

5. **AGREEMENT OF PURCHASE AND SALE WITH THE NATIONAL CAPITAL COMMISSION FOR PROPERTY REQUIREMENTS ASSOCIATED WITH THE ALBERT STREET, QUEEN STREET, SLATER STREET, BRONSON AVENUE RECONSTRUCTION PROJECT**
CONVENTION D'ACHAT ET DE VENTE AVEC LA COMMISSION DE LA CAPITALE NATIONALE CONCERNANT LES IMPÉRATIFS FONCIERS ASSOCIÉS AU PROJET DE RÉFECTION DE LA RUE ALBERT, DE LA RUE QUEEN, DE LA RUE SLATER ET DE L'AVENUE BRONSON

COMMITTEE RECOMMENDATIONS

That Council:

1. **Approve a series of land acquisitions in accordance with the terms and conditions contained in an Agreement of Purchase and Sale (“the “Purchase Agreement”) between the City of Ottawa and the National Capital Commission, for property requirements associated with the reconstruction project of Albert Street, Queen Street, Slater Street from Empress Avenue to Bay Street and Bronson Avenue from Queen Street to Laurier Avenue being:**
 - a. **The fee simple interest in lands owned by the National Capital Commission shown as Parcels 1 and 2 on Document 1 (550 Albert Street), and Parcels 1 and 2 on Document 2 (665 Albert Street) being the “Fee Simple Lands,” having a total combined value of \$6,767,533, plus applicable taxes and closing costs.**
 - b. **A 49-year easement interest in lands owned by the National Capital Commission shown as Parcel 3 on Document 1 (550 Albert Street) being the “Easement Lands,” having a total value of \$680,760, plus applicable taxes and closing costs.**
 - c. **The temporary interest in lands owned by the National Capital Commission shown as Parcel 4 on Document 1 (550 Albert Street) and Parcel 3 on Document 2 (665 Albert Street) being the**

“License Lands” having a total combined value of \$377,680, plus applicable taxes, subject to adjustment if the term of the temporary interest is extended.

2. Delegate authority to the Director, Corporate Real Estate Office to enter into, conclude, execute, amend and implement on behalf of the City the Purchase Agreement and all documents and transactions necessary or incidental thereto, including without limitation the acquisition of the Fee Simple Lands, the Easement Lands, the License Lands and, if required pursuant to the terms of the Purchase Agreement, the Albert Street Development Lands, all as described in this report.
3. Pursuant to the terms and conditions of the Purchase Agreement, delegated authority to the Director, Corporate Real Estate Office to enter into, conclude, execute, amend and implement, on behalf of the City, a future purchase agreement for Parcels 3, 4 and 5 on Document 1 being the “Albert Street Development Lands” should the NCC’s or its successor’s future application for site plan approval of the Albert Street Development Lands be denied by the City’s Planning Department for the sole reason that there is no safe vehicular access to and from the Albert Street Development Lands.
4. Approve the budget adjustment as detailed in Document 3.

RECOMMANDATIONS DU COMITÉ

Que le Conseil :

1. Approuve une série d’acquisitions de terrains, conformément aux modalités d’une convention d’achat et de vente (la « convention d’achat ») conclue entre la Ville d’Ottawa et la Commission de la capitale nationale, concernant les impératifs fonciers associés au projet de réfection de la rue Albert, de la rue Queen, de la rue Slater entre l’avenue Empress et la rue Bay et de l’avenue Bronson entre la

rue Queen et l'avenue Laurier, c'est-à-dire :

- a. L'intérêt en fief simple des terrains appartenant à la Commission de la capitale nationale et illustrés comme étant les parcelles 1 et 2 dans le document 1 (550, rue Albert) et les parcelles 1 et 2 dans le document 2 (665, rue Albert), c'est-à-dire les « terrains en fief simple » et dont la valeur conjuguée est de 6 767 533 \$, taxes applicables et frais de dossier en sus.
 - b. Un intérêt de servitude de 49 ans pour les terrains appartenant à la Commission de la capitale nationale et illustrés comme étant la parcelle 3 dans le document 1 (550, rue Albert), c'est-à-dire les « terrains de servitude » et dont la valeur totale est de 680 760 \$, taxes applicables et frais de dossier en sus.
 - c. L'intérêt temporaire pour les terrains appartenant à la Commission de la capitale nationale et illustrés comme étant la parcelle 4 dans le document 1 (550, rue Albert) et la parcelle 3 dans le document 2 (665, rue Albert), c'est-à-dire les « terrains visés par le permis » et dont la valeur totale conjuguée est de 377 680 \$, taxes applicables en sus, sous réserve d'ajustement si la durée de l'intérêt temporaire est prolongée.
2. Délégué au directeur du Bureau des biens immobiliers municipaux le pouvoir de conclure, de signer, de modifier et de mettre en œuvre, au nom de la Ville, la convention d'achat et l'ensemble des documents et des transactions nécessaires ou accessoires, y compris mais sans s'y limiter l'acquisition des terrains en fief simple, les terrains de servitude, les terrains visés par le permis et, si requis conformément aux modalités de la convention d'achat, les terrains d'aménagement de la rue Albert, tous décrits dans le présent rapport.
 3. Conformément aux modalités de la convention d'achat, délègue au directeur du Bureau des biens immobiliers municipaux le pouvoir de conclure, de signer, de modifier et de mettre en œuvre, au nom de la

Ville, une future convention d'achat visant les parcelles 3, 4 et 5 dans le document 1, c'est-à-dire les « terrains d'aménagement de la rue Albert », si la demande future d'approbation du plan d'implantation de la CCN ou de son successeur visant les terrains d'aménagement de la rue Albert était refusée par les Services d'urbanisme de la Ville au seul motif de l'absence d'accès automobile sécurisé desservant les terrains d'aménagement de la rue Albert.

