



Finance and Economic Development Committee

Minutes 38

Tuesday, May 3, 2022

9:30 am

Electronic Participation

This Meeting will be held through electronic participation in accordance with Section 238 of the *Municipal Act, 2001* as amended by the *COVID-19 Economic Recovery Act, 2020*. Persons wishing to view the meeting or provide comments on any of the agenda items should refer to the process detailed in and attached to this agenda as an annex.

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- Notes:
1. *Please note that these Minutes are to be considered DRAFT until confirmed by Committee.*
 2. *Underlining indicates a new or amended recommendation approved by Committee.*
 3. *Except where otherwise indicated, reports requiring Council consideration will be presented to Council on May 11, 2022 in Finance and Economic Development Committee Report 37.*

Present: **Chair: Mayor J. Watson**
Councillors: J. Cloutier, C. Curry, G. Darouze, E. El-Chantiry,
G. Gower, A. Hubley, M. Luloff, S. Moffatt, T. Tierney

Absent: **Vice-Chair: Councillor L. Dudas**

DECLARATIONS OF INTEREST

No declarations of interest were filed.

CONFIRMATION OF MINUTES

Minutes 35 - April 5, 2022

CONFIRMED

FINANCE SERVICES

1. THE OTTAWA HOSPITAL CIVIC CAMPUS FINANCIAL FRAMEWORK –
LOCAL SHARE CONTRIBUTION

ACS2022-FSD-FSP-0005

CITY WIDE

REPORT RECOMMENDATIONS

That the Finance and Economic Development Committee recommend Council:

- 1. Receive the information on the local share, including the requested municipal portion, as outlined in this report;**
- 2. Approve the financial framework and guiding principles for developing a response to the Ottawa Hospital's request, as outlined in this report;**
- 3. Direct Staff to review and report back in the next term of Council with options for a municipal portion of the local share contribution; and**
- 4. Direct staff to bring forward a background study and amending by-law to impose a special area development charge to fund the future increase in need for service required for the new Ottawa Hospital Civic Campus and to repeal the current discretionary exemption listed in clause 7(p) of the existing Development Charges By-law 2019-156.**

Wendy Stephanson, Chief Financial Officer, spoke to a PowerPoint presentation, a copy of which is held on file with the City Clerk.

Mayor Watson introduced Roger Greenberg, Executive Chair of the Ottawa Hospital Foundation and Cameron Love, CEO, Ottawa Hospital and proceeded to thank Mr. Greenberg and his family for the generous contribution to the Ottawa Hospital.

Mr. Greenberg spoke of the campaign that was recently launched and his support of this project. Mr. Love spoke to a slide presentation, which outlined the benefits of this new hospital, including the economic benefits, job creation during construction and outlined the total project financial costs.

Questions to staff and the Ottawa Hospital pertained to exploring different avenues regarding the local share contribution; if other provinces have received same requests; the criteria to assess this request and recognition opportunities for contributors. After discussion, the Committee RECEIVED AND CARRIED the item as presented.

COMMUNITY AND SOCIAL SERVICES

2. REDIRECTION OF OTTAWA COMMUNITY HOUSING CORPORATION'S PROPERTY TAX SAVINGS AND UPDATE ON CANADA MORTGAGE AND HOUSING CORPORATION CO-INVESTMENT LOAN TO OTTAWA COMMUNITY HOUSING

ACS2022-CSS-GEN-009

CITY WIDE

REPORT RECOMMENDATIONS

That the Finance and Economic Development Committee recommend that Council:

1. **Approve, Ottawa Community Housing Corporation's (OCHC) redirection of property tax savings as follows:**
 - a. **Provide authority for OCHC to allocate, on an exceptional basis, the net amount of 2022 education portion of the property tax savings towards their 2022 operating deficit, if any, after servicing the Canada Mortgage and Housing Corporation Co-Investment Loan; and**
 - b. **Direct OCHC to report of the use of the savings from the education portion of the property taxes as part of their annual information return to the City's Housing Services, in its capacity as the Service Manager.**
2. **Receive for information purposes the update on Ottawa Community Housing Corporation's \$165.6M loan for capital repair funding from the Canada Mortgage and Housing Corporation Co-Investment Fund.**

During the consent portion of the meeting, Wendy Stephanson, Chief Financial Officer explained that this is the third year for this report and noted that this report assists Ottawa Community Housing with other debt services and reallocating fund for Covid relief. The Committee then RECEIVED AND CARRIED the item as presented.

