

Report to/Rapport au :

**Finance and Economic Development Committee
Comité des finances et du développement économique**

and Council / et au Conseil

**September 25, 2012
25 septembre 2012**

Submitted by/Soumis par : Nancy Schepers, Deputy City Manager / Directrice municipale adjointe, Planning and Infrastructure / Urbanisme et infrastructure

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CITY WIDE / À L'ÉCHELLE DE LA VILLE

Ref N°: ACS2012-PAI-INF-0010

SUBJECT: LANSDOWNE PARTNERSHIP PLAN - AUTHORIZATION TO PROCEED WITH LEGAL CLOSE AND IMPLEMENTATION

OBJET : PLAN DE PARTENARIAT DU PARC LANSDOWNE – AUTORISATION DE PROCÉDER À L'OFFICIALISATION JURIDIQUE ET À LA MISE EN ŒUVRE

REPORT RECOMMENDATIONS

That the Finance and Economic Development Committee recommend Council:

- 1. Approve that By-laws 2005-439 and 2004-239, being by-laws regulating permanent and temporary signs on private property, be amended so as to establish Lansdowne as a special signage zone where the implementation of signage, including the review and approval for purposes of issuing sign permits, will be in accordance with the policies, directions, and regulations set out in the Lansdowne Signage and Way-finding Plan approved by Council on June 27, 2012, as revised by this report, and that the required by-laws setting out the details of the amendments be brought forward for enactment by Council prior to the end of 2012.**
- 2. Approve the Heritage Easement Agreement between the City of Ottawa and the Ontario Heritage Trust as outlined in Document 1 to this report and authorize the City Manager to execute the Agreement on behalf of the City.**
- 3. Approve an increase of \$12 Million in capital authority and the funding sources as outlined in this report.**

4. Receive the final report on the satisfaction of all of the conditions precedent to close the Lansdowne Partnership Plan Project Agreement as outlined in Document 4 to this report, as amended by the recommendations above.
5. Approve the legal close of the Lansdowne Partnership Plan in order to move to the construction stage of the redevelopment of Lansdowne Park and approve that the City Manager be delegated the authority to carry out the intent of the foregoing approvals including, but not limited to, the execution and delivery of such other agreements, documents, instruments, acts and things as are required or deemed necessary or desirable to give full effect to the terms of this report and the transactions contemplated herein.

RECOMMANDATIONS DU RAPPORT

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

1. d'approuver que les règlements 2005-439 et 2004-239, lesquels régissent les enseignes permanentes et provisoires sur une propriété privée, soient modifiés de manière à établir Lansdowne comme une zone spéciale de signalisation où la mise en œuvre de la signalisation, y compris la revue et l'approbation aux fins de délivrer des permis d'enseigne, sera conforme aux politiques, aux directives et aux règlements présentés dans le Plan de signalisation et d'orientation du parc Lansdowne approuvé par le Conseil le 27 juin 2012, révisé par le présent rapport, et que les règlements nécessaires visant les détails des amendements soient renvoyés au Conseil pour mise en œuvre avant la fin de 2012.
2. d'approuver l'entente de servitude du patrimoine entre la Ville d'Ottawa et la Fiducie du patrimoine de l'Ontario conformément au document 1 du présent rapport, et qu'il délègue l'autorité au directeur municipal d'exécuter l'entente au nom de la Ville.
3. d'approuver une augmentation de 12 millions de dollars des dépenses en immobilisations et des sources de financement comme il est exposé dans le présent rapport.
4. de recevoir le rapport final sur la satisfaction de toutes les conditions préliminaires à la clôture du projet du Plan de partenariat du parc Lansdowne conformément au document 2 du présent rapport, tel que modifié par les recommandations ci-dessous.
5. d'approuver l'officialisation juridique du Plan de partenariat du parc Lansdowne afin de passer à l'étape de la construction du réaménagement du parc Lansdowne, et d'approuver que soit délégué au directeur municipal le pouvoir de donner suite aux approbations précitées, y

compris le pouvoir de signer et d'exécuter les autres ententes, documents, instruments, actes et mesures requis ou jugés nécessaires ou souhaitables pour donner pleinement effet au présent rapport et aux transactions qui y sont envisagées.

EXECUTIVE SUMMARY

In June of 2010, the City Manager committed to report back to Council on the final Lansdowne Partnership Plan (LPP) Project Agreements upon their completion. The final LPP Project Agreements needed for the legal close of the LPP have been completed and were filed with the Office of the City Clerk and Solicitor on September 25, 2012. With this filing, all of the material business and legal terms between the City of Ottawa and the Ottawa Sports and Entertainment Group (OSEG) needed for the legal close have been documented in final form for the information of Council.

Approval of the recommendations contained in this report will complete the site plan, legal requirements and other work necessary within Stage 2 of the implementation of the LPP, enabling legal close of the LPP Project Agreement and the commencement of construction.

The purpose of this report is to provide the status of the matters related to proceeding with legal close of the LPP, these include: the status of the remaining site plan conditions, an overview of the construction schedule and associated spending, the status of Council motions and directions regarding the LPP and the completion of due diligence and related conditions of closing by both the City and OSEG prior to close of the LPP.

The report and its recommendations have been structured into the following four sections to provide information for Council consideration in the sequence necessary to facilitate a final decision regarding proceeding with legal close of the LPP.

Section 1: Site Plan Development, Process and Approvals

Section 2: Construction Schedule and Associated Spending

Section 3: Council Motions and Directions

Section 4: Due Diligence and Conditions of Closing of the LPP Project Agreement

Section 1: Site Plan Development, Process and Approvals

As outlined in the February 2012 *Lansdowne Partnership Plan Implementation Status Update* report (Ref N^o: ACS2012-CMR-REP-0004) there were three specific conditions that remained to be addressed to enable the Stage 2 site plan approval for Lansdowne. These conditions were as follows:

1. Council approval of the Urban Park Programming Plan and the Public Art and Heritage Interpretive Implementation Plan. Council approved the *Lansdowne Urban Park, Aberdeen Pavilion and Horticulture Building Programming Plan* report on February 22, 2012 (Ref N^o: ACS2012-COS-PRC-0004). The *Lansdowne – Heritage*

and *Algonquin Interpretation and Public Art Implementation Plan* report (Ref N^o: ACS2012-PAI-PGM-0154) was approved by Council on July 11, 2012.

2. Planning Committee approval of the Signage and Way-finding Plan. Council approved this plan on June 27, 2012 (Ref N^o: ACS2012-PAI-PGM-0155).
3. Finalizing the necessary Ontario Heritage Trust (OHT) approvals under the existing Heritage Easement Agreement. Subject to Council approval of Recommendation 2, which authorizes the City to enter into a new Heritage Easement Agreement (Document 1 to this report) with the OHT, all required OHT approvals are in place. The agreement as drafted provides for an enhanced protection of the heritage resources at Lansdowne and the new and enhanced view corridors that will be established for these resources.

The Stage 2 site plan approval provides for the development of the following, through the permit and tender document stage: the final architectural plans, the public realm detailing and implementation of the sustainability and accessibility directions established by the Stage 2 approval. The Stage 2 approval also included the obligation of establishing and maintaining a Transportation Demand Management (TDM) program. All conditions where additional detailed work was required and that were subject to LDRP approval are now complete and approved, with the exception of modifications to the J-Block canopies.

Section 2: Construction Schedule and Associated Spending

While the start date for the construction works covered under the LPP has been delayed, the completion schedule for the Lansdowne Park redevelopment continues to adhere to the original timelines as presented to City Council in February 2012.

The remaining key activities and milestones of the design development and construction phase of the LPP project will see the stadium completed in the summer of 2014 and the remainder of the redevelopment fully complete by the summer of 2015.

Associated Spending

The issuance of the tenders for the stadium, parking garage and remaining site works at Lansdowne occurred in July 2012, in keeping with the Council approved project schedule outlined in the August 14, 2011, *Lansdowne Partnership Plan Implementation Status Update* report (Ref N^o: ACS2011-CMR-REP-0027). The tender was reviewed by the City's Chief Procurement Officer to confirm that it was in conformance with the City's Purchasing By-law and was subsequently issued to three pre-qualified general contractors. PPI Consulting Limited was appointed as the Fairness Commissioner to oversee the procurement and to ensure the process was fair, open and transparent. Pomerleau Inc. was the successful proponent and extensive negotiations were undertaken to refine and validate their cost estimates.

The negotiations with Pomerleau Inc. resulted in the conditional award of a Fixed Price contract for the stadium and a Guaranteed Maximum Price contract with conditions for

the parking garage. The City's total capital cost to complete the stadium and parking garage is \$167.4 M, which includes site servicing, costs associated with the residential and office air rights, site management and all remaining soft costs. This represents an increase of \$12 M over the previously approved capital authority of \$155.4 M, which includes \$129.3 M for the stadium and parking garage and \$26.1 M associated with the residential and office air rights. It is estimated that the utility costs throughout the duration of the construction will be \$1.6 M. The existing operating budgets for Lansdowne and Public Works provide for \$1.3 M in anticipated utility costs over the projected construction period. The incremental utility costs are included in the requested capital authority for the Pomerleau Inc. contracts.

The breakdown of the increased capital costs is as follows:

- \$3.3 M for the stadium;
- \$5.6 M for the parking garage; and,
- \$3.1 M for site servicing for the office and residential and public realm.

Stadium and Arena

To ensure a fixed price of \$74.9 M for the stadium, three key changes were identified during the value engineering review. These include modifications to: the north roof design, to the veil surrounding the south side stands and to the stadium entrance canopies over J-Block. Cannon Design and the LDRP were engaged and endorsed the design changes, with the exception of the J-Block canopies.

North Roof Design

The north roof design has been modified to include the removal of 14 metres of the north stands' roof and box beams from the southern edge of the roof. This modification addresses snowload issues and enhances the symmetry between the north and south side stands.

South Side Stands Veil

Value engineering identified opportunities to improve both the constructability and maintenance of the veil structure.

J-Block Canopies

Reductions are proposed to the size of the entrance canopy for the north entrances to the stadium. The reduced canopy would still provide coverage for the entire upper stadium entrance landing.

Parking Garage

The parking garage at Lansdowne Park will contain 1,370 parking spaces, of which the City will be paying for 640. It will primarily be a one-level, below grade facility of approximately 450,000 square feet (sq. ft.). A conditional Guaranteed Maximum Price

contract of \$61 M for the garage has been agreed to by Pomerleau. The City's portion of this is \$43 M. Once the design is completed in accordance with all necessary codes and specific programming requirements of Lansdowne Park and its components, the agreement will be converted to a fixed price contract with appropriated risks being carried by the General Contractor.

The Project Agreement specifies that OSEG will assume the risk for any costs in excess of the Guaranteed Maximum Price. In the situation where there are savings realized from the construction of the stadium, these funds may be allocated to the parking garage. However, if this is not the case and there are additional costs associated with the parking garage above the Guaranteed Maximum Price, OSEG is required to fund these increased costs. The additional funding required to be covered by OSEG will be recognized as Additional Equity for OSEG for the purposes of payments made within the closed financial system.

Urban Park

The recent costing analysis of the Phillips Farevaag Smallemberg (PFS) urban park design, which has been completed to approximately 60 per cent, confirms that the design is proceeding within the capital budget as approved by Council.

Consolidated Capital Costs

The schedule presented in June 2010 anticipated the commencement of construction of the LPP in April 2011. The litigation launched by the Friends of Lansdowne Inc. and the Lansdowne Conservancy and the implementation of rigorous design specifications approved by the LDRP and Council has resulted in an 18 month delay in the construction start date and a corresponding inflationary pressure of \$8.2 M¹. Based on the work of the professional budget estimators engaged by the City and OSEG, it was expected that this pressure could be managed through the tender and value engineering processes as reported in the February 2012 status update. However, the results of the tender and subsequent value engineering process have not yielded the extent of anticipated savings, and a \$12 M capital requirement, a 5.8 per cent increase to the related existing Council approved capital authority is required.

¹ Assuming an average construction price index of 3.5 per cent over this period.

If the recommendations in this report are adopted the revised capital plan will be as follows:

Capital Program October 2012					
	Debt (\$M)	Reserves, Development Charges (\$M)	Revenues (\$M)	Total (\$M)	Estimated Yearly Debt Servicing (\$M)
Stadium	116.4	9.5	7.4	133.3	6.077
Housing First			2.8	2.8	-
Urban Park	26.4	13.6	2.5	42.5	1.378
Trade Show Facility	8.5			8.5	0.548 ²
Residential	3.7		19.1	22.8	0.193
Office Building	4.1		4.7	8.8	0.214
TOTAL	159.1	23.1	36.5	218.7	8.410

The debt servicing required is \$8.41 M per year which is \$1.9 M per year less than originally forecast. As Finance continually reviews projects to find opportunities to reduce the amount of debt that is to be issued, if any funds are identified that can be applied to this project they will be put before Council as part of the annual Capital Close and Adjustment report.

The debt servicing is forecast to be funded from existing accounts for Lansdowne operations and contributions to capital, revenues received from the partnership deal and notionally from a portion of the taxes raised from the increased assessment on the site.

The debt is forecast to be issued in mid 2013, therefore debt servicing will commence in 2014. The operating accounts for Lansdowne will still be required in 2014 to fund the cost of hydro and the relocation of the Ottawa 67's, therefore the 2014 one-time contingency account will be recommended to bridge this expense until 2015 when the operating funds will be available. The additional assessment from the redevelopment of the park should be added to the tax roll in 2014. The increased debt servicing will be accommodated within the overall 2014 tax increase of no more than 2.5 per cent already established by Council.

In addition, in 2014 there will be a requirement for \$2 M in operating costs for the urban park. Council has already endorsed the addition of these costs within the strategic priorities funding envelopes approved for each year within the term of Council.

Section 3: Council Motions and Directions

A comprehensive status on all Council motions and directions to staff was provided as part of the *Site Plan Control – Integrated Site Plan – Lansdowne Partnership Plan (File No. D07-12-10-0220)* report (Ref N^o: ACS2010-ICS-PGM-0209) in November 2010 and

² This is the actual cost as the debt was issued in 2011.

the status of remaining motions and directions to staff has formed part of all subsequent LPP status reports. This report provides the status of those motions and directions related to the potential establishment of a Municipal Services Corporation (MSC), the Ottawa Farmers' Market (OFM) and the Request for Proposals (RFP) process for a parking facility at 170 Second Avenue.

Municipal Services Corporation (MSC)

While there are important oversight functions for the City for the LPP post-construction, these can be carried out more efficiently and cost-effectively through existing City staff. The management of the agreements can be undertaken by staff and do not warrant the time, effort and expense associated with the establishment of an MSC to effectively discharge them. Council's direction that the City be responsible for the urban park has resulted in a significant reduction in the range of activities that a MSC would be involved in on a day-to-day basis; therefore, staff is recommending that Council not proceed with the establishment of an MSC.

Ottawa Farmers' Market (OFM)

Significant progress has been made in the negotiations with the OFM Board to further develop and refine the requirements set out in the Memorandum of Understanding (MOU) received by Council in November 2010. In April 2012, agreement was reached on the final design, infrastructure requirements and associated costs for the Farmers' Market in Aberdeen Square. After months of planning the OFM had a successful launch on May 6, 2012, at Brewer Park, which will serve as its temporary location until it returns to Lansdowne Park.

The long-term occupancy agreement has not been finalized due to the fact that it needs to include the governance structure and reporting relationships for Lansdowne. The OFM Board and City staff both recognize that this can only be completed once Council has made a determination with respect to the establishment, or not, of an MSC for Lansdowne. Additionally, further negotiations are required regarding potential OFM indoor space requirements during the winter months. The long-term occupancy agreement will be finalized and presented to Council for consideration and approval prior to the commissioning of the Lansdowne redevelopment.

Request for Proposals (RFP) for a Parking Facility at 170 Second Avenue

In March 2011, the General Manager, Public Works initiated a Local Area Parking Study, which is required prior to proceeding with an RFP. In addition, the City contracted the IBI Group to undertake a feasibility analysis of the potential to build additional parking at 170 Second Avenue. It is anticipated that a report will be presented to Transportation Committee in November 2012, regarding the current assessment of the 170 Second Avenue parking facility.

On May 23, 2012, Council received the *Parking Operations, Maintenance and Development Branch 2012 Business Plan* (Ref N°: ACS2012-COS-PWS-0008), which

included the Ten Year Capital Forecast for Public Works and forecast that there are sufficient funds in the Parking Cash-in-lieu Fund to cover the estimated \$4 M cost of a new structured parking facility at 170 Second Avenue.

