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| <p>1. CITY OF OTTAWA PARTICIPATION IN THE NATIONAL CAPITAL COMMISSION'S COMMERCIALLY CONFIDENTIAL NEGOTIATIONS FOR THE REDEVELOPMENT OF LEBRETON FLATS</p> <p>PARTICIPATION DE LA VILLE D'OTTAWA AUX NÉGOCIATIONS COMMERCIALES CONFIDENTIELLES DE LA COMMISSION DE LA CAPITALE NATIONALE CONCERNANT LE RÉAMÉNAGEMENT DES PLAINES LEBRETON</p> |
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COMMITTEE RECOMMENDATIONS

That Council:

- 1. Delegate the authority to the City Manager and the Mayor to participate in the commercially confidential negotiations between the National Capital Commission and the preferred proponent regarding the redevelopment of LeBreton Flats as an interested party, based on the interests and principles outlined in this report, up to and including the development of a recommended Agreement in Principle related to the City of Ottawa's participation in the redevelopment;**
- 2. Delegate the authority to the City Manager and the Mayor to engage in preliminary discussions with the Ottawa Senators regarding the future of the Canadian Tire Centre, as appropriate and as described in this report;**
- 3. Approve that the Finance and Economic Development Committee be the Standing Committee delegated the authority to make recommendations to Council related to the redevelopment of LeBreton Flats for any matters requiring Council approval that cross Standing Committee mandates, as described in this report;**
- 4. Direct the City Manager to provide a report outlining the results of the negotiations and preliminary discussions with the National Capital Commission, the preferred proponent, and the Ottawa Senators prior to the finalization of any agreements, as described in this report.**

RECOMMANDATIONS DU COMITÉ

Que le Conseil :

1. délègue au directeur municipal et au maire le pouvoir de participer aux négociations commerciales confidentielles entre la Commission de la capitale nationale et le promoteur privilégié concernant le réaménagement des plaines LeBreton, en tant que partie intéressée, en fonction des intérêts et des principes énoncés dans le présent rapport, y compris l'établissement d'une entente de principe recommandée concernant la participation de la Ville d'Ottawa au projet de réaménagement;
2. délègue au directeur municipal et au maire le pouvoir d'entreprendre des discussions préliminaires avec les Sénateurs d'Ottawa en ce qui concerne l'avenir du Centre Canadian Tire, au besoin et comme décrit dans le présent rapport;
3. approuve que le Comité des finances et du développement économique soit le Comité permanent disposant du pouvoir délégué de formuler des recommandations au Conseil en ce qui concerne le réaménagement des plaines LeBreton pour toute question nécessitant l'autorisation du Conseil et touchant le mandat du Comité permanent;
4. demande au directeur municipal de fournir un rapport indiquant les résultats des négociations et des discussions préliminaires avec la Commission de la capitale nationale, le promoteur privilégié et les Sénateurs d'Ottawa avant la conclusion de tout accord, comme décrit dans le présent rapport.

DOCUMENTATION/DOCUMENTATION

1. City Manager's report, dated 23 October 2017 (ACS2017-PIE-PS-0135)
Rapport du Directeur municipal, daté le 23 octobre (2017 ACS2017-PIE-PS-0135)

2. Extract of draft Minutes, Finance and Economic Development Committee, 7 November 2017

Extrait de l'ébauche du procès-verbal, Comité des finances et du développement économique, le 7 novembre 2017

**Report to
Rapport au:**

**Finance and Economic Development Committee
Comité des finances et du développement économique
7 November 2017 / 7 novembre 2017**

**and Council
et au Conseil
22 November 2017 / 22 novembre 2017**

**Submitted on October 23, 2017
Soumis le 23 octobre 2017**

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Ward: CITY WIDE / À L'ÉCHELLE DE LA VILLE File Number: ACS2017-PIE-PS-0135

SUBJECT: City Of Ottawa Participation in the National Capital Commission's Commercially Confidential Negotiations for the Redevelopment of Lebreton Flats

OBJET: Participation de la Ville d'Ottawa aux négociations commerciales confidentielles de la Commission de la capitale nationale concernant le réaménagement des plaines LeBreton

REPORT RECOMMENDATIONS

That the Finance and Economic Development Committee recommend that City Council:

- 1. Delegate the authority to the City Manager and the Mayor to participate in the commercially confidential negotiations between the National Capital Commission and the preferred proponent regarding the redevelopment of LeBreton Flats as an interested party, based on the interests and principles outlined in this report, up to and including the development of a recommended Agreement in Principle related to the City of Ottawa's participation in the redevelopment;**
- 2. Delegate the authority to the City Manager and the Mayor to engage in preliminary discussions with the Ottawa Senators regarding to the future of the Canadian Tire Centre, as appropriate and as described in this report;**
- 3. Approve that the Finance and Economic Development Committee be the Standing Committee delegated the authority to make recommendations to Council related to the redevelopment of LeBreton Flats for any matters requiring Council approval that cross Standing Committee mandates, as described in this report;**
- 4. Direct the City Manager to provide a report outlining the results of the negotiations and preliminary discussions with the National Capital Commission, the preferred proponent, and the Ottawa Senators prior to the finalization of any agreements, as described in this report.**

RECOMMANDATIONS DU RAPPORT

Le Comité des finances et du développement économique recommande au Conseil :

- 1. de déléguer au directeur municipal et au maire le pouvoir de participer aux négociations commerciales confidentielles entre la Commission de la capitale nationale et le promoteur privilégié concernant le réaménagement des plaines LeBreton, en tant que partie intéressée, en fonction des intérêts et des principes énoncés dans le présent rapport, y compris l'établissement d'une entente de principe recommandée concernant la participation de la Ville d'Ottawa au projet de réaménagement;**
- 2. de déléguer au directeur municipal et au maire le pouvoir d'entreprendre des discussions préliminaires avec les Sénateurs d'Ottawa en ce qui concerne l'avenir du Centre Canadian Tire, au besoin et comme décrit dans le présent rapport;**
- 3. d'approuver que le Comité des finances et du développement économique soit le Comité permanent disposant du pouvoir délégué de formuler des recommandations au Conseil en ce qui concerne le réaménagement des plaines LeBreton pour toute question nécessitant l'autorisation du Conseil et touchant le mandat du Comité permanent;**
- 4. de demander au directeur municipal de fournir un rapport indiquant les résultats des négociations et des discussions préliminaires avec la Commission de la capitale nationale, le promoteur privilégié et les Sénateurs d'Ottawa avant la conclusion de tout accord, comme décrit dans le présent rapport.**

EXECUTIVE SUMMARY

Assumption and Analysis

LeBreton Flats was once an important industrial hub in Ottawa, home to a vibrant mixed community. In the early 1960's, the National Capital Commission (NCC) acquired the lands and demolished the buildings in the area in order to build a new federal campus immediately west of the downtown. However, the anticipated federal government office complex did not proceed, and the lands remained largely vacant for over forty years.

