

7. **DECLARATION OF SURPLUS AND SALE OF PARTS OF OAK STREET, CHAMPAGNE AVENUE AND LAUREL STREET (ALSO KNOWN AS PART OF 933 GLADSTONE AVENUE/1010 SOMERSET STREET WEST), TO OTTAWA COMMUNITY HOUSING CORPORATION**  
**DÉCLARATION COMME EXCÉDENTAIRE ET VENTE DE PARTIES DE LA RUE OAK, DE L'AVENUE CHAMPAGNE ET DE LA RUE LAUREL (ÉGALEMENT CONNUES COMME PARTIES DU 933, AVENUE GLADSTONE/1010, RUE SOMERSET OUEST) À LA SOCIÉTÉ DE LOGEMENT COMMUNAUTAIRE D'OTTAWA**

### **COMMITTEE RECOMMENDATIONS**

**That Council:**

- 1. Declare surplus the properties known as part of Oak Street, Champagne Avenue and Laurel Street, Parts 4, 5, 6, 9 and 22 on Registered Plan 4R-31143, being all of PINS 04107-0031, 04107-0033 and 04107-0005, closed by By-law and shown as Parcels 1, 2 and 3 on Document 1, attached (also known as part of 933 Gladstone), containing a total area of 4,117 square metres, subject to final survey; and**
- 2. Waive Section 1.2 of the Disposal of Real Property Policy pertaining to the disposal of real property at current market value and approve the sale of the identified properties, subject to an easement in favour of the City for the existing Booth Street Sanitary Trunk Sewer and the Nepean Bay Storm Sewer-way parcels, subject to final survey and subject to any covenants that may be required, to the Ottawa Community Housing Corporation (OCHC) for a sum of \$1.00, pursuant to an Agreement of Purchase and Sale.**

### **RECOMMANDATIONS DU COMITÉ**

**Que le Conseil :**

- 1. Déclare excédentaires les propriétés connues comme constituant des parties de la rue Oak, de l'avenue Champagne et de la rue Laurel,**

**Parts 4, 5, 6, 9 et 22, plan enregistré 4R-31143, dont la description officielle est la totalité des NIP 04107-0031, 04107-0033 et 04107-0005, fermées par effet de règlement municipal et illustrées comme constituant les parcelles 1, 2 et 3 dans le document 1 ci-joint (également connues comme constituant une partie du 933, Gladstone), totalisant une superficie de 4,117 mètres carrés, sous réserve d'un levé définitif; et**

- 2. Renonce aux dispositions du paragraphe 1.2 de la Politique sur l'aliénation des biens immobiliers prévoyant la vente d'un bien-fonds à la valeur marchande et approuver la vente desdites propriétés, sous réserve d'une servitude à la faveur de la Ville visant le grand collecteur de la rue Booth et des parties de l'égout pluvial de la baie de Nepean, sous réserve d'un levé définitif et de tout engagement requis, à la Société de logement communautaire d'Ottawa (SLCO), pour un montant de 1,00 \$, conformément à une convention d'achat et de vente.**

#### DOCUMENTATION/DOCUMENTATION

1. Director's report, Corporate Real Estate Office, Planning, Infrastructure and Economic Development, 19 February 2020 (ACS2020-PIE-CRO-0006).

Rapport du Directeur, Bureau des biens immobiliers municipal, Services de la planification, de l'infrastructure et du développement économique, daté le 19 février 2020 (ACS2020-PIE-CRO-0006).

**Report to  
Rapport au:**

**Finance and Economic Development Committee  
Comité des finances et du développement économique  
9 March 2020 / 9 mars 2020**

**and Council / et au Conseil  
25 March 2020 / 25 mars 2020**

**Submitted on February 19, 2020  
Soumis le 19 février 2020**

**Submitted by**

**Soumis par:**

**Derrick Moodie**

**Director / Directeur**

**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:**

**Robin Souchen, Manager, Realty Services Branch / Gestionnaire, Direction des  
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**Ward: SOMERSET (14)**