Council approved the *Capital Adjustments and Closing of Projects – City Tax and Rate Supported* report (Ref N^o: ACS2012-CMR-FIN-0029) in July 2012 to authorize the transfer of \$3.46 M from the Parking Cash-in-lieu Fund to the parking component of the Lansdowne revitalization project. Since that time, several Councillors and Business Improvement Areas (BIA) have expressed concern over this transfer and have requested the reinstatement of the \$3.46 M to the Parking Cash-in-lieu Fund. Recognizing that this transfer is not required to enable the LPP to proceed, staff is recommending that the Finance and Economic Development Committee advance a motion recommending that Council waive the rules and reconsider the July 2012 approval to transfer the \$3.46 M to Lansdowne and reinstate this amount in the Cash-in-lieu Parking Fund.

Section 4: Due Diligence and Conditions of Closing of the LPP Project Agreement

The Project Agreement Framework was approved in June 2010 as part of the *Lansdowne Partnership Plan and Implementation* report (Ref N^o: ACS2010-CMR-REP-0034). The Project Agreement is the primary agreement between the City and the OSEG. It sets out the financial and other fundamental elements of the relationship between the parties in respect to the project and provides a framework for the development specific agreements, including the stadium and retail leases.

Document 1 of the *Lansdowne Partnership Plan Implementation - Final Report on Legal Agreements* (Ref N^o: ACS2012-CMR-LEG-0002) provides a comprehensive overview of the Project Agreement. The Project Agreement contemplates the completion of various due diligence and related obligations to be completed by both the City and OSEG prior to closing of the LPP. There are three categories of conditions precedent to closing:

1. City of Ottawa Conditions Precedent to Closing;
2. OSEG Conditions Precedent to Closing; and,
3. Mutual Conditions Precedent to Closing.

All conditions precedent have been satisfied and all deliveries related to these conditions will be provided on or about the close date. The status of the conditions precedent to closing is detailed in the body of this report.

Recognizing the importance of the pro-forma, the table below summarizes the net cash flow for each of the components in the closed financial system and the changes to those variables between February 2012 and September 2012.

Net Cashflow (in \$ millions)				
	September 2012	February 2012	Change (\$)	Change (%)
Stadium and Arena	(12.3)	(12.6)	0.3	3%
Naming Rights	49.1	15.7	33.3	212%
CFL	43.7	39.5	4.2	11%
OHL	7.5	10.8	(3.3)	-31%
Parking	37.1	31.7	5.4	17%
Retail*	189.3	222.5	(33.2)	-15%
Total	314.4	307.6	6.8	2%
*Retail Revenue includes the financing activities, expense and debt servicing.				

The changes to the pro forma above are often the result of one or more factors that could affect multiple components in the LPP. As a result, it is not possible to attribute a single cause for each particular change. However, *PricewaterhouseCoopers* have reviewed the factors that have had the most significant impact on the financial projections and have summarized these in their September 24, 2012, *Lansdowne Partnership Plan Financial Update* report (Document 3 to this report).

In summary, if these conditions precedent are not fulfilled, the Project Agreement may be terminated by the party in whose favour the condition was inserted without having to pay damages or costs to the other party. However, the parties remain obligated for payments under the first and second cost sharing agreements.

Subject to Council approval, the Project Agreement will be entered into by the City, OSEG and OSEG members at legal close of the LPP, which is scheduled to occur on or about October 12, 2012.

SOMMAIRE

En juin 2010, le directeur général de la Ville s'est engagé à faire rapport au Conseil sur les ententes relatives au projet du Plan de partenariat du parc Lansdowne (PPL) une fois celles-ci finalisées. Les ententes relatives au projet nécessaires à l'officialisation juridique du PPL ont été finalisées et déposées au bureau du greffier municipal et chef du contentieux le 25 septembre 2012. Avec le dépôt de cette entente, toutes les clauses d'affaires et juridiques substantielles entre la Ville et l'OSEG nécessaires à l'officialisation juridique ont été documentées dans leur forme finale à titre d'information pour le Conseil.

L'approbation des recommandations contenues dans le présent rapport viendra compléter le plan du site, les exigences juridiques et les autres travaux nécessaires à la mise en œuvre de la phase 2, permettant l'officialisation juridique du projet du PPL et le début des travaux.

L'objectif du présent rapport est de faire le point sur les questions relatives à l'officialisation juridique du PPL, à savoir : les conditions restant à satisfaire relativement au plan du site, une vue d'ensemble de l'échéancier de construction et des dépenses connexes, les motions et les directives du Conseil concernant le PPL et la réalisation de la diligence raisonnable et des conditions de clôture à la fois de la part de la Ville et de l'OSEG avant la clôture du PPL.

Le rapport et les recommandations ont été organisés en quatre sections afin de fournir l'information aux fins d'étude par le Conseil dans l'ordre voulu et de faciliter la prise de décision finale concernant l'officialisation juridique du PPL.

Section 1 : Développement du plan du site, procédures et approbations

Section 2 : Échéancier de construction et dépenses connexes

Section 3 : Motions et directives du Conseil

Section 4 : Diligence raisonnable et conditions de clôture de l'entente relative au projet de PPL

Section 1 : Développement du plan du site, procédures et approbations

Comme le précisait le rapport *Mise à jour sur la mise en œuvre du Plan de partenariat du parc Lansdowne* (n° ACS2012-CMR-REP-0004) de février 2012, trois conditions restaient à satisfaire pour permettre l'approbation du plan du site de la phase 2 du projet Lansdowne. Ces conditions étaient les suivantes :

1. Approbation par le Conseil du Plan de mise en œuvre de la portion art public et interprétation du patrimoine. Le Conseil a approuvé le rapport du Plan de programmation pour le parc urbain, le pavillon Aberdeen et l'Édifice de l'horticulture le 22 février 2012 (n° ACS2012-COS-PRC-0004). Le rapport *Plan de mise en œuvre du volet interprétation du patrimoine et art public du projet Lansdowne et Algonquin* (n° ACS2012-PAI-PGM-0154) a été approuvé par le Conseil le 11 juillet 2012.
2. Approbation par le Comité d'urbanisme du Plan de signalisation et d'orientation. Ce plan a été approuvé par le Conseil le 27 juin 2012 (n° ACS2012-PAI-PGM-0155).
3. Finalisation des approbations nécessaires par la Fiducie du patrimoine ontarien (FPO) dans le cadre de l'entente de servitude. Sous réserve de l'approbation par le Conseil de la recommandation 2, qui autorise la Ville à conclure ladite entente de servitude (document 1 du présent rapport) avec la FPO, toutes les approbations de la FPO ont été obtenues. L'accord tel que préparé assure une protection accrue de ces ressources patrimoniales et pour les nouveaux corridors de vue améliorés qui seront mis en place pour ces ressources.

L'approbation des plans de la phase 2 permettra de poursuivre la réalisation des travaux suivants jusqu'à l'étape des permis et du document d'appel d'offres : les plans architecturaux; les détails du domaine public; la mise en œuvre des directives en matière de durabilité et d'accessibilité établies dans le cadre de l'approbation de la

phase 2. L'approbation de la phase 2 comprenait aussi l'obligation de préparer et de maintenir un plan de gestion de la demande en transport (GDT). Toutes les conditions où du travail supplémentaire était nécessaire et qui étaient sujettes à l'approbation du Groupe de révision de la conception (GRCL) sont maintenant finalisées et approuvées, à l'exception des modifications des auvents du bloc J.

Section 2 : Échéancier de construction et dépenses connexes

Bien que la date de début des travaux de construction prévue dans le cadre du PPL ait été repoussée, le calendrier pour la finalisation des travaux du projet de revitalisation du parc Lansdowne continue de respecter les échéanciers qui ont été présentés au Conseil en février 2012.

Il est prévu que le garage de stationnement et le stade seront prêts en juin 2014 et que les activités et jalons restants pour l'élaboration du concept et la phase de construction du projet du PPL seront entièrement finalisés en juin 2015.

Dépenses connexes

Le lancement des appels d'offres pour le stade et pour le reste des travaux sur le site du parc Lansdowne a eu lieu en juillet 2012, conformément au calendrier approuvé par le Conseil, résumé dans le rapport *Mise à jour sur la mise en œuvre du Plan de partenariat du parc Lansdowne* (n° ACS2011-CMR-REP-0027) du 14 août 2011. L'appel d'offres a été supervisé par l'agent principal des achats de la Ville d'Ottawa afin de confirmer qu'il était conforme à la réglementation de la Ville relative aux approvisionnements. L'appel d'offres a ensuite été lancé à trois entrepreneurs généraux préalablement qualifiés. La firme PPI Consulting Limited a été désignée comme commissaire à l'équité et a pris en charge la supervision de l'appel d'offres afin de s'assurer que le processus est juste, ouvert et transparent. Pomerleau inc. a été le soumissionnaire retenu et de vastes négociations ont été entreprises en vue de préciser et de valider son évaluation des coûts.

Les négociations avec Pomerleau inc. ont permis l'établissement sous conditions d'un prix fixe pour le stade et d'un contrat avec prix maximum garanti, sous certaines conditions, pour le garage de stationnement. Le coût total en immobilisations de la Ville pour finaliser le stade et le garage, y compris les services publics, la gestion du site et tous les coûts accessoires est de 167.4 millions de dollars. Il s'agit d'une hausse de 12 millions de dollars comparativement à l'autorisation de dépenses en immobilisations qui se chiffrait à 129,3 millions de dollars pour le stade et le garage de stationnement, et 26.1 millions de dollars pour le volet résidentiel et les droits relatifs à la propriété du dessus. On estime que les coûts des services publics durant toute la durée de la construction seront de 1,6 million de dollars. Les budgets de fonctionnement actuels pour Lansdowne et les travaux publics prévoient 1,3 million de dollars en coûts de service prévus au cours de la période projetée de construction. Les coûts marginaux des services sont inclus dans les dépenses en immobilisations autorisées pour les contrats de Pomerleau inc.

La ventilation des coûts en immobilisations supplémentaires est la suivante :

- 3.3 millions de dollars pour le stade

- 5.6 millions de dollars pour le garage de stationnement
- 3.1 millions de dollars pour la viabilisation des bureaux et des secteurs résidentiels et publics.

Stade et aréna

Dans le but d'obtenir un prix fixe de 74.9 millions de dollars pour le stade, trois modifications clés ont été cernées au cours de l'examen de la valeur de l'ingénierie : les modifications à apporter au concept de la toiture nord, de légers changements au voile entourant les gradins sud et une réduction de la taille des auvents à l'entrée du stade, au-dessus du bloc J. Cannon Design et le GRCL ont participé à cette étape et appuyé les changements de conception, à l'exception des auvents du bloc J.

Conception de la toiture nord

La conception de la toiture nord a été modifiée afin de supprimer 14 mètres du toit des gradins nord et de retirer les poutres en caisson du côté sud de la toiture. Cette modification permet de tenir compte du poids de la neige en hiver et améliorera la symétrie entre les gradins nord et les gradins sud.

Voile des gradins du côté sud

Le recours à l'ingénierie de la valeur a permis de dégager des possibilités d'amélioration à la constructibilité et à l'entretien de la structure du voile.

Auvents du bloc J

On propose de réduire les dimensions de l'auvent d'entrée des entrées nord du stade. La taille réduite des auvents couvrirait tout de même l'ensemble du palier de l'entrée supérieure du stade.

Garage de stationnement

Le garage de stationnement du parc Lansdowne comptera 1 370 places. Il s'agira principalement d'un garage à un seul étage, souterrain, d'une superficie d'environ 450 000 pieds carrés (41 806 m²). Un contrat sous conditions prévoyant un prix maximum garanti de 61 millions de dollars a été négocié avec Pomerleau. La portion de la Ville se chiffre à 43 millions de dollars. Une fois la conception finalisée conformément à toute la réglementation et aux exigences de programmation du parc Lansdowne et de ses composantes, l'accord sera converti en contrat à prix fixe avec les risques appropriés assumés par l'entrepreneur général.

L'accord de projet précise que l'OSEG assumera le risque lié à tous les coûts dépassant le prix maximum garanti. Dans le cas où des économies sont réalisées dans la construction du stade, ces fonds peuvent être affectés au garage de stationnement. Cependant, si ce n'est pas le cas et que des coûts additionnels par rapport au prix maximum garanti sont liés au garage de stationnement, l'OSEG devra financer ces

coûts accrus. Le financement additionnel nécessaire à fournir par l'OSEG sera reconnu comme des Capitaux propres supplémentaires pour l'OSEG aux fins des paiements effectués dans le cadre du modèle financier fermé.

Parc urbain

Une récente analyse des coûts du concept de parc urbain de Phillips Farevaag Smallenberg (PFS), complétée à environ 60 %, confirme que le concept se poursuit dans le cadre du budget d'immobilisations autorisé qui avait été approuvé par le Conseil.

Dépenses d'investissement consolidées

L'échéancier présenté en juin 2010 prévoyait que les travaux de construction du LPP commenceraient en avril 2011. La poursuite intentée par les Amis du parc Lansdowne inc. et Conservation parc Lansdowne a entraîné un retard de 18 mois dans le début des travaux de construction et une pression inflationniste correspondante de 8.2³ \$. En se basant sur les travaux d'évaluateurs budgétaires professionnels engagés par la Ville et l'OSEG, le personnel a estimé que cette pression pouvait être gérée par les processus d'appel d'offres et d'examen de la valeur de l'ingénierie comme en faisait état la mise à jour de février 2012. Cependant, les résultats du processus d'appel d'offres et de l'examen de la valeur de l'ingénierie n'ont pas produit les économies prévues, mais plutôt une exigence en capital de 12 millions de dollars, représentant une hausse de 5,8 % des dépenses en immobilisations existantes autorisées par le Conseil.

Si les recommandations contenues dans le présent rapport sont adoptées, le plan d'immobilisations révisé sera le suivant :

Programme d'immobilisations – octobre 2012					
	Dettes (M\$)	Réserves, frais de développement (M\$)	Revenus (M\$)	Total (M\$)	Estimation du service annuel de la dette (M\$)
Stade	116,4	9,5	7,4	133,3	6,077
Priorité au logement			2,8	2,8	-
Parc urbain	26,4	13,6	2,5	42,5	1,378
Installation d'exposition commerciale	8,5			8,5	0,548 ⁴
Résidentiel	3,7		19,1	22,8	0,193
Immeuble à bureaux	4,1		4,7	8,8	0,214
TOTAL	159,1	23,1	36,5	218,7	8,410

³ Dans l'hypothèse d'un indice moyen des prix de la construction de 3,5 % au cours de cette période.

⁴ Il s'agit des coûts actuels puisque la dette a été émise en 2011.

Le service de la dette exigeait 8,41 millions de dollars par an, soit 1,90 million de dollars par an de moins que prévu à l'origine. Comme le service des Finances passe continuellement en revue des projets afin de trouver des occasions de réduire le montant de la dette à émettre, si on détermine que des fonds peuvent être appliqués à ce projet, ils seront présentés au Conseil dans le cadre du rapport de cessation et d'ajustement des immobilisations.

On prévoit que le service de la dette sera financé à même des comptes existants d'exploitation de Lansdowne et de contributions au capital, des revenus reçus de l'accord de partenariat et théoriquement d'une partie des taxes découlant de l'évaluation accrue du site.

On prévoit que la dette sera émise à la mi-2013; le service de la dette commencera donc en 2014. Comme les comptes d'exploitation de Lansdowne seront toujours nécessaires, en 2014, au financement du coût de l'électricité et au déménagement des 67 d'Ottawa, on recommandera que le compte ponctuel des éventualités de 2014 fasse le pont relativement à ces dépenses jusqu'en 2015, date à laquelle les fonds d'exploitation seront disponibles. L'évaluation supplémentaire de la reconstruction du parc doit être ajoutée au rôle d'imposition en 2014. On tiendra compte du service de la dette accru dans la hausse globale d'imposition en 2014, déjà établie par le Conseil à tout au plus 2,5 %.

De plus, en 2014 le parc urbain entraînera une exigence de 2 millions de dollars en frais d'exploitation. Le Conseil a déjà approuvé l'addition de ces coûts dans les enveloppes du financement des priorités stratégiques approuvées pour chaque année du mandat du Conseil.

