

**2. LIGHT RAIL TRANSIT STAGE 1 - COSTS RELATED TO COMPLETED  
PROPERTY ACQUISITIONS**

**ÉTAPE 1 DU PROJET DE TRAIN LÉGER SUR RAIL – COÛTS ASSOCIÉS  
AUX ACQUISITIONS DE PROPRIÉTÉS**

**COMMITTEE RECOMMENDATION**

**That Council receive this report for information.**

**RECOMMANDATION DU COMITÉ**

**Que le Conseil reçoit le présent rapport à titre d'information.**

**DOCUMENTATION/DOCUMENTATION**

1. Acting Director's report, Corporate Real Estate Office, Planning, Infrastructure and Economic, dated 21 November 2019 (ACS2019-PIE-CRO-0008 ).

Rapport du Directeur (par intérim), Bureau des biens immobiliers municipal, Services de la planification, de l'infrastructure et du développement économique, daté le 21 novembre 2019 (ACS2019-PIE-CRO-0008 ).

**Report to  
Rapport au:**

**Finance and Economic Development Committee / Comité des finances et du  
développement économique  
December 3, 2019 / 3 décembre 2019**

**and Council / et au Conseil  
December 11, 2019 / 11 décembre 2019**

**Submitted on November 21, 2019  
Soumis le 21 novembre 2019**

**Submitted by  
Soumis par:  
Robin Souchen**

**Director (Acting) / Directeur (par intérim)**

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

**Contact Person / Personne ressource:**

**Michael Crofts**

**Program Manager, Acquisitions (Acting) / Gestionnaire de programme,  
Acquisitions (par intérim)**

**Rail Construction Office / Programme de construction du rail  
(613) 580-2424, 16577, Michael.Crofts@ottawa.ca**

**Ward: CITY WIDE / À L'ÉCHELLE DE LA VILLE      File Number: ACS2019-PIE-CRO-0008**

**SUBJECT: Light Rail Transit Stage 1 - Costs Related to Completed Property  
Acquisitions**

**OBJET:       Étape 1 du projet de train léger sur rail – coûts associés aux  
                  acquisitions de propriétés**

## **REPORT RECOMMENDATION**

**That the Finance and Economic Development Committee and Council receive this report for information.**

## **RECOMMANDATIONS DU RAPPORT**

**Que le Comité des finances et du développement économique et le Conseil reçoivent le présent rapport à titre d'information.**

## **BACKGROUND**

The Confederation Line runs 12.5 kilometres from Blair Station in the east to Tunney's Pasture in the west, with a 2.5 kilometres underground tunnel through the downtown. In total, there are 13 stations on the line, with three being underground. It also includes a maintenance and storage facility located on Belfast Road.

The Rail Implementation Office (RIO) Project Team identified property requirements for the Stage 1 Ottawa Light Rail Transit (LRT) Project (Stage 1 LRT) including for the rail corridor, the maintenance and storage facility, stations and station entrances, utilities such as electricity to support the electrification of the railway and for temporary purposes to support construction activities.

On May 25, 2011, Council directed staff to begin acquiring property for Stage 1 LRT, including by expropriation. Council subsequently carried Motion No. 18/3, March 28, 2012, which established the protocol for reporting of property transactions and expropriations for Stage 1 LRT:

*“That staff report out the details of real estate transactions and expropriations related to the Ottawa Light Rail Transit (OLRT) project and approved by delegated authority to the Finance and Economic Development Committee and City Council after all property required for the project has been secured by the City.”*

A similar direction was given to Staff with respect to property acquisitions for the Stage 2 LRT project on March 8, 2017 (Link to March 8, 2017 Report under File No. [ACS2017-TSD-OTP-0001](#)).

This reporting protocol was implemented to protect the City's financial interests in ongoing negotiations with property owners and potential expropriation proceedings. In some cases, it also served to protect owners of expropriated property whose interests could be compromised by the release of information concerning settlements before they had successfully secured new premises.

The property acquisition process for Stage 1 LRT is now substantially complete, though some final conveyancing remains and a small number of compensation claims under the *Expropriations Act* remain outstanding.

On this basis, on August 13, 2019, the General Manager of Planning, Infrastructure and Economic Development advised the Mayor and Councillors that the Corporate Real Estate Office (CREO) would report to Finance and Economic Development Committee (FEDCO) and Council on compensation paid to property owners and others in respect of property acquisitions and expropriations undertaken in connection with the Stage 1 OLRT.