**File Number: ACS2020-PIE-CRO-0006**

**SUBJECT: Declaration of surplus and sale of parts of Oak Street, Champagne  
Avenue and Laurel Street (Also known as part of 933 Gladstone  
Avenue/1010 Somerset Street West), to Ottawa Community Housing  
Corporation**

**OBJET: Déclaration comme excédentaire et vente de parties de la rue Oak, de  
l'avenue Champagne et de la rue Laurel (également connues comme  
parties du 933, avenue Gladstone/1010, rue Somerset Ouest) à la  
Société de logement communautaire d'Ottawa**

## **REPORT RECOMMENDATIONS**

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

- 1. Declare surplus the properties known as part of Oak Street, Champagne Avenue and Laurel Street, Parts 4, 5, 6, 9 and 22 on Registered Plan 4R-31143, being all of PINS 04107-0031, 04107-0033 and 04107-0005, closed by By-law and shown as Parcels 1, 2 and 3 on Document 1, attached (also known as part of 933 Gladstone), containing a total area of 4,117 square metres, subject to final survey.**
- 2. Waive Section 1.2 of the Disposal of Real Property Policy pertaining to the disposal of real property at current market value and approve the sale of the identified properties, subject to an easement in favour of the City for the existing Booth Street Sanitary Trunk Sewer and the Nepean Bay Storm Sewer-way parcels, subject to final survey and subject to any covenants that may be required, to the Ottawa Community Housing Corporation (OCHC) for a sum of \$1.00, pursuant to an Agreement of Purchase and Sale.**

## **RECOMMANDATIONS DU RAPPORT**

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

- 1. Déclarer excédentaires les propriétés connues comme constituant des parties de la rue Oak, de l'avenue Champagne et de la rue Laurel, Parts 4, 5, 6, 9 et 22, plan enregistré 4R-31143, dont la description officielle est la totalité des NIP 04107-0031, 04107-0033 et 04107-0005, fermées par effet de règlement municipal et illustrées comme constituant les parcelles 1, 2 et 3 dans le document 1 ci-joint (également connues comme constituant une partie du 933, Gladstone), totalisant une superficie de 4,117 mètres carrés, sous réserve d'un levé définitif.**
- 2. Renoncer aux dispositions du paragraphe 1.2 de la Politique sur l'aliénation des biens immobiliers prévoyant la vente d'un bien-fonds à la valeur marchande et approuver la vente desdites propriétés, sous réserve d'une servitude à la faveur de la Ville visant le grand collecteur de la rue Booth et des parties de l'égout pluvial de la baie de Nepean, sous réserve**

**d'un levé définitif et de tout engagement requis, à la Société de logement communautaire d'Ottawa (SLCO), pour un montant de 1,00 \$, conformément à une convention d'achat et de vente.**

## **BACKGROUND**

In 2015, Public Service Procurement Canada (PSPC) began a process of rationalizing realty assets and identifying properties in the National Capital Region for disposal. The Corporate Real Estate Office (CREO) was circulated as part of the federal disposal process for the land holdings of Plouffe Park Campus, municipally known as 933 Gladstone Avenue and 1010 Somerset Street West. These properties represent a large land holding in the center of the area covered by the Gladstone Station Area Secondary Plan.

Only the property at 933 Gladstone Avenue was declared surplus representing a rare opportunity for the City to acquire land as part of a land banking exercise. At that time, the City did not have an identified budget to acquire the lands. In an effort to ensure 933 Gladstone was available for municipal uses, the City facilitated the sale of the property to Ottawa Community Housing Corporation (OCHC) in May 2017 for \$7M from the Canada Lands Corporation (CLC). This acquisition by OCHC was in alignment with their mandate to acquire lands for affordable housing.

The planning and development of the OCHC property at 933 Gladstone has been impacted by a number of factors:

- OCHC initiated a development strategy however the implementation is delayed pending the approval of the Gladstone Secondary Plan which sets the zoning regulations and design guidelines for the area;
- The OCHC plan is influenced by the City's temporary requirement for 6,286 square metres (1.55 acres) along the Gladstone Street frontage for a staging area for Gladstone Station. The station construction is expected to be completed in Q3 2022. OCHC has assisted the City and provided the staging area for the duration of construction for a nominal amount; and
- The 2.92-hectare (7.23 acre) site is in two parcels being bisected by closed City road allowances. The road allowances are 0.4117 hectare (1.017 acre). This configuration has prevented OCHC from cost effectively obtaining a Record of Site Condition and proceeding with a comprehensive site plan for the parcels under their ownership.