Section 3 : Motions et directives du Conseil

Un compte-rendu détaillé de toutes les motions et directives du Conseil au personnel a été préparé dans le cadre du rapport (n° ACS2010-ICS-PGM-0209) *Réglementation des plans d'implantation – plan intégré du site – Plan de partenariat de Lansdowne* (n° D07-12-10-0220) en novembre 2010 et a ensuite fait partie de tous les rapports d'étape ultérieurs sur le PPL. Ce rapport dresse un compte-rendu des motions et des directives liées à la mise sur pied possible d'une Corporation de services municipaux (CSM), au Marché fermier d'Ottawa et au processus d'appel de propositions pour le stationnement du 170, avenue Second.

Corporation de services municipaux

Bien qu'à l'étape de postconstruction le PPL suppose des fonctions de supervision d'une étendue considérable pour la Ville, ces responsabilités peuvent être prises en charge par le personnel actuel de la Ville. La gestion des ententes peut être assurée par le personnel et ne justifie pas le temps, les efforts et les coûts associés à la mise sur pied d'une CSM pour lui éviter cette tâche. La directive du Conseil à savoir que la Ville soit responsable du parc urbain a mené à une réduction appréciable de l'étendue

des activités auxquelles un CSM pourrait participer au jour le jour; par conséquent, le personnel recommande que le Conseil renonce à la mise sur pied d'une CSM.

Marché fermier d'Ottawa

D'importants progrès ont été réalisés dans les négociations avec le conseil du MFO pour ce qui est de développer et de peaufiner les exigences présentées dans le protocole d'entente reçu par le Conseil en novembre 2010. En avril 2012, on s'est entendu sur la conception finale, les exigences des infrastructures et les dépenses connexes du Marché fermier à la place Aberdeen. Après des mois de planification, le MFO a connu un lancement réussi le 6 mai 2012 au parc Brewer, qui en sera l'emplacement provisoire jusqu'à ce qu'il revienne au parc Lansdowne.

Le conseil d'administration du Marché fermier d'Ottawa (MFO) et la Ville sont conscients qu'il est prématuré de finaliser une convention d'occupation à long terme tant que la structure de gouvernance et les rapports hiérarchiques pour Lansdowne n'auront pas été établis de manière définitive. Une fois que le Conseil aura décidé de créer ou non une CSM pour Lansdowne, la Ville sera en mesure d'aller de l'avant avec la convention d'occupation. D'autres négociations seront aussi nécessaires pour établir les besoins potentiels en espace intérieur du MFO au cours des mois d'hiver. La convention d'occupation à long terme sera finalisée et renvoyée au Conseil aux fins d'examen et d'approbation avant la mise en œuvre du projet de revitalisation de Lansdowne.

Appel de propositions pour le stationnement du 170, avenue Second

En mars 2011, le directeur général du service des travaux publics a entrepris une étude sur le stationnement local, nécessaire avant le lancement de l'appel de propositions. La Ville a aussi retenu les services de la firme IBI Group pour réaliser une étude de faisabilité pour la possible construction d'un stationnement supplémentaire au 170, avenue Second. On s'attend à ce qu'un rapport d'évaluation sur les installations de stationnement actuelles du 170, avenue Second soit présenté au Comité des transports en novembre 2012.

Le 23 mai 2012, le Conseil a reçu le *Plan de travail pour 2012 de la Direction de l'exploitation et de l'entretien des stationnements* (n° ACS2012-COS-PWS-0008), lequel comportait des prévisions décennales en immobilisations pour les travaux publics et prévoyait que les règlements financiers des exigences de stationnement seraient suffisants pour financer les 4 millions de dollars nécessaires à la construction d'un nouveau stationnement au 170, avenue Second.

Le Conseil a approuvé le rapport *Ajustement du budget des immobilisations et cessations de projets financés par recettes fiscales* (n° ACS2012-CMR-FIN-0029) en juillet 2012 afin d'autoriser le transfert de 3,46 millions de dollars des règlements financiers des exigences de stationnement vers la composante stationnement du projet de revitalisation de Lansdowne. Depuis, plusieurs conseillers et la Zone d'amélioration commerciale (ZAC) du Glebe se sont dits préoccupés par ce transfert et ont demandé

que les 3,46 millions retournent au fonds où ils se trouvaient auparavant. Le personnel est conscient que ce transfert n'est pas nécessaire pour permettre au PPL d'aller de l'avant et recommande que le Comité des finances et du développement économique fasse adopter une motion recommandant que le Conseil déroge à la règle et reconsidère l'approbation de juillet 2012 pour le transfert des 3,46 millions de dollars vers Lansdowne et remette ce montant dans les règlements financiers des exigences de stationnement.

Section 4 : Diligence raisonnable et conditions de clôture de l'entente relative au projet de PPL

Le Cadre de l'entente relative au projet a été approuvé en juin 2010 dans le cadre du rapport *Plan de partenariat et de mise en œuvre de Lansdowne* (n° ACS2010-CMR-REP-0034). L'entente relative au projet est la première entente intervenue entre la Ville et l'OSEG. Elle précise les aspects financiers et d'autres éléments fondamentaux de la relation entre les parties concernant le projet et fournit un cadre de travail pour le développement d'accords particuliers, y compris les baux pour le stade et les espaces destinés au commerce de détail.

Le document 1 de *Mise en application du Plan de partenariat du parc Lansdowne – Rapport final sur les accords juridiques Lansdowne* (n° ACS2012-CMR-LEG-0002) offre un survol complet de l'entente relative au projet. Cette entente se penche sur le respect de la diligence raisonnable et de diverses autres obligations auxquelles devront souscrire la Ville et l'OSEG avant la clôture du PPL. Trois catégories de conditions devront être respectées pour officialiser le PPL :

1. les conditions préalables pour la Ville d'Ottawa avant l'officialisation;
2. les conditions préalables pour l'OSEG avant l'officialisation,
3. les conditions mutuelles avant l'officialisation.

Toutes les conditions préalables ont été remplies et tous les livrables liés à ces conditions seront fournis à ou vers la date de clôture. Le présent rapport dresse un compte-rendu des conditions préalables à la clôture.

Reconnaissant l'importance des pro forma, le tableau ci-dessous récapitule les flux nets de trésorerie de chacune des composantes du système financier fermé et l'évolution de ces variables entre février 2012 et septembre 2012.

Flux nets de trésorerie (en millions de \$)				
	Septembre 2012	Février 2012	Changement (\$)	Changement (%)
Stade et aréna	(12,3)	(12,6)	0,3	3 %
Droits de nomination	49,1	15,7	33,3	212 %
LCF	43,7	39,5	4,2	11 %
LHO	156,1	149,0	7,1	5 %
Stationnement	37,1	31,7	5,4	17 %
Commerce de détail*	189,3	222,5	(33,2)	-15 %
Total	307,2	307,6	(0,4)	0 %
* Les recettes du commerce de détail comprennent les dépenses et le service de la dette.				

Les changements aux pro forma ci-dessus sont souvent le résultat d'un ou plusieurs facteurs qui pourraient influencer sur de multiples composantes du PPL. Par conséquent, il n'est pas possible d'attribuer une seule cause à chaque changement précis. Cependant, *PricewaterhouseCoopers* a passé en revue les facteurs qui ont eu l'incidence la plus importante sur les prévisions financières et ont récapitulé ces derniers dans leur rapport financier du 24 septembre 2012, *Mise à jour financière sur le Plan de partenariat du parc Lansdowne* (document 3 du présent rapport).

En résumé, si ces conditions préalables ne sont pas remplies, la partie en faveur de laquelle les conditions visées ont été incluses à l'entente peut mettre fin à cette entente, et ce, sans devoir verser des dommages à l'autre partie. Toutefois, les parties conservent leur obligation de paiement conformément au premier et au deuxième accord de partage des coûts.

Sous réserve de l'approbation du Conseil, l'entente sera officiellement conclue entre la Ville, l'OSEG et les membres de l'OSEG lors de l'officialisation juridique de leur partenariat, qui devrait avoir lieu le ou vers le 12 octobre 2012.

BACKGROUND

For almost 150 years, Lansdowne Park has been a major Ottawa gathering place for residents and visitors and has served as a focal point for agriculture, sports, technology and arts events.

Council's intent in directing staff to proceed with the Lansdowne Partnership Plan (LPP) was to return the site to its traditional role as a gathering place for sports, arts and cultural events while adding dynamic opportunities to work, live and play in an environment that respects and complements the surrounding community and the Rideau Canal, a World Heritage Site.

The following summarizes the Committee and Council reports related to the redevelopment of Lansdowne:

September 2, 2009 – Council approves entering into a partnership agreement with OSEG to redevelop Lansdowne Park with a staged approach to development and approval of the redevelopment plan as it evolves from concept to completion. (Ref N°: ACS2009-CMR-OCM-0006).

June 28, 2010 – Council approves the *Lansdowne Partnership Plan and Implementation* report (Ref N°: ACS2010-CMR-REP-0034) authorizing staff to proceed with Stage 2 of the revitalization of Lansdowne and directing staff to proceed with the implementation of the LPP through the initiation of the required planning approval process.

September 22, 2010 – Council approves the necessary rezoning to allow for all major components of the revitalization plan to be accommodated (Ref N°: ACS2010-ICS-PGM-0154).

November 22, 2010 – Council approves the integrated master site plan. The site plan focuses on building locations; on-site circulation for pedestrians, cyclists, transit users and vehicles; conceptual landscaping for public greenspace; and site grading and stormwater management. Council also approves the relocation of the Horticulture Building (Ref N°: ACS2010-ICS-PGM-0209).

August 25, 2011 – Council receives an update on the Implementation Plan and project spending plan and directs the Lansdowne Design Review Panel (LDRP) to provide comments on all aspects of the project to ensure that the finished products will be of high quality (Ref N°: ACS2011-CMR-REP-0027).

February 22, 2012 – Council approves the award of air rights following a competitive bidding process, *RFO Process – Lease and Sale of Air Rights at Lansdowne Park* report (Ref N°: ACS2012-CMR-REP-0006).

February 22, 2012 – Council approves the *Lansdowne Urban Park, Aberdeen Pavilion and Horticulture Building Programming Plan* report (Ref N°: ACS2012-COS-PRC-0004) and receives an update on the *Lansdowne Partnership Plan Implementation Status Update* report (Ref N°: ACS2012-CMR-REP-004) and the *Information – Lansdowne Transportation Plans* report (Ref N°: ACS2012-ICS-PGM-0036).

May 9, 2012 – Council approves commencement of construction works for soil remediation and the relocation of the Horticulture Building, *Lansdowne Partnership Plan – Construction of Capital Works* report (Ref N°: ACS2012-ICS-INF-0005).

June 27, 2012 – Council approves the *Signage and Way-Finding Plan* report (Ref. N°: ACS2012-PAI-PGM-0155) for Lansdowne.

July 11, 2012 – Council approves the *Lansdowne – Heritage and Algonquin Interpretation and Public Art Implementation Plan* report (Ref N°: ACS2012-PAI-PGM-0154).

DISCUSSION

On June 28, 2010, Council approved the *Lansdowne Partnership Plan and Implementation* report (Ref N°: ACS2010-CMR-REP-0034) authorizing staff to proceed with the Stage 2 implementation of the Lansdowne Partnership Plan (LPP), including the initiation of the required planning approval processes. Council also approved the LPP Project Agreement Framework and authorized the City Manager to negotiate and execute the LPP Project Agreement on behalf of the City. At that time, the City Manager committed to reporting back to Council on the final LPP Project Agreements once they had been completed.

The final LPP Project Agreement has been completed and was filed with the Office of the City Clerk and Solicitor on September 25, 2012. Therefore, all of the material business terms between the City and OSEG have been documented in final form for the information of Council.

Approval of the recommendations in this report will complete the site plan, legal requirements and other work necessary within Stage 2 of the implementation of the LPP, enabling legal close of the LPP Project Agreement and the commencement of construction.

The purpose of this report is to provide the status of the matters related to proceeding with legal close of the LPP, these include: the status of the remaining site plan conditions, an overview of the construction schedule and associated spending, the status of Council motions and directions regarding the LPP and the completion of due diligence and related conditions of closing by both the City and OSEG prior to close of the LPP.

This report also provides an update on the construction works outlined in the *Lansdowne Partnership Plan - Construction of Capital Works* report (Ref N°: ACS2012-ICS-INF-0005) approved by Council in May 2012.

This report serves as a companion report to the *Lansdowne Partnership Plan Implementation – Final Report on Legal Agreements* report (Ref N°: ACS2012-CMR-LEG-0002), which provides Council with a comprehensive overview of the results of the negotiation and completion of the LPP Project Agreement, as per Council's direction in June 2010.

This report and its recommendations have been structured into the four sections listed below to provide information for Council consideration in the sequence necessary to facilitate a final decision regarding proceeding with legal close of the LPP.

Section 1: Site Plan Development, Process and Approvals

Section 2: Construction Schedule and Associated Spending

Section 3: Council Motions and Directions

Section 4: Due Diligence and Conditions of Closing of the LPP Project Agreement

The following documents are appended to this report to inform Council's decision on the recommendations in this report:

Document 1: Heritage Conservation Easement Agreement (A copy is on file with the City Clerk and Solicitor)

Document 2: J.C. Williams Group Lansdowne Park Retail Leasing Report

Document 3: *PricewaterhouseCoopers* Lansdowne Partnership Plan Financial Update

Document 4: Overview Status of the Lansdowne Park Plan Conditions

Subject to Council receipt of the *Lansdowne Partnership Plan Implementation – Final Report on Legal Agreements* report and approval of this report, staff will proceed with legal close of the LPP on or before October 12, 2012, with construction to commence on or about October 15, 2012.

Section 1: Site Plan Development, Process and Approvals

To ensure the integration of the mixed-use area, stadium and urban park, a two-stage site plan approval process was approved by Council in June 2012 for the Lansdowne revitalization. Council gave Stage 1 site plan approval in November 2011. Stage 2 approval was given by the General Manager, Planning and Growth Management under delegated authority on January 16, 2012, following the LDRP's approval of the items set out in the conditions of the Stage 1 approval.

The Stage 2 site plan approval contains conditions and a compliancy review process. The conditions fall into two categories: general and specific. General conditions are associated with all site plans approved by the City and relate to matters such as: managing construction traffic, ensuring firefighting requirements are met and the issuance of the Record of Site Condition (required for all Brownfield developments).

Additionally, the Stage 2 site plan approval provides for the development of the following through the building permit and tender document stage: the final architectural plans, the public realm detailing that it is to be implemented in a manner consistent with the approved public realm plan and LDRP directions and implementation of the sustainability and accessibility directions established by the Stage 2 approval. The LDRP will provide oversight on compliance with these provisions through a compliancy review process.

The conditions collectively provide for the orderly and managed development of the site in a manner that will ensure that Council's objectives for the revitalization of Lansdowne are realized.

As outlined in the February 2012 *Lansdowne Partnership Plan Implementation Status Update* report (Ref N^o: ACS2012-CMR-REP-0004) there were three specific conditions that remained to be completed to enable the Stage 2 site plan approval for Lansdowne. These conditions were as follows:

1. Council approval of the Urban Park Programming Plan and the Public Art and Heritage Interpretive Implementation Plan.

Council approved the *Lansdowne Urban Park, Aberdeen Pavilion and Horticulture Building Programming Plan* report on February 22, 2012 (Ref N°: ACS2012-COS-PRC-0004). The *Lansdowne – Heritage and Algonquin Interpretation and Public Art Implementation Plan* report (Ref N°: ACS2012-PAI-PGM-0154) was approved by Council on July 11, 2012.

2. Planning Committee approval of the Signage and Way-finding Plan.

Council approved this plan on June 27, 2012 (Ref N°: ACS2012-PAI-PGM-0155).

3. Finalizing the necessary Ontario Heritage Trust (OHT) approvals under the existing Heritage Easement Agreement.

Subject to Council approval of Recommendation 2 of this report, which authorizes the City to enter into a new Heritage Conservation Easement Agreement (Document 1 to this report) with the OHT that will replace the existing 1996 Easement Agreement, all required OHT approvals are in place.

Signage and Way-finding

As noted above, on June 27, 2012, Council approved the *Signage and Way-finding Plan* report (Ref N°: ACS2012-PAI-PGM-0155) for Lansdowne. The report presented the Signage and Way-finding Plan which was a requirement identified in the November 2010 *Lansdowne Partnership Plan (LPP)* report approved by Council. On June 27, 2012, Council agreed that the City's Signs By-law not be applied to signage related to Lansdowne, subject to the development and approval of a comprehensive signage plan for the site.