Only transactions and settlements which are final and completed as of November 1, 2019, including all conveyancing, are included in this information report. A further information report will be presented once all remaining transactions have closed.

## **DISCUSSION**

Property acquisition by the City is undertaken in accordance with the City's [Real Property Acquisition](#) Policy approved by City Council on April 3, 2007 and most recently revised on December 23, 2014.

The City's Auditor General has recently undertaken a review of the property acquisition program for the Stage 1 LRT project. The Auditor's Report is expected to be released on November 26, 2019.

Property acquisition required to support Stage 1 LRT was undertaken primarily through negotiation or by expropriation. A brief review of the statutory process established by the *Expropriations Act* and the types of compensation which may be payable to owners of expropriated property is found in Document 1.

Property acquisitions for Stage 1 LRT can be grouped into three general categories:

(1) Private Property:

This grouping is comprised of expropriations or negotiated agreements to acquire property in private ownership.

Details of closed transactions and claims settled with private property owners are provided in Document 2.

(2) Government/Crown Agencies and Corporations/Institutions

This grouping is comprised of negotiated transactions entered into by the City with institutions, Crown corporations, federal agencies and other levels of government.

In many cases, agreements with these owners contemplate final conveyance only following completion of construction of the project, once surveying is undertaken to confirm final property boundaries.

Details of closed transactions are provided in Document 3.

(3) Property for Integrated Station Entrances

As part of Stage 1 LRT, the City undertook the construction of six light rail transit station entrances which are, or will be, integrated into privately owned buildings along the alignment. The construction and operation of integrated station entrances required the negotiation of a suite of agreements which each of the relevant property owners, which included term sheets, construction agreement (for construction within existing buildings), property acquisition agreements and station entrance connection agreements.

An information report with respect to these agreements will be included in the final report to FEDCO and Council.

**Delegated Authority:**

The City's Delegation of Authority By-laws, since 2012, have included special delegations of authority to approve and conclude real estate transactions related to the Ottawa Light Rail Transit Project together with a direction that the exercise of this

authority be reported to the appropriate Standing Committee when all property related to the Ottawa Light Rail Transit Project has been acquired.

The General Manager of Planning, Infrastructure and Economic Development has determined that a report, which includes information with respect to settled claims and closed transactions forming part of the land acquisition program for Stage 1 LRT, can be delivered to FEDCO in the interests of transparency without negatively impacting the City's financial interests given that the property acquisition program for Stage 1 LRT is now substantially complete.

### **Conclusion**

This report is provided in accordance with Council's direction to report the exercise of delegated authority with respect to property acquisitions for the Ottawa Light Rail Project. A further information report will be presented once all outstanding claims are resolved and all remaining transactions have closed.

### **RURAL IMPLICATIONS**

There are no rural implications associated with this report.

### **CONSULTATION**

The exercise of delegated authority with respect to property acquisitions for the Ottawa Light Rail Project is required to be reported to FEDCO in accordance with the Delegation of Authority By-law.

### **COMMENTS BY THE WARD COUNCILLORS**

This is a City-wide report – not applicable.

### **LEGAL IMPLICATIONS**

There are no legal implications associated with receiving this report for information.

### **RISK MANAGEMENT IMPLICATIONS**

There are no risk management implications associated with receiving this report.

## **FINANCIAL IMPLICATIONS**

There are no direct financial implications.

## **ACCESSIBILITY IMPACTS**

There are no accessibility impacts associated with receiving this report.

## **TERM OF COUNCIL PRIORITIES**

This report supports Council's priorities of Governance and Fiscal Responsibility

## **SUPPORTING DOCUMENTATION**

Document 1 Expropriation Backgrounder

Document 2 Private Property Transactions

Document 3 Government/Crown Agencies and Corporation/Institutions Transactions

## **DISPOSITION**

The report has been forwarded for information in accordance with the Delegation of Authority By-law.

## Document 1 – Expropriation Backgrounder

### Municipal Expropriation Power

Section 6 of the *Municipal Act, 2001* provides that the power of a municipality to acquire land includes the power to expropriate land in accordance with the *Expropriations Act*. “Expropriation” is generally defined as the power to acquire property compulsorily.

The *Expropriations Act* establishes a statutory process for the acquisition of property by expropriation and the determination of compensation.