- 4. Approuve le rajustement budgétaire exposé en détail dans le document 3.**

DOCUMENTATION/DOCUMENTATION

1. Director's Report, Corporate Real Estate Office, Planning, Infrastructure and Economic Development, dated March 23, 2021 (ACS2021-PIE-CRO-0004)

Rapport du Directeur, Bureau des biens immobilier municipal, Services de la planification, de l'infrastructure et du développement économique daté le 23 mars 2021, (ACS2021-PIE-CRO-0004)

**Report to
Rapport au:**

**Finance and Economic Development Committee / Comité des finances et du
développement économique
April 6, 2021 / 6 avril 2021**

**and Council / et au Conseil
April 14, 2021 / 14 avril 2021**

**Submitted on March 23, 2021
Soumis le 23 mars 2021**

**Submitted by
Soumis par:
Derrick Moodie,
Director / Directeur**

**Corporate Real Estate Office / Bureau des partenariats et de développement en
immobilier, Planning, Infrastructure and Economic Development / Services de la
planification, de l'infrastructure et du développement économique**

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Ward: SOMERSET (14)

File Number: ACS2021-PIE-CRO-0004

**SUBJECT: Agreement of Purchase and Sale with the National Capital
Commission for property requirements associated with the Albert
Street, Queen Street, Slater Street, Bronson Avenue Reconstruction
Project**

**OBJET: Convention d'achat et de vente avec la Commission de la capitale
nationale concernant les impératifs fonciers associés au projet de**

réfection de la rue Albert, de la rue Queen, de la rue Slater et de
l'avenue Bronson

REPORT RECOMMENDATIONS

That the Finance and Economic Development Committee recommend Council:

1. Approve a series of land acquisitions in accordance with the terms and conditions contained in an Agreement of Purchase and Sale (“the “Purchase Agreement”) between the City of Ottawa and the National Capital Commission, for property requirements associated with the reconstruction project of Albert Street, Queen Street, Slater Street from Empress Avenue to Bay Street and Bronson Avenue from Queen Street to Laurier Avenue being:
 - d. The fee simple interest in lands owned by the National Capital Commission shown as Parcels 1 and 2 on Document 1 (550 Albert Street), and Parcels 1 and 2 on Document 2 (665 Albert Street) being the “Fee Simple Lands,” having a total combined value of \$6,767,533, plus applicable taxes and closing costs.
 - e. A 49-year easement interest in lands owned by the National Capital Commission shown as Parcel 3 on Document 1 (550 Albert Street) being the “Easement Lands,” having a total value of \$680,760, plus applicable taxes and closing costs.
 - f. The temporary interest in lands owned by the National Capital Commission shown as Parcel 4 on Document 1 (550 Albert Street) and Parcel 3 on Document 2 (665 Albert Street) being the “License Lands” having a total combined value of \$377,680, plus applicable taxes, subject to adjustment if the term of the temporary interest is extended.
2. Delegate authority to the Director, Corporate Real Estate Office to enter into, conclude, execute, amend and implement on behalf of the City the Purchase Agreement and all documents and transactions necessary or incidental thereto, including without limitation the acquisition of the Fee Simple Lands, the Easement Lands, the License Lands and, if required pursuant to the terms of the Purchase Agreement, the Albert Street Development Lands, all as described in this report.

3. Pursuant to the terms and conditions of the Purchase Agreement, delegated authority to the Director, Corporate Real Estate Office to enter into, conclude, execute, amend and implement, on behalf of the City, a future purchase agreement for Parcels 3, 4 and 5 on Document 1 being the “Albert Street Development Lands” should the NCC’s or its successor’s future application for site plan approval of the Albert Street Development Lands be denied by the City’s Planning Department for the sole reason that there is no safe vehicular access to and from the Albert Street Development Lands.
4. Approve the budget adjustment as detailed in Document 3.

RECOMMANDATIONS DU RAPPORT

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

1. Approuver une série d’acquisitions de terrains, conformément aux modalités d’une convention d’achat et de vente (la « convention d’achat ») conclue entre la Ville d’Ottawa et la Commission de la capitale nationale, concernant les impératifs fonciers associés au projet de réfection de la rue Albert, de la rue Queen, de la rue Slater entre l’avenue Empress et la rue Bay et de l’avenue Bronson entre la rue Queen et l’avenue Laurier, c’est-à-dire :
 - d. L’intérêt en fief simple des terrains appartenant à la Commission de la capitale nationale et illustrés comme étant les parcelles 1 et 2 dans le document 1 (550, rue Albert) et les parcelles 1 et 2 dans le document 2 (665, rue Albert), c’est-à-dire les « terrains en fief simple » et dont la valeur conjuguée est de 6 767 533 \$, taxes applicables et frais de dossier en sus.
 - e. Un intérêt de servitude de 49 ans pour les terrains appartenant à la Commission de la capitale nationale et illustrés comme étant la parcelle 3 dans le document 1 (550, rue Albert), c’est-à-dire les « terrains de servitude » et dont la valeur totale est de 680 760 \$, taxes applicables et frais de dossier en sus.
 - f. L’intérêt temporaire pour les terrains appartenant à la Commission de la capitale nationale et illustrés comme étant la parcelle 4 dans le

document 1 (550, rue Albert) et la parcelle 3 dans le document 2 (665, rue Albert), c'est-à-dire les « terrains visés par le permis » et dont la valeur totale conjuguée est de 377 680 \$, taxes applicables en sus, sous réserve d'ajustement si la durée de l'intérêt temporaire est prolongée.