The Signage and Way-finding Plan brought forward for approval was modified by Council to extend the stadium zone in anticipation of the LDRP's approval of the relocation of the scoreboard as follows:

“That Document 1, Appendix 2 of the above-noted report be replaced with the REVISED Appendix 2 which extends the Stadium Zone to include the area behind Buildings I and K, showing the latest proposed footprint areas for Buildings I and K so that the intent is clear and will allow the new Scoreboard, should it be approved in the west location by the Lansdowne Design Review Panel (LDRP).”

This Council-approved amendment modifies Section 3.7 B of the Sign and Way-finding Plan. Section 3.7 B initially provided that signage only be located on the east side of the stadium, the revision added that signage also be permitted on the west side of the stadium.

In addition to approving the Lansdowne Signage and Way-finding Plan at the June 2012 meeting, Council also approved the following:

“Direct the General Manager, Planning and Growth Management to determine the requirements to give legislative effect to the Lansdowne Signage and Way-finding Plan and report back to Planning Committee and Council.”

The Signage and Way-finding Plan indicated that one means by which legislative effect could be provided to the Plan was to establish Lansdowne as a special signage zone within the framework of the current City by-laws regulating permanent and temporary signs on private property (By-laws 2005-439 and 2004-239). This has been further investigated and staff has concluded that this is the most appropriate means by which to give legislative effect to the approved Signage and Way-finding Plan. This designation is similar to the direction Council approved for ScotiaBank Place, which is also identified as a special signage zone. A special signage zone designation will provide for the implementation of signage at Lansdowne in accordance with the policies, directions and regulations set out in the Plan. The Plan will serve as the basis for reviewing of sign applications and the issuance of sign permits.

The establishment of a special signage zone for Lansdowne in both By-laws 2005-439 and 2004-239, puts in place all the legislative provisions set out in these by-laws related to enforceability, sign permit applications and signage fees and the collection of related fees.

Council approval of an amendment to the City's Signs By-laws 2005-439 and 2004-239 as outlined in Recommendation 1 to this report is the final step required to give legislative effect to the Signage and Way-finding Plan. The necessary amendments will then be developed by Planning and Growth Management in consultation with Legal Services and be brought forward by Legal Services for enactment prior to the end of 2012.

Ontario Heritage Trust (OHT)

As identified in the February 8, 2012, *Lansdowne Partnership Plan Implementation Status Update* report (Ref. N^o: ACS2012-CMR-REP-0004), conditional approval was provided by the OHT for all but two of the items that required approval. These included the tree planting and street furnishing within the Bank Street Aberdeen view corridor. The City had requested in January 2012 that the OHT defer consideration of these two items to enable the designs to be finalized. The designs have since been finalized and approved by the LDRP and the OHT.

The OHT has approved the encroachment of Block H as depicted in the September 11, 2012, Block H elevation drawings and the Stage 2 approved site plan and the September 14, 2012, Aberdeen Way Comprehensive Plan drawing, subject to a compliance review by the OHT prior to the issuance of the full building permit.

In response to this condition, the City's Chief Building Official has provided confirmation to the OHT that the building permit for Block H will not be issued until the City has received written confirmation from the OHT that the full building permit set of drawings

is consistent with their approval of the encroachment and the supporting materials provided to the OHT.

Additionally, the OHT has identified the requirement to enter into a new Heritage Conservation Easement Agreement (HEAC) as a pre-condition for its approval of the encroachment of building H into the Bank Street View corridor as defined under the existing 1996 Easement Agreement. A new HEAC, described in the next section of this report, has been negotiated between the City and the OHT. Subject to Council approval of Recommendation 2 to this report, which authorizes the City to enter into a new Heritage Conversation Easement Agreement (HCEA) with the OHT all required OHT approvals will be in place. The new Agreement will replace the existing 1996 Easement Agreement with the OHT.

Heritage Conservation Easement Agreement (HCEA)

The OHT and City staff consider it important to establish a new HCEA that will reflect the significant improvements being made to Lansdowne and the prominence that this revitalization will establish for the Aberdeen Pavilion and the relocated Horticulture Building. These structures are key centrepiece elements of the site and are deemed to have provincial heritage value. The new HCEA, as drafted, provides for the continued protection of these heritage resources as well as the new and enhanced view corridors that will be established for these resources.

As directed by Council in February 2012, negotiations between the City and OHT on the development of an enhanced easement to replace the existing easement have been underway. It is recommended that delegated authority be given to the City Manager to have this agreement executed and registered on title. The execution and registration of the new HCEA will fulfil both the Site Plan condition and the City's condition precedent contained in the LPP Project Agreement regarding obtaining all necessary Heritage approvals.

The new HCEA has been structured to align with the form and content of the easements currently being entered into by the OHT throughout the province. The 1996 Agreement, an earlier version of easements that has since evolved, represented a unique approach in defining the easement with two parts. The OHT no longer applies this approach for their easements.

The new HCEA contains language that pre-approves the work to be undertaken to implement the Lansdowne revitalization. The new HCEA incorporates all of the urban park area extending from the east side berm for the stadium along the Queen Elizabeth Driveway (QED) and includes the relocated Horticulture Building, Aberdeen Square and the view corridor extending from Adelaide Street to the north face of the Aberdeen Pavilion. The new HCEA also includes the Aberdeen Pavilion and the Bank Street view corridor that were covered under Part 1 of the 1996 Easement Agreement.

The new HCEA defines the key areas of interest as: the two heritage buildings that are protected, the new setting being established for these buildings within Lansdowne that

comprises the lands immediately around these buildings as well as Aberdeen Square and the Bank Street and Adelaide Street view corridors, four key view corridors from the QED and lands that frame these views. The new HCEA defines the nature of works within each of these areas that will require OHT approval should any future modifications from what will be implemented during the revitalization be proposed.

Staff is satisfied that the new HCEA is an improvement to the existing 1996 Easement Agreement as it reflects the reality of a redeveloped Lansdowne as a revitalized public place. The new HCEA does not cover the air rights lands nor the lands occupied by the proposed commercial buildings and the stadium with the exception of the encroachment approved by the OHT under the 1996 Easement Agreement for building H and the J block inserts for the stadium. The new HCEA includes the relocated Horticulture Building as a heritage element that will now be protected under the easement. This protection applies to the exterior heritage attributes that will be restored as part of the approved adaptive re-use for this building and will also apply to specific interior elements of the building, including the open span pavilion space to be retained for the north portion of the building and the unique heritage features associated with the south pavilion.

Stage 2 Site Plan Follow-up Items

The Stage 2 approval included a number of conditions related to further detailed design work and other works to be completed for LDRP approval prior to construction commencing, and for matters to be addressed prior to project completion as well as the obligation of establishing and maintaining a Transportation Demand Management (TDM) program. All conditions where additional detailed work was required and that were subject to LDRP approval are now complete and all the required LDRP approvals have been given. These works included:

- LDRP approval of 75 per cent developed design plans for the exterior architecture for all of the new buildings to be developed;
- approval of the refined design detailing for the public realm, related in particular, to the commercial mixed-use area;
- the Bank Street streetscaping;
- the design details for the public realm area around building K;
- more refined plans for the urban park area;
- plans for the scoreboard (which the LDRP approved to be relocated to the west side of the stadium);
- modifications to building G to combine two smaller buildings into one building (while maintaining the overall design directions and intent established for Block G);
- the showcase sustainability elements to be implemented;
- the adaptive re-use plans for the Horticulture Building (approved by Council in February 2012); and,
- a compliance review process to ensure that all final designs for the buildings and public realm would be consistent with the building and public realm plans and elements approved by the LDRP.

The final site plan approval provides for a comprehensive monitoring plan to be developed in consultation with the community stakeholders for the transportation plans approved for Lansdowne (in accordance with the Ontario Municipal Board (OMB) Minutes of Settlement between the City of Ottawa, the Holmwood Residents Group and the Glebe Community Association). Finally, the site plan approval requires that a site plan agreement be executed and registered that includes commitments to implement the Lansdowne revitalization in accordance with the approvals given and to ensure ongoing commitments related to various matters, such as ongoing implementation of the approved TDM plan. The following provides additional details related to the compliance review and value engineering processes, the transportation monitoring and the site plan agreement.

LDRP Compliance Review and Value Engineering Processes

A key element of the LDRP final approvals was the establishment of a compliance review process to ensure that the final architectural plans included with the building permit applications and the final plans for the public realm details reflected in tender documents will be consistent with LDRP approvals.

The compliance review process is attached to the site plan agreement and provides for the design architects who developed the building architectural plans to sign off on compliance certificates for the final design plans and for Phillips Farevaag Smallerberg (PFS), the City's landscape architect, to sign off on compliance certificates for the final public realm design plans prior to permits being issued and prior to work commencing for the public realm implementation.

The process will be managed by the Manager, Development Review Urban Services who will report back to the LDRP on any non-compliance items. This will enable the LDRP to give consideration to the matters in question and either approve the modified plans or provide direction to address any concerns that the LDRP may have with respect to non-compliant items.

To assist in this process, a compliance document package has been established that includes all the materials approved through the site plan and subsequent LDRP review and approvals to monitor compliance on all conditions set out in the final site plan approval.

The more detailed design work being undertaken involves a value engineering exercise to ensure that the final designs can be implemented within the overall project budget, which is a common practice for construction projects of this size. Where design modifications are required that reflect changes to design details approved by the LDRP (to meet project budget requirements), these modifications are to be brought forward to the LDRP for consideration and approval prior to the designs being finalized and incorporated into the compliance drawing set and/or construction drawings.

The value engineering process and the compliance review process will be ongoing throughout the completion of the more detailed design work that will continue after project close. The oversight provided by the LDRP as part of the value engineering process and the compliance review process ensure that the design standards and expectations established by Council for Lansdowne will be achieved through the project implementation and construction.

Transportation Monitoring

A key element identified in the transportation plans approved for Lansdowne was the need to implement a comprehensive transportation monitoring program. The OMB Minutes of Settlement reached with the Holmwood Residents Group and the Glebe Community Association recognizes that these groups will be engaged in the development of the transportation monitoring program.

A meeting to launch the work to develop the monitoring program was held in December 2011. Subsequent to this, the Ward Councillor established a Lansdowne Transportation Advisory Committee (LTAC) comprised of representatives from the Holmwood Group, the Glebe Community Association and the Glebe Business Improvement Area (Glebe BIA) to identify specific transportation matters or issues related to Lansdowne as a feedback mechanism in the process of developing the transportation monitoring program.

An overall monitoring framework has been established and presented to the LTAC. The LTAC has also been provided with the baseline data related to traffic and parking conditions in the area. Currently, work is focussed on determining any additional base condition data collection that may be required for local streets and developing the details for the monitoring program. This work is expected to continue into early 2013 with the monitoring program established by Q3 of 2013. This program will establish the direction for the monitoring to be undertaken after project completion. The requirement for conducting the monitoring is set out as a condition in the site plan approval and has been incorporated into both the Site Plan Agreement and LPP Project Agreement.

Additionally, there is also a requirement under the Letter of Intent (LOI) with the National Capital Commission (NCC) that the monitoring program also address the NCC's interests regarding the use of the QED by shuttle busses for events of 15,000 or more attendees. These relate specifically to the TDM implementation and the use of the QED and Bank Street for shuttle operations. Work on this is also being undertaken as part of the comprehensive monitoring program that will be established.

Site Plan Agreement

The Site Plan Agreement, required as part of the site plan approval and to be registered against the lands to be leased to OSEG, has been finalized and will be executed at close of the LPP. This Agreement sets out the obligations that need to be fulfilled through the project implementation as well as obligations that will continue after project completion, such as the ongoing obligation for implementation of the Lansdowne TDM

program and the transportation monitoring program. The Site Plan Agreement will be executed at the time of legal close of the LPP Project Agreement, subject to Council approval of this report.

Section 2: Construction Schedule and Associated Spending Plan

The following timeline highlights the remaining key activities and milestones of the design development and construction phase of the LPP project.

Lansdowne Park Revitalization Construction Schedule Milestones

October 2012:	North Side and South Side Stands Construction Begins Parking Garage Excavation and Site Servicing Continues Parking Garage and Foundation for Horticulture Building Complete
November 2012:	Horticulture Building Relocation Complete Urban Park Tender Ready Design Complete Mixed-Use Buildings Contractor Engaged
April 2013:	Horticulture Building Renovation Work Begins Mixed-Use Building Construction Begins
July 2013:	Parking Garage Substantial Completion Majority of Site Servicing Complete
August 2013:	Urban Park Construction Begins
December 2013:	Horticulture Building Renovations Substantial Completion
March 2014:	North Side Stands Substantial Completion
June 2014:	South Side Stands Substantial Completion
July 2014:	Mixed-Use Building Envelopes Complete
October 2014:	Urban Park Substantial Completion
June 2015:	Project Closeout

While the start date for the construction works covered under the LPP has been delayed, the completion schedule for the Lansdowne Park redevelopment continues to adhere to the original timelines as presented to City Council in February 2012. Maintaining this timeframe has been achieved through Council's approval in May 2012 of a contract for the preliminary works known as Package A and an ongoing review for efficiencies and the sequencing of activities that have enabled the construction schedule to be expedited to ensure substantial completion of the key components within the scheduled timeframe.

October 2012 will see mobilization of the Package B contractor, which will initiate the construction of the major components including the stadium and parking garage, and continue the installation of the core site servicing network on site. The eastern portion of the parking garage, also serving as the foundation for the relocated Horticulture Building, is already underway by the Package A contractor and is scheduled to be complete by October 2012, allowing for the temporary shoring and subsequent relocation of the Horticulture Building to take place in November 2012.

By early 2013, structural portions of the parking garage will be complete allowing for work to be initiated by the mixed-use building contractors. This is a heavily sequenced process, which allows for construction of buildings on top of the slab to begin at different points in time. This ensures that work is initiated as soon as possible and maximizes the efficiency of the schedule. In addition, the Horticulture Building will have been lowered and the above grade foundations will be completed. This allows for the adaptive re-use restoration work on the building to begin.

By late 2013, the site will be ready for the construction of the urban park to begin. By this time, the parking garage will be able to accommodate contractor parking, which will allow for work to take place in the eastern portion of the site.

By the end of 2013, the restoration and adaptive re-use work on the Horticulture Building will be substantially complete with final detail and tenant fit-up taking place in early 2014. The majority of the hard landscape components of Lansdowne Park will be implemented in order to support the opening of the stadium in the summer of 2014.

The summer of 2014 will see the substantial completion of the stadium and arena complex to allow for events to begin. The mixed-use area base buildings will be complete and tenant occupancy will be underway. The urban park will undergo the implementation of final major works, such as the art installations and major soft landscaping initiatives, in order to be substantially complete in the fall of 2014.

The summer of 2015 will see the final completion of the urban park, the mixed-use area including retail, commercial, residential components, the Horticulture Building and OFM in Aberdeen Square.

Status of Horticulture Building Work and Tender Issued by OSEG

On May 9, 2012, Council approved the commencement of initial construction works deemed to be of benefit to the City in redeveloping Lansdowne whether the LPP proceeded or not. The initial construction works consisted of two separate components as follows: 1) the preparation and relocation work for the Horticulture Building, and 2) works included in the tender issued by OSEG (Package A).

On-site work for the relocation of the Horticulture Building began in June 2012. To date designated substances, such as asbestos, have been removed, contaminated soils around and within the building have been removed, the runway to its new location is prepared and the reinforcement of the structure, including the installation of the structural steel frame, is nearing completion in preparation for the lift and move. The building move is scheduled for early November 2012.

Permit drawings for the demolition of the northern three bays of the building are prepared. Concurrently, the section of the garage over which the building will be located is under construction. The relocation is expected to take approximately three days, after which time the building will be lowered onto its new foundation. This will be completed

by March of 2013, at which time the adaptive re-use architectural work on the building will commence.

The adaptive re-use design work is well underway, following the programming principles as approved by City Council on February 22, 2012, and with the guidance of the LDRP. Tendering of this work is scheduled to take place by early 2013 in preparation for the activities to be carried out immediately following the move and continuing through the remainder of 2013.

Other works included in the tender issued by OSEG (Package A):

- Excavation of soils and placement in a berm, including remediation of contaminated soils
- Coliseum Building asbestos abatement and demolition
- Other related works (e.g., site servicing, removals, utilities)

Tenders for Package A closed on May 9, 2012, and the tender was awarded to EllisDon Corporation. Construction was initiated in June 2012. The status of construction of Package A as of the end of August 2012 is:

- Excavation of soils and placement in a berm is complete. Remediation of contaminated soils completed.
- Coliseum Building asbestos abatement and demolition is complete.
- Site servicing work, including utility work, is underway and expected to be complete in November 2012.