#### (i) Expropriation Process:

A simplified and non-exhaustive outline of the statutory process is as follows:

- (1) City Council passes a by-law authorizing the issuance of notice that the City intends to initiate proceedings under the *Expropriations Act* with respect to certain property.
- (2) Registered owners will be served with notice. The notice will also be published in English and French in a newspaper having general circulation in the area where the property is located.
- (3) An owner can request an inquiry into whether the expropriation of the property is “fair, sound and reasonably necessary” for the achievement of the municipality’s objectives.
- (4) If an inquiry occurs, an inquiry report is produced and delivered to City Council for its consideration prior to approving the expropriation.
- (5) City Council passes another by-law approving the expropriation following which an expropriation plan is prepared and registered on title.
- (6) The registration of the expropriation plan effects the transfer of title to the property to the City; however, except in exceptional circumstances, the City will only take possession of the expropriated property:
  - a. In accordance with a notice of possession, delivered to registered owners, which provides a least three (3) months advance notice; and,



- b. After having delivered to registered owners an offer of compensation meeting the requirements of Section 25 of the *Expropriations Act* which includes an offer of immediate payment of 100 % of the market value of the owner's interest in the property without prejudice to the owner's rights to seek additional compensation.

## **(ii) Compensation**

The *Expropriations Act* establishes a number of types of compensation which may be payable depending on the circumstances of a particular expropriation. The most common types of compensation are compensation in respect of:

- (1) The market value of property;
- (2) Disturbance damages (which can include costs incurred to find replacement premises, moving and fit up costs etc.);
- (3) Business losses resulting from the relocation of a business; and
- (4) Injurious affection (which is compensation payable with respect to negative impacts on the remainder of an owner's property).

Some, but not all of the above amounts may be subject to interest.

With some exceptions, the municipality will also generally be responsible for reimbursing reasonable legal, appraisal and other costs incurred by an owner for the purposes of determining compensation.

In the event that the City and an owner of expropriated property are unable to agree on the amount of compensation payable, the *Expropriations Act* provides for mediation before the Board of Negotiation and, if necessary, arbitration by the Local Planning Appeal Tribunal.

**Document 2 – Property Acquisitions - Private Property**

**Notes:**

- (1) "Total Consideration/Compensation\*" reimbursement of reasonable legal and/or appraisal costs may not be reflected in all cases.
- (2) For file management purposes, CREO generally tracks transactions by counterparty and not specifically by property address. For example, where a leased property is expropriated, settlements with the tenant will be tracked separately from settlements with the property owner.

#	Address	Owner/ Tenant/Other	Ward	Total Consideration/ Compensation*
1.	645 Belfast Rd. C.C.C. #399 Unit 1	Owner	Ward 18	\$935,120.10
2.	645 Belfast Rd. C.C.C. #399 Unit 1	Tenant	Ward 18	\$0.00
3.	645 Belfast Rd. C.C.C. #399 Unit 1	Tenant	Ward 18	\$0.00
4.	645 Belfast Rd. C.C.C. #399 Units 2 & 3	Owner	Ward 18	\$1,010,000.00
5.	645 Belfast Rd. C.C.C. #399 Units 2 & 3	Tenant	Ward 18	\$389,000.00
6.	645 Belfast Rd. C.C.C. #399 Units 4 &	Owner	Ward 18	\$2,226,000.00

	5			
7.	645 Belfast Rd. C.C.C. #399 Units 4 & 5	Tenant	Ward 18	\$74,000.00
8.	645 Belfast Rd. C.C.C. #399 Unit 6	Owner	Ward 18	\$1,030,000.00
9.	645 Belfast Rd. C.C.C. #399 Unit 7	Owner	Ward 18	\$1,797,727.30
10.	645 Belfast Rd. C.C.C. #399 Unit 7	Tenant	Ward 18	\$0.00
11.	645 Belfast Rd. C.C.C. #399 Unit 8	Owner	Ward 18	\$1,016,244.78
12.	645 Belfast Rd. C.C.C. #399 Unit 8	Tenant	Ward 18	\$0.00
13.	645 Belfast Rd. C.C.C. #399 Unit 8	Tenant	Ward 18	\$0.00
14.	645 Belfast Rd. C.C.C. #399 Unit 9	Owner	Ward 18	\$939,264.83
15.	645 Belfast Rd. C.C.C. #399 Unit 9	Tenant	Ward 18	\$70,000.00
16.	645 Belfast Rd. C.C.C. #399 Unit 9	Tenant	Ward 18	\$2,622.12

