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April 12, 2017

Dear Council Colleague,

I am writing to inform Members of Council of discussions that occurred between May and October of 2016 between the City of Ottawa and the RendezVous LeBreton Group (RLG) and to outline recommended next steps.

I have asked staff to prepare a report for consideration by the Finance and Economic Development Committee and Council over the course of the coming months. The report will outline Council's vision and mandate for future negotiations and confirm delegated authority to enter into discussions moving forward on this tremendous City-building opportunity.

I will be asking Committee and Council to give a formal mandate to the City Manager and myself to negotiate on behalf of the City of Ottawa. I look forward to hearing feedback from Members of Council and from public delegations on the scope of this mandate and to determine how the City should move forward to support the redevelopment of LeBreton Flats.

Specifically, the report will recommend the broad principles that will guide and frame the City's participation in discussions with the Government of Canada and its agencies, the Province of Ontario, RLG and other potential partners on this project.

I have asked that staff outline possible long-term benefits for residents in the context of the 30 to 50 year planning horizon. The report will identify what long-term city-building benefits the City should seek to secure from the redevelopment, including knitting the site back into the city fabric, a more viable transit system, an increase in environmental sustainability and a more prosperous and vibrant core. I have also asked that the report clearly outline how the City of Ottawa, the Province of Ontario, the Government of Canada and the private sector could contribute through programs and other funding mechanisms.

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## **Participation to Date**

At the NCC's request, the City of Ottawa entered 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 LeBreton Flats redevelopment. Discussions were initiated at the request of the National Capital Commission (NCC) and as a result of the process that the NCC initiated for the redevelopment of LeBreton Flats.

Specifically, senior staff of the City of Ottawa – led by our City Manager, Steve Kanellakos – met with representatives of RLG for the purpose of fact finding and exploring how both the City and RLG might consider contributing to the redevelopment vision proposed by RLG.

The parties held constructive discussions on how the City's program for brownfield remediation could potentially be used to help reinstate the contaminated federal lands at LeBreton for the enjoyment of future generations of Ottawa residents and Canadians. The parties also explored the potential for designating various components of the development as municipal capital facilities, the potential for providing development incentives that would allow for better community connectivity and the City's potential assistance in the various public realm elements of the proposal.

The City's exploratory discussions with RLG, which were conducted under the NCC's commercially confidential procurement framework, were concluded in 2016.

On November 24<sup>th</sup>, 2016, the NCC designated RLG as the "preferred proponent" for the redevelopment of LeBreton Flats.

## **Current Status**

I have recently been advised that the NCC intends to intensify their level of engagement with RLG over the course of the coming year and that negotiations on the redevelopment of LeBreton have resumed in light of RLG's designation as the preferred proponent.

It is my view that the City of Ottawa has a number of ongoing and long-term interests in the area, including but not limited to the opportunities that exist to:

- 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.

In light of the NCC's recent decision to formally name RLG as the preferred proponent, and due to the significant long-term interest of this project for Ottawa residents, I will be seeking a mandate from Committee and Council to allow the City of Ottawa to enter into negotiations with RLG, the NCC and other levels of government with a view to drafting an agreement in principle on the redevelopment of LeBreton Flats.

The agreement in principle will address major issues such as:

- How the public realm improvements will be delivered, and who has ongoing responsibility for operations and maintenance;
- How the arena will be financed and delivered (initial capital investment, lifecycle and ongoing operational responsibilities);
- How the remediation of the site will be accomplished and how this remediation will be financed; and
- Emphasizing the importance of mixed housing including a significant affordable housing component.

The agreement in principle will provide an understanding amongst all parties on major issues, which will then permit this project to follow the City's required development review process (i.e., secondary plan amendments, zoning, site plan approval, land division, etc.). Through the City's planning approval process all other on-going and long-term interests raised in this memorandum will be addressed and be subject to further consultation, due diligence and public reporting.

Through the negotiations on the agreement in principle, the City will also seek to clarify how the Government of Canada intends to participate in, and contribute to, the remediation of LeBreton and the improvements to the public sphere. Specifically, the City will seek to clarify how the redevelopment will improve access to the historic Ottawa River and turn LeBreton into a national destination.

As part of the report, I am also very mindful of the potential economic loss to Stittsville, Kanata and the West End of our City should the Canadian Tire Centre be relocated. I will work with the Ottawa Senators organization, West end councillors, businesses and residents to ensure that appropriate options are being developed to help make up for the loss of the arena.

In recent years, the unprecedented level of collaboration between the City of Ottawa, the Province of Ontario, the Government of Canada and the private sector has led to ground-breaking developments in the City of Ottawa that are now serving as transformational investments for the future. These include our shared investment in the Confederation Line, Stage 2 LRT, the North-South Trillium Line and the Ottawa River Action Plan. These initiatives clearly demonstrate the new spirit of collaboration that is moving the National Capital Region forward, and that can inspire our city-building efforts to sustainably redevelop the historic LeBreton Flats area.

As Mayor of the City of Ottawa, I believe that it is important to secure a strong mandate from Council on the principles that will drive the City's involvement in future negotiations. An agreement in principle will provide a clear overview of each party's proposed contribution to the redevelopment of LeBreton and will outline specific areas of responsibility.

Should you wish to discuss the upcoming report to Council, or if you would like to provide additional feedback please contact my office directly.

A handwritten signature in black ink, appearing to read 'Jim Watson', with a horizontal line underneath.

Jim Watson  
Mayor  
City of Ottawa