Associated Spending

The issuance of the tenders for the stadium, parking garage and remaining site works at Lansdowne occurred in July 2012, in keeping with the Council-approved project schedule outlined in the August 14, 2011 *Lansdowne Partnership Plan Implementation Status Update* report (Ref. N°: ACS2011-CMR-REP-0027).

The tender was reviewed by the City's Chief Procurement Officer to confirm that it was in conformance with the City's Purchasing By-law and was subsequently issued to three pre-qualified general contractors.

PPI Consulting Limited was appointed Fairness Commissioner to oversee the procurement and ensure the process was fair, open and transparent. The Fairness Commissioner and the City's bid evaluation team reviewed the bid submissions and validated the bids for compliance. Pomerleau Inc. was the successful proponent and extensive negotiations were undertaken to refine and validate their cost estimates. These negotiations included the further exploration of potential cost savings items identified in the July 16, 2012, post tender addendum.

The negotiations with Pomerleau Inc. resulted in the conditional award of a Fixed Price contract for the stadium and a Guaranteed Maximum Price contract with conditions for

the parking garage. The City's total capital cost to complete the stadium and parking garage is \$167.4 M, which includes site servicing, costs associated with the residential and office air rights, site management and all remaining soft costs. This represents an increase of \$12 M over the previously approved capital authority of \$155.4 M, which includes \$129.3 M for the stadium and parking garage and \$26.1 M associated with the residential and office air rights. It is estimated that the utility costs throughout the duration of the construction will be \$1.6 M. The existing operating budgets for Lansdowne and Public Works operating budget provide for \$1.3 M in anticipated utility costs over the projected construction period. The incremental utility costs are included in the requested capital authority for the Pomerleau Inc. contracts.

The schedule presented in June 2010 anticipated the commencement of construction of the LPP in April 2011. The litigation launched by the Friends of Lansdowne Inc. and the Lansdowne Conservancy and the implementation of rigorous design specifications approved by the LDRP and Council has resulted in an 18 months delay in the construction start date and a corresponding inflationary pressure of \$8.2 M⁵. Based on the work of the professional budget estimators engaged by the City and OSEG, it was expected that this pressure could be managed through the tender and value engineering processes as reported in the February 2012 status update. However, the results of the tender and subsequent value engineering process have not yielded the extent of anticipated savings, and a \$12 M capital requirement, a 5.8 per cent increase to the related existing Council approved capital authority is required.

The breakdown of the increased capital costs is as follows:

- \$3.3 M for the stadium;
- \$5.6 M for the parking garage; and,
- \$3.1 M for site servicing for the office and residential and public realm.

Stadium and Arena

To ensure a fixed price of \$74.9 M for the stadium, three key changes were identified during a value engineering review focussed on containing costs while respecting the stadium design. These include modifications to: the north roof design, to the veil surrounding the south side stands and to the stadium entrance canopies over J Block. Cannon Design and the LDRP were engaged and endorsed the design changes, with the exception of the modifications to the J-Block canopies.

North Roof Design

The north roof design has been modified to include the removal of 14 metres of the north stands roof and box beams from the southern edge of the roof. The field lighting is to be mounted on the south facia of the reduced box girders similar to the current design. Reducing the area of the roof will offset the unanticipated additional snowload created by building K. The increased snow load requires extensive reinforcing of the

⁵ Assuming an average construction price index of 3.5 per cent over this period.

girders. The requirement for reinforcing can be deleted with the 14 metre cut-back. This modification also enhances the symmetry between the north and south side stands and enhances the overall aesthetic of the stadium and has been approved by the LDRP.

South Side Stands Veil

Value engineering identified opportunities to improve both the constructability and maintenance of the veil structure. The overall change in appearance of the veil is minor with benefits to the capital and maintenance costs of the veil achieved. The proposed change has been approved by the LDRP.

J-Block Canopies

Reductions are proposed to the size of the entrance canopy for the north entrances to the stadium. The reduced canopy would still provide coverage for the entire upper stadium entrance landing.

Parking Garage

Due to the extensive excavation, complicated formwork, associated steel reinforcement and difficult phasing of concrete placement, the project team has agreed to finalize the design and implementation approach in concert with the General Contractor, Pomerleau. A conditional Guaranteed Maximum Price contract of \$61 M for the garage has been conditionally awarded. The City's portion of this is \$43 M. Once the design is completed in accordance with the necessary codes and specific programming requirements of Lansdowne and its components, the agreement will be converted to a fixed price contract with appropriate risks being carried by the General Contractor. Geotechnical conditions are a contributor to the increase in costs associated with the parking garage. The existing soil conditions require the introduction of rapid impact compaction (a soil improvement technique used to treat loose granular soil and permit shallow spread footing) and enhanced footings for the parking garage.

The Project Agreement specifies that OSEG will assume the risk for any costs in excess of the Guaranteed Maximum Price. In the situation where there are savings realized from the construction of the stadium, these funds may be allocated to the parking garage. However, if this is not the case and there are additional costs associated with the parking garage above the Guaranteed Maximum Price, OSEG is required to fund these increased costs. The additional funding required to be covered by OSEG will be recognized as Additional Equity for OSEG for the purposes of payments made within the closed financial system.

The parking garage at Lansdowne is designed to contain 1,370 parking spaces and to minimize the land required to accommodate it. The garage will primarily be a one-level, below grade facility of approximately 450,000 sq. ft. The design includes a combination of large car and small car parking stalls and reflects the amendments to Section 106 of the Zoning By-law 2008-250 contained in the *Omnibus Zoning By-law Amendments* report (Ref No: ACS2012-PAI-PGM-0111), approved by Planning Committee on September 11, 2012, subject to Council approval on September 26, 2012.

The parking garage design aligns with the by-law amendment, which recognizes the growing awareness of greenhouse gas emissions and the reality that vehicles in Canada are getting smaller with more compact, sub-compact and micro-cars being produced. The garage design facilitates more efficient land-use thereby reducing the environmental impact of the garage and aligns with the City's Official Plan and the Ontario Ministry of Transportation's Transit-Supportive Guidelines.

Urban Park Costs

The urban park including the Aberdeen surround and square, Horticulture Building, Great Lawn, the art installations, upgraded stormwater management system, water and skating features is being designed by PFS. The design selected through the international design competition by Council is now being completed with overview provided by the LDRP. PFS was also tasked with the preparation of the design guidelines for the public realm in the mixed-use area and the Bank Street corridor adjacent to Lansdowne.

The design work is proceeding according to schedule. Cost analysis of each component is being carried out several times during the course of completing the design to verify that the budget is being maintained. The recent costing analysis of the PFS urban park design, which has been completed to approximately 60 per cent, confirms that the design is proceeding within the capital budget as approved by Council.

Section 3: Council Motions and Directions

A comprehensive status on all Council motions and directions to staff was provided as part of the *Site Plan Control – Integrated Site Plan – Lansdowne Partnership Plan (File No. D07-12-10-0220)* report (Ref. N°: ACS2010-ICS-PGM-0209) in November 2010 and the status of remaining motions and directions to staff has formed part of all subsequent LPP status reports. This is the final report on the status of the remaining motions and directions, which include: proceeding or not with the establishment of an MSC; the OFM; and the RFP process for a parking facility at 170 Second Avenue.

Municipal Services Corporation (MSC)

Recommendation 24 of the June 2010, *Lansdowne Partnership Plan and Implementation* report (Ref. N°: ACS2010-CMR-REP-0034) stated the following:

“Direct staff to report back to Council during Stage 2 of the Lansdowne Partnership Plan Implementation regarding a potential structure for a Municipal Services Corporation; and direct staff to review a seat for the Ottawa Farmers’ Market and a seat for the Glebe BIA in the development of the Municipal Services Corporation (MSC) and/or any other board which may be formed to govern operations at Lansdowne Park.”

Prior to November 2009, the OSEG proposal for the revitalization of Lansdowne Park identified that the entire redevelopment, including the greening of the site, would be led by OSEG and that, post-development, OSEG would assume management of the ongoing operation of the site. At that time, it was contemplated that an MSC would be an effective governance structure to provide for the joint involvement of the City and OSEG on all aspects of the ongoing operations, post-construction, of the LPP.

It was felt that an MSC would be an effective mechanism to bring together the necessary oversight and expertise (through the appointment of City Councillors, business and community leaders and other key stakeholders) to make the LPP a successful and vital ongoing enterprise after its construction.

In June 2010, Council directed that the City take the lead in developing an urban park at Lansdowne and that the responsibility for programming the urban park, Horticulture Building and Aberdeen Pavilion would rest with the Parks, Recreation and Cultural Services department. In light of these decisions and upon further analysis, the need for and usefulness of an MSC is considered by staff to be unnecessary.

Council's direction has resulted in a significant reduction in the range of activities that a MSC would be involved in on a day-to-day basis. For example, post-construction of the LPP, the City will be responsible for the programming and daily operations of the urban park. OSEG will be responsible for the successful management of the mixed-use area and the programming of the stadium and arena. To clarify these roles and responsibilities, the City and OSEG have developed an Urban Park Programming Agreement (on file with the Office of the City Clerk and Solicitor) that sets out the overarching principles for their respective programming areas and how they will work together to maximize the public use of the entire Lansdowne site.

While there are important oversight functions for the City for the LPP post-construction, these can be carried out more efficiently and cost-effectively through existing City staff. The management of the agreements can be undertaken by staff and do not warrant the time, effort and expense associated with the establishment of an MSC to effectively discharge them.

An annual report on the status of the operations at Lansdowne will be brought to the Finance and Economic Development Committee for consideration.

Ottawa Farmers' Market (OFM)

Recommendation 12 of the June 2010, *Lansdowne Partnership Plan and Implementation* report (Ref. N°: ACS2010-CMR-REP-0034) stated the following:

“Authorize the City Manager to negotiate and execute, on behalf of the City, an agreement with the Ottawa Farmers' Market Association for a permanent Farmers' Market in accordance with the principles described in Document 12 and report back to Council in 2011 on implementation.”

Significant progress has been made in the negotiations with the OFM Board to further develop and refine the requirements set out in the Memorandum of Understanding (MOU) received by Council in November 2010. In April 2012, agreement was reached on the final design, infrastructure requirements and associated costs for the Farmers' Market in Aberdeen Square. After months of planning the OFM had a successful launch on May 6, 2012 at Brewer Park, which will serve as its temporary location until it returns to Lansdowne Park.

The long-term occupancy agreement has not been finalized in recognition of the fact that it needs to include the governance structure and reporting relationships for Lansdowne. The OFM Board and City staff both recognize that this can only be completed once Council has made a determination with respect to the establishment, or not, of a MSC for Lansdowne. Additionally, further negotiations are required regarding potential OFM indoor space requirements during the winter months.

The long-term occupancy agreement will be finalized and brought back to Council for consideration and approval prior to the commissioning of the Lansdowne redevelopment.

Request For Proposal (RFP) for a Parking Facility at 170 Second Avenue

In June 2010, Council passed Motion 92-31 in relation to the City-owned surface parking lot comprised of 49 parking spaces at 170 Second Avenue, which stated:

"WHEREAS if the City is to help build an expensive underground garage for the benefit of shoppers at Lansdowne Park, and the new development will exacerbate parking shortages in the Glebe, then it's only fair that the city address the parking issue in the Glebe by building needed facilities; and

WHEREAS the Glebe BIA has serious and legitimate concerns that their customers will have difficulty finding parking in the Glebe area as a result of the redevelopment of Lansdowne Park; and

WHEREAS a new parking garage will help to address this problem;

THEREFORE BE IT RESOLVED that staff be directed to commence an RFP process for the parking area, with new parking spots, at 170 Second Avenue and report to Committee and Council at each stage of the process"

A meeting was hosted in January, 2011, by the Real Estate Partnerships and Development Office to obtain input on advancing this motion that included the Glebe Business Improvement Area (BIA), Glebe Community Association, key City staff and the Ward Councillor.

In March, 2011, the General Manager, Public Works initiated a Local Area Parking Study, which is required before proceeding with a RFP.

In addition, the City contracted the IBI Group to undertake a feasibility analysis of the opportunity to build additional parking at 170 Second Avenue. This feasibility analysis addressed the quantity of parking possible given the current zoning and produced a class D estimate. The study considered both a conventional garage and an automated garage that would have a mechanical stacking system. Both types of garages would have automated payment systems.

On May 23, 2012, Council received the *Parking Operations, Maintenance and Development Branch 2012 Business Plan* (Ref N°: ACS2012-COS-PWS-0008), which included the Ten Year Capital Forecast for Public Works and forecast that there is sufficient funds in the Parking Cash-in-lieu Fund to cover the estimated \$4 M cost of a new structured parking facility at 170 Second Avenue.

It is anticipated that a report will be brought to Transportation Committee in November 2012, regarding the current assessment of the 170 Second Avenue parking facility and will seek direction with respect to the type of structure to be specified in an RFP.

On July 11, 2012, Council approved the *Capital Adjustments and Closing of Projects – City Tax and Rate Supported* report (Ref N°: ACS2012-CMR-FIN-0029) that authorized the transfer of \$3.46 M from the Parking Cash-in-lieu Fund to fund the parking component of the Lansdowne revitalization project, thereby reducing the debt requirement. Since that time, several Councillors and BIAs have expressed concern over this transfer and have requested the reinstatement of the \$3.46 M to the Cash-in-lieu Parking Fund.

Recognizing that this transfer is not required to enable the LPP to proceed, staff is recommending that the Finance and Economic Development Committee advance a motion that recommends that Council waive the rules and reconsider the July 2012 approval to transfer the \$3.46 M to Lansdowne and reinstate this amount in the Cash-in-lieu Parking Fund.

Section 4: Due Diligence and Conditions of Closing of the LPP Project Agreement

In June 2010, Council approved Document 18: The LPP Project Agreement Framework, as part of the *Lansdowne Partnership Plan and Implementation* report (Ref. N°: ACS2010-CMR-REP-0034).

The September 2012 report, *Lansdowne Partnership Plan Implementation - Final Report on Legal Agreements* (Ref. N°: ACS2012-CMR-LEG-0002) provides, in Document 1 of that report, a comprehensive overview and update of the LPP Project Agreement based on the results of Council's direction in June 2010, regarding the negotiation and completion of the LPP Project Agreement.

The Project Agreement is the primary fundamental agreement between the City and the OSEG. It sets out the financial and other fundamental elements of the relationship between the parties in respect to the project and provides a framework for the development specific agreements, including the Stadium and Retail Leases. Subject to

Council approval, the Project Agreement becomes operative at legal close of the Partnership, which is scheduled to occur on or about October 12, 2012.

The Project Agreement contemplates the completion of various due diligence and related obligations to be completed by both the City and OSEG prior to closing of the LPP. This section of the report presents the due diligence and conditions of closing as specified in Article XV of the Project Agreement and the closing deliverables contained in Article XVIII. There are three categories of conditions precedent to closing, those in favour of only the City of Ottawa, those in favour of only OSEG and those in favour of both parties, referred to as mutual, conditions precedent to closing. If these conditions are not fulfilled, the Project Agreement may be terminated by the party in whose favour the condition was inserted without having to pay damages or costs to the other party. However, the parties remain obligated for payments under the first and second cost sharing agreements.

1. City of Ottawa Conditions Precedent to Closing

As outlined in Document 1 to the *Lansdowne Partnership Plan Implementation – Final Report on Legal Agreements* report and as specified in the Project Agreement, the City is entitled to not proceed to closing if certain matters are not satisfied, these include:

Condition 1.1: *City being satisfied with environmental and legal due diligence matters.*

Environmental Due Diligence

Condition 1.1.1: *City being satisfied with Environmental Due Diligence.*

This condition and Condition 1.1.3 relate to the need to have all environmental approvals successfully completed. As detailed below, three out of the five requirements to satisfy this condition have been met. The five requirements include the following:

1. A license from the NCC and Parks Canada for a stormwater outlet to the Rideau Canal that serves a portion of the Lansdowne site was approved in July 2012.
2. Provincial approval of sanitary and stormwater management plans was also required and Certificates of Approval for these works were granted by the Ministry of the Environment (MOE) in June.
3. A Canadian Environmental Assessment Act study was required, approval of which was granted on July 5, 2012.
4. The MOE accepted the City's soil contamination Risk Assessment (RA) and remediation plan on April 20, 2012. The remedial works for the future mixed-use area will be filed with the MOE in early October 2012 for the Record of Site Condition (RSC).
5. With respect to the urban park, the next step in this process is the MOE issuance of a Certificate of Property Use (CPU) which will cover the conditions associated with the ongoing use of the site post-construction. The draft terms of the CPU have been released for a public comment period which will close on October 4, 2012. Barring any unforeseen issues, the certificate is expected to be issued in

early November. Upon receipt of the final CPU, the City will be in a position to apply for a RSC for the Zone C parkland area. This Record of Site Condition for the future urban park will be filed with the MOE prior to dedication of the urban park.

