

Subject: 2024 Lansdowne Annual Report

File Number: ACS2025-CRM-OCM-0001

**Report to Finance and Corporate Services Committee on 4 February 2025
and Council 12 February 2025**

Submitted on January 24, 2025 by Wendy Stephanson, City Manager

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Ward: Citywide

Objet : Rapport annuel sur le parc Lansdowne 2024

Dossier : ACS2025-CRM-OCM-0001

Rapport présenté au Comité des finances et des services organisationnels

le 4 février 2025

et au Conseil le 12 février 2025

Soumis le 24 janvier 2025 par Wendy Stephanson, Directrice municipale

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Quartier : À l'échelle de la ville

REPORT RECOMMENDATIONS

That the Finance and Corporate Services Committee recommend that Council receive the following status update report related to the Lansdowne Partnership Plan.

- 1. The update from the City Manager outlining the delegated authority exercised from November 10, 2023 to date by the City Manager in consultation with the City Solicitor and the City Treasurer, under the finalized and executed Lansdowne Partnership Plan Legal Agreements.**
- 2. The update from the City Manager on the August 20, 2024 Lansdowne**

Master Partnership Meeting and Meetings Amongst Parties to the Unanimous Shareholder Agreements.

3. The status update outlined in this report regarding the operations of the Lansdowne Public-Private Partnership as referenced in Section 11 of the 2023 Procurement Year in Review report ([ACS2024-FCS-PRO-0001](#)).

RECOMMANDATIONS DU RAPPORT

Que le Comité des finances et des services organisationnels recommande au Conseil municipal de recevoir le rapport d'étape suivant concernant le Plan de partenariat du parc Lansdowne.

1. Le compte rendu de la directrice municipale faisant le point sur les pouvoirs délégués qui ont été exercés du 10 novembre 2023 à ce jour par elle-même, l'avocat général et le trésorier municipal en vertu des conventions juridiques conclues et signées à l'égard du Plan de partenariat du parc Lansdowne.
2. Le compte rendu de la directrice municipale faisant le point sur l'assemblée tenue le 20 août 2024 par la société en commandite principale responsable du parc Lansdowne et les assemblées tenues par les parties visées par les conventions unanimes des actionnaires.
3. Le compte rendu figurant dans le présent rapport sur les activités du Partenariat public-privé Lansdowne dont il est question dans la section 11 du rapport intitulé Bilan annuel de l'approvisionnement pour 2023 ([ACS2024-FCS-PRO-0001](#)).

EXECUTIVE SUMMARY

The 2024 Lansdowne Annual Report outlines the financial and operational updates of the Lansdowne Partnership Plan (LPP), a collaboration between the City of Ottawa and the Ottawa Sports and Entertainment Group (OSEG). Key highlights include improved revenues (\$59.5 million, a 4% increase), full retail leasing, and an increased number of events. Despite operational gains, the partnership continues to experience net financial losses, emphasizing the need for strategic improvements to achieve long-term sustainability. The City's urban park programming attracted significant attendance, generating revenue and engaging the community. Moving forward, planned upgrades like the Aberdeen Pavilion roof rehabilitation and Lansdowne 2.0 developments will play a pivotal role in revitalizing the site.

Section 1: Delegation of Authority Summary

Since November 10, 2023, when City staff last reported on the exercise of the delegated authority through the Lansdowne Partnership Plan Annual Report ([ACS2023-CMR-OCM-0010](#)) the City Manager exercised delegated authority under the Lansdowne Partnership Plan agreements a total of ten times. As described in Section 2 below, at the August 20, 2024 partnership meetings, the City Manager concurred with Ottawa Sports and Entertainment Group (OSEG) in approving the financial statements of the Lansdowne Master Limited Partnership and the component limited partnerships and appointing KPMG as the auditors of the partnership. As described in more detail below, on November 21st, 2024, the City Manager executed two assumption agreements on behalf of the City, the Lansdowne Redevelopment Plan Project Agreement Assumption Agreement for Lansgreen Investments LP (the “Lansgreen LRPPA Assumption Agreement”) and the Master Limited Partnership Agreement Assumption Agreement for Lansgreen Investments LP (the “Lansgreen MLPA Assumption Agreement”). On January 20, 2025 the City Manager executed another two assumption agreements on behalf of the City, the Lansdowne Redevelopment Plan Project Agreement Assumption Agreement for Trinity Sports and Entertainment Group Partnership (the “Trinity LRPPA Assumption Agreement”) and the Master Limited Partnership Agreement Assumption Agreement for Trinity Sports and Entertainment Group Partnership (the “Trinity MLPA Assumption Agreement”).

Section 2: Report on the August 20, 2024 Lansdowne Master Limited Partnership meeting and Meetings Amongst Parties to Unanimous Shareholder Agreements.