- 2. Déléguer au directeur du Bureau des biens immobiliers municipaux le pouvoir de conclure, de signer, de modifier et de mettre en œuvre, au nom de la Ville, la convention d'achat et l'ensemble des documents et des transactions nécessaires ou accessoires, y compris mais sans s'y limiter l'acquisition des terrains en fief simple, les terrains de servitude, les terrains visés par le permis et, si requis conformément aux modalités de la convention d'achat, les terrains d'aménagement de la rue Albert, tous décrits dans le présent rapport.**
- 3. Conformément aux modalités de la convention d'achat, déléguer au directeur du Bureau des biens immobiliers municipaux le pouvoir de conclure, de signer, de modifier et de mettre en œuvre, au nom de la Ville, une future convention d'achat visant les parcelles 3, 4 et 5 dans le document 1, c'est-à-dire les « terrains d'aménagement de la rue Albert », si la demande future d'approbation du plan d'implantation de la CCN ou de son successeur visant les terrains d'aménagement de la rue Albert était refusée par les Services d'urbanisme de la Ville au seul motif de l'absence d'accès automobile sécurisé desservant les terrains d'aménagement de la rue Albert.**
- 4. Approuver le rajustement budgétaire exposé en détail dans le document 3.**

EXECUTIVE SUMMARY

Assumption and Analysis

The acquisitions contemplated in the recommendations are required in order to proceed with the Albert Street, Queen Street, Slater Street, Bronson Avenue Reconstruction (AQSB) Project (as hereinafter defined), for the replacement and rehabilitation of certain sewer and water main infrastructure along Albert Street from Empress to Bay and Queen Street from Bronson to Bay, and also the realignment of a portion of Slater Street west of Bronson. The timing of the AQSB Project is important to the construction of the new Central Library at 555 Albert Street.

Financial Implications

The total estimated acquisition costs are \$8,150,000, including closing, legal, and sunk HST. Funds are not available within the existing Albert/Bronson/Slater Project. A budget adjustment to transfer funds from existing accounts is recommended. In the event that there is a requirement to acquire the remnant Albert Street Development Lands as outlined in the report, staff would return to Council to seek the necessary funds to purchase the land and reimburse the NCC or its successor for its planning costs.

Public Consultation/Input

Public consultation was undertaken as part of the Municipal Class Environmental Process under the Albert and Slater Streets Post Light Rail Transit (LRT) Repurposing Functional Design Study that was approved by Council of the City of Ottawa in 2018. The study included consultation with provincial agencies, the NCC and Indigenous groups. The lands required from the NCC as part of the AQSB Project are located in Ward 14. The Ward Councillor, Catherine McKenney, has been consulted with respect to this report and their comments are indicated under the Comments from Ward Councillor section below.

RÉSUMÉ

Hypothèse et analyse

Les acquisitions dont il est question dans les recommandations sont requises pour mener le projet de réfection de la rue **Albert, de la rue Queen, de la rue Slater et de l'avenue Bronson (appelé projet AQSB dans le présent document)**. Il sera ainsi possible de procéder au remplacement et à la remise en état de certaines infrastructures d'égout et conduites d'eau principales le long de la rue Albert, entre Empress et Bay, et de la rue Queen, entre Bronson et Bay, et à la modification du tracé d'un tronçon de la rue Slater à l'ouest de Bronson. Le respect du calendrier du projet AQSB est important pour permettre la construction de la nouvelle Bibliothèque centrale au 555, rue Albert.

Répercussions financières

Le coût total estimé des acquisitions s'élève à 8 150 000 \$, y compris les frais de clôture, les frais juridiques et le coût irrécupérable de la TVH. Les fonds ne sont pas disponibles dans les ressources existantes du projet Albert/Bronson/Slater. Un rajustement budgétaire permettant de transférer des fonds des comptes existants est recommandé. S'il devenait nécessaire d'acquérir le reste des terrains d'aménagement

de la rue Albert, comme l'explique le présent rapport, le personnel demanderait au Conseil de rechercher les fonds nécessaires à l'acquisition de ces terrains et de rembourser les coûts de planification à la CCN ou à son successeur.

Consultation publique et commentaires

Une consultation publique a été menée dans le cadre du processus d'évaluation environnementale municipale de portée générale, par suite de l'étude de conception fonctionnelle du réaménagement des rues *Albert* et *Slater* après la mise en service du train léger sur *rail*, approuvée par le Conseil *municipal* en 2018. Cette étude comprenait une consultation avec des organismes provinciaux, la CCN et des groupes autochtones. Les terrains sollicités à la CCN dans le cadre du projet AQSB se trouvent dans le quartier 14. La conseillère du quartier, Catherine McKenney, a été consultée au sujet du présent rapport et ses commentaires figurent à la rubrique prévue à cette fin ci-dessous.

BACKGROUND

The City has identified a requirement for the rehabilitation and/or replacement of portions of its underground infrastructure in the Escarpment and Lebreton Flats Districts. The project limits are: Albert Street from Empress to Bay, Queen Street from Bronson to Bay, Slater Street from Empress to Bay, and Bronson Avenue from Queen to Laurier (AQSB Project). The AQSB Project will include the replacement of portions of the existing sewers, roads, and watermains as well as the construction of a redesigned street right-of-way in accordance with the results of the Albert and Slater Streets post Light Rail Transit (LRT) Repurposing Functional Design Study Recommendations that were approved by Council of the City of Ottawa on April 11, 2018 ([ACS2018-TSD-PLN-0001](#)).

