

**2. DISPOSAL OF 1463 PRINCE OF WALES DRIVE TO THE BOYS AND GIRLS CLUB**

**ALIÉNATION DU 1463, PROMENADE PRINCE OF WALES AU CLUB DES GARÇONS ET FILLES D'OTTAWA**

**COMMITTEE RECOMMENDATIONS**

**That Council:**

- 1. Declare the property known municipally as 1463 Prince of Wales Drive described as Part of Lot 34, CON Broken Rideau Front, as in CR506608 in the City of Ottawa being all of PIN 040760002, containing an area of 0.50 ha (1.26 acres) and shown hatched on Document “1” attached, as surplus to the City’s needs;**
- 2. Waive the requirement in Section 5 of the City’s Real Property Disposal Policy requiring notification to the public of the pending sale of a City property;**
- 3. Waive the requirement in Section 1.2 of the City’s Real Property Disposal Policy requiring all real property to be disposed of at market value and approve the sale of the lands known municipally as 1463 Prince of Wales Drive to the Ottawa Boys and Girls Club for the sum of \$1.00 pursuant to a Memorandum of Understanding between the City of Ottawa and the Boys and Girls Club dated November 14, 2016 subject to any easements that may be required.**
- 4. Delegate authority to the Director, Corporate Real Estate Office to negotiate, conclude and execute, on behalf of the City, the final documents required to complete this transaction, within the contractual and financial parameters set forth in this Report.**

**RECOMMANDATIONS DU COMITÉ**

**Que le Conseil**

- 1. Déclare comme excédentaire aux besoins de la Ville la propriété ayant pour désignation municipale le 1463, promenade Prince of Wales et dont la**

superficie est de 0,50 ha (1,26 acre), connue comme étant une partie du lot 34, concession façade rivière Rideau interrompue, CR506608, se trouvant sur le territoire de la Ville d'Ottawa et enregistrée sous la cote foncière 040760002, propriété qui est hachurée dans le document 1 ci-joint;

2. **Renonce à la disposition de l'article 5 de la Politique sur l'aliénation des biens immobiliers de la Ville exigeant la publication d'un avis annonçant la proposition d'aliénation d'une propriété municipale;**
3. **Renonce à la disposition de l'article 1.2 de la Politique sur l'aliénation des biens immobiliers de la Ville exigeant que les biens immobiliers soient aliénés à leur valeur marchande et approuve la vente de la propriété ayant pour désignation municipale le 1463, promenade Prince of Wales, au Club des garçons et filles d'Ottawa pour la somme de 1,00 \$, conformément au protocole d'entente conclu entre la Ville d'Ottawa et le Club des garçons et filles d'Ottawa le 14 novembre 2016 sous réserve de toute servitude requise.**
4. **Autorise le directeur, Bureau des services immobiliers municipaux à négocier, à établir et à signer au nom de la Ville les documents finaux requis aux fins de cette transaction, conformément aux paramètres contractuels et financiers énoncés dans ce rapport**

#### DOCUMENTATION/DOCUMENTATION

1. Director's report, Corporate Real Estate Office, dated 27 February 2017 (ACS2017-CSD-CRE-0001)  
  
Rapport du Directeur, Bureau de l'immobilier de la Ville daté le 27 février 2017 (ACS2017-CSD-CRE-0001)
2. Extract of draft Minutes, Finance and Economic Development Committee, 7 March 2017.  
  
Extrait de l'ébauche du procès-verbal, Comité des finances et du développement économique, le 7 mars 2017.

Report to  
Rapport au:

Finance and Economic Development Committee  
Comité des finances et du développement économique  
7 March 2017 / 7 mars 2017

and Council  
et au Conseil  
12 April 2017 / 12 avril 2017

Submitted on February 27, 2017  
Soumis le 27 février 2017

Submitted by  
Soumis par:  
Gordon MacNair, Director, Corporate Real Estate Office/Directeur, Bureau de  
l'immobilier de la Ville

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Ward: RIVER (16) / RIVIÈRE (16)