As part of the Lansdowne Partnership Plan, the Master Limited Partnership was created in which the City and Ottawa Sports and Entertainment Group (OSEG) are the limited partners and Lansdowne Master GP Inc. is the general partner.

The Master Limited Partnership Agreement was entered into on October 12, 2012, and provided that the fiscal year is the calendar year, however, the fiscal year end was changed to March 31 of each year, commencing in 2019. The Agreement also provides that the general partner must prepare audited financial statements for each fiscal year and an unaudited income statement and balance sheet at the end of each fiscal quarter.

The August 20, 2024 meeting of the parties to the Lansdowne Master Limited Partnership focused on the financial performance results for the period ending March 31, 2024.

The meeting also included a presentation of the 2024/2025 Operating Budget and monthly Cashflow Statement, and a presentation of a revised proforma for the closed financial system (waterfall, under the LPP). The liquidity and risk exposure of the organization will continue to be monitored by LMLP auditors annually as reflected in notes to the consolidated LMLP financial statements. Work on Lansdowne 2.0 will also move forward in accordance with the process established through City Council.

The second meeting, being the Annual Meetings of Parties to LPP Unanimous Shareholder Agreements, commenced immediately after the adjournment of the first meeting described above and consisted of a series of “sub meetings” related to each of the Component Limited Partnerships, namely: (1) the stadium component; (2) the retail component; (3) the Canadian Football League (CFL) team; and, (4) the Ottawa 67's hockey team and, included parties to the Unanimous Shareholder Agreement for each Component General Partnership.

A total of six decisions were made by the City and OSEG at the two meetings. These decisions were in relation to the adoption and approval of the audited financial statements for the Lansdowne Master Limited Partnership for the year ending March 31, 2024, the adoption and approval of the financial statements of the four Component Limited Partnerships, and the re-appointment of KPMG as auditors of the Master Limited Partnership.

Section 3: Update on the operations of the Lansdowne Public-Private Partnership

OSEG Update Overview

This update covers the fiscal year starting April 1, 2023, through March 31, 2024 for the Lansdowne Master LP (the Partnership) which is a partnership between the Ottawa Sports and Entertainment Group (OSEG) and the City of Ottawa.

In the 2023/24 fiscal year TD Place had a successful year with an overall total of 180 ticketed events compared to 170 in the 2022/23 fiscal year. The financial result was negatively affected by the performance of the Ottawa REDBLACKS as the club missed the playoffs for the 4th consecutive season. However, Lansdowne's approximate 350,000 square feet of rentable retail and office space ended the 2023/24 fiscal year at 100 per cent leased, compared to 96 per cent in the previous fiscal year and parking revenues were back to pre-pandemic levels with a 27 per cent increase from the previous year.

The Partnership generated revenues of \$59.5 million, an increase of \$2.3 million or 4 per cent from revenues in the 2022/23 fiscal year. The total operating expenses of

\$54.2 million represents only an increase of \$0.6 million or 1 per cent from the 2022/23 fiscal year. The net operating income for the 2023/24 fiscal year was \$5.2 million which is an increase of \$1.7 million compared to the prior year.

After non-cash depreciation, interest and borrowing costs, the Partnership's Net Loss from recurring operations was \$(9.2 million), which is a slight decline of \$0.1 million from the Net Loss of \$(9.1 million) in the 2022/23 fiscal year and was \$0.5 million favourable to Budget.

The 2024/25 Proforma reforecasts the Partnership's financial performance through the remaining life of the partnership. It was updated to reflect the actual results of the 2023/24 fiscal year and the 2024/25 Budget. The adjustments in the Proforma results in a reduction of distributions in the 40-year Proforma of \$4.6 million or 1.7 per cent.

Recreation, Cultural and Facility Services Programming Overview

This section provides information on the City's operation of the Urban Park at Lansdowne, and its partnership agreements with OSEG, during the period of June 1, 2023, to May 31, 2024.

During this period, the City continued to work closely with OSEG, local community associations, the Glebe Business Improvement Area (BIA) and Ottawa Tourism, to rebuild post-pandemic with a focus on increasing the presence of residents and visitors at the site by offering a variety of activities at Lansdowne Park. The financials and statistics continue to highlight the success the City has had with the resurgence of events and activities at the site since the pandemic.

Financial Implications

Despite the success of the retail component at Lansdowne, the LLP has posted net financial losses for each fiscal year and has yet to generate net positive cashflows aside from fiscal years 2015, 2021/22 and 2023/24 that had positive cashflows due to proceeds from borrowing but no distributions paid out. The Partnership continues to contribute to the Lifecycle Fund even if there are negative cashflows. These financial results support the need to improve Lansdowne Park and make the Lansdowne Partnership financially sustainable over the term of the partnership.