Beginning in 2001, after nearly four decades of limited activity, the NCC began to develop some of its LeBreton Flats lands. In 2004, the NCC undertook its first competitive procurement process for part of LeBreton Flats, resulting in Claridge Homes being selected to develop Phase 1 of the Flats. The NCC also decontaminated a large portion of the riverfront area of the site to create a site for the Canadian War Museum and LeBreton Flats Park. It built the Canadian Firefighters Memorial and relocated a portion of Wellington Street that linked to what is now the Sir John A. Macdonald Parkway. In 2017, it completed the National Holocaust Monument on the north side of Wellington Street and Pindigen Park on the south side of Wellington, east of Booth Street.

In 2014, the NCC initiated the competitive procurement process to seek a development proponent for the majority of the remaining lands within the NCC's holdings in LeBreton Flats, totalling 21 hectares in area. In April 2016, the RendezVous LeBreton Group (RLG) was selected to be the "preferred proponent" for the redevelopment of the 21-hectare parcel. The RLG proposal includes mixed-use development, a Major Event Centre (i.e. an arena), and a number of public realm anchors such as a Sensplex, an Abilities Centre and a partnership with the Museum of Science and Technology.

Since the selection, NCC has been in commercially confidential negotiations with RLG "with the objective of reaching an agreement on the terms and conditions governing the future redevelopment of LeBreton Flats"¹. Once an agreement between the NCC and their preferred proponent is finalized and approved by the federal government, it is expected that the redevelopment will take place in several phases, likely over several decades.

The City of Ottawa has no direct involvement in the commercially confidential negotiations between the NCC and its preferred proponent. That said, it is an interested party. The City owns the public road rights of way in the area, the heritage aqueduct, and easements for major water and sewer infrastructure. As well, and as noted in the NCC's communications, "[o]nce the federal approval phase is completed, the project will continue through the City of Ottawa's municipal planning process, where citizens will have additional opportunities to engage and provide comments."²

¹ <http://ncc-ccn.gc.ca/our-projects/lebreton-flats/history-of-lebreton-flats>, interactive map: "2016 Future Development"

² <http://ncc-ccn.gc.ca/our-projects/lebreton-flats>

LeBreton Flats has a number of unique geographic features that make it a valuable opportunity for redevelopment in a way that will return the area to former historic importance. It is bounded by the Ottawa River, the Escarpment Area, Cathedral Hill, City Centre and Albert Street, and includes the Booth and Scott Street Bridges. It is near the Parliamentary Precinct, Preston Street, Bayview, and the Chaudières, Victoria and Albert Islands. It will be served by the Bayview light rail station at the intersection of the Confederation and Trillium Lines, the Pimisi light rail station, several multi-use pathways and a new Central Library.

Given this, it is the City of Ottawa's belief that the vision at the core of the redevelopment proposal should be realized in a manner that is also in keeping with the City of Ottawa's vision with respect to what constitutes a liveable, sustainable and vibrant community, while still meeting the goals established by the NCC.

Both the NCC and RLG have recognized the benefit of the City's early involvement in the negotiations with the preferred proponent on the details of their proposal. As noted in the Mayor's letter to Members of Council, dated April 12, 2017 (see Document 1), in 2016, the NCC invited the City of Ottawa to enter "into commercially confidential and exploratory discussions with RLG representatives for the purpose of discussing how the City of Ottawa could participate in the process for the redevelopment of LeBreton Flats".

Achieving a common understanding regarding how the City and the preferred proponent might contribute to the redevelopment of LeBreton Flats will benefit the City and the project as a whole. The early discussions were primarily for the purpose of fact-finding and information sharing. As well, in April, 2017, the Mayor and City Manager met with the owner of the Ottawa Senators and representatives from the National Hockey League for preliminary, fact-finding discussions specifically related to establishing a new arena for the Ottawa Senators in the early phase of the proposed redevelopment.

There is a willingness by the NCC and RLG to recognize the importance of the City of Ottawa as an interested party to their negotiations. Therefore, the Mayor and City Manager are requesting that City Council provide them with a mandate to participate in the NCC's commercially confidential negotiations with the preferred proponent and, if possible, negotiate an Agreement in Principle with respect to the City's role in the project. This report recommends the principles and interests that will govern the City's

participation, on the understanding that any decisions resulting from these negotiations will be brought back to Committee and Council for consideration, public input and approval.

Many of the City of Ottawa's immediate and long-term interests related to the revitalization of LeBreton Flats were articulated by Mayor Watson in his letter to Council on April 12, 2017 (Document 1) as follows. The redevelopment should:

- Support the City's intensification and community building policies;
- Support transit oriented development along the Confederation Line, the Stage 2 LRT extensions and the north-south transit corridor known as the Trillium Line;
- Improve the long-term viability of public transit and bolster transit usage through mixed use development and through the relocation of a significant facility such as the proposed major event centre, to be located at the hub of the City's LRT system;
- Consider opportunities to further strengthen economic and tourism ties between the Cities of Ottawa and Gatineau and improve transit connectivity for residents of both cities;
- Participate in the remediation of a brownfield at LeBreton Flats, in a manner consistent with Council policies;
- Ensure that public areas within the LeBreton Flats area are distinctive but developed in a manner consistent with the City's urban design, accessibility, and land use policies;
- Promote connectivity with the City's mobility systems including pedestrian, cycling, and multi-use pathways consistent with the City's Pedestrian and Cycling Plans;
- Build affordable housing within the downtown core and within easy access to transit and promoting a range and mix of housing types;
- Provide financially sustainable community amenities (e.g., parks and community spaces);
- Create both short-term and long-term jobs for Ottawa residents while fostering the City of Ottawa's long-range economic prosperity;
- Participate in the vision for the redevelopment of one of the most important and historically significant land areas available for development in Ottawa's downtown core;

- Rationalize the area's physical infrastructure to support city building; and,
- Improve access to the historic Ottawa River shoreline for residents.