The transfer of the City closed road allowances, and their assembly with abutting OCHC lands, will create one contiguous parcel of 3.33 hectares (8.22 acres). The transfer will regularize the property configuration and facilitate OCHC development efforts to create affordable housing.

## **DISCUSSION**

The City properties, that are part of 933 Gladstone Avenue, are legally described as Champagne Avenue (Closed); Oak Street (Closed); and Laurel Street (Closed), being 04107-0035, 04107-0033 and 04107-0031, and total 4,117 square metres. The size and shape of each parcel renders them non viable (refer to Document 1). The non viability of the parcels enables the sale of the properties to an abutting property owner without exposure to the market as per Section 2.4 of the Disposal of Real Property Policy. OCHC is one of the abutting landowners. The remaining abutting landowners were notified

Staff performed a disposal circulation in 2019 and although no departments indicated a need for the properties, the circulation identified the need for easements as there are municipal services that run through the site. There is also the possibility that the municipal service lines may be relocated depending on the outcome of OCHC's final development concept plan. In addition, Housing Branch indicated the need to place standard covenants on title to ensure municipal objectives are attained pertaining to the delivery of affordable housing. These covenants are to be finalized by the Director, Corporate Real Estate Office, including the following:

1. That easements be retained prior to the sale of the closed roads for the existing storm and sanitary sewers, as requested by the City's Infrastructure Services.
2. That OCHC consolidate the three parcels with their 2.92-hectare site within a set reasonable period of time and build affordable housing units within 10 years of the parcel transfer, failing either OCHC will owe the City Fair Market Value equivalent to the 2019 appraised value for the parcel;
3. An appropriate restriction on title and agreement with OCHC that ensures the property will not be used for a purpose other than housing for low to moderate income households combined with ancillary and other uses to create a broader "community".

The consolidation of a 3.33-hectare site will provide a better opportunity for OCHC to meet its corporate targets to provide affordable housing in the neighbourhood. The

property is zoned MC F(1.5) – Mixed-Use Centre Zone which accommodates a combination of transit-supportive uses such as offices, secondary and post secondary schools, hotels, hospitals, large institutional buildings, community recreation and leisure centres, day care centres, retail uses, entertainment uses, service uses such as restaurants and personal service businesses, and high- and medium-density residential uses. Notwithstanding the requirement for a zoning amendment, the assembly will be able to accommodate significant units of affordable housing together with a mix of other uses to create a broader “community”. OCHC has been developing the concept of the “Gladstone Village” including on the City lands.

Following OCHC’s acquisition of 933 Gladstone Avenue, CREO engaged with PSPC in a strategy to acquire, under direct municipal ownership, the federal holdings north of OCHC parcel, known municipally as 1010 Somerset Street West. This 2.6-hectare (6.42 acre) property abuts the southwestern boundary of the Plant Recreation Facility and the northern boundary of the OCHC lands. The site has not been declared surplus and remains in use by PSPC. It is anticipated that by 2023 this property, also bisected by closed City road allowances, will be vacated and declared surplus to federal needs. The City is working with its internal stakeholders to purchase the lands.

Should the City be successful in acquiring 1010 Somerset, OCHC has committed to work with the City of Ottawa to design a coordinated development concept plan. The assembly of 933 Gladstone Avenue and 1010 Somerset Street West under OCHC and City ownership will create synergies in community design, infrastructure construction and help achieve the development objectives contained in the Official Plan and upcoming Secondary Plan. It will provide an opportunity to enhance OCHC’s affordable housing opportunities, facilitate a complete community and Official Plan Intensification and Transit Oriented Development objectives at transit stations. It will also provide an opportunity for the City to examine its broader corporate needs for land to improve service delivery.

