

**Report to  
Rapport au:**

**Council  
Conseil**

**8 July 2015 / 8 juillet 2015**

**Submitted on July 3, 2015  
Soumis le 3 juillet 2015**

**Submitted by  
Soumis par:**

**John L. Moser, Acting Deputy City Manager/directeur municipal adjoint par  
intérim, Planning and Infrastructure/Urbanisme et Infrastructure**

**Contact Person  
Personne ressource:**

**Peter Radke, Manager, Realty Initiatives and Development Branch, Real Estate  
Partnerships and Development Office/gestionnaire, initiatives stratégiques en  
immobilier, Bureau des partenaires immobiliers et du développement  
613 580-2424 x12551, Peter.Radke@ottawa.ca**

**Ward: CITY WIDE / À L'ÉCHELLE DE LA VILLE      File Number: ACS2015-PAI-REP-0008**

**SUBJECT: Ottawa Community Lands Development Corporation Policies**

**OBJET: Politiques de la Société d'aménagement des terrains  
communautaires d'Ottawa**

#### **REPORT RECOMMENDATIONS**

**That Council approve, in accordance with the best practices survey regarding the  
acquisition, hiring of employees, disposition of municipal properties and  
procurement of goods and services, that the Ottawa Community Lands  
Development Corporation Policies, attached as Document "1", be adopted for use  
by the development corporation.**

#### **RECOMMANDATIONS DU RAPPORT**

**Que le Conseil approuve, conformément à l'enquête sur les pratiques  
exemplaires en matière d'acquisition, de recrutement d'employés, de cession de**

**biens-fonds municipaux et d'approvisionnement en biens et services, l'adoption des politiques de la Société d'aménagement des terrains communautaires d'Ottawa, figurant dans le document 1 ci-joint, et leur utilisation par la Société d'aménagement.**

## **BACKGROUND**

On 10 October 2007, City Council approved the establishment of the Ottawa Community Lands Development Corporation (OCLDC) for implementation of the Longfields Subdivision and CentrepoinTE Town Centre projects ( ACS2007-BTS-RPM-0008 - Community Lands Development Project). At its meeting on 28 January 2009, City Council approved recommendations to proceed with the incorporation of the OCLDC to undertake City property development initiatives and for the purposes of disposing of surplus City owned lands to meet certain social, cultural, environmental and financial goals (ACS2008-COS-RPM-0063 - Development Corporations For City Owned Lands).

Since its inception, the OCLDC has been operating generally under the policies of the City of Ottawa. However, the *Municipal Act, 2001*, sets out various obligations and responsibilities for both City Council and its various local boards. In particular, both the City and its local boards are required to pass by-laws respecting rules of procedure for meetings (specifically Section 238 (2)), including adopting and maintaining policies with respect to hiring of employees, procurement of goods and services and for the disposition of land (specifically Section 270(2)). The OCLDC is exempt from having a procedure by-law, however, the attached Document "1": Ottawa Community Lands Development Corporation Policies are intended to satisfy the Municipal Act requirement.

## **DISCUSSION**

During the preparation of the OCLDC policies, staff conducted a survey of best practices from a variety of similar entities from across the country. Such entities included: Build Toronto, Canada Lands Company, Calgary Municipal Land Corporation, Infrastructure Ontario, and Surrey City Development Corporation. While each of the entities contacted have very different structures and organization, the common theme amongst all is unlocking the value in surplus municipal real estate. In addition, the survey revealed that some of these entities did have policies relating to hiring, procurement of goods and services and disposal which informed the creation of the attached policy document, which informed the creation of the OCLDC policy.

The overall Corporate Mandate and Objectives of the OCLDC remain unchanged from the direction provided by Council in 2007. The mandate of the corporation is to ensure

the orderly disposition of surplus City property with “optimal value” to the City’s taxpayers. “Optimal value” pertains to financial and non-financial community value. This term will be explored further under the Disposal Policy.

The OCLDC was created as a vehicle for the City to achieve other municipal objectives and by having some involvement through the development control process rather than selling off properties and then attempting to introduce requirements like urban design, sustainable measures and/or social and cultural benefits. In all cases, the City maintains the decision making function of determining what properties are transferred to the corporation for development.

The following is an outline of the policy and how it is intended to be applied.

*Acquisition of Real Estate Property from the City of Ottawa:*

All properties that are transferred to the OCLDC must be approved by Ottawa City Council. In each instance, Council has the right to specify the purposes for which the lands will be conveyed and specific financial and non-financial objectives that are to be achieved. The Board of the OCLDC has to vote on whether to acquire a property from the City. Properties will be acquired only when they have been declared surplus by Council, and in the opinion of the Board, that optimal value can be achieved. Either Council or the Board of the OCLDC may initiate a request to transfer lands to the OCLDC at any time.

*Disposal of Real Property:*

All transactions of the OCLDC will be conducted in an open and transparent manner. Furthermore, the disposal of properties will be evaluated for their ability to satisfy the following four pillars which are the basis of all OCLDC sales transactions; Social, Cultural, Environmental and Financial. The goal is to maximize benefits that will accrue to the community and City as a whole; examples may include additional parkland over the minimum required by the Planning Act, installation of facilities or infrastructure and the promotion of economic and employment generating uses among others.