As of March 31, 2024, OSEG has contributed \$160.5 million in equity. The City is still not expected to receive any distributions from the partnership over the 40-year term of the agreement. As in past projections, OSEG is not expected to recover all of the equity they have contributed to date. Projected equity contributed from OSEG is \$175.7 million

and only \$23.6 million of that amount has been repaid as part of the 2015 settlement approved by Council to reimburse OSEG for disputed costs. Distributions to the Lifecycle Fund are projected to be maintained at \$61.5 million over the term of the agreement.

BACKGROUND

On October 10, 2012, City Council approved the legal close of the Lansdowne Partnership Plan ([ACS2012-PAI-INF-0010](#) and [ACS2012-CMR-LEG-0002](#)), the final step to define a 30-year partnership between the City and the Ottawa Sports Entertainment Group to transform Lansdowne Park. This report satisfies the direction by Council and the reporting requirements under the Lansdowne Partnership Plan Project Agreements. This report also provides an update on the operations of the Lansdowne Partnership Plan (LPP).

As approved by Council on June 28, 2012, and October 10, 2012, the LPP is comprised of a master limited partnership, incorporated under the laws of the Province of Manitoba, in order to limit the legal liability of the City and the Ottawa Sports and Entertainment Group.

The LPP also includes limited partnerships for each of the LPP components being: (1) the stadium component; (2) the retail component; (3) the CFL team; and (4) the Ottawa 67's hockey team. The City is a party to a unanimous shareholder agreement for the master limited partnership, as well as for each of the four component limited partnerships noted above, for the purpose of enforcing the provisions of each agreement. All of these agreements were on file with the City Clerk and Solicitor at the time that Council approved the final LPP Legal Agreements and the legal close of the LPP on October 10, 2012.

The City of Ottawa's Recreation, Cultural and Facility Services (RCFS) department is responsible for the animation, programming, and overall management of the Urban Park component of Lansdowne Park that includes the Horticulture Building, Aberdeen Pavilion, Aberdeen Square, the Great Lawn, outdoor skating court, children's play structure, the community garden and the day-to-day management of the partnership. OSEG operates and maintains the stadium, arena and parking garage and is responsible for the public realm throughout the retail and residential portion of the site. OSEG also provides ongoing maintenance to the Urban Park through a maintenance agreement with the City.

DISCUSSION

The purpose of this report is to fulfill the reporting requirements under the LPP Project Agreements and as directed by Council, which include a summary of the exercise of delegated authority from November 10, 2023 to date, by the City Manager, City Solicitor and City Treasurer; report on the August 20, 2024 Lansdowne Master Limited Partnership meeting and Meeting Amongst the Parties to Unanimous Shareholder Agreements; and, an update on the operations of the Lansdowne Partnership Plan since the last report to Council on November 10, 2023 ([ACS2023-CMR-OCM-0010](#)).

The report and its recommendations have been structured into three sections listed below:

- Section 1: Delegation of Authority Summary
- Section 2: Report on the August 20, 2024 Lansdowne Master Limited Partnership meeting and Meeting Amongst the Parties to Unanimous Shareholder Agreements
- Section 3: Update on the operations of the Lansdowne Public-Private Partnership

Section 1: Delegation of Authority Summary

Since November 10, 2023, when City staff last reported on the exercise of the delegated authority through the Lansdowne Partnership Plan Annual Report ([ACS2023-CMR-OCM-0010](#)), the City Manager exercised delegated authority under the Lansdowne Partnership Plan agreements a total of ten times. As described in Section 2 below, at the August 20, 2024 partnership meetings, the City Manager concurred with OSEG in approving the financial statements of the Lansdowne Master Limited Partnership and the component limited partnerships and appointing KPMG as the auditors of the partnership.

In addition, on November 21, 2024, the City Manager executed two assumption agreements on behalf of the City, the Lansgreen LRPPA Assumption Agreement and the Lansgreen MLPA Assumption Agreement. These agreements were required because Lansgreen Investments Inc., one of the OSEG Members, transferred its units of OSEG to a new entity, Lansgreen Investments LP, an Ontario Limited Partnership. This transfer was to a Permitted Transferee under the LPP Agreements. When Lansgreen Investments LP became an owner of OSEG, it was required to join the Lansdowne Redevelopment Plan Project Agreement (the “Project Agreement”) and the Lansdowne Master Limited Partnership Agreement (the “MLPA”). The Lansgreen

LRPPA Assumption Agreement and Lansgreen MLPA Assumption Agreement were the legal agreements pursuant to which Lansgreen Investments LP became a party to the Project Agreement and MLPA.