File Number: ACS2017-CSD-CRE-0001

SUBJECT: DISPOSAL OF 1463 PRINCE OF WALES DRIVE TO THE BOYS AND  
GIRLS CLUB

OBJET: ALIÉNATION DU 1463, PROMENADE PRINCE OF WALES AU CLUB  
DES GARÇONS ET FILLES D'OTTAWA

## REPORT RECOMMENDATIONS

That the Finance and Economic Development Committee recommend Council:

1. Declare the property known municipally as 1463 Prince of Wales Drive described as Part of Lot 34, CON Broken Rideau Front, as in CR506608 in the City of Ottawa being all of PIN 040760002, containing an area of 0.50 ha (1.26 acres) and shown hatched on Document “1” attached, as surplus to the City’s needs;
2. Waive the requirement in Section 5 of the City’s Real Property Disposal Policy requiring notification to the public of the pending sale of a City property;
3. Waive the requirement in Section 1.2 of the City’s Real Property Disposal Policy requiring all real property to be disposed of at market value and approve the sale of the lands known municipally as 1463 Prince of Wales Drive to the Ottawa Boys and Girls Club for the sum of \$1.00 pursuant to a Memorandum of Understanding between the City of Ottawa and the Boys and Girls Club dated November 14, 2016 subject to any easements that may be required.
4. Delegate authority to the Director, Corporate Real Estate Office to negotiate, conclude and execute, on behalf of the City, the final documents required to complete this transaction, within the contractual and financial parameters set forth in this Report.

## RECOMMANDATIONS DU RAPPORT

Que le Comité des finances et du développement recommande au Conseil :

1. Déclare comme excédentaire aux besoins de la Ville la propriété ayant pour désignation municipale le 1463, promenade Prince of Wales et dont la superficie est de 0,50 ha (1,26 acre), connue comme étant une partie du lot 34, concession façade rivière Rideau interrompue, CR506608, se trouvant sur le territoire de la Ville d’Ottawa et enregistrée sous la cote foncière 040760002, propriété qui est hachurée dans le document 1 ci-joint;

2. **Renonce à la disposition de l'article 5 de la Politique sur l'aliénation des biens immobiliers de la Ville exigeant la publication d'un avis annonçant la proposition d'aliénation d'une propriété municipale;**
3. **Renonce à la disposition de l'article 1.2 de la Politique sur l'aliénation des biens immobiliers de la Ville exigeant que les biens immobiliers soient aliénés à leur valeur marchande et approuve la vente de la propriété ayant pour désignation municipale le 1463, promenade Prince of Wales, au Club des garçons et filles d'Ottawa pour la somme de 1,00 \$, conformément au protocole d'entente conclu entre la Ville d'Ottawa et le Club des garçons et filles d'Ottawa le 14 novembre 2016 sous réserve de toute servitude requise.**
4. **Autorise le directeur, Bureau des services immobiliers municipaux à négocier, à établir et à signer au nom de la Ville les documents finaux requis aux fins de cette transaction, conformément aux paramètres contractuels et financiers énoncés dans ce rapport**

## **BACKGROUND**

The former City of Ottawa purchased the lands at 1463 Prince of Wales Drive in 1966 from the National Capital Commission to build a fire station. This site housed Fire Station No. 7 from 1966 until it was decommissioned in 1986. The property was declared surplus in 1988. In July, 1989, the former City of Ottawa Council approved the designation of 1463 Prince of Wales Drive for use by the City of Ottawa Non-Profit Housing Corporation for development of a social housing project. As the property would require rezoning to allow development of a social housing project, it was recommended that in the interim, the property would be leased out as community space. Some of the tenants using the space included Ottawa Police Association, Youth Services Bureau and Debra-Dynes Tenant Association.

In July, 1994, the Community Services and Operations Committee recommended that the former City of Ottawa transfer the title of the property to the Ottawa Police Youth Centre. This recommendation was made with a condition that should the property cease to be used as a Youth Centre, the title of the property would revert back to the City of Ottawa. However, pursuant to correspondence received from the Ottawa Police Services Youth Centre in late 1994, the Board of Directors were not in a position to accept title, instead requested a long term lease arrangement at an annual rental of

\$1.00. In April, 1995, the former City Council rescinded the recommendation to dispose of the property and in May, 1996 approved a lease with the Regional Municipality of Ottawa Carleton Police Services Board for a 10 year term with an option to renew for a further two five-year terms.