Given the importance of the City's interests articulated above, and given that both the NCC and its preferred proponent have recognized that the City has a critical role to play in the successful redevelopment of LeBreton Flats, staff is recommending that Council provide the City Manager and the Mayor with a mandate that is designed to be specific enough to provide clear direction with respect to the parameters, while still being broad enough to allow the Mayor and the City Manager the needed flexibility to negotiate within a dynamic environment in which the City is not a partner.

The recommended principles for the City's participation in the confidential negotiations between the NCC and the preferred proponent are as follows:

1. The redevelopment of the site needs to reflect the goals and intent of the City of Ottawa's Official Plan, Transportation and Infrastructure Master Plans, Pedestrian and Cycling Plans, affordable housing targets and any other relevant City-building policies;
2. City taxpayers must be protected as part of any Agreement in Principle;
3. Role clarification must be provided for any public realm components;
4. On-going Federal Government Participation; and
5. Co-ordinating the Build.

In addition, it is anticipated that the negotiations between the NCC and RLG would include the construction of the Major Events Centre (the arena) as part of the first phase of the redevelopment. Any progress made on moving the NHL franchise to a downtown arena would affect those west end communities directly adjacent to the CTC. Both staff and the Mayor believe that any future move should incorporate some consideration of the potential benefits and community impact, and this report recommends that Council provide the Mayor and City Manager the authority to begin those discussions if and when it is appropriate to do so as a consequence of the redevelopment of LeBreton Flats. The Mayor would ensure west-end Councillors are fully informed of progress on this site so they can proactively inform their residents and businesses.

It is expected that negotiations between the NCC and the preferred proponent will take several more months, and continue to be confidential. It is not anticipated that staff will be in a position to bring forward any substantive issues regarding the negotiations or progress on an Agreement in Principle to Council before the beginning of 2019. However, should matters arise in the interim, staff is recommending that these be brought to Council through the Finance and Economic Development Committee, in keeping with past practice related to those large-scale, City-building initiatives that cross several Committee mandates.

Following Council's approval of a mandate with respect to the City's participation in the negotiations between the NCC and the preferred proponent, the City Manager and the Mayor will advise the NCC of Council's mandate and participate in the commercially confidential negotiations as requested.

Once an agreement between the NCC and the preferred proponent is finalized and made public, the City Manager will provide Council with a report outlining the results of the negotiations and preliminary discussions with the NCC, the preferred proponent, and the Ottawa Senators, including any recommended Agreement in Principle, prior to the finalization of any agreements, providing information with respect to any delegated authority that was used, and recommended next steps.

Financial Implications

There are no financial implications related to the negotiations phase. Any agreement-in-principle related to potential financial implications for the City on public realm aspects of the plan (roads, sewers, parks, etc.) or the use of other eligible financial tools would be subject to standard City processes and brought forward to Committee and Council for their consideration as part of a report.

Public Consultation/Input

The NCC undertook a public consultation process as part of its procurement process for the redevelopment of LeBreton Flats. The negotiations between the NCC and its preferred proponent are commercially confidential. Should Council provide the Mayor and the City Manager with a mandate to participate in the negotiations, that participation would also be commercially confidential.

SOMMAIRE

Hypothèses et analyse

Les Plaines LeBreton ont déjà été un important pôle industriel à Ottawa, accueillant un quartier varié et dynamique. Au début des années 1960, la Commission de la capitale nationale (CCN) a acquis les terrains et démoli les bâtiments du secteur afin de construire un nouveau campus fédéral tout juste à l'ouest du centre-ville. Toutefois, le gouvernement fédéral n'a jamais concrétisé son projet de complexe à bureaux, et ces terrains sont demeurés en grande partie vacants pendant plus de quarante ans.

À compter de 2001, après presque quarante ans d'activités limitées, la CCN a commencé à aménager certains terrains des plaines LeBreton. En 2004, la CCN a lancé son premier processus d'approvisionnement concurrentiel pour une partie des plaines LeBreton, et la société Claridge Homes a été choisie pour aménager la Phase 1 des plaines. La CCN a également entrepris des travaux de décontamination d'une grande partie du secteur riverain du site en vue d'y aménager le Musée canadien de la guerre et le parc des Plaines-LeBreton. Elle a construit le Monument aux pompiers canadiens et a déplacé une partie de la rue Wellington qui débouchait sur ce qui est aujourd'hui la promenade Sir-John-A.-Macdonald. En 2017, elle a terminé la construction du Monument national de l'Holocauste du côté nord de la rue Wellington et l'aménagement du parc Pindigen du côté sud de la rue Wellington, à l'est de la rue Booth.

En 2014, la CCN a lancé un processus d'approvisionnement concurrentiel destiné à trouver un promoteur pour l'aménagement de la majorité des autres terres des biens-fonds de la CCN dans les plaines LeBreton, représentant au total 21 hectares. En avril 2016, le Groupe RendezVous LeBreton (RLG) a été choisi comme promoteur privilégié pour le réaménagement du lot de 21 hectares. La proposition de RLG comprend un aménagement polyvalent, un centre d'événements importants (c'est-à-dire, un aréna), et un certain nombre d'attraits du domaine public comme un Sensplex, un Centre d'habiletés et un partenariat avec le Musée des sciences et de la technologie.

Depuis que RLG a été choisi, la CCN a engagé des négociations commerciales confidentielles avec lui « dans le but de conclure un accord portant sur les modalités et

conditions régissant le réaménagement futur des plaines LeBreton »³. Une fois que la CCN et le promoteur privilégié auront conclu un accord et que le gouvernement fédéral l'aura approuvé, on s'attend à ce que le projet de réaménagement se déroule en différentes phases, probablement sur plusieurs décennies.