17.	645 Belfast Rd. C.C.C. #399 Unit 10	Tenant	Ward 18	\$120,000.00
18.	645 Belfast Rd. C.C.C. #399	Other	Ward 18	\$0.00
19.	681 Belfast Rd.	Owner	Ward 18	\$3,110,000.00
20.	725 Belfast Rd.	Owner Legal Fees	Ward 18	\$7,410,000.00 \$67,404.50
21.	725 Belfast Rd	Other	Ward 18	\$232,677.15
22.	725 Belfast Rd	Tenant	Ward 18	\$577,116.41
23.	725 Belfast Rd	Tenant	Ward 18	\$1,420,274.29
24.	725 Belfast Rd	Tenant	Ward 18	\$7,053.29
25.	725 Belfast Rd	Tenant	Ward 18	\$12,418.19
26.	725 Belfast Rd	Tenant	Ward 18	\$0.00
27.	731 Belfast Rd.	Owner	Ward 18	\$6,064,000.00
28.	731 Belfast Rd	Tenant	Ward 18	\$0.00
29.	747 Belfast Rd.	Owner	Ward 18	\$7,786,000.00
30.	747 Belfast Rd.	Tenant	Ward 18	\$0.00
31.	747 Belfast Rd	Tenant	Ward 18	\$0.00
32.	747 Belfast Rd.	Tenant	Ward 18	\$0.00
33.	767 Belfast Rd.	Tenant	Ward 18	\$2,300,000.00
34.	767 Belfast Rd.	Tenant	Ward 18	\$0.00

35.	767 Belfast Rd.	Owner	Ward 18 *full and final on 731, 747 and 767 Belfast	\$11,272,000.00
36.	767 Belfast Rd.	Tenant	Ward 18	\$0.00
37.	156-160 Lyon St.	Tenant	Ward 14	\$0.00
38.	156-160 Lyon St	Owner	Ward 14	\$4,028,969.98
39.	272 Queen St.	Owner	Ward 14	\$6,000,000.00
40.	1 Nicholas St.	Owner	Ward 12	\$51,798.22
41.	145 Besserer St.	Owner	Ward 12	\$106,895.00
42.	133 Booth St.	Owner	Ward 14	\$60,594.80
43.	1970 Ogilvie Rd.	Owner	Ward 11	\$0.00
44.	801 Albert St.	Owner	Ward 14	\$299,781.20
45.	441 Queen St.	Owner	Ward 14	\$144,107.25
46.	99 Stonehurst Ave.	Owner	Ward 15	\$21,400.00
47.	130 Besserer St.	Owner	Ward 12	\$5,000.00
48.	869 Belfast Rd.	Owner	Ward 18	\$46,182.00
49.	1325 Avenue L	Owner	Ward 18	\$233,803.00
50.	925 Belfast Rd.	Owner	Ward 18	\$36,000.00
51.	360 Coventry Rd.	Owner	Ward 13	\$180,362.82
52.	460 Main St.	Owner	Ward 17	\$10,500.00

53.	456 Main St.	Owner	Ward 17	\$28,500.00
54.	452 Main St.	Owner	Ward 17	\$28,500.00
55.	448 Main St.	Owner	Ward 17	\$31,300.00

**Document 3 – Government/Crown Agencies and Corporations/Institutions**

**Notes:**

- (3) “Total Consideration/Compensation\*” reimbursement of reasonable legal and/or appraisal costs may not be reflected in all cases.
- (4) For file management purposes, CREO generally tracks transactions by counterparty and not specifically by property address. Agreements with crown corporations and government department, that could relate to a large number of separate parcels and property interests, often without addressing, are tracked as a single agreement. An example of this would be the memorandum of Understanding with the National Capital Commission.

<b>#</b>	<b>Address</b>	<b>Owner/ Tenant/Other</b>	<b>Ward</b>	<b>Total Consideration/ Compensation*</b>
56.	Belfast Rd.	Owner	Ward 18	\$11,250.00
57.	Transitway	Owner	Ward 11	\$123,750.00
58.	75 Elgin – Scott St	Owner	Wards 14 and 15	\$1,263,114.00
59.	Highway 417 – Transitway	Owner	City Wide	\$1040.00
60.	1301 Riverside Dr.	Owner	Ward 18	\$113,000.00
61.	731 Belfast Rd.	Tenant	Ward 18	\$350,000.00
62.	Riverside Dr.	Owner	Ward 18	\$0.00