It is important to note that the CPU applies principally to Zone C (urban park) at Lansdowne Park and will detail the accepted risk management measures and ongoing future maintenance and monitoring requirements. All necessary environmental approvals to commence and monitor construction activities are in place.

It should also be noted that the designated substance removal in the Horticulture Building, south side stands and Coliseum Building has been carried out to the satisfaction of the City.

This condition has been satisfied.

Condition 1.1.2: City to be satisfied with the costs and expenses of environmental remediation needed to prepare the site for redevelopment.

The tender for the environmental remediation works was awarded to EllisDon Corporation. This tender is known as Package A of the overall Stadium, Garage and Site Servicing works.

This condition has been satisfied.

Condition 1.1.3: No orders under the Environmental Laws.

As detailed in Condition 1.1.1, the City has received all approvals required to allow the project to move to construction, including environmental approvals, and there are no orders under Environmental Laws.

This condition has been satisfied.

Legal Due Diligence

Condition 1.1.4: OSEG Partnership Agreement.

This agreement has been completed and OSEG will deliver it to the City on or before close of the LPP.

Condition 1.1.5: Ottawa 67's Acquisition Agreement.

A letter of intent for OSEG to acquire the hockey team has been signed and an acquisition agreement has been prepared. OSEG will deliver this agreement to the City on or before close of the LPP.

Condition 1.1.6: *Constating documents for each of the members.*

These documents have been prepared and OSEG will deliver them to the City on or before close of the LPP.

Condition 1.1.7: *Executed affidavit of each senior officer or each member, including balance sheets providing evidence of their being a special purpose vehicle.*

These documents have been prepared and OSEG will deliver them to the City on or before close of the LPP.

Condition 1.1.8: *City to arrange for preparation of R-Plans for lands included in demise of leases.*

The work includes preparation of the necessary plans to demarcate Zones A, B and C for the MOE for the remediation of the contaminated soil on the Lansdowne site. In addition, the work will prepare the necessary plans for the demise by the City of the Stadium and Retail Leases and the Office and Residential Air Rights Legal Agreements. This work is on schedule and the necessary surveys and R-Plans will be completed on or before close of the LPP.

Condition 1.1.9: *City being satisfied that the members of the agreement are special purpose vehicles.*

These documents have been prepared and will be delivered to the City on or before Close of the LPP.

Condition 1.1.10: *City to be satisfied with title to the site.*

The City's Legal Services department has registered the repeal of the Heritage By-law for the Horticulture Building and secured the release of an option agreement for a portion of the site, which had been in favour of the NCC, and for all other restrictive covenants.

The City has clear title to the Lansdowne Park site and is satisfied with the legal title to the Lansdowne Site.

This condition has been satisfied.

Condition 1.1.11: *City to be satisfied that there are no aboriginal rights with respect to the site.*

The City has been in consultation with the Algonquins of Ontario (AOO), whose traditional lands encompass the site, during the Lansdowne redevelopment process, including consultation on elements that will reflect Algonquin art, heritage and culture.

The City received confirmation on August 31, 2012, from the AOO that:

“Algonquins of Ontario hereby confirm that the City of Ottawa has satisfied all consultation obligations with the Algonquins of Ontario respecting aboriginal rights to the Lansdowne Site and has accommodated the Algonquins of Ontario in relation to their interests in that Site.”

This condition has been satisfied.

Condition 1.1.12: *No court decisions having a material adverse effect on the transaction and there be no outstanding material litigation.*

There is currently no Material Litigation pending against the City pertaining to Council's approval of the LPP on June 28, 2010.

On July 28, 2011, the Ontario Superior Court of Justice unanimously dismissed the Friends of Lansdowne Inc.'s legal challenge to the LPP. On April 30, 2012, the Court of Appeal for Ontario, in a unanimous decision of the Court, dismissed the appeal of the Friends of Lansdowne Inc. that had challenged the legality of Council's approval of the LPP. Further, the Friends of Lansdowne Inc. did not seek leave to appeal the Court's decision to the Supreme Court of Canada and the time to do so has now expired. Consequently, this legal challenge is now over and was resolved in favour of the City.

On August 28, 2012, the Court of Appeal for Ontario dismissed the application of the Lansdowne Park Conservancy for leave to appeal the decision of the Divisional Court of Ontario. The Divisional Court had previously dismissed, as an abuse of process, the Conservancy's legal challenge against the City for its approval of the LPP.

This condition has been satisfied.

Condition 1.1.13: *Completion and agreement on a Partnership Structure amongst all concerned.*

The parties have agreed on a partnership structure as is detailed in Document 1 to the *Lansdowne Partnership Plan Implementation – Final Report on Legal Agreements* report.

Subject to Council receipt of that report, this condition is satisfied.

Condition 1.1.14: *OSEG members to make Initial Capital Contributed and OSEG to provide evidence to the City's satisfaction that the minimum equity requirement has been satisfied.*

Evidence of the Initial Capital Contributed by OSEG members is to be provided to the City on or before Closing of the LPP.

Condition 1.2: *Receipt of required third party approvals.*

Heritage Approvals

Condition 1.2.1: City to have obtained all necessary Heritage Approvals.

The Lansdowne redevelopment project requires a number of heritage approvals, including from the OHT under the Heritage Easement Agreement registered on title, from Parks Canada under the 1993 Cost Sharing Agreement and approvals under the *Ontario Heritage Act* for the designated buildings (Aberdeen Pavilion and Horticulture Building). The following describes the nature of required approvals and highlights that all requirements have been met.

Subject to Council approval of Recommendation 2 of this report, this condition is satisfied.

Condition 1.2.2: Approval of Parks Canada in accordance with 1993 Cost Sharing Agreement.

The 1993 Cost Sharing Agreement between the City and Parks Canada relates to the Aberdeen Pavilion. Under the agreement, there is a requirement for Parks Canada to give approval to any changes or upgrades to the Aberdeen Pavilion related to a proposed new use from the manner in which it is currently used. Since the building will not undergo renovation and will remain as-is as a large pavilion for various programmed activities, no approval is required from Parks Canada.

This condition has been satisfied.

Condition 1.2.3: Approval of Council to alter the Aberdeen Pavilion and Horticulture Building and conservation plan and/or heritage impact assessment.

As noted above, the Aberdeen Pavilion will not undergo alteration. As such, no approval is required under the *Ontario Heritage Act* related to the Aberdeen Pavilion.

All required approvals under the *Ontario Heritage Act* for the relocation of the Horticulture Building have been given, including Council consideration of recommendations of the Conservation Review Board following the hearing of various appeals filed against Council's decision to proceed with the relocation.

As part of the approvals, a Heritage Impact Assessment was prepared and approved by the City, and a Conservation Plan for the Horticulture Building's relocation and renovation was approved under delegated authority. In February 2012, Council also approved programming for the Horticulture Building, which included some modifications to the details for relocation and adaptive reuse.

This condition has been satisfied.

Other Agencies

Condition 1.2.4: *City to have received NCC approvals other than for the urban park.*

NCC approvals for the revitalization are required for a stormwater management element and for a final agreement to conduct a pilot project to use the QED for shuttles for events over 15,000. As described under discussion for Condition 1.1.1, the stormwater management element was approved on July 2, 2012, following a Canadian Environmental Assessment Act study.

A Letter of Intent (LOI) provided in 2011 by the NCC to the City, outlines intent for a three-year pilot project related to the use of shuttle buses on the QED for events with attendance of 15,000 or greater. The LOI identifies the need for the City and its consultants to collaborate on the development of a transportation monitoring program to help inform the shuttle bus operations program. To formalize the LOI, an agreement is to be negotiated with the NCC to set out the terms for the use of the QED during the pilot project and parameters for consideration following the pilot project to determine if a permanent arrangement is required. This will occur as more details related to monitoring are developed between the City and the NCC.

This condition has been satisfied.

Condition 1.2.5: *City to have received Parks Canada approvals other than for the urban park.*

No approvals from Parks Canada required for the revitalization are outstanding. The interests of Parks Canada in the revitalization are related to the use of the Aberdeen Pavilion (discussed under Condition 1.2.1 above) and the re-establishment of a license for the storm sewer that drains into the canal which, as noted above, was approved in July 2012.

This condition has been satisfied.

Planning Approvals

Condition 1.2.6: *All planning approvals except for the urban park to be completed.*

As detailed below, these conditions have been satisfied.

Condition 1.2.6.1: *Rezoning.*

The required rezoning for Lansdowne was approved by Council in the fall of 2010 and the Council decision was appealed to the OMB. In the spring of 2011, the OMB approved rezoning with some modifications resulting in the City and OSEG entering into Minutes of Settlement with the primary appellant groups: the Glebe BIA, the Glebe and Old Ottawa South Community Groups, and the Holmwood Resident Group. The City and OSEG undertake to ensure obligations set out in the minutes of settlement have been and will be fully respected.

This condition has been satisfied.

Condition 1.2.6.2: Site Plan Approval.

In June 2010, Council directed that the City's two-stage site plan approval process be followed to provide for the integration of the three primary components of the Lansdowne revitalization into a single integrated site plan. Council was designated the approval authority for Stage 1 sign-off and Stage 2 approval was delegated to staff to take place after review and endorsement of the final site plan and conditions by the LDRP.

As part of the Stage 1 process, Council set out a number of conditions for various studies and design details to be developed and endorsed by the LDRP prior to Stage 2 approval being given by staff. Extensive work was undertaken by the project team to respond to all the conditions precedent for the Stage 2 approval. This included developing a detailed design guidelines document, developing detailed transportation operation and TDM plans, and extensive design standards related to building architecture and public realm details. The additional work undertaken and the additional conditions developed for inclusion as part of the Stage 2 Site Plan received formal sign-off by the LDRP in early January 2012.

The Stage 2 approval was formally provided by the General Manager, Planning and Growth Management Department on January 16, 2012.

This condition has been satisfied.

Condition 1.2.6.3: Stormwater Management.

As noted under the discussion dealing with Condition 1.2.2, the required Certificate of Approval from the MOE to allow the City to issue a Commence Work Order to proceed with the construction of site servicing, including the stormwater management system was received from the MOE in June 2012. Also, the City received a license from the NCC and Parks Canada for a stormwater outlet to the Rideau Canal to serve a portion of the Lansdowne site. This required a Canadian Environmental Assessment Act study, and approval was granted on July 5, 2012.

This condition has been satisfied.

Condition 1.2.6.4: Site Plan Agreement Execution by the City, the Retail Partner, the Stadium Partner and OSEG.

The required site plan agreement, incorporating all the requirements set out in the Stage 2 Site Plan approval and additional requirements determined through the LDRP review process, will be executed and registered on or before legal close between the City and OSEG.

This condition will be satisfied on or before legal close of the LPP.

Condition 1.2.6.5: *Agency Approvals required for the obtaining of Building Permits for the Initial Components.*

Through the site plan approval process, confirmations were received from various agencies providing required approvals. These included approvals from Hydro Ottawa, Fire Services and other organizations. All required approvals confirmed through the site plan approval process have been obtained either as part of the Site Plan approval or through specific agency processes.

This condition has been satisfied.

Condition 1.2.7: *Building permits to be obtained for initial components and all required municipal, provincial and federal approvals and permits required for construction of the infrastructure upgrades, including MOE Record of Site Assessment and Certificates of Approval, and Commence Work Order from the City of Ottawa.*

Due to the complex nature of this project, and the multiple elements requiring co-ordination, permit issuance is being staged, as is common practice on large projects. The Building Code Services branch, consistent with their normal practices, has assigned the required resources to ensure that permit review and permit issuance will be fully coordinated and that the construction schedule for the different elements will be met.

The Building Services review has been progressing successfully, facilitated by the sequential permitting process that enables the project to proceed component by component.

All other necessary permits required to allow the project to move to construction have been issued, and as detailed in Condition 1.1.1, all federal and provincial approvals needed in order to commence all works on the site have been granted. A commence work order has also been issued by the City.

This condition has been satisfied.

Condition 1.3: *Satisfaction with environmental and archaeological remediation costs.*

Condition 1.3.1: *City to be satisfied with the costs and expenses described in Section 2.12 (a) in respect of environmental remediation needed to prepare the site for redevelopment.*

The tender for construction of the environmental remediation works related to contaminated soils closed on May 9, 2012, and was awarded to EllisDon Corporation. This tender is known as Package A of the overall Stadium, Garage and Site Servicing works.

The component of the overall tendered price related to the environmental remediation works has been identified and the City is satisfied with the costs and expenses in respect of environmental remediation.

This condition has been satisfied.

Condition 1.3.2: *City to be satisfied with the costs and expenses described in Section 2.12 (b) in respect of archaeological conditions at the site.*

A Stage 2 Archaeological Assessment of Lansdowne Park was completed to the satisfaction of the provincial Ministry of Tourism and Culture and the Ontario Heritage Trust. The archaeological work and associated costs, which are included in the overall project budget are proceeding in accordance with requirements and schedule.

Based on the work undertaken by Golder Associates and the additional work to be undertaken to address the Stage 4 assessment requirements and monitoring, the City is satisfied with the costs and expenses described in Section 2.12(b) in respect of archaeological conditions (s.15.1(j)(b)) set out as a condition precedent in the Project Agreement.

The additional Stage 4 assessments related to the eastern portion of the site will be completed in 2013 prior to construction of the urban park. Archaeological monitoring is currently being undertaken, in co-ordination with the General Contractor/Site Manager, as part of the work being undertaken for soil remediation and will continue through the construction related to excavations for below grade parking and servicing.

This condition has been satisfied.

Condition 1.4: *Satisfaction that sufficient space in the retail component has been subleased for “Distinctive Uses” and the retail plans and specifications being completed in accordance with the retail design strategy and the design and plan requirements.*

Condition 1.4.1: *Satisfaction of City with production of subleases for distinctive uses.*

As outlined in the August 30, 2012, *J.C. Williams Group Lansdowne Park Retail Leasing Report* the leases let to date are in compliance with the retail vision established by Council in June 2010. Additionally, OSEG is working with the Glebe BIA to ensure that effective strategies are employed to attract and secure leases with unique, local retailers. Refer to supporting Document 2 to this report. The City is satisfied with the current state of the retail leasing program.

This condition has been satisfied.

Condition 1.4.2: *Satisfaction of the matters set out in the Retail Condition as item 1.4.1 above.*

As outlined in the August 30, 2012, *J.C. Williams Group Lansdowne Park Retail Leasing Report* the leases let to date are in compliance with the retail vision established by Council in June 2010.

This condition has been satisfied.

Condition 1.5: *If, prior to closing, the City determines that it cannot issue debentures at the rate assumed in the Final Pro Forma and in respect of the maximum stadium and parking costs.*

Condition 1.5.1: *City to be satisfied with the rate of debentures to be issued.*

The City has identified a borrowing rate of 4.25 per cent to be used on the final pro forma financial agreement between the City and OSEG. This rate is slightly above the current debenture rates but is considered appropriate given recent interest rate forecasts and is lower than the rate considered by Council in June 2010.

This condition has been satisfied.

Condition 1.5.2: *City to be satisfied with the final pro forma.*

The LPP has advanced in design, planning and development since February 2012. The City has refined estimates for its interest rate on the long-term debt. *PricewaterhouseCoopers* (PwC) understands that OSEG has refined its estimates through input provided by new expert advisors, data from comparable facilities in Canada, tenders for construction works and the finalized legal agreements.

The table below summarizes the revenues (sources), expenses (uses) and net cash flow for each of the components in the closed financial system and the changes to those variables between February 2012 and September 2012.