Bien que la Ville d'Ottawa ne participe pas directement aux négociations commerciales confidentielles entre la CCN et le promoteur privilégié, elle est néanmoins une partie intéressée. La Ville détient les emprises publiques dans le secteur, l'aqueduc patrimonial et des servitudes pour les principales infrastructures d'eau et d'égout. En outre, comme indiqué dans les communications de la CCN : « Une fois l'étape de l'approbation fédérale terminée, le projet se poursuivra dans le cadre du processus de planification municipale de la Ville d'Ottawa. Les citoyens auront alors d'autres occasions de participer et de faire des commentaires. »⁴

Les plaines LeBreton possèdent plusieurs caractéristiques géographiques uniques qui fournissent une excellente occasion de réaménagement d'une façon qui redonnera à ce secteur son ancienne importance historique. Elles sont délimitées par la rivière des Outaouais, la zone de l'Escarpement, la colline de la cathédrale, le centre-ville et la rue Albert, et incluent les ponts des rues Booth et Scott. Elles sont situées près de la Cité parlementaire, de la rue Preston, de Bayview et des îles Chaudière, Victoria et Albert. Elles seront desservies par la station de train léger sur rail Bayview à l'intersection de la Ligne de la Confédération et de la Ligne Trillium, la station de train léger sur rail Pimisi, plusieurs sentiers polyvalents et une nouvelle Bibliothèque centrale.

Pour cette raison, la Ville d'Ottawa croit que la vision au cœur du projet de réaménagement devrait se réaliser de façon à respecter la vision de la Ville d'Ottawa de ce qui constitue une communauté durable et dynamique où il fait bon vivre, tout en respectant les objectifs définis par la CCN.

La CCN et RLG reconnaissent les avantages de la participation précoce de la Ville aux négociations avec le promoteur privilégié quant aux détails de sa proposition. Comme indiqué dans une lettre du maire adressée aux conseillers municipaux, datée du 12 avril 2017 (voir Document 1), en 2016, la CCN a invité la Ville d'Ottawa à engager « des discussions commerciales confidentielles et exploratoires avec les représentants de

³ <http://ccn-ncc.gc.ca/nos-projets/les-plaines-lebreton/history-and-regional-context>, carte interactive : « Aménagement futur en 2016 »

⁴ <http://ccn-ncc.gc.ca/nos-projets/les-plaines-lebreton>

RLG afin de discuter de la façon dont la Ville d'Ottawa pourrait participer au processus de réaménagement des plaines LeBreton. »

Le fait de parvenir à un consensus sur la façon dont la Ville et le promoteur privilégié peuvent contribuer au projet de réaménagement des plaines LeBreton profitera à la Ville et au projet dans son ensemble. Les discussions préliminaires visaient essentiellement à établir des faits et à échanger des informations. Par ailleurs, en avril 2017, le maire et le directeur municipal ont rencontré le propriétaire des Sénateurs d'Ottawa ainsi que des représentants de la Ligue nationale de hockey dans le cadre de discussions d'information préliminaires expressément liées à l'aménagement d'un nouvel aréna pour les Sénateurs d'Ottawa dans la phase initiale du projet de réaménagement.

La CCN et RLG tiennent à reconnaître l'importance de la Ville d'Ottawa en tant que partie intéressée à leurs négociations. Le maire et le directeur municipal ont donc demandé au Conseil municipal de leur octroyer un mandat de participer aux négociations commerciales confidentielles de la CCN avec le promoteur privilégié et, dans la mesure du possible, de négocier une entente de principe concernant le rôle de la Ville dans le projet. Le présent rapport recommande les principes et les intérêts qui régiront la participation de la Ville, étant entendu que toute décision issue desdites négociations sera présentée au Comité et au Conseil aux fins d'examen, de commentaires du public et d'approbation.

Dans une lettre adressée au Conseil le 12 avril 2017 (Document 1), le maire énonce bon nombre des intérêts immédiats et à long terme de la Ville d'Ottawa concernant le projet de réaménagement des plaines LeBreton comme suit. Le projet de réaménagement devrait :

- appuyer les politiques de densification et de renforcement communautaire de la Ville;
- appuyer un aménagement axé sur le transport en commun le long de la Ligne de la Confédération, des prolongements de l'Étape 2 du train léger sur rail (TLR) et du couloir de transport en commun nord-sud appelé Ligne Trillium;
- améliorer la viabilité à long terme et renforcer l'utilisation du transport en commun grâce à des aménagements polyvalents et au repositionnement d'une

installation d'envergure comme le centre d'événements importants proposé, qui doit être situé au cœur du réseau de train léger de la Ville;

- examiner des occasions de consolider les liens économiques et touristiques entre Ottawa et Gatineau et d'améliorer le réseau de transport en commun pour les résidents des deux villes;
- participer à la remise en état des friches industrielles sur les plaines LeBreton, conformément aux politiques du Conseil;
- s'assurer que les espaces publics dans le secteur des plaines LeBreton soient de caractère distinctif, tout en étant aménagés d'une manière conforme aux politiques de conception urbaine, d'accessibilité et d'utilisation des terrains de la Ville;
- promouvoir la connectivité avec les réseaux de transport de la Ville, y compris les sentiers piétonniers, cyclables et polyvalents, conformément au Plan de la circulation piétonnière et au Plan sur le cyclisme de la Ville;
- construire des logements abordables au centre-ville et à proximité des services de transport en commun et promouvoir l'offre d'une gamme complète et diversifiée de logements;
- fournir des installations collectives financièrement viables (p. ex. parcs et espaces communautaires);
- créer des emplois à court et à long terme pour les résidents d'Ottawa, tout en favorisant la prospérité économique à long terme de la ville;
- participer à la vision relative au réaménagement de l'un des terrains les plus importants et les plus significatifs sur le plan historique qui sont encore disponibles pour l'aménagement au cœur du centre-ville d'Ottawa;
- rationaliser l'infrastructure matérielle du secteur pour appuyer les efforts d'urbanisme de la Ville;
- améliorer l'accès aux rives de l'historique rivière des Outaouais pour les résidents.

Compte tenu de l'importance des intérêts de la Ville susmentionnés et étant donné que la CCN et le promoteur privilégié reconnaissent le rôle fondamental que la Ville doit jouer dans la réussite du projet de réaménagement des plaines LeBreton, le personnel recommande au Conseil de conférer au maire et au directeur municipal un mandat qui soit conçu de manière assez précis pour fournir des instructions claires relativement aux paramètres, tout en étant assez large pour donner au maire et au directeur municipal la latitude nécessaire pour négocier dans un cadre dynamique dans lequel la Ville n'est pas partenaire.