Then on January 20, 2025, the City Manager executed a further two assumption agreements on behalf of the City, the Trinity LRPPA Assumption Agreement and the Trinity MLPA Assumption Agreement. These agreements were required because Trinity Lansdowne Ltd., one of the OSEG Members, transferred its units of OSEG to a new entity, Trinity Sports and Entertainment Group Partnership (“TSEG”), an Ontario General Partnership. This transfer was to a Permitted Transferee under the LPP Agreements. When TSEG became an owner of OSEG, it was required to join the Lansdowne Redevelopment Plan Project Agreement (the “Project Agreement”) and the Lansdowne Master Limited Partnership Agreement (the “MLPA”). The Trinity LRPPA Assumption Agreement and Trinity MLPA Assumption Agreement were the legal agreements pursuant to which TSEG became a party to the Project Agreement and MLPA.

Section 2: Report on the August 20, 2024 Lansdowne Master Limited Partnership meeting and the August 20, 2024 Meetings Amongst Parties to Unanimous Shareholder Agreements

As part of the Lansdowne Partnership Plan, the Master Limited Partnership was created in which the City and Ottawa Sports and Entertainment Group (OSEG) are the limited partners and Lansdowne Master GP Inc. is the general partner.

The Master Limited Partnership Agreement was entered into on October 12, 2012, and provided that the fiscal year is the calendar year, however, the fiscal year end was changed to March 31 of each year, commencing in 2019. The Agreement also provides that the general partner must prepare audited financial statements for each fiscal year and an unaudited income statement and balance sheet at the end of each fiscal quarter. The Financial Implications section of this report summarizes the Master Limited Partnership’s Statement of Operations, which is also referred to as the Income Statement, dating back to 2014. Approved financial statements received by the City are on file with the City Clerk’s Office.

Consistent with the role of Council in relation to other entities in which the City has a legal interest (e.g. Hydro Ottawa, Ottawa Community Housing Corporation, etc.), Council’s role in relation to the Master and Component Limited Partnerships is limited in scope.

The City cannot direct day-to-day business operations. Conversely, Council has several things it must do such as: attend Annual Meetings, as represented by the City Manager and approve annual financial statements and the appointment of the auditors of the Master Limited Partnership.

Annual Meetings of Parties to the Lansdowne Master Limited Partnership and the LPP Unanimous Shareholder Agreements

On August 20, 2024, the meetings amongst the parties to the LPP Master Limited Partnership and the LPP Unanimous Shareholder Agreements took place at City Hall in the City Manager's Boardroom.

The City was represented in each of the two meetings by the City Manager, the Acting Chief Financial Officer, the Deputy City Treasurer, the Corporate Public Policy Advisor, the General Manager - Recreation Cultural & Facility Services, the City Solicitor. The Ottawa Sports and Entertainment Group was represented in each of the two meetings by Roger Greenberg, Executive Chair and Managing Partner.

The general partner of the Lansdowne Master Limited Partnership and the general partners of each of the four Component Limited Partnerships were represented in each of the two meetings by Mark Goudie, President and Chief Executive Officer, David Porter, Senior Vice President - Finance and Technology, and Matt Perron, Associate General Counsel.

The annual meeting of the parties to the Lansdowne Master Limited Partnership focused on the financial performance results for the year ending March 31, 2024.

The meeting also included a presentation of the 2024/2025 Operating Budget and monthly Cashflow Statement, and a presentation of a revised proforma for the closed financial system under the LPP. The liquidity and risk exposure of the organization will continue to be monitored by LMLP auditors annually as reflected in notes to the consolidated LMLP financial statements. Work on Lansdowne 2.0 will also move forward in accordance with the process established through City Council.

The second meeting, being the Annual Meetings of Parties to LPP Unanimous Shareholder Agreements, commenced immediately after the adjournment of the first meeting described above and consisted of a series of "sub meetings" related to each of the Component Limited Partnerships, namely: (1) the stadium component; (2) the retail component; (3) the Canadian Football League (CFL) team; and, (4) the Ottawa 67's

hockey team and, included parties to the Unanimous Shareholder Agreement for each Component General Partnership.

A total of six decisions were made by the City and OSEG at the two meetings. These decisions were in relation to the adoption and approval of the audited financial statements for the Lansdowne Master Limited Partnership for the year ending March 31, 2024, the adoption and approval of the financial statements of the four Component Limited Partnerships, and the re-appointment of KPMG as auditors of Master Limited Partnership.

Section 3: Update on the operations of the Lansdowne Public-Private Partnership

One of the purposes of this report is to fulfil Council-directed reporting to provide an annual update on the operations of the Lansdowne Public-Private Partnership.