Financial Pro Forma Update September 2012				
(in \$ millions)	September 2012	February 2012	Change (\$)	Change (%)
Revenue				
Stadium and Arena	158.4	154.8	3.6	2%
Naming Rights	50.2	15.7	34.5	219%
CFL	775.7	727.8	47.8	7%
OHL	154.6	149.0	5.6	4%
Parking	87.0	82.9	4.2	5%
Retail*	189.3	222.5	(33.2)	-15%
Total Revenue	1415.2	1352.7	62.5	5%
Expenses				

Stadium and Arena	(170.7)	(167.4)	(3.2)	2%
Naming Rights	(1.2)		(1.2)	
CFL	(731.9)	(688.3)	(43.6)	6%
OHL	(147.1)	(138.2)	(8.9)	6%
Parking	(49.9)	(51.2)	1.3	-2%
Total Expenses	(1100.8)	(1045.1)	(55.7)	5%

Net Cashflow (in \$ millions)				
	September 2012	February 2012	Change (\$)	Change (%)
Stadium and Arena	(12.3)	(12.6)	0.3	3%
Naming Rights	49.1	15.7	33.3	212%
CFL	43.7	39.5	4.2	11%
OHL	7.5	10.8	(3.3)	-31%
Parking	37.1	31.7	5.4	17%
Retail*	189.3	222.5	(33.2)	-15%
Total	314.4	307.6	6.8	2%
*Retail Revenue includes the financing activities, expense and debt servicing.				

The changes to the pro forma above are often the result of one or more factors that could affect multiple components in the LPP. As a result, it is not possible to attribute a single cause for each particular change. However, PwC have reviewed the factors that have had the most significant impact on the financial projections and have summarized these in their September 24, 2012, *Lansdowne Partnership Plan Financial Update* report (Document 3 to this report).

The share of the City's realty taxes levied from the commercial tenants at the redeveloped Lansdowne site that are required to offset the City's debt serving costs (net of avoided and waterfall costs) has been used in previous presentations to convey the incremental costs of the LPP. This analysis is presented in the table below:

Revenue Neutrality				
	Nominal		Net Present Value (NPV)	
	Current	February 2012	Current	February 2012
Avoided costs	\$114.0 M	\$114.0 M	\$48.0 M	\$48.0 M
Waterfall payments ⁶	\$93.6 M	\$98.1 M	\$22.6 M	\$24.1 M
Sub total	\$207.6M	\$212.1 M	\$70.7M	\$72.2 M
Total debt servicing	-\$209.7 M	-\$206.2 M	-\$88.4 M	-\$86.9 M
Sub total	-\$2.1 M	\$6.0 M	-\$17.7 M	-\$14.7 M
Property taxes	\$181.6 M	\$175.8 M	\$69.6M	\$67.4 M
Required from taxes	1%	-3%	25%	22%

- *Avoided costs*: unchanged.
- *Waterfall payments*: payments to the City from the waterfall have decreased both on a nominal and on a present value basis.
- *Property taxes*: total property taxes paid to the City have increased both on a nominal and present value basis.
- *Total debt servicing*: the City's total debt servicing costs have decreased both on a nominal and present value basis due to a decrease in interest rate from 4.63 per cent to 4.25 per cent.

Based on the analysis of the changes arising since February 2012, no (or net negative) property taxes from the new retail and office tenants are expected to be required on a nominal basis to fund the City's debt charges net of avoided costs and waterfall payments. On a net present value (NPV) basis, 21% of property taxes from the new retail and office tenants will be required to fund the City's debt charges net of avoided costs and waterfall payments.

This condition has been satisfied.

1.6 Other conditions, as provided in the agreement.

Condition 1.6.1: OSEG Documents Due Diligence.

On or before the legal close of the LPP, Borden Ladner Gervais LLP, the external lawyers acting for the City, will examine the legal Agreements (and resulting deliverables) for the LPP that OSEG's lawyers have prepared and are to deliver on OSEG's behalf (e.g. Project Management Agreement, Construction Procedures Agreement, etc.) to review the form and content of the legal Agreements in respect of legal matters and to assure the City accordingly. This legal review is a standard practice for this type of commercial transaction.

⁶ Excluding payments to the lifecycle reserve of \$58.4 million.

Condition 1.6.2: *Members.*

On or before the legal close of the LPP, Borden Ladner Gervais LLP, the external lawyers acting for the City, will examine the constituting documents for the limited partnerships being incorporated by the OSEG members (e.g. Stadium Limited Partnership, Retail Limited Partnerships, etc.) to assure the City that the corporations are special purpose vehicles as contemplated under the LPP and fulfill OSEG's legal obligations to the City. This legal review is a standard practice for this type of commercial transaction.

Condition 1.6.3: *OSEG Closing Documents.*

On the legal close of the LPP, OSEG is to provide the City with a number of Agreements and closing deliverables to fulfill legal obligations to the City. For example, OSEG is to provide the City with a copy of the Canadian Football League (CFL) Membership Agreement. OSEG has confirmed to the City that the Agreement with the CFL has been signed and that it is subject to a number of conditions which will be satisfied by closing. OSEG must also provide the City with the Ottawa 67's Membership Certificate with the Ontario Hockey League and OSEG has confirmed that it will be delivered on closing. Borden Ladner Gervais LLP, the external lawyers acting for the City, will examine the documents to assure the City that they are satisfactory from a legal perspective. This legal review is a standard practice for this type of commercial transaction.

Condition 1.6.4: *Covenants.*

On closing, OSEG and the Component Partnerships shall have complied with or performed all covenants and obligations under the Project Agreement required to be performed by them on or before closing, in all material respects. Borden Ladner Gervais LLP, the external lawyers acting for the City, will examine the necessary documents and certificates to assure the City that they fulfill OSEG's legal obligations to the City. This legal review is a standard practice for this type of commercial transaction.

Condition 1.6.5: *Representations.*

On closing, the representations and warranties of OSEG contained in the Project Agreement shall be true and accurate in all material respects and OSEG shall have delivered an OSEG Certificate in order to provide such confirmation. Borden Ladner Gervais LLP, the external lawyers acting for the City, will examine the necessary OSEG Certificate(s) to assure the City that it is satisfactory from a legal perspective. This legal review is a standard practice for this type of commercial transaction.

Condition 1.6.6: *No Material Adverse Change.*

Between the execution date of the LPP legal Agreements and the legal close of the LPP there shall have been no material adverse change with respect to (i) the legal, financial

or economic positions of OSEG or any of the members, and OSEG shall have delivered an OSEG Certificate to such effect, or (ii) the existence, operations or financial or economic position of the CFL. Since the execution of the LPP legal Agreements and the legal close of the LPP will be happening almost simultaneously the OSEG Certificate will essentially be provided to the City on closing. Borden Ladner Gervais LLP, the external lawyers acting for the City, will examine the necessary Certificate to assure the City that it is satisfactory from a legal perspective. This legal review is a standard practice for this type of commercial transaction.

2. OSEG Conditions Precedent to Closing

Condition 2.1: *Satisfaction with encumbrances on title to the lands and receipt of an indemnity by the City for aboriginal rights claims.*

Condition 2.1.1: *Satisfaction with encumbrances on title to the lands.*

OSEG has reviewed and has confirmed that it is satisfied with the City's title to the Lansdowne Park site.

OSEG has confirmed that this condition has been satisfied.

Condition 2.1.2: *Receipt of an indemnity by the City for aboriginal rights claims.*

The City will deliver this indemnity to OSEG on or before the close of the LPP.

Condition 2.2: *If insufficient retail subleases (less than 65 per cent of the gross floor areas) are entered into despite commercially reasonable efforts being made.*

OSEG has entered into leases, letters of intent or is in negotiations with tenants representing no less than 65 per cent of the gross floor area of the retail component. OSEG is satisfied with the current status of the retail subleasing.

Satisfaction of this condition has been waived by OSEG.

Condition 2.3: *If financing for the retail component cannot be obtained on commercially reasonable terms despite commercially reasonable efforts being made.*

OSEG has obtained a commitment letter for the financing of the retail component on terms satisfactory to it.

OSEG has confirmed that this condition has been satisfied.

Condition 2.4: *Other conditions as provided in the agreement.*

Condition 2.4.1: *City Closing Documents.*

On the legal close of the LPP, the City is to provide OSEG with a number of Agreements and closing deliverables to fulfill its legal obligations to OSEG. Soloway Wright LLP, the external lawyers acting for OSEG, will examine the documents to assure OSEG that they are satisfactory from a legal perspective. This legal review is a standard practice for this type of commercial transaction.

Condition 2.4.2: *Covenants.*

On closing, the City shall have complied with or performed all covenants and obligations under the Project Agreement required to be performed by it on or before closing, in all material respects. Soloway Wright LLP, the external lawyers acting for OSEG, will examine the necessary documents and certificates to assure OSEG that they are satisfactory from a legal perspective. This legal review is a standard practice for this type of commercial transaction.

Condition 2.4.3: *Representations.*

On closing, the representations and warranties of the City contained in the Project Agreement shall be true and accurate in all material respects and the City shall have delivered a City Certificate in order to provide such confirmation. Soloway Wright LLP, the external lawyers acting for OSEG, will examine the necessary City Certificate to assure OSEG that it fulfills the City's legal obligations to OSEG. This legal review is a standard practice for this type of commercial transaction.

Condition 2.4.4: *Retail Construction Cost.*

OSEG is satisfied with the estimated costs of construction of the retail component.

OSEG has confirmed that this condition has been satisfied.

3. Mutual Conditions Precedent to Closing

Condition 3.1: *No court decisions having a material adverse effect on the transaction and there be no outstanding material litigation.*

There is currently no Material Litigation pending against the City pertaining to Council's approval of the LPP on June 28, 2010.

This condition has been satisfied.

Condition 3.2: *No orders under the Environmental Laws.*

As detailed in Condition 1.1.3, the City has received all environmental approvals required to allow the project to move to construction. There are no orders under Environmental Laws.

This condition has been satisfied.

Condition 3.3: *The City and OSEG agree upon stadium and parking garage reserve funding under the Stadium Lease and Parking Structure Reciprocal Agreement.*

This condition is designed to ensure that there is sufficient funding maintained in the stadium and parking garage reserve funds to provide for the necessary facility lifecycle renewal of the stadium and the stadium portion of the parking garage. Morrison Hershfield was retained by OSEG, based on terms of reference agreed to by the City, to prepare an analysis and report on the stadium and parking garage lifecycle requirements and based on this determine the appropriate annual contributions to maintain sufficient stadium and parking garage lifecycle reserve funds. OSEG provided the Morrison Hershfield analysis and report to the City's asset management staff for review and verification. The review is complete and an agreement on the appropriate reserve fund contribution formula has been reached between the City and OSEG. There will be two reserve funds managed under separate accounts: one for the stadium and one for the parking garage. The lifecycle projections and reserve fund contributions will be reviewed every five (5) years as per the LPP Project Agreement, Stadium Lease and Parking Structure Reciprocal Agreement.

This condition has been satisfied.

Condition 3.4: *No Law having application to the parties, the Site or the Project which prohibits, restrains, limits or imposes conditions having material adverse effect on the obligations or liabilities of any of the parties or the transactions contemplated by this Agreement shall be in force and effect on the Closing, excluding any Law of the City in the nature of interim control by-law or other prohibition (such as a an "H" designation) that prohibits the issuance of a building permit for any parts of the Project, other than Initial Components, until the provisions of the Planning Act (Ontario) and the Building Code Act (Ontario) have been complied with and a site plan pursuant to Section 41 of the Planning Act (Ontario) has been approved.*

Each of the lawyers for the City and OSEG have reviewed this condition and have consulted with each other and are of the view, individually and collectively, that there currently is no applicable law that prohibits, restrains, limits or imposes conditions having a material adverse effect on the obligations or liabilities of the parties or transactions contemplated under the LPP.

Condition 3.5: *The City and OSEG, respectively, shall each be satisfied with the final pro forma.*

As outlined in Condition 1.5.2 this has been satisfied for the City and OSEG respectively.

Condition 3.6: *Office developer to have entered into an Agreement to Lease with the City.*

The Office Lease for the air rights at Lansdowne was won by Minto Commercial Properties in a competitive bidding process. The framework for the lease is based on the Request for Offers tender, and the final form of the lease is being negotiated.

Additional elements are being included post-tender to reflect refinements in the design of the parking garage and office podium and to reflect changes to the schedule. In addition, Minto Commercial Properties must enter into the legal Cost Sharing and Reciprocal Agreements, the Construction Management, Construction Procedures and the Parking Management Agreements.

All core business elements of the Agreement for the Lease for the Office Air Rights have been successfully negotiated. The Agreement for Lease for Office Air Rights will be completed and executed on or before closing of the LPP.

This condition has been satisfied.

Condition 3.7: *All planning approvals except for the urban park to be completed.*

As detailed previously this condition has been satisfied.

Condition 3.8: *On Closing, the Membership Conditions shall have been satisfied.*

Borden Ladner Gervais LPP, the external lawyers for the City shall carry out the necessary review and confirm it is satisfactory from a legal perspective.

Condition 3.9: *The Material Agreements shall have been entered into on or prior to Closing, each on terms and conditions satisfactory to each of the City and OSEG, in its discretion.*

Subject to Council approval, and in preparation for the legal close of the LPP, each of the lawyers for the City and OSEG, in conjunction with their respective principals, have been finalizing the Material Agreements such that all of them needed for the legal close of the LPP will be finalized. The Material Agreements include such legal Agreements as the Stadium Lease, the Project Management Agreement and the Comprehensive Construction Contract. Since the execution of the LPP legal Agreements and the legal close of the LPP will be taking place almost simultaneously, this condition will be satisfied.

This condition has been satisfied.

Condition 3.10: *The City and OSEG to be satisfied that the total cost of the stadium improvements and the City's share of the cost of the parking facility do not exceed the Council approved Maximum City Cost.*

Subject to Council approval of Recommendation 3 of this report, this condition has been satisfied.

Condition 3.11: *The City has obtained all Heritage Approvals in Final Form on or before the Closing.*

The Lansdowne redevelopment project requires a number of heritage approvals, including approval from the OHT under the heritage easement agreement registered on title, approvals under the Ontario Heritage Act for the designated buildings (Aberdeen Pavilion and Horticulture Building) and any approvals required from Parks Canada under a cost-share agreement related to the Aberdeen Pavilion. The following describes the nature of required approvals and highlights that all requirements have been met.

Subject to Council approval of Recommendation 2 of this report this condition has been satisfied.

Condition 3.12: *City to have received NCC approvals other than for the urban park.*

NCC approvals for the revitalization are required for a stormwater management element and for a final agreement to conduct a pilot project to use the QED for shuttles for events with attendance over 15,000. As described under discussion for Condition 3.1, the stormwater management element was approved on July 2, 2012, following a Canadian Environmental Assessment Act study.

A Letter of Intent provided in 2011, by the NCC to the City outlines intent for a three-year pilot project related to the use of shuttle buses on the QED for events with attendance of 15,000 or greater. The LOI identifies the need for the City and its consultants to collaborate on the development of a transportation monitoring program to help inform the shuttle bus operations program. To formalize the LOI, an Agreement is to be negotiated with NCC to set out the terms for the use of the QED during the pilot project and parameters for consideration following the pilot project to determine if a permanent arrangement is required. This will occur as more details related to monitoring are developed between the City and the NCC.

This condition has been satisfied.

Condition 3.13: *City to have received Parks Canada approvals other than for the urban park.*

No approvals from Parks Canada required for the revitalization are outstanding. The interests of Parks Canada in the revitalization are with the use of the Aberdeen Pavilion (discussed under Condition 5.9 above) and the re-establishment of a license for the storm sewer that drains into the canal, which, as noted above was approved in July 2012.

This condition has been satisfied.

Condition 3.14: *City to enact a Municipal Capital Facilities By-law to designate the Stadium (other than the Stadium Retail Parcel) and Arena, and the City's Portion of the Parking Structure as municipal capital facilities.*

Contemporaneously with the presentation to Committee and Council of the final LPP staff report recommending the closing of the LPP (with Stage 3 Construction to commence thereafter) a Municipal Capital Facilities Agreement By-law will be included on the same Council Agenda for enactment by City Council.

Enactment of the Municipal Capital Facilities Agreement By-law will be in furtherance of the Stadium (other than the Stadium Retail Parcel) and Arena and the City's Portion of the Stadium Parking Structure and implements the designation made by Council on June 28, 2010 (see Recommendation 27 of the LPP Implementation Report of June 9, 2010).

Subject to Council approval of this report, this condition will be satisfied by enactment of the By-law.

4. Closing Deliveries (Article XVIII)

Subject to Committee and Council approval for the close of the LPP, which is scheduled to take place on or about October 12, 2012, OSEG, the OSEG members and the City will exchange at the LPP close the various signed legal documents set out or contemplated in the final LPP Project Agreements, including the Project Agreement, Stadium Lease, Retail Lease and Project Management Agreement. This is the standard and legally contemplated process for the close of a commercial transaction of this nature and results in the various legal Agreements becoming binding on all of the parties and legally operative.

