

**Report to/Rapport au :**

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

**and Council / et au Conseil**

**June 25, 2012  
25 juin 2012**

**Submitted by/Soumis par : Marian Simulik, City Treasurer/Trésorière municipale**

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CITY WIDE / À L'ÉCHELLE DE LA VILLE

Ref N°: ACS2012-CMR-FIN-0030

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**SUBJECT: OTTAWA REGIONAL CANCER FOUNDATION LOAN REPAYMENT  
EXTENSION**

**OBJET : PROLONGATION DU DÉLAI DE REMBOURSEMENT DU PRÊT  
CONSENTI À LA FONDATION DU CANCER DE LA RÉGION  
D'OTTAWA**

**REPORT RECOMMENDATIONS**

That the Finance and Economic Development Committee recommend Council approve changes to the current loan agreement with the Ottawa Regional Cancer Foundation as follows:

1. An extension of the interest-free loan repayment for an additional two years; and
2. Direct staff to establish a new repayment schedule for the balance with the following payments:

2012-Sep-23	\$300,000
2013-Sep-23	\$300,000
2014-Sep-23	\$300,000

**RECOMMANDATIONS DU RAPPORT**

Que le Comité des finances et du développement économique recommande au Conseil d'approuver les modifications suivantes apportées à l'entente de prêt actuelle conclue avec la Fondation du cancer de la région d'Ottawa :

1. prolongation du remboursement d'un prêt sans intérêt de deux ans supplémentaires; et
2. demande faite au personnel d'établir un nouveau calendrier de remboursement pour les sommes suivantes :

2012-23 septembre	300 000 \$
2013-23 septembre	300 000 \$
2014-23 septembre	300 000 \$

## BACKGROUND

In June, 2007, Council approved the award of a City grant in the amount of \$227,305 and an interest free loan to a maximum of \$1.0M, to the Ottawa Regional Cancer Foundation (The Foundation) to assist in the development of the Cancer Survivors Park.

The 4.5-acre park was created at the intersections of Alta Vista Drive, Industrial Avenue, and Riverside Drive as a place of serenity and inspiration to cancer patients and survivors and their friends and families.

From the minutes of the Council Meeting of June 26 and 27, 2007:

<b>13.      <b>CANCER SURVIVORS PARK</b></b>
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## COMMITTEE RECOMMENDATIONS

That Council:

1. Declare the parcel of land at 1480 Alta Vista Drive, shown hatched on Annex "A" attached, containing approximately 1.3837 hectares (3.419 acres) as surplus to the City's needs; and
2. Approve the execution by the Deputy City Manager, Community and Protective Services, of a Land Lease and Promissory Note with The Ottawa Regional Cancer Foundation in accordance with the terms and conditions as detailed in this Report for the development of the Cancer Survivors Park at 1480 Alta Vista Drive, a City-owned property bounded by Riverside Drive, Industrial Avenue and Alta Vista Drive and being shown hatched on Annex "A" attached; and
3. Approve the award of a City grant in the amount of \$227,305 and an interest free loan to a maximum of \$1.0M, to The Ottawa Regional Cancer Foundation to assist in the development of the Cancer Survivors Park.

CARRIED

Following the meeting, staff representing the City's Parks and Recreation, Real Estate, Finance and Legal Services Branches worked with the Foundation and its legal counsel to prepare and execute a 20-year land lease and promissory note.

The promissory note executed on September 23, 2008 provided for a \$900,000 loan to be repaid within four (4) years by September 23, 2012.

In accordance with the promissory note, the balance is due to be paid September 23, 2012. To date, the City has received no payments towards the loan and the Foundation is not in a position to pay the full amount by the due date.

In order to meet their loan repayment commitment, the Ottawa Regional Cancer Foundation has requested that the City extend the terms of repayment for an additional two years with the following payment schedule:

2012-Sep-23	\$300,000
2013-Sep-23	\$300,000
2014-Sep-23	\$300,000

### DISCUSSION

City staff have reviewed the financial records of the Foundation and it is clear that they will be unable to pay the loan in full by the current due date. The Foundation accelerated construction of the Maplesoft Centre in response to generous donations and federal stimulus funding. Foundation Fundraising efforts continue and Foundation staff are committed to meeting the revised schedule. Staff are satisfied the Foundation will meet the revised payment schedule if the due date is extended by two years.

Failure to repay the loan is a condition of default on the lease for the park land, and so the City could end the lease of the property to the Foundation if the extension is not granted and the loan is not paid in full by the due date.

### RURAL IMPLICATIONS

There are no rural implications of this report.

### CONSULTATION

Staff of the Revenue Branch met with the Ottawa Regional Cancer Foundation. Parks, Recreation and Cultural Services Department, Realty Services Branch, Finance Department, and City Clerk and Solicitor Department were consulted throughout the report preparation.

### LEGAL IMPLICATIONS

There are no legal impediments to implementing the recommendations in this report. If approved by Council, the lease and promissory note will be amended accordingly.

### RISK MANAGEMENT IMPLICATIONS

There are no risk management implications of this report.

### FINANCIAL IMPLICATIONS

There are no financial implications of the extension of the loan repayment as the monies to be repaid were advanced as a loan. However, any amounts not paid will be a financial loss to the City.

### ACCESSIBILITY IMPACTS

There are no accessibility implications of this report.

### TECHNOLOGY IMPLICATIONS

There are no technology implications of this report.

### TERM OF COUNCIL PRIORITIES

This loan extension helps meet Council's priorities for Service Excellence and Fiscal Responsibility.

### DISPOSITION

The City Clerk and Solicitor Department will work with the Finance Department to prepare the extension agreement and have it executed by the Ottawa Regional Cancer Foundation. The staff of the Revenue Branch will monitor the terms of the new agreement.