OSEG Update Overview

This update covers the fiscal year starting April 1, 2023, through March 31, 2024 for the Lansdowne Master LP (the Partnership), which is a partnership between the Ottawa Sports and Entertainment Group (OSEG) and the City of Ottawa. The Partnership consists of Lansdowne Stadium LP (TD Place), the Ottawa REDBLACKS LP, the Ottawa 67's LP and Lansdowne Retail LP.

In the 2023/24 fiscal year, TD Place had a successful year with an overall total of 180 ticketed events during the year compared to 170 in the 2022/23 fiscal year. The owned sports teams, the REDBLACKs and 67's, accounted for 50 ticketed events, the same number as the previous fiscal year.

The three tenant sports teams, Atletico Ottawa (soccer), the Ottawa Blackjacks (basketball) and the new PWHL Ottawa women's professional hockey club, accounted for 34 ticketed events compared to 27 in the prior year. In addition, concerts and events during the year accounted for 96 ticketed events. This compares to the 2022/23 fiscal year that included 93 concert and other ticketed events. In total, the tenant teams and concerts and events accounted for 130 ticketed events compared to 120 in the prior year.

Retail and Site:

Lansdowne's approximate 350,000 square feet of rentable retail and office space ended the 2023/24 fiscal year at 100 per cent leased, compared to 96 per cent in the previous fiscal year. The weighted average lease term remaining for all tenants was 4.86 years

compared to 4.74 years in the prior year. Parking Revenues were back to pre-pandemic levels with a 27 per cent increase from the previous year.

Summary Financial Results:

In the 2023/24 fiscal year, the Partnership generated revenues of \$59.5 million which was \$3.1 million unfavourable to Budget but an increase of \$2.3 million or 4 per cent from revenues in the 2022/23 fiscal year. The total operating expenses of \$54.2 million was \$3.4 million favourable to Budget. This is an increase of \$0.6 million or 1 per cent from the total operating expenses from the 2022/23 fiscal year. The net loss for the 2023/24 fiscal year was (\$9.2 million) which was \$0.5 million favourable to Budget and \$0.1 million unfavourable to the 2022/23 fiscal year result.

The financial result was negatively affected by the performance of the Ottawa REDBLACKS as the club missed the playoffs for the fourth consecutive season. The corresponding net contribution from home games that was \$1.9 million unfavourable to their Budget on account of attendance lower than Budget. Additionally, the REDBLACKS saw another year with an abnormal number of player injuries resulting in injured player costs being \$0.6 million unfavourable to Budget. The 67's were unfavourable to their net contribution Budget by \$0.3 million, with an exit from the playoff earlier than what was budgeted for accounted for \$0.2 million of that variance.

The tenant teams and concerts and events were \$2.2 million favourable to their home game net contribution Budgets. This result was also \$1.6 million higher than the result in the 2022/23 fiscal year.

Retail operations saw an increase in revenues of \$1.4 million, a decrease in total operating expenses of \$0.4 million, resulting in a total operating income increase of \$1.8 million or 17 per cent from the 2022/23 fiscal year.

2024/25 Updated Proforma:

The 2024/25 Proforma (which reforecasts the Partnership's financial performance through the remaining life of the partnership) was updated to reflect the actual results of the 2023/24 fiscal year and the 2024/25 Budget. Future year forecasts were reviewed based on current operating results with growth rates used across business lines consistent with the previous year. The only exception to growth rates were the REDBLACKS, where the growth rates used to get back to pre-pandemic attendances were extended over a longer period based on current and projected performances. In addition, the consolidation of the current mortgage and lines of credit into a new

mortgage at a lower interest rate in the 2029/30 fiscal year resulted in lowering interest costs in the Proforma.

Note, the 2023/24 Proforma considers an arena and stadium that is at the end of its useful life and will not be replaced or materially upgraded during the remaining term of the partnership. This assumption is consistent with how previously updates have been provided and is separate from Lansdowne 2.0 projections which consider the impact of the new Lansdowne 2.0 facilities.

After taking all the above into consideration, the overall reforecast adjustments in the Proforma results is a reduction of distributions in the 40-year Proforma of \$4.6 million or 1.7 per cent.

Recreation, Cultural and Facility Services Programming

City Urban Park Programming and Animation Update

During the reporting period of June 2023 to May 2024, the City's goal was to continue to rebuild and focus on increasing the presence of residents and visitors to the site by offering a variety of activities at Lansdowne Park.

The Urban Park offered several free community programs during this reporting period. Arts and culture programming included the Summer Arts Showcase, OMIC City Sounds, Latin at Lansdowne, and the Lansdowne Movie Nights in the park. Additionally, Full Moon Yoga, the Great Egg Race, Bike Checks and Sunrise Walks welcomed enthusiastic visitors of all ages. The 43 free offerings brought approximately 12,500 attendees to Lansdowne.