The replacement of the sewers will reduce overflow incidents and replacement of the watermain will improve the reliability and connectivity of the water distribution system. The proposed rehabilitation will also include the realignment of a portion of Slater Street west of Bronson Avenue.

The streets will follow the Complete Street framework, in which the physical elements will be incorporated, if possible, into the design such that the streets offer safety, comfort and mobility for all users. The inclusion of integrated requirements for accessibility, pedestrian movements, cycling facilities, and bus transit requirements

align with the direction provided by the City's Accessibility Design Standards and the City's Official Plan, and the City's Downtown Moves master plan.

The AQSBB Project timing is important to the construction of the new Central Library at 555 Albert Street and the infrastructure improvements are planned to be completed in advance of the completion of the construction of the Library. In order to complete this project in a timely manner, the City must acquire certain lands from the National Capital Commission (NCC) by November 2021.

DISCUSSION

The property interests required from the NCC as part of the AQSBB Project are shown as Parcels 1, 2, 3 and 4 on Document 1 (located at 550 Albert Street) and Parcels 1, 2 and 3 on Document 2 (located at 665 Albert Street). The requirements comprise fee simple, easement and temporary interests from two larger parcels that are situated along both sides of Albert Street.

550 Albert Street Requirements

The property at 550 Albert Street is bounded by the south side of Albert Street, the north and east sides of Slater Street and the west side of Commissioner Street. It comprises an area of 6,097 square metres and is zoned R5O [951] H(20), a residential fifth density zone permitting low rise and mid-high rise apartment buildings.

To support the AQSBB Project the City requires property interests from 550 Albert shown as Parcels 1, 2, 3 and 4 on Document 1. Parcel 1 is required for the realignment of Slater Street and the widening of Albert Street. Parcel 2 is sterilized (orphaned) by the realignment of Slater Street and becomes a remnant undevelopable parcel. The City will acquire this in fee simple and assemble with adjacent lands to create a landscaped area at the crest of the escarpment. Parcel 3 is required for a grading, embankment, support and maintenance easement, and Parcel 4 is required for a temporary construction use.

The determination of the market value compensation of the NCC lands was supported by independent appraisals completed on behalf of the City and the NCC with the City's appraisal concluding that the highest and best use of the site was medium to high density mixed use development, and the NCC's appraisal concluding medium density residential development.

The appraisal completed on behalf of the City resulted in an estimated market value of the fee simple interest at a unit rate of \$2,691 per square metre (\$250 per square

foot). The appraisal completed on behalf of the NCC resulted in an estimated market value of the fee simple interest at a unit rate of \$2,800 per square metre (\$260 per square foot). Negotiations resulted in a settlement being reached at the fee simple market value unit rate of \$2,745 per square metre (\$255 per square foot).

Applying the negotiated market value unit rate of \$2,745 per square metre for 550 Albert Street to the fee simple lands shown as Parcels 1 and 2 on Document 1 containing a total area of 2,670 square metres results in a market value of \$7,329,150. This value has been reduced by an amount of \$1,020,000 for the estimated cost of environmental remediation of the lands resulting in the acquisition cost of the fee simple interest being \$6,309,150 plus applicable taxes, subject to survey and final adjustments on closing.

The negotiated market value unit rate of \$2,745 per square metre is used in determining the compensation for a 49-year easement interest for an embankment, support and maintenance, shown as Parcel 3 on Document 1. The easement area contains 496 square metres and is discounted at 50 per cent of the fee simple unit rate to reflect the limited interest being acquired. The market value compensation for the easement is \$680,760 plus applicable taxes, subject to survey and final adjustments on closing.

In order to accommodate the required construction work area at 550 Albert Street, a license of occupation for 491 square metres is required, shown as Parcel 4 on Document 1 for an estimated term of 24 months. The negotiated unit rate for the fee simple interest (\$2,745 per square metre) is used as the basis for the license. The per annum compensation for the license of occupation is based on a land rental rate of 10 per cent of the fee simple unit rate. The consideration for the license based on a 24-month term is \$269,560 plus applicable taxes, subject to adjustment at the same rate in the event that the City requires a lesser or longer period of occupation.

The total compensation due to the NCC for the various property requirements (fee simple, permanent easement, and temporary license of occupation) at 550 Albert Street is \$7,259,470 plus applicable taxes, subject to survey and final adjustments on closing.

665 Albert Street Requirements

The property at 665 Albert Street is bounded by the north side of Albert Street, the south side of the Light Rail Transit Corridor and to the west by Booth Street. It comprises an area of 9,276 square metres and is zoned MD[2509]H(83)-h, a high density mixed use downtown zone permitting a range of uses including residential,

office, retail and institutional in a range of built forms up to a height of approximately 25 stories.

To support the AQSB Project, the City requires property interests from 665 Albert Street shown as Parcels 1, 2 and 3 on Document 2. Parcels 1 and 2 are required for the realignment of Albert Street. Parcel 3 is required for a temporary construction use.

The determination of the market value compensation of the NCC lands referred to above is supported by independent appraisals completed on behalf of the City and the NCC, with both concluding that the highest and best use of the site was a high-density mixed-use development.

The appraisal completed on behalf of the City resulted in an estimated market value of the fee simple interest at a unit rate of \$3,229 per square metre (\$300 per square foot). The appraisal completed on behalf of the NCC resulted in an estimated market value of the fee simple interest at a unit rate of \$3,444 per square metre (\$320 per square foot). Negotiations resulted in a settlement being reached at the fee simple market value unit rate of \$3,337 per square metre (\$310 per square foot).

