way to make Lansdowne 2.0 work.

I want to acknowledge that some of the improvements to this report are the result of the feedback received from community members in my ward; they are the result of the advocacy of Capital Ward community associations; they are the result of the 3,670 Ottawa residents that signed my petition in support of the 5 ways to improve Lansdowne; they are the result of the 1,886 residents that responded to my office's survey on Lansdowne 2.0. I also want to acknowledge and thank city staff for making some of the positive changes that have been made.

However, I fear the efforts of my residents have not gained sufficient traction. I fear that their commitment to improving the park and the surrounding community has not been reciprocated. I fear that my constituents who live at Lansdowne Park, in the Vibe, in the Rideau, along Holmwood, will not benefit from Lansdowne 2.0 and will, once the rubble is cleared after 7-10 years and the girders are raised, be left with something less than it was, with larger city debt accruing and city potential squandered.

Consider this for sports fans (of which I am one):

- Right now, Lansdowne has more seats for junior hockey and concert events, those will be reduced;
- Right now, you can watch a game with your family from a hill on the east of the site, visiting the park and local businesses. That free activity in public space will be eliminated;
- Right now, you can sit under a covered roof in the North side stands, offering cover from snow, sun and rain. That won't be possible with the current plan being proposed.

A better Lansdowne 2.0 would see various improvements from what has been promoted over the last year. It would see such changes as (though, perhaps, not exclusive to):

- No net-loss of accessible greenspace;
- A further reduction in proposed expensive parking spaces;
- A commitment to provide non-market housing units, either on site or close by, of an amount equal to at least 15 per cent of the number of market units built on site in addition to the 25% of proceeds from the sale of public lands going to affordable housing as per city policy;
- An expansion of public amenity space, potentially including integration with the Lansdowne multi-use path, the canal multi-use path and the canal, itself;

- Increasing the portion of funds allotted for public amenity upgrades and establishing an accelerated timeline for implementing those upgrades, demonstrating priority for residents;
- Construction of safe, welcoming pedestrian crossings and entrances at Queen Elizabeth Drive and Princess Patricia Way, Queen Elizabeth Drive and the base of the lawn, and along Holmwood Avenue;
- Eliminating cut-through capabilities between Queen Elizabeth Drive and Bank Street for drivers, ensuring that Aberdeen Square be pedestrian-only;
- Safe infrastructure for active transportation along feeder streets like Holmwood, O'Connor and Fifth Avenue; and
- A proper Transportation Plan that includes transit enhancement (and the implementation of a free or inexpensive shuttle along Bank Street), active transportation enhancements, a Bank Street traffic management plan and a holistic strategy for getting people safely and efficiently to Lansdowne from all sections of the city.

If we want a better Lansdowne, we can build one, though we can't assume that taking on hundreds of millions of dollars of debt to further bolster the status quo will result in anything other than a further cascade of problems, and a lot more risk.

Residents in Capital Ward have absorbed the greatest costs associated with the original Lansdowne re-development—traffic breakdowns, noise issues, public nuisance instances, the hollowing out of retail along Bank Street—but the entire city has had to absorb the financial costs of the original development.

At the outset of these comments, I noted that the impetus for Lansdowne 2.0 is to reconstruct the stadium's north side stands and the arena underneath. It has also been argued, however, that Lansdowne 2.0 is needed to avoid an exit of the P3 partner.

My office's survey on Lansdowne 2.0 revealed that there was little support for this motivation from the public. Of the 70 per cent of respondents that were familiar with the P3 model, 76 per cent said they felt that the city had not been transparent about the financial aspects of the Lansdowne Park P3, and 60 per cent did not support the continued use of a P3 at Lansdowne Park.

It is hard to blame them when the city's two largest project debts are P3 projects (LRT and Lansdowne), and when both inscrutable projects have failed to deliver the promised results.

Beyond this exercise in evaluating and modifying OSEG's proposal for a better Lansdowne, to bring it closer to what a public inspired proposal might look like, we have yet to seriously consider what the alternatives for Lansdowne Park could be, nor have we adequately calculated the opportunity costs of the current approach as a result.

Currently, we are treading water on Lansdowne by incurring and servicing debt, while not receiving any promised waterfall revenues ourselves in return. What if, instead of

worrying about how to make Lansdowne sustainable from a for-profit perspective, we considered what could make it sustainable from a not-for-profit one?

That is a question that staff should examine in their risk analysis of the project. Promises now that the P3 waterfall will finally see revenues trickle down to the city (only after incurring another half billion dollars of public debt) are not reassuring. This was the promise the first time around, and we have yet to see a dollar. Although I am happy to see us increasing the rent that we charge for use of our land from \$1 to \$500,000, the debt servicing plan is nevertheless risky, and the projected waterfall distributions to pay down that debt are no guarantee.

As Lansdowne 2.0 currently stands we are ultimately faced with a proposal to do more of the same, without a proper alternative to do something better.

I will do my best to make collaborative improvements to this plan and report as I have been doing all along, but unless we see more meaningful changes, I cannot support it in its current form.