The Urban Park programmers offered 70 registered programs including a variety of visual arts, quad roller skating and STEAM (Science, Technology, Engineering, Arts & Math) generating revenue of over \$44,000 in addition to the \$4,000 generated from 147 drop-in programs such as skateboarding which attracted attendance of over 3,500 participants.

The Winterlude Roller Disco event saw a record number of participants in 2024 with 610 registrations and over 140 drop-in participants. The attendance doubled in comparison to the previous year. This program leverages a long-standing collaboration with a community partner who provides rental roller-skates thereby increasing community access to programming. The Pumpkin Derby returned in 2023 with 37 registered participants and over 3,500 visitors who came to watch the races and enjoy free community programming.

The outdoor refrigerated rink operated for a total of 139 days between November 22, 2023, and April 9, 2024, with no closures due to inclement weather. The Rideau Canal had its shortest season ever, which increased the usage of the Lansdowne rink. Winterlude also brought some of their planned Canal activities to Lansdowne Park.

Urban Park Rentals Update

Table 1 compares the number of Urban Park third-party facility rentals for the last six reporting periods and demonstrates the continued increase of events and activities in 2023-2024 following the highlighted resurgence to match and surpass pre-pandemic levels.

Table 1: Number of Rental Bookings at Lansdowne, 2018-2024

Programming year (June 1 - May 31)	# Rentals Contracts	# Booking Days	# Activities	Ottawa Farmers' Market Days
2018-19	186	245	301	48
2019-20	149	213	299	37
2020-21	16	126	35	55
2021-22	63	242	315	54
2022-23	95	215	293	55
2023-24	96	220	409	56

From June 2023 to May 2024, the Urban Park facilities hosted 409 activities spread across 220 booking days, demonstrating a steady return of public activities including popular events such as the Ottawa Race Weekend Expo, Korean Culture Days, City Folk, Escapade, Wiggle Waggle, the Ottawa Farmers' Market (OFM), 613Flea, and the Master Indigenous games. Facility rentals generated more than \$660,000 in revenues and had a combined attendance of over 800,000 visitors.

Ottawa Farmers' Market

The farmers market at Lansdowne has become a year-round destination for customers and visitors. The indoor and outdoor markets saw a surge in participation in 2023, with up to 70 daily vendors for indoor markets and up to 73 daily vendors for outdoor markets. The five weekends of Christmas markets were one of the most successful events on record. Overall, the Ottawa Farmers' Market has established a successful home for more than 100 local producers, artisans and small food businesses to grow and flourish, attracting approximately 40,000 people for the indoor markets, 100,000 for the 10 Christmas market days and 78,000 for the 26 outdoor markets.

To enhance the Indoor Farmers' Christmas Market, Aberdeen Square is transformed by OSEG to become a unique Outdoor Christmas Market with attractive holiday light displays and live entertainment. A total of 55 small business vendors set up in European-Style cabins, offering seasonal foods and a picture with Santa. The 2023 Outdoor Christmas Market was the most successful in the events' history attracting 260,000 visitors during the month of December.

Partnership

The City, OSEG, the BIA, surrounding Community Associations and Ottawa Tourism continued to collaborate on hosting programs and events at the site. As more events returned post-pandemic, collaboration continued to be key in meeting logistical requirements and coordinating site activities (Transportation, By-law, Ottawa Public Health, Ottawa Police Services, etc).

Site Improvements

A variety of site improvements were completed during the reporting period, including installation of handrails at the access point of the Skating Court, the purchase and installation of new park furniture including outdoor benches, tables and plants placed strategically in Aberdeen Plaza. The apple orchard has yielded a good crop harvested by park attendees and the balance picked by Harvest Ottawa to donate to eight local food agencies. In September 2023, 600 pounds were harvested compared to 400 pounds in year one. A tree study was completed for the Urban Park to better understand the viability and sustainability of onsite trees. A path leading to Holmwood Avenue was expanded on the northeast corner of the Horticulture Building to improve walking and biking accessibility. Planning and design work was completed for the soffit of the Horticulture Building, as well as and the final water connection to the refrigeration unit of the Thomas Ahearn Memorial Fountain.

Financial Results

Financial results for the 2023 fiscal year illustrate the success the Lansdowne team has had in re-establishing activities in the Urban Park and returning to pre-pandemic levels for revenue generation. City revenues have increased by 21 per cent over 2022 and now exceed revenue expectations by 24 per cent, reducing the net cost of operations to 95 per cent of the budgeted amount.