3. DESIGNATING AFFORDABLE HOUSING PROJECTS AT 92 FLORENCE STREET AND 254 & 256 ST-DENIS STREET AS MUNICIPAL CAPITAL HOUSING FACILITIES EXEMPT FROM PROPERTY TAXES AND EXTENDING THE MUNICIPAL CAPITAL FACILITY DESIGNATION OF OTTAWA COMMUNITY HOUSING CORPORATION'S HEAD OFFICE AT 39 AURIGA DRIVE

ACS2022-CSS-GEN-010

Somerset (14), Rideau-Vanier (12),
Knoxdale-Merivale (9)

REPORT RECOMMENDATIONS

That the Finance and Economic Development Committee recommend Council approve the following:

1. **Designate 92 Florence Street and 254 & 256 St-Denis Street as municipal capital housing facilities as permitted under Section 110 of the Municipal Act, 2001 and as defined in section 2(1)18. of the Ontario Regulation 603/06 as amended;**
2. **Implement this designation by a Municipal Capital Facilities Agreement (MCFA) between the City of Ottawa and the identified housing providers for each property (Document 1) and enact the associated by-law (Document 2);**
3. **Approve the amendment to the Municipal Capital Facility By-law 2007-477 and associated Municipal Capital Facility Agreement (MCFA) for 39 Auriga Drive, being the head office of Ottawa Community Housing Corporation, to extend the term to December 31, 2042, or until the property ceases to operate and provide the same services under the provisions of the MCFA at this location, whichever event occurs first.**
4. **Authorize the Chief Financial Officer/City Treasurer to conclude and execute all necessary agreements as described in this report.**

CARRIED

FINANCE SERVICES

4. CONSERVATION AUTHORITIES- 2022 LEVIES

ACS2022-FSD-FSP-0004

CITY WIDE

REPORT RECOMMENDATION

That the Finance and Economic Development Committee recommend that Council approve the 2022 levies for the Rideau Valley, South Nation and Mississippi Valley Conservation Authorities as presented in Document 1, and as outlined in this report.

CARRIED

INNOVATIVE CLIENT SERVICES

5. COMMUNITY PARTNERS' INSURANCE PROGRAM

ACS2022-ICS-LEG-0003

CITY WIDE

REPORT RECOMMENDATION

That the Finance and Economic Development Committee recommend Council approve the revised Community Partners' Insurance Program as described in this report.

David White, City Solicitor, provided a brief overview outlined the revision to the Program.

Alex Cullen, President, Federation of Citizens' Associations of Ottawa noted the lack of consultation and requested Committee to defer this item to the next meeting in order to allow an opportunity for FCA to properly review the report. A copy of his comments are held on file with the City Clerk.

Questions and comments to staff pertains to the groups affected by these changes; recreational and cultural services and their contractual obligations; and the implications of deferring this item. Committee agreed to defer this report to be considered at the Council meeting of May 25, 2022 to allow staff to work with councillors for specific concerns related to their community.

DEFERRED
*(to the Council Meeting of
May 25, 2022)*

OFFICE OF THE CITY CLERK

6. STATUS UPDATE – FINANCE AND ECONOMIC DEVELOPMENT
COMMITTEE INQUIRIES AND MOTIONS FOR THE PERIOD ENDING APRIL
22, 2022

ACS2022-OCC-FED-0004

CITY WIDE

REPORT RECOMMENDATION

**That the Finance and Economic Development Committee receive this
report for information.**

RECEIVED

PLANNING, REAL ESTATE AND ECONOMIC DEVELOPMENT

7. ACQUISITION OF PART OF SHEA ROAD WOODS

ACS2022-PIE-CRO-0004

Stittsville (6)

REPORT RECOMMENDATIONS

That the Finance and Economic Development Committee recommend that Council:

- 1. Approve the acquisition of a fee simple interest in lands owned by CRT Development Incorporated shown as Parcel 2 on Document 1 being the “Fee Simple Lands,” for the total net consideration of \$3,002,602 plus applicable taxes and closing costs.**
- 2. Delegate authority to the General Manager, Planning, Real Estate and Economic Development to enter into, conclude, execute, amend and implement, on behalf of the City, the Property Acquisition Agreement for the acquisition of the Fee Simple Lands, as described in this report.**

During the Consent portion of the agenda, Councillor Gower noted the importance of this greenspace and thanked staff in completing this process. The Committee then CARRIED the item as presented.

8. BROWNFIELD GRANT APPLICATION – 115 CHAMPAGNE AVENUE SOUTH
ACS2022-PIE-PS-0028 Kitchissippi (15)
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REPORT RECOMMENDATIONS

That Finance and Economic Development Committee recommend Council:

1. **Approve the Brownfield Redevelopment Grant application submitted by Soho Champagne (Phase 2) Inc., owner of the property at 115 Champagne Avenue South, for Property Tax Assistance and Rehabilitation Grant under the Brownfield Redevelopment Community Improvement Plan (2015), not to exceed a total of \$1,030,985 for which the Property Tax Assistance grant payment period will be phased over a maximum of three years and the Rehabilitation Grant payment will be phased over a maximum of ten years of development, subject to the establishment of, and in accordance with, the terms and conditions of the Brownfield Redevelopment Grant Agreement; the maximum deferral of Development Charges of \$991,535 under the Development Charge Deferral Program; and the estimated contribution of \$120,454 towards the Municipal Leadership Strategy fund;**
2. **Delegate the authority to the General Manager, Planning, Real Estate and Economic Development, to execute a Brownfield Redevelopment Grant Agreement with Soho Champagne (Phase 2) Inc., establishing the terms and conditions governing the payment of the grant for the redevelopment of 115 Champagne Avenue South, to the satisfaction of the General Manager, Planning, Real Estate and Economic Development Department, the City Solicitor and the Chief Financial Officer.**