Applying the negotiated market value unit rate of \$3,337 per square metre for 665 Albert Street to the fee simple lands shown as Parcels 1 and 2 on Document 2 containing a total area of 159 square metres results in a market value of \$530,583. This value has been reduced by an amount of \$72,200 for the estimated cost of environmental remediation resulting in acquisition cost of \$458,383 plus applicable taxes, subject to survey and final adjustments on closing.

In order to accommodate the required construction work area at 665 Albert Street, a license of occupation is required, shown as Parcel 3 on Document 2 for an estimated term of twenty-four (24) months. The consideration for the license is based on the land rental rate per annum of 10 per cent of the negotiated market value unit rate. For the 24-month term the compensation is \$108,120 plus applicable taxes, subject to adjustment at the same rate in the event that the City requires a lesser or longer period of occupation.

The total compensation due to the NCC for the fee simple lands and temporary license of occupation at 665 Albert Street is \$566,503 plus applicable taxes, subject to survey, final adjustments on closing and adjustments to reflect changes in the period of occupation.

This is a potential future obligation and no compensation to the NCC is provided for in this report as it is not possible to quantify the amount at this time. Please see the Risk Management Implications section of this report for discussion.

Compensation Summary

The total compensation amounts due to the NCC for the fee simple interest – Recommendation 1(a), the easement interest – Recommendation 1(b) and the temporary interests – Recommendation 1(c) are:

- a) Compensation for the fee simple interest required from 550 Albert Street, shown as Parcels 1 and 2 on Document 1 is \$6,309,150. The compensation for the fee simple interest required from 665 Albert Street, shown as Parcels 1 and 2 on Document 2, is \$458,383, plus applicable taxes and subject to adjustment. The total value of the fee simple interest being acquired by the City is \$6,767,533 plus applicable taxes and subject to adjustment;
- b) Compensation for the 49-year easement interest required from 550 Albert Street, shown as Parcel 3 on Document 1, is \$680,760 plus applicable taxes and subject to adjustment;
- c) Compensation for the temporary interest required from 550 Albert Street, shown as Parcel 4 on Document 1, is \$269,560. Compensation for the temporary interest required from 665 Albert Street, shown as Parcel 3 on Document 2 is \$108,120. The total value of the temporary interest being acquired by the City is \$377,680 plus applicable taxes and subject to adjustment;

The total compensation for the acquisition of the lands identified above, other than the Albert Street Development Lands, is a single payment is \$7,825,973 plus applicable taxes, subject to survey, final adjustments on closing and adjustments for length of occupation for the temporary interests.

This transaction is recommended for approval and staff are seeking delegated authority to the Director, Corporate Real Estate Office, to enter into, conclude, execute, amend and implement, on behalf of the City, the Purchase Agreement and all documents and transactions necessary for the acquisition of the Fee Simple Lands, the Easement Lands and the License Lands (Recommendation 2).

550 Albert Street Development Lands

The NCC or its successors in title may seek to develop Parcels 3, 4 and 5 on Document 1 (remainder of 550 Albert Street) in the future. Any such development may require the removal of the embankment located within Parcel 3. The NCC will ensure that the development will not negatively impact the City's reconstructed Albert Street and require the City's review and approval of the development plans. Should the embankment be removed as a result of the development the NCC will reimburse the City the pro-rated portion of the Parcel 3 easement purchase price and on reimbursement, the City will release the easement.

As part of the negotiations, the NCC raised concerns that the acquisition of the lands by the City required for the AQSB Project may have an adverse impact on the NCC's ability to develop its remainder lands located at 550 Albert Street, and specifically its ability to obtain approval under the *Planning Act* to create a vehicular access to the Albert Street Development Lands as part of a future development. The NCC and City negotiated a compromise whereby if the NCC or its successors bring forward a site plan application for the development of the Albert Street Development Lands to the City in its capacity as a planning authority, refuses to approve a vehicular access, the NCC or its successors can require the City to purchase the property. The purchase price would be on the appraised value of the Albert Street Development Lands, based on its highest and best use at the time the NCC or its successor formally requests that the City purchase the lands, with the assumption that the lands have vehicular access.

The amount of consideration that the City would have to pay the NCC for the Albert Street Development Lands, should this obligation be triggered cannot be quantified at this time. The City would be required to close on the sale and purchase of the Albert Street Development Lands 365 days after the date of the notice from the NCC requiring the City to purchase the lands. If the obligation is triggered the City will also be required to reimburse the NCC or its successor's reasonable and proper costs of preparing and submitting the site plan application.

This obligation to acquire the remnant Albert Street Development Lands, and pay costs, in the future was a reasonable accommodation in the event that the site would be left with no vehicle access owing to the City's redevelopment of the road network. The amount of compensation that would be payable by the City to the NCC is not provided in this report as it is not possible to quantify the amount at this time. The twelve month period from the outcome of the Site Plan application process for the Albert Street

Development Lands would be the point in time when funds would be required thereby creating a corporate budget pressure. If the Site Plan application was refused on grounds of no vehicular access to the Albert Street Development Lands and the NCC or its successor were to trigger the requirement for the City to purchase the Lands, the Albert Street Development Lands would be appraised and at that time, staff would report to Council to confirm the results of the appraisal process, the amount of compensation payable to the NCC or its successor and Council would have an opportunity to consider budget allocations for the necessary funds for the appraised value of the Albert Street Development Lands and reimburse the NCC or its successor for its planning costs. The potential acquisition of the Albert Street Development Lands and its implications are discussed in the Risk Management Implications section of this report.