Table 2: Financial Results for the 2019 - 2023 Fiscal Years

	Expenses	Revenue	Net
2019 Budget	\$2,261,172	- \$602,758	\$1,658,414
2019 Actual	\$2,214,636	- \$617,893	\$1,596,743
2020 Budget	\$2,288,948	- \$632,985	\$1,655,963
2020 Actual	\$2,069,030	- \$127,639	\$1,941,390
2021 Budget	\$2,307,714	- \$632,985	\$1,674,729
2021 Actual	\$1,956,599	- \$326,182	\$1,630,416
2022 Budget	\$2,389,962	- \$615,008	\$1,774,954
2022 Actual	\$2,259,134	- \$629,150	\$1,629,983
2023 Budget	\$2,386,058	- \$615,008	\$1,771,050
2023 Actual	\$2,445,290	- \$761,981	\$1,683,308

A Look Ahead

The Urban Park will experience numerous changes in the upcoming reporting period. The rehabilitation of the Aberdeen Pavilion roof is scheduled to begin in early 2025 and will last for 18 months. Other significant changes to the Urban Park area of site are pending City Council approvals for the proposed Event Center and North Side Stands. Staff continue to work collaboratively with OSEG and city partners to minimize impacts to programming, residents, and visitors to the site.

FINANCIAL IMPLICATIONS

The Lansdowne Partnership Plan (LPP) is based on a “closed financial system” that captures capital costs and contributions that have been agreed upon by the City and OSEG, and cash-flows from operations to provide the basis for future distributions to the partners. Under this closed system, OSEG is responsible for any deficits that may accrue from operations. 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 table below details the operating revenues and expenses for each of the components of the closed financial system from the beginning of operations in 2014 to the end of the 2023/24 fiscal year. As well, line items for depreciation and amortization, interest expense, and other revenue and expenses are distinguished to explain the differences between net operating income and net income.

Statement of Operations (in millions \$)	2014	2015	2016	2017*	2018/19**	2019/20	2020/21***	2021/22***	2022/23	2023/2024
105 th Grey Cup Festival Inc.	-	-	-	6.1	-	-	-	-	-	-
Total Expenses	35.3	42.9	47.1	59.3	56.5	48.2	20.9	36.3	53.6	54.2
Operating Income (Loss)	(10.6)	(0.4)	2.7	8.6	4.3	2.8	(2.3)	2.5	3.6	5.3
Depreciation and amortization	(4.6)	(7.4)	(8.6)	(8.8)	(11.1)	(7.4)	(6.8)	(7.0)	(7.2)	(7.4)
Interest Expense	(0.6)	(3.7)	(6.0)	(6.0)	(6.3)	(4.8)	(4.7)	(4.9)	(5.9)	(7.3)
Other Revenue / (Expenses) ¹	-	(1.1)	(2.4)	(1.6)	0.4	(1.9)	1.4	1.0	0.4	0.2
Net Income (Loss)	(15.8)	(12.6)	(14.4)	(7.9)	(12.7)	(11.3)	(12.4)	(8.4)	(9.1)	(9.2)
Increase (decrease) in cash before net contributions from partners	(37.7)	17.4	(19.8)	(15.3)	(12.7)	(9.7)	(7.4)	7.5	(8.9)	1.9

Notes: *FY 2017 includes hosting the Grey Cup, **FY 2018/19 includes 15 months and ***FY 2020/21 and 2021/22 were impacted by COVID-19 restrictions.

OSEG's updated 2024/25 pro forma without redevelopment shows a decrease of \$4.6 million to \$266.0 million in waterfall distributions over the 40-year projection compared to their 2023/24 projection presented to Council in November 2023 as part of the Lansdowne Annual Report ([ACS2023-CMR-OCM-0010](#)). These projections are subject to fluctuations each year as projections get refined to better reflect trends. The following table provides a summary of the projected waterfall distributions to OSEG and to the City in nominal dollars.

¹ Includes non-cash changes in fair values of financial instruments.

Table 4: Comparison of Waterfall Distributions (in Nominal \$)

Current Waterfall Framework (in millions \$)	2012 Projection 30 Years	2015 Projection 30 Years	2021/22 Projection 40 Years	2022/23 Projection 40 Years	2023/24 Projection 40 Years	2024/25 Projection 40 Years
Lifecycle Fund	58.5	64.2	66.3	65.8	63.3	61.5
OSEG Summary						
OSEG Minimum Equity	30.0	36.8	17.0	17.0	17.0	17.0
OSEG Additional Equity	26.3	63.5	6.5	6.5	6.5	6.5
Return on OSEG Equity	73.1	259.5	454.9	236.7	183.8	181.0
Residual Profit Share	32.8	-	-	-	-	-
Total OSEG	162.2	359.8	478.4	260.2	207.3	204.5
City of Ottawa Summary						
City of Ottawa Funding Equity*	-	-	-	-	-	-
Return on City of Ottawa Deemed Equity	60.8	-	-	-	-	-
Residual Profit Share	32.8	-	-	-	-	-
Total City	93.6	-	-	-	-	-
Total Waterfall Distributions	314.3	424.0	544.7	326.0	270.6	266.0

*Note: City Funding Equity is Nil

Based on the most current forecasts, OSEG does not recover all of their invested equity, and for this reason there is no forecast payment to the City in those future years at the end of the 40-year agreement.