Voici les principes recommandés pour la participation de la Ville aux négociations commerciales confidentielles engagées entre la CCN et le promoteur privilégié :

1. le réaménagement du site doit refléter les buts et objectifs du Plan officiel de la Ville d'Ottawa, du Plan directeur des transports, du Plan directeur des infrastructures, du Plan sur le cyclisme, du Plan de la circulation piétonnière, des cibles en matière de logement abordable et de toute autre politique de développement de la ville pertinente;
2. toute entente de principe conclue doit viser à protéger les contribuables de la Ville;
3. les rôles doivent être précisés pour tout élément relevant du domaine public;
4. la participation continue du gouvernement fédéral;
5. la coordination des travaux de construction.

En outre, on prévoit que les négociations entre la CCN et RLG comprendront la construction du centre d'événements importants (l'aréna) dans le cadre de la première phase du projet de réaménagement. Toute avancée visant le déménagement de la franchise de la LNH dans un aréna du centre-ville risque de toucher les communautés de l'extrémité ouest directement adjacentes au CCT. Le personnel et le maire estiment que tout déménagement futur devrait inclure une étude sur les avantages éventuels et les répercussions sur la communauté; le présent rapport recommande d'ailleurs au Conseil de conférer au maire et au directeur municipal le mandat d'engager ces discussions le cas échéant, et si c'est approprié, à la suite du réaménagement des plaines LeBreton. Le maire veillerait à ce que les conseillers municipaux du secteur

ouest soient pleinement au courant de l'avancement du projet sur cet emplacement afin d'informer les résidents et les commerçants concernés de manière proactive.

On prévoit que les négociations entre la CCN et le promoteur privilégié prendront encore plusieurs mois et resteront confidentielles. Le personnel ne pourra probablement pas présenter au Conseil de questions de fond visant les négociations ou l'état d'avancement d'une entente de principe avant le début de 2019. Cependant, si des questions devaient être soulevées dans l'intervalle, le personnel recommande de les présenter au Conseil par l'entremise du Comité des finances et du développement économique, conformément aux pratiques exemplaires antérieures concernant les initiatives d'aménagement de grande échelle qui relèvent des mandats de plusieurs comités.

Dès que le Conseil aura approuvé le mandat visant la participation de la Ville aux négociations entre la CCN et le promoteur privilégié, le maire et le directeur municipal aviseront la CCN du mandat octroyé par le Conseil et participeront aux négociations commerciales confidentielles comme demandé.

Dès que la CCN et le promoteur privilégié auront conclu une entente et l'auront rendue publique, le directeur municipal remettra au Conseil un rapport soulignant les résultats des négociations et des discussions préliminaires avec la CCN, le promoteur privilégié et les Sénateurs d'Ottawa, y compris toute entente de principe recommandée avant la conclusion de tout accord, fournissant des renseignements sur tout pouvoir délégué et indiquant les prochaines étapes recommandées.

Répercussions financières

Aucune répercussion financière n'est associée à l'étape de négociations. Toute entente de principe relative à d'éventuels engagements de la Ville dans des volets du plan liés au domaine public (routes, égouts, parcs, etc.) ou toute utilisation d'autres outils financiers admissibles ferait l'objet de la procédure standard de la Ville et serait soumise à l'examen du Comité et du Conseil par voie d'un rapport.

Consultation publique et commentaires

La CCN a entrepris une consultation publique dans le cadre de son processus d'approvisionnement visant le réaménagement des plaines LeBreton. Les négociations engagées entre la CCN et le promoteur privilégié comprennent des renseignements

commerciaux confidentiels. Advenant que le Conseil donne au maire et au directeur municipal le mandat de prendre part aux négociations, cette participation sera également de nature commerciale confidentielle.

BACKGROUND

LeBreton Flats and the National Capital Commission

LeBreton Flats is a significant tract of largely undeveloped land acquired by the NCC in the 1960s in order to build a new federal campus immediately west of the downtown. The Flats were once an important industrial hub in Ottawa, home to a vibrant mixed community, but most of the lands have remained vacant since the 1960s, when the anticipated federal government office complex did not proceed.

LeBreton Flats has a number of unique geographic features that make it a valuable opportunity for redevelopment. It is bounded by the Ottawa River, the Escarpment Area, Cathedral Hill, City Centre and Albert Street, and includes the Booth and Scott Street Bridges. It is near the Parliamentary Precinct, Preston Street, Bayview, and the Chaudières, Victoria and Albert Islands. It will be served by the Bayview light rail station at the intersection of the Confederation and Trillium Lines, the Pimisi light rail station, several multi-use pathways and a new Central Library.

Beginning in 2001, after nearly four decades of limited activity, the NCC began to develop some of its LeBreton Flats lands. The NCC's Core Area Sector Plan was updated in 2005 and serves to inform the NCC's priorities for the broader core of the National Capital Region. Two Character Areas in this Plan relate to LeBreton. LeBreton Flats North is identified as a key National Interest Land Mass (NILM) waterfront site intended for capital stage, parkland and cultural and institutional uses of national significance. LeBreton Flats South is intended to support a well-designed, complete community built with transit oriented development principles and incorporating sustainable buildings and neighbourhood design features.

In 2004, the NCC undertook its first competitive procurement process for part of LeBreton Flats. The result of that process selected Claridge Homes to develop Phase 1 of the Flats, in the area located on the east side of Booth Street, north of the aqueduct. To date, Claridge has constructed two mid-rise condominium buildings and townhouses, and is in the early stages of preparing its planning applications for a mixed use

development of approximately 1,600 additional residential units and 22,000m² of new commercial space for the balance of Phase 1.

The NCC also decontaminated a large portion of the riverfront area of the site to create a site for the Canadian War Museum and LeBreton Flats Park. It built the Canadian Firefighters Memorial and relocated a portion of Wellington Street that linked to what is now the Sir John A. Macdonald Parkway. In 2017, it completed the National Holocaust Monument on the north side of Wellington Street and Pindigen Park on the south side of Wellington, east of Booth Street.

In 2014, the NCC initiated the competitive procurement process to seek a development proponent for the majority of the remaining lands within the NCC's holdings in LeBreton Flats, totalling 21 hectares in area. In April 2016, the RendezVous LeBreton Group (RLG) was selected to be the "preferred proponent" for the redevelopment of the 21 hectare parcel and, since that time, the NCC has been in commercially confidential negotiations with RLG "with the objective of reaching an agreement on the terms and conditions governing the future redevelopment of LeBreton Flats"⁵.