Conclusion

With the approval of Recommendations 1, 2 and 3 of this report and the due diligence completed on and fulfillment of the conditions per cent to close of the Lansdowne Partnership Plan Project Agreement, it is recommended that legal close proceed on or about October 12, 2012. Construction will commence on or about October 15, 2012. A formal status report will be brought to the Finance and Economic Development Committee and Council on a semi-annual basis.

RURAL IMPLICATIONS

The OFM has been successfully relocated to Brewer Park for the 2012 and 2013 seasons. Work is nearing completion to fulfill Council's direction with respect to Lansdowne becoming the permanent home of the OFM. A draft of the recommended formal agreement between the City and the OFM will be brought forward to Council for consideration and approval prior to the commissioning of the redeveloped Lansdowne.

CONSULTATION

The following summarizes the consultation undertaken since the February 8, 2012, *Lansdowne Partnership Plan Implementation Status Update* report (Ref. N°: ACS2012-CMR-REP-0004) that was received and approved by Council.

Community Consultations

A community meeting was held at the St. Giles Presbyterian Church in the Glebe on March 21, 2012. The purpose of the meeting was to present the City's completed Risk Assessment and present the details of the Risk Management Measures. Approximately 60 participants were in attendance.

The draft Certificate of Property Use, which details the Risk Management Measures from the Risk Assessment, has been posted on the Environmental Registry for public comment by the MOE. The public comment period is from August 20, 2012 to October 4, 2012.

Dialogue with the community is ongoing through the Lansdowne Transportation Advisory Committee established by Councillor Chernushenko. This committee has representatives from the Glebe Community Association, Old Ottawa South Community Association, Ottawa East Community Association, Citizens for Safe Cycling, the Bank Street BIA and from the Holmwood Residents Group. Meetings are being held monthly and will continue as the details for the monitoring program are developed. It is expected that the monitoring program details will be finalized in the spring of 2013, which will then serve as the framework for undertaking monitoring post project completion when Lansdowne becomes operational hosting various events, accommodating retail tenants and residents.

Glebe BIA

In keeping with the January 23, 2012 MOU regarding the LPP Retail Strategy, regular meetings between members of the Glebe BIA and OSEG representatives have occurred between February and September 2012. Additionally, City staff has met on several occasions with representatives of the Glebe BIA regarding the current construction works and to explore measures to mitigate the impacts of construction going forward.

Algonquins of Ontario

The Algonquins of Ontario were consulted during the development of the *Lansdowne – Heritage and Algonquin Interpretation and Public Art Implementation Plan* report (Ref No: ACS2012-PAI-PGM-0154) with respect to the Condition 1.1.11 requiring the City “to be satisfied that there are no aboriginal rights with respect to the site”.

Consultation with the National Capital Commission (NCC) and Parks Canada

Senior representatives from the City, NCC and Parks Canada have met regularly to provide ongoing dialogue around key interests related to the Lansdowne project including transportation operation matters, Transportation Demand Management (TDM) measures and transportation monitoring, environmental assessment requirements related to stormwater management and the south side stands emergency access route.

Ongoing Activity

Updated information is available through Ottawa.ca.

COMMENTS BY THE WARD COUNCILLOR(S)

Councillor Chernushenko is a member of the LDRP. He has been apprised of the specific recommendations contained in this report and has provided the following comment:

While a number of Transportation Demand Management measures are in place or recommended, and while the Lansdowne Transportation Advisory Committee continues to meet and make recommendations, no concrete commitments have been made to address the challenges of:

- a. Ensuring that sufficient parking will be available to meet the established needs of local residents, tradespeople, staff, volunteers and visitors to seniors and long-term care facilities.
- b. A significant surge in traffic at times on such arteries as Bank Street and Sunnyside Avenue and the anticipated cut-through traffic on quieter streets.
- c. Dedicated, safer cycling routes across the Glebe and over existing bridges (which are considered so dangerous by many riders as to drive them to ride illegally on sidewalks or to not use the bicycle as a way to travel to or through the Glebe).
- d. Allowing regularly-scheduled OC Transpo buses to move with minimal delay along a more congested Bank Street both outside of special event periods and during such periods.

The level of detail available regarding Retail leasing is not sufficient to lead to the conclusion that Lansdowne Park will offer the “interesting and unique urban village” which was a condition set by Council. Nor have the examples of retailers cited shown how Lansdowne will meet this condition.

LEGAL IMPLICATIONS

Subject to receipt of the finalized legal Agreements for the Lansdowne Partnership Plan Implementation and approval of the requested amendments as set out in the *Lansdowne Partnership Plan Implementation – Final Report on Legal Agreements* (Ref N°.: ACS2012-CMR-LEG-0002) there are no legal impediments to implementing the recommendations in this report. Borden Ladner Gervais LLP, the external lawyers acting for the City, will examine the necessary legal Agreements, Certificates and closing deliverables to be provided to the City on the legal close of the LPP to ensure

that they are all satisfactory from a legal perspective and will assure the City accordingly.

RISK MANAGEMENT IMPLICATIONS

There are risk implications. These risks have been identified and explained in the report and are being managed by the appropriate staff.

FINANCIAL IMPLICATIONS

The Lansdowne Partnership Plan approved by Council on June 10, 2010, identified the following capital projects, their funding sources and the resulting debt servicing impacts that would be included in future budgets. Debt terms and interest rates used at the time are included in the following table.

	Debt (\$M)	Reserves (\$M)	Revenues (\$M)	Total (\$M)	Estimated Yearly Debt Servicing (\$M)	Debt Term and Rate
Stadium	119.1		10.2	129.3	7.274	40 years, 5.35%
Urban Park	35.0			35.0	2.342	30 years, 5.25%
Trade Show Facility	8.5			8.5	0.700	20 years, 5.25%
TOTAL	162.6		10.2	172.8	10.316	

Through the various reports approved by Council subsequent to June 2010, and up to this report, the capital plan and funding sources have been adjusted. The current capital plan is identified below. The debt servicing estimates have been updated to reflect the current interest rate forecasts.

	Debt (\$M)	Reserves (\$M)	Revenues (\$M)	Total (\$M)	Estimated Yearly Debt Servicing (\$M)	Debt Term and Rate
Stadium	113.3	6.1	7.4	126.8 ¹	5.915	40 years, 4.25%
Housing First			2.8	2.8	-	-
Urban Park	33.0	7.0	2.5	42.5 ²	1.934	30 years, 4.15%
Trade Show Facility	8.5			8.5	0.548 ³	30 years, 4.6%
Residential	-		19.1	19.1 ⁴	-	-
Office Building	2.3		4.7	7.0 ⁵	0.121	40 years, 4.25%
TOTAL	157.1	13.1	36.5	206.7	8.519	

1. Reflects the transfer of \$2.5 M to the Urban Park Project. Changes between cash and debt were made in the *Capital Close and Adjustment Report* (Ref N^o: ACS2012-CMR-FIN-0029)
2. Adjusted for contribution from OSEG, transfer from the stadium project and \$2.5 M from report ACS2012-COS-PRC-0004
3. Actual cost as debt was issued in 2011.
4. Approved in Council report ACS2012-CMR-REP-0006
5. Approved in Council report ACS2012-CMR-REP-0006

Since the adoption of the original report in mid 2010 interest rates have continued to decline. The interest rate for 40 year debentures as posted by Infrastructure Ontario at the time of writing this report was 3.93 per cent. A review of forecasts for increases in interest rates on long term bonds up until mid 2013 shows an average forecasted increase of 0.30 per cent. For that reason the estimated debt servicing costs have been calculated using an interest rate of 4.25 per cent. Should forecasts change so that rates rise at a faster pace, the City would consider entering into a bond forward arrangement with the bank to maintain the 4.25 per cent rate.

Since the last report that adjusted the financing of the capital works at Lansdowne, staff has had the opportunity to determine if there are other funds that could also be used in order to minimize the debt. As the urban park will be a significant addition to the City's urban fabric it can be classified as a growth project and is therefore eligible to have development charges applied against it. The City is current raising development charges for parks inside the greenbelt and for city-wide recreation services that can be applied to the new park. In total \$6.6 M of development charge funds can be applied to this project.

As part of its strategic priorities Council approved the allocation of \$1 M for implementing the Parks and Recreation Master Plan. Due to other competing priorities the development of the plan has not progressed to a point that these funds can be

utilized. It is therefore recommended that the funds in this capital account be used towards the stadium.

In addition, when the City issued debt in August, investors paid a premium in order to purchase City bonds, raising additional revenues. The *Municipal Act* allows funds obtained in a debenture issue that are not required to fund the projects identified, to be used to repay any other capital expenditure of the municipality if the debt charges for the other expenditure are or will be raised from the same class of ratepayers from which the amounts required for the repayment of the debentures are raised. In total \$2.4 M was raised on the portion of the debenture that was to be funded on the city-wide levy. These funds are therefore recommended to be applied to reduce the debt on the stadium.

If the recommendations in this report are adopted the revised capital plan will be as follows:

	Debt (\$M)	Reserves, Development Charges (\$M)	Revenues (\$M)	Total (\$M)	Estimated Yearly Debt Servicing (\$M)
Stadium	116.4	9.5	7.4	133.3	6.077
Housing First			2.8	2.8	-
Urban Park	26.4	13.6	2.5	42.5	1.378
Trade Show Facility	8.5			8.5	0.548 ⁷
Residential	3.7		19.1	22.8	0.193
Office Building	4.1		4.7	8.8	0.214
TOTAL	159.1	23.1	36.5	218.7	8.410

As can be seen the debt servicing required is \$8.41 M per year which is \$1.90 M per year less than originally forecast. If the funding from the Parking Cash-in-lieu Fund is reconsidered and returned to the reserve, the debt on the Stadium project will increase by \$3.46 M and the yearly debt servicing will increase by \$181,000. As Finance continually reviews projects to find opportunities to reduce the amount of debt that is to be issued, if any funds are identified that can be applied to this project they will be put before Council as part of the annual Capital Close and Adjustment report.

The debt servicing is forecast to be funded from existing accounts for Lansdowne operations and contributions to capital, revenues received from the partnership deal and notionally from a portion of the taxes raised from the increased assessment on the site.

The debt is forecast to be issued in mid 2013, therefore debt servicing will commence in 2014. The operating accounts for Lansdowne will still be required in 2014 to fund the cost of hydro and the relocation of the Ottawa 67's, therefore the 2014 one-time

⁷ This is the actual cost as the debt was issued in 2011.

contingency account will be recommended to bridge this expense until 2015 when the operating funds will be available. The additional assessment from the redevelopment of the park should be added to the tax roll in 2014. The increased debt servicing will be accommodated within the overall 2014 tax increase of no more than 2.5 per cent already established by Council.

In addition, in 2014 there will be a requirement for \$2 M in operating costs for the urban park. Council has already endorsed the addition of these costs within the strategic priorities funding envelopes approved for each year within the term of Council.

ACCESSIBILITY IMPACTS

The Lansdowne urban park has been designed in consultation with an accessibility consultant to ensure the project meets the goals set out in the November 2010 report to Council. The project team is advancing implementation of an accessibility strategy developed by Betty Dion Enterprises Ltd. (BDEL).

The approved accessibility strategy identifies elements that are important to achieving universal accessibility standards in both site design and buildings. The strategy includes a compliance review process for the detailed design development and the construction phase as well as having an accessibility consultant working with the design teams to incorporate accessibility features into the detailed design work that has occurred to date. This project is designed to comply with the Ontario Building Code and in accordance with the City's Accessibility Guidelines for Built Environment.

Examples of specific accessibility features planned for this facility include, but are not limited to:

- Barrier-free path of travel to entrances of building and within the urban park;
- Automatic doors;
- Signage available in symbol form and way-finding signage that is accessible;
- Wide and easy-to-approach washroom doors;
- Barrier-free sink at accessible heights with low mounted mirrors;
- Accessible toilet heights throughout the facility;
- Accessible interior building environment features;
- Elevator dimensions that allow for the turning radius for a mobility device and buttons and emergency controls that are mounted at accessible height;
- Ramps and pathways built to accessible standards; and,
- Accessible parking that will be in accordance with the City's by-law.

BDEL continues to be engaged with the ongoing review of progress drawings for the stadium, parking garage and urban park to ensure they meet the accessibility targets identified.

ENVIRONMENTAL IMPLICATIONS

The Lansdowne project team continues to work closely with the sustainability and accessibility consultants to ensure the project meets the goals set out in the November 2010 report to Council (Ref N°: ACS2010-ICS-PGM-0209).

The sustainability strategy developed by Enermodal Engineering has been endorsed as part of the final site plan approval, and strives to achieve a LEED ND Gold Certification for the Lansdowne project and LEED targets for the new buildings on the site. Recent analysis by Enermodal Engineering shows that the project remains on track and, with the final site plan approval, Enermodal will now begin developing the LEED ND application.

In addition, as part of the implementation phase of the sustainability directions, the LDRP has requested as a condition of approval, that Lansdowne be a showcase for sustainability by:

- Including features that are clearly recognizable and highlighted as unique to the project such as green roofs, solar voltaic roof panels, or provision of a partitioning cell as part of the stormwater management system to capture stormwater for irrigation of soft landscaping;
- Including within the site's interpretive features a showcasing of the site's sustainability elements; and/or,
- Including (as part of the site's programming) sustainability education opportunities and demonstrations.

OSEG will identify the sustainability elements to be showcased for review and approval by the LDRP, which will then be included as part of the final site plan agreement.

With respect to the remediation program at Lansdowne, the MOE, on April 20, 2012, approved the Risk Assessment (RA) to address the contamination issues at Lansdowne Park. The RA was completed in accordance with all MOE regulations, standards and requirements. The RA addressed both the relocation of contaminated soils into the eastern berm and the former landfill site located on the Lansdowne site.

The City commenced the soil remediation program in July 2012 and is on schedule and within budget.

The final step in the process is the Certificate of Property Use (CPU), which is currently available on the MOE's Environmental Registry for public comment for 45 days, closing October 4, 2012. The CPU details the risk management measures included in the approved RA and establishes the maintenance and monitoring requirements to ensure that site conditions are properly monitored with the future use of Lansdowne Park.

TECHNOLOGY IMPLICATIONS

Information Technology Services (ITS) will work closely with Infrastructure Services and Parks, Recreation and Cultural Services to develop detailed work plans and business

cases for technology initiatives that may be required to support the LPP implementation. The work plans and business cases where, required, would be elevated and approved through the City's ITS Intake process for all new technology requests.

TERM OF COUNCIL PRIORITIES

The Lansdowne Partnership Plan and revitalization initiative relates to the following Strategic priorities of Council:

Economic Prosperity

Objective: Promote Ottawa globally - Revitalized Lansdowne provides an Ottawa venue for hosting major sporting and cultural events.

Transportation and Mobility

Objective: Promote alternative mobility choices - A key element of the Lansdowne revitalization will put in place a comprehensive and aggressive TDM program to encourage and promote use of sustainable transportation for day-to-day activities and for events.

Environmental Stewardship

Objective: Improve stormwater management - The Lansdowne revitalization will provide for significantly improving the manner in which stormwater flows into the City system, decreasing storm run-off, improving the quality of storm flow to the Rideau Canal and providing for use of stormwater for site irrigation.

Objective: Reduce environmental impact - The Lansdowne revitalization will make effective use of an existing urban site to accommodate a mix of uses, increase greenspace and revitalize a major City facility, thus reducing the environmental impacts of growth outside the urban area.

Healthy and Caring Community

Objective: Improve parks, recreation, arts and heritage - The revitalization program will provide for the establishment of Lansdowne as a significant urban place that is grounded in the site's history. It will provide for improved opportunities for sporting and cultural endeavours with a re-purposed stadium and a significant urban park to accommodate events and for day-to-day community use.

Governance, Planning and Decision-Making

Objective: Make sustainable choices - The decision to revitalize Lansdowne in a way that recaptures its sense of place and positions it to once again become a dynamic urban space that will improve economic health, cultural vitality and environmental responsibility.

SUPPORTING DOCUMENTATION

Document 1: Heritage Conservation Easement Agreement (A copy is on file with the City Clerk and Solicitor)

Document 2: J.C. Williams Group Lansdowne Park Retail Leasing Report

Document 3: *PricewaterhouseCoopers* Lansdowne Partnership Plan Financial Update

Document 4: Overview Status of the LPP Conditions

DISPOSITION

Subject to Council approval, staff will implement the recommendations as outlined in the report and complete legal close of the Lansdowne Partnership Plan.

The Deputy City Manager, Planning and Infrastructure, will ensure status updates on the project are provided to Committee and Council as warranted and outlined in this report.