

**7. MUNICIPAL CAPITAL FACILITIES AGREEMENT – COMMUNITY
MUSEUMS: DIEFENBUNKER, CANADA’S COLD WAR MUSEUM**

**ACCORD RELATIF AUX IMMOBILISATIONS MUNICIPALES – MUSÉES
COMMUNAUTAIRES : DIEFENBUNKER, MUSÉE CANADIEN DE LA
GUERRE FROIDE**

COMMITTEE RECOMMENDATIONS

That Council:

- 1. Approve an extension to the Municipal Capital Facilities Agreement term for the Diefenbunker, Canada’s Cold War Museum and option to purchase to December 31, 2038, for the purposes of the municipality and for public use.**
- 2. Delegate to the General Manager, Recreation, Cultural and Facility Services the authority to finalize and approve the terms of any required agreements in consultation with the City Treasurer’s office.**
- 3. Authorize the City Clerk and Solicitor to place any required by-law on the agenda of Council for enactment.**

RECOMMANDATIONS DU COMITÉ

Que le Conseil ce qui suit :

- 1. Approuve une prolongation de l’accord relatif aux immobilisations municipales pour le Diefenbunker, Musée canadien de la Guerre froide ainsi qu’une option d’achat au 31 décembre 2038, aux fins d’utilisation par la Ville et par le public;**
- 2. Délègue au directeur général des loisirs, de la culture et des installations le pouvoir de finaliser et d’approuver les conditions de**

tout accord requis, en consultation avec le bureau de la trésorière municipale;

- 3. Autoriser le greffier municipal et avocat général à faire parvenir tout règlement municipal nécessaire au Conseil pour adoption.**

DOCUMENTATION/DOCUMENTATION

1. General Manager's report, Recreation, Cultural and Facility Services Department dated 13 April 2018 (ACS2018-RCF-GEN-0002).

Rapport du Directeur général, Direction général des loisirs, de la culture et des installations, daté le 13 avril 2018 (ACS2018-RCF-GEN-0002).

**Report to
Rapport au:**

**Finance and Economic Development Committee
Comité des finances et du développement économique
1 May 2018 / 1er mai 2018**

**and Council
et au Conseil
9 May 2018 / 9 mai 2018**

**Submitted on April 13, 2018
Soumis le 13 avril 2018**

**Submitted by
Soumis par:**

**Dan Chenier, General Manager / Directeur général, Recreation, Cultural and
Facility Services Department / Direction général des loisirs, de la culture et des
installations**

**Contact Person
Personne ressource:**

**Laura Peters, Program Manager, Cultural & Heritage Programs and Spaces
Telephone Number, Email Address**

Ward: WEST CARLETON-MARCH (5) File Number: ACS18-RCF-GEN-0002

**SUBJECT: Municipal Capital Facilities Agreement – Community Museums:
Diefenbunker, Canada’s Cold War Museum**

**OBJET: Accord relatif aux immobilisations municipales – Musées
communautaires : Diefenbunker, Musée canadien de la Guerre froide**

REPORT RECOMMENDATIONS

That the Finance and Economic Development Committee recommend Council:

- 1. Approve an extension to the Municipal Capital Facilities Agreement term for the Diefenbunker, Canada's Cold War Museum and option to purchase to December 31, 2038, for the purposes of the municipality and for public use.**
- 2. Delegate to the General Manager, Recreation, Cultural and Facility Services the authority to finalize and approve the terms of any required agreements in consultation with the City Treasurer's office.**
- 3. Authorize the City Clerk and Solicitor to place any required by-law on the agenda of Council for enactment.**

RECOMMANDATIONS DU RAPPORT

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

- 1. Approuver une prolongation de l'accord relatif aux immobilisations municipales pour le Diefenbunker, Musée canadien de la Guerre froide ainsi qu'une option d'achat au 31 décembre 2038, aux fins d'utilisation par la Ville et par le public;**
- 2. Déléguer au directeur général des loisirs, de la culture et des installations le pouvoir de finaliser et d'approuver les conditions de tout accord requis, en consultation avec le bureau de la trésorière municipale;**
- 3. Autoriser le greffier municipal et avocat général à faire parvenir tout règlement municipal nécessaire au Conseil pour adoption.**

BACKGROUND

The Diefenbunker, Canada's Cold War Museum, is a community-operated museum located at 3929 Carp Road and funded in part by the City of Ottawa since 2002. Its mandate is to "increase throughout Canada and the world, an interest in, and an understanding of, the Cold War by preserving the Diefenbunker as a National Historic Site and operating as a Cold War Museum." It was incorporated as a not-for-profit organization in November 1998.

In October 1998, the Township of West Carleton entered into an Agreement with the Diefenbunker to convey to the museum the “Bunker Lands” and the “Guardhouse Lands” for the sum of \$1 and to lease certain adjoining lands. The agreement between the Museum and the Township included the adoption of a by-law declaring the Cold War Museum to be a Municipal Capital Facility (By-Law 34 1998). Since this time, Canada’s Cold War Museum has operated a cold war museum. Through its Cultural Funding program, the City contributes to the cost of operating the museum (\$270,690 in 2017).

The current Municipal Capital Facilities (MCF) designation expires on May 1, 2018. To ensure that the Cold War Museum can continue to operate as a community museum, open to the public as a cultural, recreational and tourist facility, it is necessary to extend the term of the municipal Capital Facilities Agreement.

On April 11, 2018, City Council directed staff to report back to the Finance and Economic Development Committee (“FEDCO”) and Council with a report to further extend the existing Municipal Capital Facilities Agreement (MCFA) beyond the May 31, 2018 extension.

DISCUSSION

The Museum operates as a not-for-profit museum with limited financial resources. The exemption from property taxes through an MCF designation remains a critical component to maintaining its financial viability.

Regulation 603/06 of the Ontario Municipal act requires that the municipality own, agree to purchase or own on reversion the facility and the land being exempted from taxes under an MCFA. The Township of West Carleton entered into a MCFA with the Museum following the Purchase and Sale agreement in 1998, which included an option to purchase the land on the completion of the agreement.

To allow the museum for continue to plan for medium and long term facility and program development, the Department is recommending the approval of a 20 year extension to the initial 20 year Municipal Capital Facilities Agreement, with an option to purchase at that time. This long-term commitment to the museum is essential to enable it to remain eligible for capital improvement and operational grants, and is consistent with the terms of similar MCFA approved by City Council. Recent examples include a 30 year MCFA

for the Richcraft Sensplex East and a 25 year MCFA for the inflatable sports dome at Ben Franklin Park.

RURAL IMPLICATIONS

There are no rural implications associated with this report.

CONSULTATION

Consultation was not required.

COMMENTS BY THE WARD COUNCILLOR(S)

The Councillor supports this report.

LEGAL IMPLICATIONS

There are no legal impediments to approving the recommendations in this report.

RISK MANAGEMENT IMPLICATIONS

There are no risk implications.

FINANCIAL IMPLICATIONS

There are no financial implications.

ACCESSIBILITY IMPACTS

There are no accessibility implications associated with this report.

TERM OF COUNCIL PRIORITIES

This report has direct impact on the City's Strategic Priority – Health and Caring Communities: Strategic Objective HC4 – Support Arts, Heritage and Culture.

SUPPORTING DOCUMENTATION

Document 1 – Draft Municipal Capital Facilities By-law and Agreement (*Held on file with the City Clerk*)

DISPOSITION

City Clerk and Solicitors' office to finalize the extension for the Municipal Capital Facilities Agreement and place the required by-law on the agenda of Council for enactment.