The RLG proposal includes mixed-use development, a Major Event Centre (i.e. an arena), and a number of public realm anchors such as a Sensplex, an Abilities Centre and a partnership with the Museum of Science and Technology.

Once an agreement between the NCC and RLG is finalized and approved by the federal government, it is expected that the redevelopment will take place in several phases, in all likelihood over the next 20 years or so. It should be noted that this is still a negotiation process. Should negotiations not be successful, the NCC Board "can enter into negotiations with the second-highest ranked proponent."⁶

The City of Ottawa's Role in the Redevelopment of LeBreton Flats

While the City of Ottawa has no direct involvement in the negotiations between the NCC and its preferred proponent, it is an interested party. The City owns the public road rights of way in the area, the heritage aqueduct, and easements for major water and sewer infrastructure. As well, and as noted in the NCC's communications, "[o]nce the

⁵ <http://ncc-ccn.gc.ca/our-projects/lebreton-flats/history-of-lebreton-flats>, interactive map: "2016 Future Development"

⁶ <http://ncc-ccn.gc.ca/posts/negotiations-to-begin-with-rendezvous-lebreton-group>

federal approval phase is completed, the project will continue through the City of Ottawa's municipal planning process, where citizens will have additional opportunities to engage and provide comments."⁷

LeBreton Flats, as noted earlier, is a part of Ottawa with a rich history and unique geography. The vision that is at the core of the redevelopment proposal should be realized in a manner that is in keeping with the City of Ottawa's vision of what constitutes a liveable, sustainable and vibrant community as well as meeting the goals established by the NCC.

The foundation for the City of Ottawa's current vision for LeBreton Flats was established through a joint planning process involving the NCC, the Regional Municipality of Ottawa-Carleton (RMOC) and the City of Ottawa. The process began in 1989. The LeBreton Flats Master Land Agreement was signed by the three parties in 1996. This Agreement set out the conveyances, easements and other measures needed to consolidate all developable lands under the NCC's ownership, protect all existing municipal infrastructure, and assemble land for the municipal Transitway. The agreement also outlined a process whereby the NCC would apply for amendments to the municipal Official Plans based on the concept plan. In 1997, the official plan amendments were adopted by the City of Ottawa and RMOC, and approved by the Ontario Municipal Board in June of 1999.

In 2001 the NCC applied for modifications to the former RMOC Official Plan and the former City of Ottawa LeBreton Flats Secondary Plan to reflect the intention to develop LeBreton Flats as a mixed use community. They also adjusted various Official Plan designation boundaries, building heights and future study requirements. These Official Plan changes took effect in 2004, and are reflected in the City of Ottawa's current Official Plan.

Since 2004, the City of Ottawa has undertaken a number of new initiatives that will inform and have an impact on any redevelopment of LeBreton Flats. These include investments in light rail transit, including two stations that are located in LeBreton Flats, the Ottawa River Action Plan, urban design guidelines, pedestrian and cycling connectivity, intensification, increased affordable housing targets, accessibility,

⁷ <http://ncc-ccn.gc.ca/our-projects/lebreton-flats>

brownfields remediation, strengthening the ties between the Cities of Ottawa and Gatineau, providing community amenities and fostering the region's economic prosperity.

Both the NCC and RLG have recognized the benefit of the City's early involvement in the negotiations with the preferred proponent on the details of their proposal. As noted in the Mayor's letter to Members of Council, dated April 12, 2017 (see Document 1), in 2016, the NCC invited the City of Ottawa to enter "into commercially confidential and exploratory discussions with RLG representatives for the purpose of discussing how the City of Ottawa could participate in the process for the redevelopment of LeBreton Flats."

Achieving a common understanding regarding how both the City and the preferred proponent might contribute to the redevelopment of LeBreton Flats would benefit the City and the project as a whole. The early discussions were primarily for the purpose of fact-finding, consisting of constructive conversations about the City's brownfields remediation program, the potential to designate some municipal capital facilities, potential development incentives and potential municipal support for some of the public realm components of the proposal.

In April, 2017, the Mayor and City Manager met with the owner of the Ottawa Senators and representatives from the National Hockey League for preliminary, fact-finding discussions specifically related to establishing a new arena for the Senators in the early phase of the proposed redevelopment of LeBreton Flats.

Given the progress to date on the negotiations between the NCC and its preferred proponent, and the willingness of all parties to recognize the importance of the City of Ottawa as an interested party to those negotiations and to the revitalization of this important part of the downtown, the Mayor and City Manager are requesting that City Council provide them with a mandate to participate in these commercially confidential negotiations and, if possible, negotiate an Agreement in Principle with respect to the City's role in this part of the redevelopment of LeBreton Flats. This report recommends the principles and goals that will govern the City's participation, on the understanding that any decisions resulting from these negotiations will be brought back to Committee and Council for consideration, public input and approval.

In addition, any progress made on moving the NHL franchise to a downtown arena would affect those west end communities directly adjacent to the Canadian Tire Centre (CTC). Both staff and the Mayor believes that any future move should incorporate some consideration of the potential benefits and community impact, and this report recommends that Council provide the Mayor and City Manager the authority to begin those discussions if and when it is appropriate to do so as a consequence of the redevelopment of LeBreton Flats. The Mayor would ensure west-end Councillors are fully informed of progress on this site so they can proactively inform their residents and businesses.

Staff believe that negotiations between the NCC and the preferred proponent will take several more months, and continue to be confidential. It is not anticipated that staff will be in a position to bring forward any substantive issues regarding the negotiations or progress on an Agreement in Principle to Council before the beginning of 2019. However, should matters arise in the interim, staff is recommending that these be brought to Council through the Finance and Economic Development Committee, in keeping with past practice related to those large-scale, City-building initiatives that cross several Committee mandates.

DISCUSSION

As noted above, the NCC's competitive process to redevelop 21 hectares of prime NCC land on LeBreton Flats began in 2014. It concluded in April 2016 with the selection of RendezVous LeBreton Group (RLG) as the preferred proponent for the redevelopment.