The property continues to be used by the Boys and Girls Club of Ottawa for their Youth drop-in and after school programs and will continue to be used by the Boys and Girls Club as a Community Centre for youth drop-in and recreational after school programs. These programs and services are in line with the City of Ottawa mandated programs.

The property is shown hatched on Document “1” attached to this report and is legally described Part of Lot 34, CON Broken Rideau Front, as in CR506608 in the City of Ottawa. The property has an area of 0.50 ha (1.26 acres).

The current zoning is L1 – Community Leisure Facility Zone, which allows for recreational uses.

## **DISCUSSION**

Currently, the Boys and Girls Club of Ottawa (BGCO) occupies and operates the space in pursuing its recreational and youth services programming; however, no current agreement has been located between the City or the Ottawa Police Services and BGCO to formalize its occupancy of the building. Serving the Ottawa area since 1923, the BGCO is a leader in after-school, weekend and summer programs for children and youth aged 6 to 18 years. Each year, through its seven locations strategically located in vulnerable areas throughout the city, the BGCO offers approximately 4,500 children and youth barrier-free access to a supportive place where they can experience new opportunities, overcome barriers, build positive relationships and develop confidence and skills for life. Membership and programs are free.

According to BGCO, after-school and weekend hours are a critical time for youth. That time can represent either an opportunity to learn and grow through quality after-school programs, or be a time of risk to youth's health and safety. Experts agree that after-school programs offer a healthy and positive alternative. They keep kids safe, improve academic achievement and help relieve the stresses on today's working families. They can serve as important intervention strategies for youth. The variety and quality of the BGCO programs are meant to be engaging, accessible for all, and contribute towards the overall development of good citizens and leaders within the community. Success is

achieved through the dedication and commitment of quality staff, community partners and volunteers.

The BGCO operates under the following four programming pillars which are comprehensive and encapsulate the overarching goal of social skills development to build strong and productive community members:

1. Education
2. Physical Activity and Healthy Lifestyle
3. Leadership and Social Skills
4. Creative Arts

Programming in all four pillars is offered at each of the seven Clubhouses. Under each pillar there is a core program that leads and defines all other programming.

The BGCO has been operating a Community Centre on this site for youth drop-in and recreational after school programs for the last 22 years and plans to continue those uses on the subject property should this sale be completed. Given the history of the BGCO on the site and the original intent of the City in 1994, recommendation no. 2 is requesting Council to waive the requirement in Section 5 of the City's Real Property Disposal Policy requiring notification to the public of the pending sale of a City property. Typically, prior to the disposal of any viable real property, notice of the proposed sale is provided to the public by posting a sign on the real property for a period of not less than ten (10) days prior to accepting offers, posting an ad in the City's webpage and sending notification by email to interested builders and individuals.

The BGCO has indicated that the current facility has far surpassed its useful life. Issues with the current facility include small size, poor sight lines, low ceilings, outdated electrical, HVAC and plumbing, etc. Given the age of the current facility and the issues noted above, the BGCO is limited in services and programs that can be offered at this location. Since the BGCO has seen tremendous membership demand and growth in recent years in the subject area, a need for renovations at this Clubhouse has been identified. Should this transfer of ownership be approved, BGCO will be undertaking renovations of the Clubhouse estimated to cost \$3 million.

According to the BGCO, redevelopment of this facility is essential to allow them to accommodate more at-risk children and youth and maximize support for the vulnerable demographic in this neighbourhood. The BGCO anticipate that the facility renovation will dramatically expand, modernize and improve this community space, accommodate club growth; and enhance programming, comfort and safety. It will also make the Clubhouse relevant and accessible to the community, and more welcoming to all members. This clubhouse is currently at capacity and is at the point where it will have to start turning children and youth away unless the space is enlarged.

Renovations will include adding a full-sized gym to the clubhouse, as well as reconfiguring the interior to provide better sight lines for supervision, an arts and crafts room, a dance studio and a homework club room with much more space. As well, the size of the kitchen will be increased to accommodate healthy cooking classes for children and youth, teaching the basics of good nutrition and how to prepare nutritious, low-cost food. This kitchen will also be used to prepare the healthy snacks that are provided to each child and youth after school.