CARRIED

9. BROWNFIELD GRANT APPLICATION – 1040 SOMERSET STREET WEST

ACS2022-PIE-PS-0029

Kitchissippi (15)

REPORT RECOMMENDATIONS

That Finance and Economic Development Committee recommend Council:

- 1. Approve the Brownfield Redevelopment Grant application submitted by Claridge Homes (Hintonburg Yards) Inc., owner of the property at 1040 Somerset Street West, for Rehabilitation Grant under the Brownfield Redevelopment Community Improvement Plan (2010), not to exceed a total of \$1,826,415 for which the grant payment period will be phased over a maximum of ten years of development, subject to the establishment of, and in accordance with, the terms and conditions of the Brownfield Redevelopment Grant Agreement; and the estimated contribution of \$149,943 towards the Municipal Leadership Strategy fund;**
- 2. Delegate the authority to the General Manager, Planning, Real Estate and Economic Development, to execute a Brownfield Redevelopment Grant Agreement with Claridge Homes (Hintonburg Yards) Inc., establishing the terms and conditions governing the payment of the grant for the redevelopment of 1040 Somerset Street West, to the satisfaction of the General Manager, Planning, Real Estate and Economic Development Department, the City Solicitor and the Chief Financial Officer.**
- 3. Exempt the proposed redevelopment of 1040 Somerset Street West from paying future Municipal Development Charges up to a maximum of \$1,595,125, under Section 7(s) of the Development Charges By-law 2019 156 under the Guideline for the Development Charge Reduction Program due to Site Contamination, approved by Council March 28, 2007 and is included in the \$1,826,415 grant request as outlined in Recommendation 1.**

CARRIED

OTHER BUSINESS

Recapitalize Better Homes Ottawa Loan Program

Councillor Moffatt read the following motion:

FEDC MOTION No. 2022 1/38

Moved by: Councillor Moffatt

WHEREAS to secure recapitalization funding prior to the June 1st 2022 interest rate increase and to ensure program continuity throughout the recess period;

BE IT RESOLVED that the Finance and Economic Development Committee add the following motion for consideration at today's meeting.

WHEREAS in January 2020, Council approved the Climate Change Master Plan ([ACS2019-PIE-EDP-0053](#)) which set a target to reduce community greenhouse gas (GHG) emissions 100 per cent by 2050; and

WHEREAS in October 2020, Council approved Energy Evolution: Ottawa's Community Energy Transition Strategy ([ACS2020-PIE-EDP-0036](#)) which identified that deep energy retrofits of 98 per cent of all residential buildings would be needed to meet this GHG target; and

WHEREAS in July 2021, Council approved the launch of the Better Homes Ottawa Loan Program ([ACS2021-PIE-EDP-0029](#)) with a \$4.1 million grant along with an \$8.1 million loan at 0% interest from FCM, and a \$3.8 million loan from VanCity Investment Bank at 3.25% interest; and

WHEREAS the program uptake has been successful and much higher than expected since it launched in November 2021, with over 600 applications from homeowners, totalling an estimated \$25 million in loan requests, and approximately 10 new applications per week; and

WHEREAS under the current service agreement with EnviroCentre, the program can be extended if the additional loan capital to meet the demands of the program is able to be secured; and

WHEREAS the Government of Canada bond rates are expected to increase again on June 1, 2022, which would increase the borrowing rates for new loans; and

WHEREAS obtaining the next tranche of loan capital prior to June 1, 2022 would ensure lower interest rates can be offered to homeowners; and

WHEREAS there are several options for recapitalization of the program through the various financing tools available to the City, primarily cash, debenture, and private lenders; and

WHEREAS staff aim to employ the most cost-effective financing tool based on market conditions at the time of borrowing in order to meet the projected demand of the program; and

WHEREAS staff reports back to Council annually on all borrowings and rates achieved; and

WHEREAS loans through this program are secured by a cost recovery mechanism through priority liens on properties via the local improvement charge mechanism, thereby minimizing potential financial risks to the City; and

WHEREAS staff will continue to report back to Council with a program evaluation report;

THEREFORE BE IT RESOLVED that the Finance and Economic Development Committee recommend that Council direct staff to implement up to an additional \$30 million in loan capital for the Better Homes Ottawa Loan Program by way of debentures, capital financing, or other allowable financing options pursuant to the *Municipal Act, 2001* based on whichever option represents the most cost-effective method available at the time of borrowing, to be repaid by property owners and that the Chief Financial Officer/Treasurer be authorized to execute any agreements to implement the additional program capital.

Councillor Menard thanked staff for unveiling this program. In response to a question from Councillor Harder, Janice Ashworth confirmed that there is adequate staff assigned to this project. After discussion, the Committee CARRIED MOTION No. 2022 1/38, as presented.

ADJOURNMENT

The meeting adjourned at 11:32 am.

Committee Coordinator

Chair

DRAFT