The RLG's proposal, titled "IllumiNATION"⁸, incorporates five distinct multi-use development districts, with multiple north-south connections and a cover for the LRT, three public anchor uses (a Major Event Centre/Arena, an Abilities Centre and a Sensplex), the inclusion of affordable housing, a commitment to LEED Gold for buildings over 250 square metres, and to become the "second One Planet Living Community in Canada".⁹

⁸ http://s3.amazonaws.com/ncc-ccn/documents/additional_handout_rlg_final_eng.pdf?mtime=20170420135432

⁹ http://s3.amazonaws.com/ncc-ccn/documents/fs_-_rendezvous_eval_highlights_-_en.pdf?mtime=20170504153244

Following the selection process, the NCC entered into commercially confidential negotiations with RLG as the preferred proponent. Matters being negotiated include “fair market value of development lands, remediation, phasing, public realm ownership, pathway connectivity and stakeholder engagement, among other topics”.¹⁰

If these negotiations lead to a final agreement, the agreement will be brought to the federal government for approval.

The City of Ottawa is not a partner to the negotiations between the NCC and its preferred proponent, but it is and will continue to be a major government participant in the redevelopment of LeBreton Flats.

In addition to the City being the authority for planning approvals for all development in the area, the City has a number of programs, services and financial tools that could be used to facilitate the redevelopment goals of both the NCC and its preferred proponent.

More importantly, the City of Ottawa has its own immediate and long-term interests related to the revitalization of LeBreton Flats. Some of these were articulated by Mayor Watson in his letter to Council on April 12, 2017 (see Document 1) as follows:

- Support the City’s intensification and community building policies;
- Support transit oriented development along the Confederation Line, the Stage 2 LRT extensions and the north-south transit corridor known as the Trillium Line;
- Improve the long-term viability of public transit and bolster transit usage through mixed use development and through the relocation of a significant facility such as the proposed major event centre, to be located at the hub of the City’s LRT system;
- Consider opportunities to further strengthen economic and tourism ties between the Cities of Ottawa and Gatineau and improve transit connectivity for residents of both cities;

¹⁰ <http://ncc-ccn.gc.ca/posts/negotiations-to-begin-with-rendezvous-lebreton-group>

- Participate in the remediation of a brownfield at LeBreton Flats, in a manner consistent with Council policies;
- Ensure that public areas within the LeBreton Flats area are distinctive but developed in a manner consistent with the City's urban design, accessibility, and land use policies;
- Promote connectivity with the City's mobility systems including pedestrian, cycling, and multi-use pathways consistent with the City's Pedestrian and Cycling Plans;
- Build affordable housing within the downtown core and within easy access to transit and promoting a range and mix of housing types;
- Provide financially sustainable community amenities (e.g., parks and community spaces);
- Create both short-term and long-term jobs for Ottawa residents while fostering the City of Ottawa's long-range economic prosperity;
- Participate in the vision for the redevelopment of one of the most important and historically significant land areas available for development in Ottawa's downtown core;
- Rationalize the area's physical infrastructure to support city building; and,
- Improve access to the historic Ottawa River shoreline for residents.

Given the importance of the City's interests, and given that both the NCC and RLG have recognized that the City has a critical role to play in the successful redevelopment of LeBreton Flats, staff is recommending that Council provide the City Manager and the Mayor with a mandate to participate in the commercially confidential negotiations between the NCC and RLG in order to protect and promote the City's interests, and with the goal of reaching an Agreement in Principle that will articulate the City's role in the future redevelopment for consideration by the Finance and Economic Development Committee and Council following the successful conclusion of the NCC's negotiation process.

Because the City is not a direct party to the negotiation process, the mandate the City is seeking is designed to be specific enough to provide clear direction with respect to the parameters of the City's participation, while still being broad enough to allow the Mayor and the City Manager the needed flexibility to negotiate within a dynamic environment where the City is not a partner.

The recommended principles for the City's participation in the confidential negotiations between the NCC and its preferred proponent are as follows:

Principle 1: The redevelopment of the site needs to reflect the goals and intent of the City of Ottawa's Official Plan, Transportation and Infrastructure Master Plans, Pedestrian and Cycling Plans, affordable housing targets and any other relevant City-building policies

The redevelopment of this historically significant and geographically unique area provides an important opportunity for the realization of a number of Council's planning, transportation, affordable housing and community sustainability goals.

Once negotiations are completed with the NCC, it is anticipated that the proponent would begin the application process for a variety of planning approvals from the City, corresponding to each phase of development. It is expected that an amendment to the LeBreton Flats Secondary Plan would be before Council early on in the process, which would set the master plan for the area, with each phase coming forward for rezoning and land division. Public consultation would take place as part of each phase. In the normal course of events, the proponent would be responsible for any construction of new infrastructure, parks and public spaces, and their mixed use development, in accordance with City standards.

Given the work successive Councils have completed to date on its overarching master plans, including transit-oriented development, urban design, multi-modal transportation, mixed-use communities and urban forest guidelines, staff believes it is important that the City is able to set out the City's expectations, as much as possible, to both the NCC and the preferred proponent, during the negotiating phase.

In addition, the City will seek to specifically clarify how access to the Ottawa River will be improved for the public, and how the redevelopment will turn LeBreton Flats into a national destination.

Principle 2: City taxpayers must be protected as part of any Agreement in Principle.

The City has a limited number of financial tools available to it to encourage development, including the brownfields redevelopment program, development charge exemptions and special area levies.

It is reasonable to assume that the preferred proponent could be looking to access some or all of the available municipal tools for the redevelopment plan.

With respect to the brownfields remediation program, it should be noted that the City does not believe that City taxpayers should take on the federal government's liability for the clean up of the contaminated LeBreton Flats lands. Given the historic decision of the federal government to acquire and demolish the LeBreton Flats community in the early 1960's, it is the City's position that the federal government should be solely responsible for remediating its property prior to development.

Should the proponent wish to use the City's borrowing authority to secure a better interest rate for any eligible components of its redevelopment, the City would need to ensure that the payback plan would be fully secured and funded through a number of mechanisms, including ticket surcharges.

The City would also ensure that it is understood that the incremental costs of providing enhanced transit service to the Major Event Centre would be borne by the users of the Centre.