Since all the programs and services offered by BGCO are in line with the City of Ottawa mandated programs, and many are programs that the City of Ottawa would provide should the BGCO not provide these services, recommendation no. 4 is requesting Council to waive the requirement in Section 1.2 of the City's Real Property Disposal Policy requiring all real property to be disposed of at market value. It is being recommended that ownership to the property be transferred to the Boys and Girls Club of Ottawa for \$1.00, which is consistent with the City's intent in 1994. Pursuant to Section 1.3 of the City's Real Property Disposal Policy, City Council may, unless prohibited by the *Municipal Act, 201*, authorize the disposal of real property at less than market value if, in its opinion, it is in the best interests of the City to do so.

Both an internal and external appraisal was completed on this property in late spring, 2016. The concluded estimated market value was \$1,090,000.00 based on land value only. The highest and best use of the property was determined to be as a re-development site assuming a zoning change to a commercial use.

All other policies and procedures with regard to disposal of a City asset have been followed. An internal circulation was completed to identify any corporate issues pursuant to a declaration of these lands being surplus. A requirement to establish



easements to protect existing City infrastructure was identified as the main corporate concern.

To protect the City's interest in the subject property, a Memorandum of Understanding has been negotiated and finalized between the City and the Boys and Girls Club.

Pursuant to a Memorandum of Understanding (MOU):

1. BGCO will agree that the property will not be used for any purpose other than recreational programs offered by and operated by the BGCO. Notwithstanding the foregoing, the BGCO may lease portions of the property to a not-for-profit community organization for programming on an occasional basis only.
2. BGCO will agree that the property will not be charged, granted as security or otherwise encumbered. BGCO will not use this site as collateral for any source of funding.
3. BGCO will grant the City an option to repurchase the Property for a purchase price of One Dollar (\$1.00) free and clear of all encumbrances not in existence prior to the closing. The option to repurchase shall be exercisable by the City upon default by BGCO of the Use Restrictions, No Financing Covenant, or any other covenants of BGCO to the City. BGCO will further agree not to market the Property nor accept any offer to purchase the property without first offering to sell to the City for a purchase price of \$1.00 free and clear of all encumbrances not in existence prior to the closing.

The MOU contemplates a Purchase and Sale Agreement being entered into between the City and BGCO. Other transaction models were considered to protect the City's interests (i.e. long term care-free ground lease); a purchase and sale arrangement is what was ultimately negotiated with BGCO. A copy of the executed MOU is attached as Document "2."

## **RURAL IMPLICATIONS**

There are no rural implications associated with this report.

## **CONSULTATION**

In accordance with the City's Real Property Disposal Policy approved by City Council on 28 March 2012, the availability of the property was circulated to all City Departments,

including the Housing Branch, Planning and Infrastructure and City Operations as well as the Ward Councillor, to determine if the property was required for a City mandated program. The Land Use and Natural Systems Unit of the Planning and Infrastructure Portfolio were consulted with respect to the City's natural heritage system and related policies in the Official Plan and their comments are indicated under the Environmental Implications section of this report.

There were no objections expressed by any Department at the time of the circulation, July, 2016. The utility companies were also circulated and Hydro Ottawa has advised that there may be a requirement for easement rights. The City will need to retain an easement for a local storm sewer and the sanitary sewer referred to as the Mooney's Bay Trunk Collector Sewer. In addition there are property requirements for Prince of Wales Right-of-Way protection of 40m and maybe more due to the additional left turn east bound lane. The easement and road widening requirements are shown on Document "1" attached hereto.

The Recreation, Culture and Facility Services (RCFS) Department has had a long standing partnership with the Boys and Girls Club of Ottawa and are in support of this recommendation. The BGCO provides services that are in line with those of the City of Ottawa RCFS Department and the BGCO's services provided at this location are addressing a programming need for this community. This facility will continue to be used for Municipal recreational purposes by providing a safe and supportive place for children and youth.

The Ward Councillor was consulted with respect to this report and his comments are indicated under Comments from Ward Councillor section below.