A fundamental principle of the policy, which is also in keeping with the original intent of Council, is that all sales will be at fair market value. This is especially important in situations where the City has purchased property at market value for intended uses, which may not materialize, resulting in the City having to dispose of them to recoup its initial investment. This also allows the City to eliminate carrying costs on surplus properties and the payment of taxes.

In order for a proposal or bid to be considered, it must meet the minimum asking price, unless waived by the Board of the OCLDC and City Council. Notice of sale will be

provided by means of an onsite sign and may include other means. In making a determination of the successful bidder, the Board of the OCLDC may also consider the experience, reputation, financial capacity, and quality of product of the bidder.

Achieving “optimal value” is another key determinant in the selection process of a winning proposal or offer. While market value (Financial pillar) is the minimum required for an offer to be considered, the OCLDC mandate is to optimize the returns to the communities that its projects are located in. In planning and developing its projects, the OCLDC strives to improve the quality of life of Ottawa residents through promoting and enhancing sustainable environmental measures, requiring high quality architectural design, and encouraging innovative developments among other criteria. These are some of the factors that will form the basis for selection of a successful proposal. When advertising a property for sale, an evaluation matrix tailored for that specific property will be provided to purchasers outlining some fundamental elements that will assist the project in achieving “optimal value”. A successful offer will in most instances result in a proposal that responds to the social, environmental and cultural pillars together with a viable financial offer.

*Staffing Policy:*

In 2007, when the OCLDC was created, Council directed that an independent unit of the Real Estate Services Department, with the capability to implement strategic real estate development projects, be used as the prime resource for the Corporation. The services of this unit are provided to the Corporation on a cost-recovery basis. The OCLDC Policy under consideration does not propose any changes to this arrangement, and services will be provided in accordance with approved City Recruitment and Staffing policies and procedures, unless otherwise approved by Council and the Board of the OCLDC.

*Procurement of Goods and Services Policy:*

The OCLDC will periodically be required to obtain the services of consultants in advancing development plans for properties intended for sale. These may include, but are not limited to, engineering, planning, architectural, landscaping, and construction. The procurement policy will allow the OCLDC to obtain the best value for goods and services for the Corporation while being clear, transparent, equitable and accessible. The policy also gives the Corporation the ability to apply evaluative criteria to the selection of successful bidders as the Corporation may see fit, including cancelling or reissuing any procurement at any time. The sole sourcing or non-competitive process of securing services will be permitted in special circumstances detailed in Appendix A: (1). Typically, this would occur when there is no other supplier of the service, there is an urgency in having the work performed, or a significantly higher cost would be incurred

unless sole sourced. The Corporation's activities are also subject to *Municipal Freedom of Information and Protection of Privacy Act* and the confidentiality of all bids shall be paramount in all transactions.

While not replicating the City of Ottawa Purchasing By-law, this section has been vetted with the Supply Branch of the City to ensure fundamentals of the policy are consistent with industry standards and practices.

### Conclusion

The implementation of these policies by the OCLDC will be under the guidance and advice of the Office of the City Clerk and Solicitor. The OCLDC Board of Directors will have the ability to refer any matter that does not comply with the attached policies to City Council for a decision and direction. The policies will also be reviewed at the start of each term of Council, or as required.

### **RURAL IMPLICATIONS**

There are no rural implications associated with this report

### **CONSULTATION**

The Board of Directors of Ottawa Community Lands Development Corporation was presented with a copy of the draft policies at its meeting on 23 June 2015. The City Clerk and Solicitor Department, and Legal Services Branch as well as Finance Department, Supply Branch were consulted and provided input on the drafting of the OCLDC policies.

### **COMMENTS BY THE WARD COUNCILLOR(S)**

This is a city-wide report.

### **LEGAL IMPLICATIONS**

There are no legal impediments to implementing the recommendations in the report.

The City is the sole shareholder of Ottawa Community Lands Development Corporation/La Société d'Aménagement des Terrains Communitaires d'Ottawa and it is in that capacity that the City is being asked to approve the corporation's Policies.

Approval of the OCLDC Policies is being sought from a corporate perspective from the City as the sole shareholder in order to delineate the respective powers of the OCLDC and the City in the matters which are the subject of the Policies, as they are not parties to a unanimous shareholder's agreement.

### **RISK MANAGEMENT IMPLICATIONS**

There are no risk management implications to the City due to the adoption of this Policy.

**FINANCIAL IMPLICATIONS**

There are no direct financial implications.

**ACCESSIBILITY IMPACTS**

There are no accessibility implications to implementing the recommendations set out in this report.

**TERM OF COUNCIL PRIORITIES**

The OCLDC was incorporated to further the goals and objectives of City Council and its Strategic Plan. All of the activities of the corporation are guided by the four pillars approach, which is to ensure that development or value being added to the City's real estate assets contributes to the overall financial, social, environmental and cultural objectives of Council. Approval of this OCLDC Policy attached as Document "1" to this report will enable those objectives to be fulfilled thereby assisting in achieving the goals of the City Strategic Plan as established by Council.

**SUPPORTING DOCUMENTATION**

Document 1: Ottawa Community Lands Development Corporation Policies

**DISPOSITION**

Following Council's approval, the Policies will be filed with the City Clerk's Office.