Should the preferred proponent propose to access any municipal financing mechanism, staff would undertake the necessary due diligence to ensure the City and its taxpayers are protected, and the results of the due diligence would be provided to Council for consideration if any recommendation is brought forward as part of the Agreement in Principle or any other application. It is further understood that any obligation or potential liability that the City might agree to take on would need to be secured by assets or a mechanism to recover the costs from the benefiting area.

Principle 3: Role clarification must be provided for any public realm components

The public realms components that the NCC and its preferred proponent envision as part of this phase of redevelopment may presume municipal involvement. It is in the City's interest to have those roles articulated and clarified. The City needs to

understand how the public realm improvements will be delivered, and by whom. The City would also seek to clarify the future role of the federal government in the public realm components, as further described below.

Principle 4: On-going Federal Government Participation

As noted in Document 1, co-operation and collaboration among the City of Ottawa, the federal and provincial governments and the private sector have resulted in transformational development across this region – from light-rail transit to the clean-up of the Ottawa River to major investments in transportation infrastructure.

Given the proximity of this LeBreton Flats development to the parliamentary precinct, the Canadian War Museum, the Canadian Firefighters Memorial, the National Holocaust Monument north and Pindigen Park, it is reasonable to expect that the federal government will retain an on-going interest and involvement in the redevelopment of this site. The City will be seeking to have the nature of the federal government's on-going participation in the redevelopment as a whole articulated, in addition to their role in the public realm uses.

Principle 5: Co-ordinating the Build

The redevelopment of this phase of LeBreton Flats is expected to result in major infrastructure investments on the part of the developer. It is anticipated that the City will also be making major investments in this area over a similar timeframe (for example, the Albert and Slater street reconstruction, the Ottawa Central Library Project, etc.). As with any infrastructure project, the City will seek to ensure that potential works are co-ordinated, and constructed as cost-effectively as possible, with the least inconvenience to residents and commuters.

The Canadian Tire Centre

It is anticipated that the negotiations between the NCC and RLG would include the construction of the Major Events Centre (the arena) as part of the first phase of the redevelopment. The Ottawa Senators' organization has expressed a desire to have the downtown arena built and in operations in 2021. Should this occur, questions will inevitably turn to plans for the current arena, the CTC, located in the Kanata/Stittsville area of the City.

Staff anticipates that preliminary discussions regarding the future of the current CTC building and lands may take place as part of the negotiations related to the downtown arena. Staff are, therefore, seeking a mandate to participate in any such discussions, to ensure that any options being discussed provide specific reference to the impact on the west end communities. Given that RLG and the Ottawa Senators are distinct private sector entities, such discussions would likely be separate from the negotiations between the NCC and RLG, and be very high level. Staff anticipate that these discussions might include a number of options for the site, but would not address any specifics.

It is not expected that discussions about the CTC would begin in earnest until such time as federal approval for the negotiated agreement between the NCC and RLG is provided. Once that approval is obtained, staff would provide a report to the Finance and Economic Development Committee and Council with recommendations for next steps for negotiations with the Ottawa Senators related to the move of the arena downtown and the future of the CTC lands in the west end. The Mayor would ensure west-end Councillors are fully informed of progress on this site so they can proactively inform their residents and businesses.

Role of the Finance and Economic Development Committee

As noted in the Background section of this report, it is expected that the commercially confidential negotiations between the NCC and the preferred proponent will take several more months. It is not anticipated that staff will be in a position to bring forward any substantive issues regarding the negotiations or progress on an Agreement in Principle to Council before the beginning of 2019.

However, should matters related to the negotiations or the Agreement in Principle arise in the interim, staff is recommending that these be brought to Council through the Finance and Economic Development Committee. This is in keeping with past Council practices for major issues that cross several Standing Committee mandates. Once an agreement is reached, it is expected that subsequent components would be brought forward through the Standing Committee with the mandate (for example, applications to the brownfields program would be brought through the Finance and Economic Development Committee, planning matters would go through Planning Committee, transit-specific matters related to the Major Event Centre would go through the Transit Commission, etc.).

Next Steps

Following Council's approval of a mandate with respect to the City's participation in the negotiations between the NCC and the preferred proponent, the City Manager and the Mayor will advise the NCC of Council's mandate.

As noted, this phase of the negotiations is confidential. The City Manager and the Mayor will be supported by City staff, including the City Clerk and Solicitor and the City Treasurer, with respect to any aspect of the negotiations relating to the City of Ottawa, including the development of an Agreement in Principle.

Once an agreement between the NCC and its preferred proponent is finalized and made public, the City Manager will provide Council with a report outlining the results of the negotiations and preliminary discussions with the NCC, the preferred proponent, and the Ottawa Senators, including any recommended Agreement in Principle, prior to the finalization of any agreements, providing information with respect to any delegated authority that was used, and recommended next steps.

RURAL IMPLICATIONS

There are no rural implications associated with this report.

CONSULTATION

This report relates to a procurement process led by the NCC. The NCC conducted a public consultation exercise as part of its process, and the results are posted on their website. The negotiations between the NCC and its preferred proponent are commercially confidential. Should Council provide the Mayor and the City Manager with a mandate to participate in the negotiations, that participation would also be commercially confidential.

COMMENTS BY THE WARD COUNCILLORS

This is a City-wide report – not applicable.

LEGAL IMPLICATIONS

There are no legal implications related to the negotiations phase. Any legal implications that might result from the negotiations would be brought forward to Committee and Council for their consideration as part of a report.

RISK MANAGEMENT IMPLICATIONS

There are no risk management implications associated with this report.

FINANCIAL IMPLICATIONS

There are no financial implications related to the negotiations phase. Any agreement-in-principle related to potential financial implications for the City on public realm aspects of the plan (roads, sewers, parks, etc.) or the use of other eligible financial tools would be subject to standard City processes and brought forward to Committee and Council for their consideration as part of a report.

ACCESSIBILITY IMPACTS

There are no accessibility impacts associated with the report's recommendations.

TERM OF COUNCIL PRIORITIES

This application is related to the 2015-2018 Term of Council Priorities:

EP2 – Support growth of local economy

HC2 – Revitalize recreation services

SUPPORTING DOCUMENTATION

Document 1 April 12, 2017 Letter from Mayor Watson to Members of Council (*Held on file with the City Clerk*)

DISPOSITION

Following Council's approval of a mandate with respect to the City's participation in the negotiations between the NCC and the preferred proponent, the City Manager and the Mayor will advise the NCC of Council's mandate.