### HOUSING FIRST POLICY

Section 2.5.2 of the Official Plan directs the City to make land available for affordable housing and give priority for the sale or lease of surplus City-owned property for this purpose.

The Housing First Policy approved by Council on 13 July 2005, establishes priority consideration to the Housing Branch in the identification of potentially surplus City-owned property, to be used in achieving the City's affordable housing program targets. The policy also requires that the Official Plan target of 25% affordable housing, be met on any City owned property sold for residential development. Where residential

properties are disposed of without a condition requiring an affordable housing component, 25% of the proceeds from the sale are to be credited to a housing fund to be used for the development of affordable housing elsewhere in the City.

As the subject parcels are zoned L1 – Community Leisure Facility Zone, no proceeds from the sale will be directed to the Housing reserve Fund.

### **COMMENTS BY THE WARD COUNCILLOR – Riley Brockington**

Councillor Brockington provided the following comment: *“I was pleased to help facilitate the discussion and agreement between City officials and the Boys and Girls Club of Ottawa.*

*The Boys and Girls Club at 1463 Prince of Wales Drive is a very important community hub. It provides a number of services and programs for youth in the community. The existing building is presently bursting at the seams and this agreement will help facilitate a much needed upgrade to the building. I welcome the future expansion of the facility that will provide a greater range of programs and services to area residents and youth.*

*The benefits and services that this Boys and Girls Club facility offers from the after school programs, to the homework club, various sports and games, and leadership programs have a positive impact on the community and are a great influence in keeping the area youth on the right track.*

*I support the recommendations in this report.”*

### **LEGAL IMPLICATIONS**

There are no legal implications associated with this report.

### **RISK MANAGEMENT IMPLICATIONS**

There are no risk management implications associated with this report.

### **ASSET MANAGEMENT IMPLICATIONS**

While the BGCO has occupied the subject facility for the previous 22 years, operating and lifecycle costs have been the responsibility of the City. The Ottawa Police Services currently pay the operating and maintenance costs (approximately \$50,000.00 in 2015) through the City’s Facility Operations Services. With the proposed change in ownership

of the property, Ottawa Police Services are considering both an on-going contribution to support the operating costs of the facility and a one-time contribution towards the facilities capital funding campaign. A decision on future funding will be considered at an upcoming Ottawa Police Board meeting.

The City's Asset Management Branch has established a lifecycle plan for the building with costs estimated at \$580,000.00 for the 2017-2026 time frames to include upgrades such as replacing the gymnasium flooring, exterior windows and asphalt parking lot and access road. Another \$1.4 million is forecasted for 2027 to replace the flat roof including siporex panels. Removing this asset from the City's Lifecycle Renewal will have a long term benefit to the ongoing budget restrictions. Once the ownership is transferred to BGCO, BGCO will be responsible for both operating and lifecycle costs as the owner of the property.

### **FINANCIAL IMPLICATIONS**

The City will forgo one-time revenues estimated at \$1.09M by waiving Section 1.2 of the Real Property Disposal Policy; however, the City will benefit from not having to continue to fund ongoing lifecycle and maintenance costs.

### **ACCESSIBILITY IMPACTS**

There are no accessibility impacts resulting from the recommendations in this report.

### **ENVIRONMENTAL IMPLICATIONS**

The Land Use and Natural Systems Unit does not object to the proposed disposal.

### **TECHNOLOGY IMPLICATIONS**

There are no technology implications associated with this report.

### **TERM OF COUNCIL PRIORITIES**

The recommendations of this report support City Council's Healthy and Caring Communities (HC) strategic priority: Help all residents and visitors enjoy a good quality of life and a sense of community well-being by providing healthy, safe, secure, accessible and inclusive places and services.