The acquisition of the Albert Street Development Lands is contingent on the NCC or its successors failing to obtain a site plan approval permitting vehicular access. The risk to the City to be required to purchase these lands is deemed low and in the eventuality that a purchase obligation is triggered, staff are seeking delegated authority to the Director, Corporate Real Estate Office to enter into, conclude, execute, amend and implement, on behalf of the City, a purchase agreement and all documents and transactions necessary for the acquisition of the Albert Street Development Lands (Recommendation 3).

RURAL IMPLICATIONS

There are no rural implications associated with the recommendations of this report.

CONSULTATION

Public consultation was undertaken as part of the Municipal Class Environmental Process under the Albert and Slater Streets Post Light Rail Transit (LRT) Repurposing Functional Design Study that was approved by Council of the City of Ottawa in 2018. During this functional design study, the City consulted with community groups, business owners, residents, Accessibility Advisory Committee, and the Urban Design Review Panel on the vision and redesign options for these streets. The study included consultation with provincial agencies, the NCC and Indigenous groups.

An online engagement opportunity was held between June 16, 2020 and June 30, 2020 and further engagement opportunities will occur throughout the course of the AQSB Project.

The lands required from the NCC as part of the AQSBB Project are located in Ward 14. The Ward Councillor, Catherine McKenney, has been consulted with respect to this report and their comments are indicated under the Comments from Ward Councillor section below.

AFFORDABLE HOUSING LAND AND FUNDING POLICY

The subject properties, though zoned residential, are being acquired to support City infrastructure. Parcel 2, Document 1, is not part of the AQSBB Project requirements and is being acquired as it has no development potential. It will be added to a parcel representing a portion of Commission Street (closed) and will be landscaped.

COMMENTS BY THE WARD COUNCILLOR

Councillor McKenney has received a copy of this report and concurs with the recommendations.

ADVISORY COMMITTEE COMMENTS

There are no Advisory Committee comments to be included in this report.

LEGAL IMPLICATIONS

There are no legal impediments to implementing the recommendations in this report.

RISK MANAGEMENT IMPLICATIONS

The Agreement of Purchase and Sale includes a contingent obligation for the City to acquire the Albert Street Development Lands in the event the NCC, or its successor, has been refused approval by the City, as planning authority, to create vehicular access to the Albert Street Development Lands upon submission of a site plan application for future development of the Albert Street Development Lands. Upon such refusal by the City the NCC, or its successor, has a period of 12 months in which it can elect to deliver a notice to the City requiring the City to purchase the Albert Street Development Lands. If this obligation of the City is triggered, the City will also be required to reimburse the NCC or its successor for the reasonable and proper costs incurred in preparing and submitting the site plan application in respect of the 550 Albert Street lands.

Upon the delivery of such notice the City and the NCC (or its successor) are each required to obtain appraisals for the Albert Street Development Lands for the highest and best use in accordance with the Canadian Uniform Standards of Professional

Appraisal Practice and to agree the purchase price. In the event of a dispute, a third professional appraiser selected by the parties is to determine the price based on which of the first two appraisals he or she considers the most reliable. The closing of the transaction would be 365 days following issuance of the notice by the NCC or its successor, and if the NCC is the owner of the Albert Street Development Lands at that time, will be subject to the approval of the NCC Board of Directors.

While the contingent obligations remains uncertain as to timing and amount of consideration, the overall scope of this risk has been limited whereby the NCC, or its successor, is only entitled to issue the notice requiring the purchase of the Albert Street Development Lands in the specific circumstances where the City, as planning authority, refuses to grant vehicular access to the Albert Street Development Lands as part of a site plan application for future development of the 550 Albert Street Lands. The timing risk has also been limited as the NCC, or its successor, must exercise its right to sell the Albert Street Development Lands to the City within 12 months following the refusal by the City of the site plan application with vehicular access, and also permitting 365 days in order to arrange for the completion of the sale. Finally, the financial risk has been managed by ensuring that there is a formal process by which the actual value of the Albert Street Development Lands is determined. Some additional risk remains as the City does not have any details of the NCC's proposals for future development of the Albert Street Development Lands.

Staff is recommending that the execution of the Agreement of Purchase and Sale in light of the requirement to obtain the lands required for the AQSB Project as the NCC was not prepared to sell the lands to the City without the above provisions included in the Agreement for Purchase and Sale.

ASSET MANAGEMENT IMPLICATIONS

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 acquisition costs are summarized as follows:

Fee Simple Lands	\$6,767,533
Easement Lands	\$680,760
License Lands	\$377,680
Closing, Legal, Sunk HST	\$324,027
Total Acquisition Cost	<u>\$8,150,000</u>

Funds are not available within the existing Albert St/Bronson Ave/Slater St project. A budget adjustment to transfer funds from existing accounts is recommended, as outlined in Document 3. Funds are available to transfer from projects that have been completed or deferred to future years. The budget adjustment also includes surplus funds to be returned to source.

In the event that there is a requirement to acquire the remnant Albert Street Development Lands as outlined in the report, staff would return to Council to seek the necessary funds to purchase the land and reimburse the NCC or its successor for its planning costs.

ACCESSIBILITY IMPACTS

The recommended design fulfills the City's Accessibility Design Standards (ADS) and the Accessibility for Ontarians with Disabilities Act (AODA) requirements.

ENVIRONMENTAL IMPLICATIONS

The City's Environmental Remediation Unit (ERU) has completed a review to identify potential environmental implications associated with the land acquisition and disposals that are being recommended within this report.