The implementation of the Gladstone Village concept across both 933 Gladstone and 1010 Somerset will require the City and OCHC to partner in community design and infrastructure construction. The sale of the closed road allowance is considered the first step in this process. Staff are recommending that Section 1.2 of the City’s Disposal of Real Property Policy be waived in order to directly transfer the three (3) non-viable properties, Champagne Avenue (Closed); Oak Street (Closed); and Laurel Street (Closed), at less than market value to OCHC, for the sum of \$1, subject to conditions noted above.

## **RURAL IMPLICATIONS**

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

## **ASSET MANAGEMENT IMPLICATIONS**

The recommendations documented in this report are consistent with the City's [Comprehensive Asset Management \(CAM\) Program](#) objectives by recognizing that the asset is no longer needed and proactively finding a solution to remove it from the City's inventory and thereby reducing costs to the City now and in the future.

## **CONSULTATION**

In accordance with policies approved by City Council on 26 February 2018, the proposed sale of the properties to OCHC was circulated to all City Departments, including the Ward Councillor to determine if there were any objections.

There were no objections or concerns expressed by the Ward Councillor or any City department at the time of the circulation, except for comments from Infrastructure Services requesting that easements be retained prior to the sale of the closed roads for the existing storm and sanitary sewers. No requirement for easement protection was requested by any of the utility companies circulated.

The Ward Councillor has also been consulted with respect to this report and her comments are indicated under the Comments from Ward Councillor section below.

## **COMMENTS BY THE WARD COUNCILLOR**

Councillor McKenney has been consulted with respect to this report and concurs with the recommendations.

## **LEGAL IMPLICATIONS**

There are no legal impediments to the implementation of the report recommendations.

## **RISK MANAGEMENT IMPLICATIONS**

Similar development sites to 933 Gladstone are transacting in the range of \$9M per hectare. The three properties have an estimated contributory value of approximately \$2.9M. The City is transferring the properties for nominal consideration and is managing risk through the placement of covenants on title to ensure affordable housing. In the event the City and OCHC enter into a partnership to develop a combined 933 Gladstone



and 1010 Somerset, the Fair Market Value of the three properties shall be credited for other lands or buildings in the Gladstone Village under ownership of OCHC.

### **FINANCIAL IMPLICATIONS**

There are no financial Implications as the portion of 933 Gladstone Avenue is a non-viable land and is being conveyed for \$1.00.

### **ACCESSIBILITY IMPACTS**

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

### **ENVIRONMENTAL IMPLICATIONS**

Phase One and Two Environmental Site Assessments were completed in 2016 and 2017 for the property located at 933 Gladstone Ave including the closed road allowances owned by the City of Ottawa. The Phase Two ESA did not identify any impacts on the site associated with the areas of potential concern identified in the Phase One ESA and soil and groundwater samples met the applicable site condition standards with the exception of naturally elevated metals in the native clay. The transfer of the three closed road allowances will allow OCHC to obtain a Record of Site Condition for the consolidated parcel of land which is legislatively required by the Ontario Ministry of Environment, Conservation and Parks for the redevelopment to residential use.

### **ACCESSIBILITY IMPLICATIONS**

There are no accessibility implications associated with the recommendations in this report.

### **TERM OF COUNCIL PRIORITIES**

Transferring the closed road allowances to OCHC aligns with key priorities adopted by Council. Specifically;

Service Excellence

The transfer can facilitate OCHC's development plan of the area which will provide affordable housing near a future rail station. An internal City review also established a list of service delivery areas that could be enhanced capitalizing on the location and size of the Gladstone Village site.

Healthy Caring Communities

The end goal of the transfers to OCHC is to create a critical mass with the other lands to the north (1010 Somerset Street West). It will enable the development of a complete community with a mix of affordable and market housing together with a mix commercial uses and government services and programs. The Gladstone Village concept has the potential to be a community hub.

## **SUPPORTING DOCUMENTATION**

Document 1 Location Map

## **DISPOSITION**

Legal Services will work with Corporate Real Estate Office to affect the transfer to OCHC and ensure the Property is developed as contemplated in this report.

## **CONCLUSION**

Staff supports the sale of the closed roads to OCHC.

Document 1 – Location Map