## **SUPPORTING DOCUMENTATION**

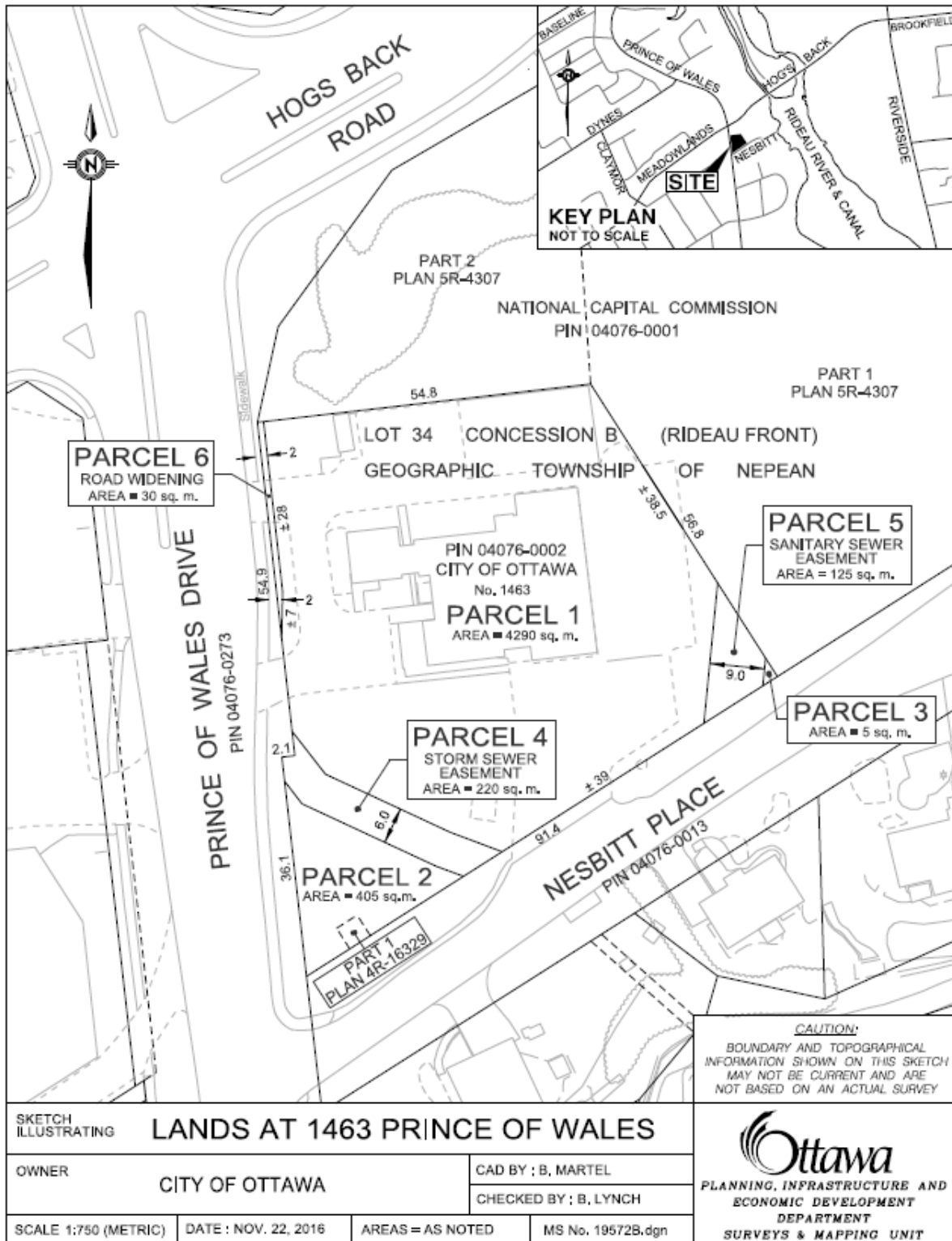
Document 1 – Sketch to illustrate the subject property as Parts 1, 2, 3, 4 and 5

Document 2 – Memorandum of Understanding between the City of Ottawa and the Boys and Girls Club of Ottawa **(Previously distributed and held on file with the City Clerk and Solicitor).**

## **DISPOSITION**

Upon approval, Realty Initiative & Development Branch and External Counsel acting on behalf of the City will finalize and complete the transaction.

Document 1 – Sketch of 1463 Prince of Wales Drive



**Document 2 – Memorandum of Understanding between the City of Ottawa and the  
Boys and Girls Club of Ottawa dated November 13, 2016**