Based on aerial photography, 550 and 665 Albert Street have been generally vacant since at least 1976 but they were both historically developed with buildings since before 1928. Following removal of onsite buildings, 665 Albert Street has also been used for a parking lot at various times between 1976-2000s and, more recently, for construction staging/yards related to LRT from 2015-2020.

A Phase I environmental site assessment (ESA) and Phase II ESA were completed on behalf of the City for the AQSB Project design and construction. Various areas of potential environmental concern were noted from activities identified at, and/or in close

proximity to the NCC lands and the City lands: a former commercial paint shop, an asphalt sealer spill and a former scrap yard and documented contaminated site, possible old foundations and building material debris. Testing completed during the Phase II ESA confirmed that a number of contaminants in soil/fill and groundwater in/around these parcels are exceeding the provincial standards; including metals, petroleum hydrocarbons (PHCs), polycyclic aromatic hydrocarbons (PAHs) and contaminants related to road salting.

Given these environmental conditions (contaminated soil and groundwater in the project area), the AQS Project will need to implement appropriate soil and groundwater management plans during construction, including measures to properly handle/dispose of any excavated / removed soil and groundwater during the construction project. As the intended use (roadway) would not constitute a change to a more sensitive land use, it is assumed that filing a Record of Site Condition (RSC) under Ontario Regulation 153/04 (as amended) will not be required for these lands.

The potential financial implications for implementing these measures to address the environmental conditions (costs to cure) have been estimated at \$1,092,200. The Agreement of Purchase and Sale has provisions to address the City concerns on this matter.

TERM OF COUNCIL PRIORITIES

This project addresses the following Term of Council Priorities:

- Economic Growth and Diversification;
- Integrated Transportation; and
- Sustainable Infrastructure

SUPPORTING DOCUMENTATION

Document 1 NCC Lands (south side of Albert Street) – Drawing No. 21387-10

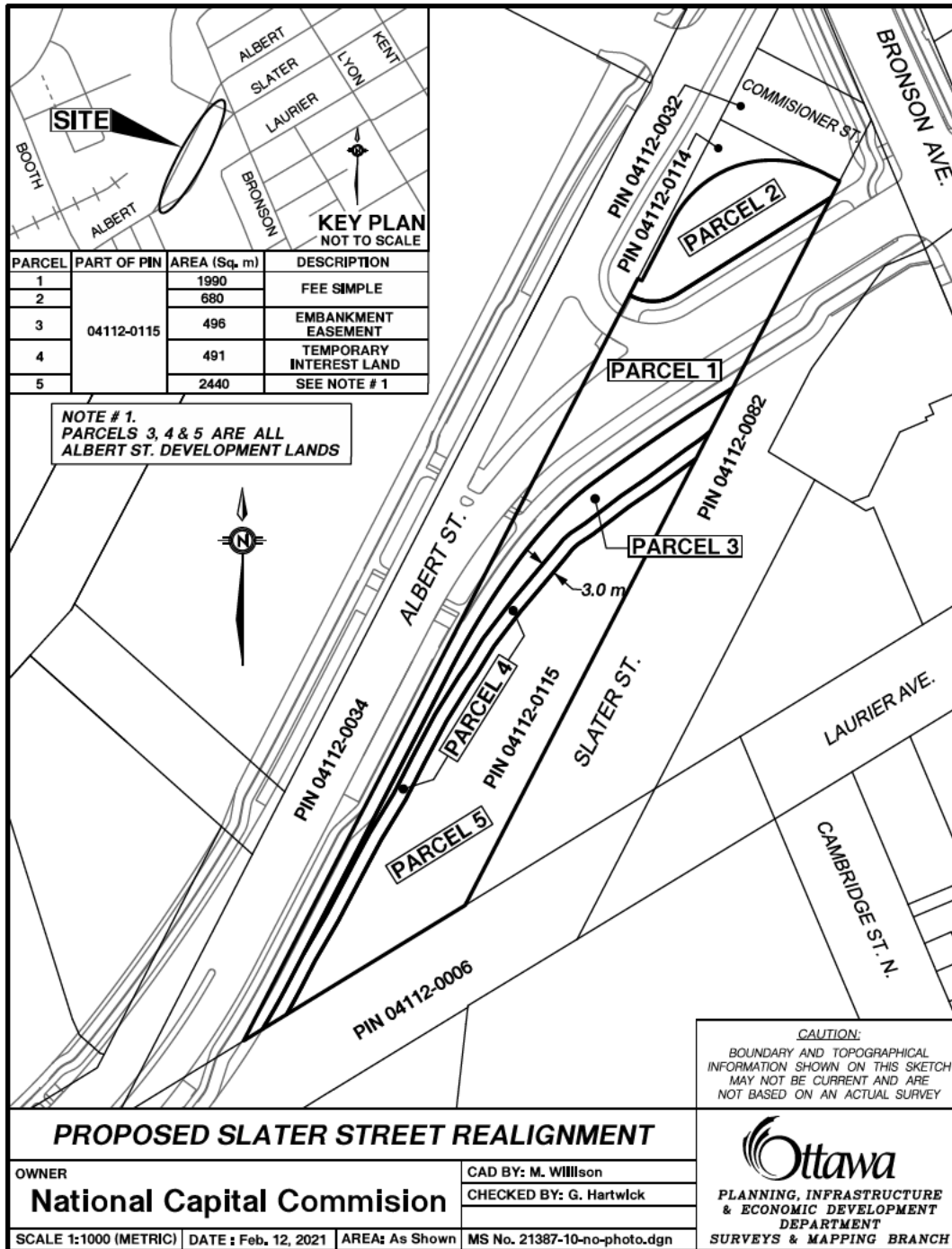
Document 2 NCC Lands (north side of Albert Street) – Drawing No. 21387-06