The overall projected distribution over the 40-year period of \$266.0 million is now \$48.6 million lower than the original 30-year projections in 2012, despite increasing the term of the agreement by ten years. The most significant change is a reduction to OSEG's return on equity.

As of March 31, 2024, OSEG has contributed \$160.5 million in equity. The City is still not expected to receive any distributions from the partnership over the 40-year term of the agreement. As in past projections, OSEG is not expected to recover all of the equity they have contributed to date. Projected equity contributed from OSEG is \$175.7 million and only \$23.6 million of that amount has been repaid as part of the 2015 settlement approved by Council to reimburse OSEG for disputed costs. Distributions to the Lifecycle Fund are maintained at \$61.5 million over the term of the agreement.

LEGAL IMPLICATIONS

There are no legal impediments to the receipt of the standard annual report items for information. Staff are required to report out on the exercise of delegated authority under the Lansdowne Partnership Plan.

COMMENTS BY THE WARD COUNCILLOR(S)

This is a Citywide report.

DELEGATION OF AUTHORITY IMPLICATIONS

Delegation of authority exercised under the Lansdowne Partnership Plan agreements from November 10, 2023 to date are as described in this report.

Since November 10, 2023, when City staff last reported on the exercise of the delegated authority through the Lansdowne Partnership Plan Annual Report (ACS2023-CMR-OCM-0010), the City Manager exercised delegated authority under the Lansdowne Partnership Plan agreements a total of ten times. As described in Section 2 of this report, at the August 20, 2024 partnership meetings, the City Manager approved the financial statements of the Lansdowne Master Limited Partnership and the component limited partnerships and appointed KPMG as the auditors of the partnership. In addition, as described in greater detail above, on November 21, 2024 and January 20, 2025, the City Manager signed four assumption agreements on behalf of the City.

CONSULTATION

This report provides updates under the Lansdowne Partnership Plan Legal Agreements, a summary of the Lansdowne Master Partnership Meeting and the status of the Lansdowne Public-Private partnership operations as outlined. Staff will continue discussions and engagement with partners with respect to activities at the site. Public consultation regarding Lansdowne 2.0 is underway.

ACCESSIBILITY IMPACTS

As noted in previous reports, there is a need for improvements to the accessibility at the Lansdowne Park Arena and North side stands.

New facilities will create a modern, welcoming venue that complies with current accessibility standards, including the Ontario Building Code, the *Accessibility for Ontarians with Disabilities Act (2005)* and the City's Accessibility Design Standards. This enhancement will improve accessibility within Lansdowne's built environment, ensuring that individuals with disabilities, as well as people of all ages, can more easily access and utilize the facilities.

As the Lansdowne Partnership Sustainability Plan is implemented, accessibility will play a leading role in revitalization efforts. The design team has engaged in discussion and consultation with the community, including specific input from the Canadian National Institute for the Blind (CNIB), as their Ottawa office is located on the site, and the City's Accessibility Advisory Committee. The design team is also working with the Accessibility Office to ensure that people with disabilities and older adults are engaged, and that consultations are accessible.

RISK MANAGEMENT IMPLICATIONS

Risk implications have been identified and are being managed as outlined in this report.

RURAL IMPLICATIONS

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

TERM OF COUNCIL PRIORITIES

This report supports the City's ongoing commitments the current Term of Council Priorities for a diversified and prosperous economy and the City's commitment to

financial sustainability and transparency.

SUPPORTING DOCUMENTATION

Document 1: Approved Meeting Minutes – Lansdowne Master Limited Partnership Annual Unitholder Meeting – August 30, 2023 (Approved on August 20, 2024)

Document 2: Approved Meeting Minutes – Meetings Amongst Parties to Unanimous Shareholder Agreements – August 30, 2023 Meeting Minutes (Approved on August 20, 2024)

Document 3: Draft Meeting Minutes – Meetings Amongst Parties to Unanimous Shareholder Agreements – August 20, 2024 (included after Agenda release)

Document 4: Draft Meeting Minutes – Lansdowne Master Limited Partnership Annual Unitholder Meeting – August 20, 2024 (included after Agenda release)

DISPOSITION

Staff will implement any directions related to Council receiving this report.

Staff will report out on the Lansdowne Partnership on an annual basis in accordance with established reporting requirements.

Note: Minor grammatical corrections were made as well as fixing some incorrect hyperlinks to this report further to the City Clerk's Delegated Authority, as set out in Schedule C, Section 8 of Delegation of Authority By-Law 2024-265.