Document 3 City of Ottawa - Tax and Rate Departmental Budget Adjustments
Requiring Council Approval

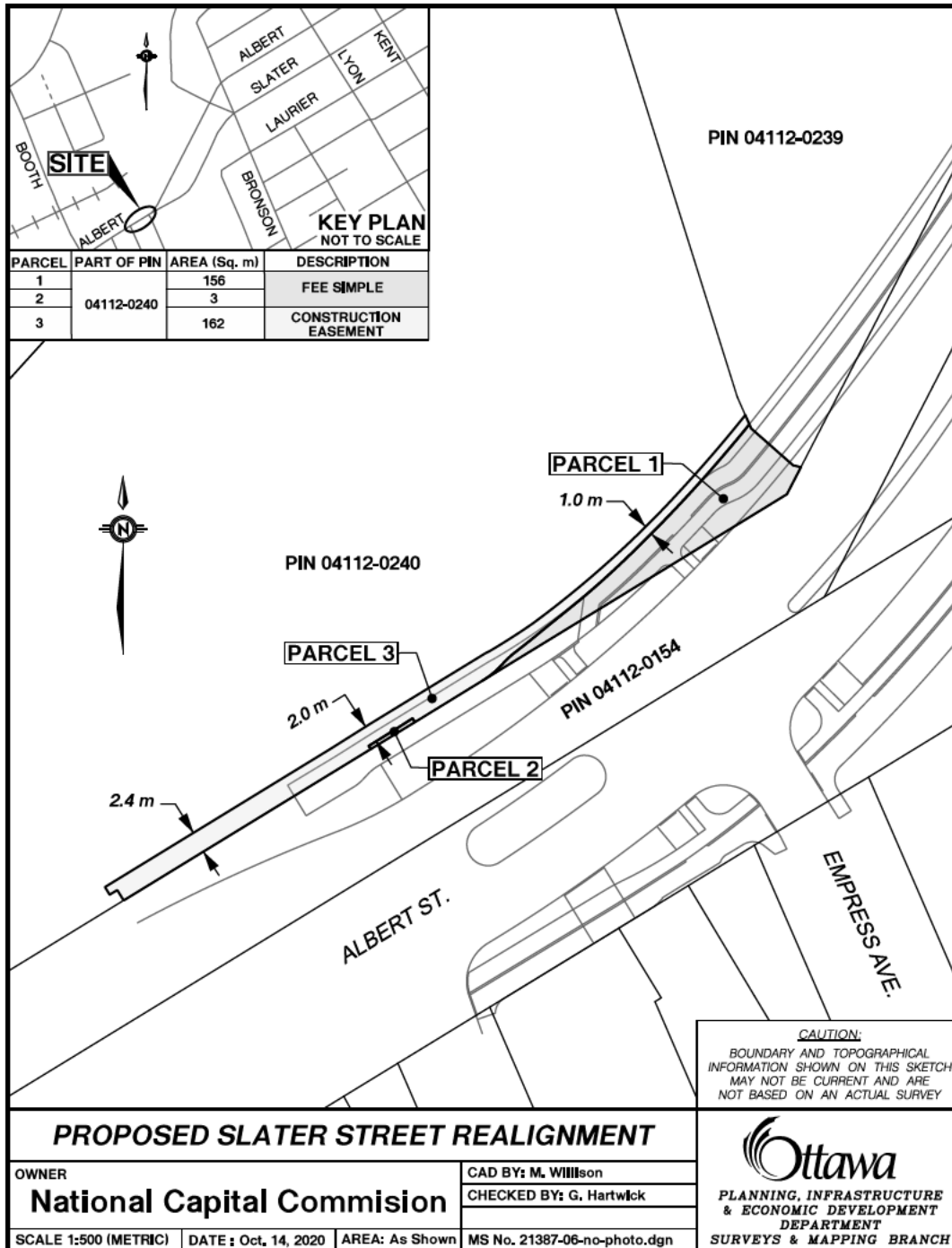
DISPOSITION

Following approval, the Corporate Real Estate Office and external Counsel, on behalf of the City will finalize the transactions.

Document 1 – NCC Lands (south side of Albert Street) – Drawing No. 21387-10



Document 2 – NCC Lands (north side of Albert Street) – Drawing No. 21387-06



Document 3 – City of Ottawa - Tax and Rate Departmental Budget Adjustments
Requiring Council Approval

City of Ottawa Tax & Rate Departmental Budget Adjustments Requiring Council Approval				
Description	Expenditure Authority Increase / (Decrease)			
		Rate Supported Reserves	Development Charges	Debt
Expenditure/Funding Adjustments - Existing Projects:				
908141 ORAP Albert St-Bronson Ave-Slater St	8,150,000	(4,820,000)	(9,000)	(3,321,000)
905581 O-OTM Carling Ave (Bronson-Bayswater)	(3,140,000)	2,226,000	112,000	802,000
906457 O-OTM Bronson Ave (Laurier-Arlington)	(1,600,000)	1,374,000	45,000	181,000
906735 Bank St (Riverside-Ledbury)	(4,000,000)	1,067,000		2,933,000
906890 CWWF Lavergne-Joliet-Ste Cecile	(4,220,000)	-		4,220,000
906892 Renfrew (Bronson - Dead End)	(1,200,000)	-		1,200,000
Total Expenditure/Funding Adjustments - Existing Projects	(6,010,000)	(153,000)	148,000	6,015,000
Total Funding Requirements	(6,010,000)	(153,000)	148,000	6,015,000