

MINUTES

CORPORATE SERVICES AND ECONOMIC DEVELOPMENT COMMITTEE

REGIONAL MUNICIPALITY OF OTTAWA-CARLETON

CHAMPLAIN ROOM

17 OCTOBER 2000

3:00 P.M.

PRESENT

Chair: R. Chiarelli

Members: D. Beamish, R. Cantin, B. Hill, G. Hunter, A. Loney, M. Meilleur,
W. Stewart and R. van den Ham

REGRETS

P. Hume

CONFIRMATION OF MINUTES

That the Corporate Services and Economic Development Committee confirm the Minutes of the 03 October 2000 meeting.

CARRIED

DECLARATIONS OF INTEREST

No declarations were filed.

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- Notes: 1. Underlining indicates new or amended recommendations approved by Committee.
2. Items 3, 5, 7 and 10 (as indicated with ***) require Transition Board Approval following Council consideration.
3. Reports requiring Council consideration will be presented on 25 October 2000 in Corporate Services and Economic Development Committee Report No. 78.

REGULAR ITEMS

ENVIRONMENT AND TRANSPORTATION

1. TOURISM AND PUBLIC SERVICE SIGNS STUDY
CONSULTANT APPOINTMENT

- Environment and Transportation Deputy Commissioner's report dated 25 Sep 00

That the Corporate Services and Economic Development Committee and Council approve the appointment of Delcan Corporation, Ottawa, for professional engineering services to undertake the Tourism and Public Service Signs Study, as defined by the study Terms of Reference, for a total contract provision of \$75,000.

CARRIED
(G. Hunter dissented)

2. WATER PURIFICATION PLANTS
STANDBY POWER REPLACEMENT PROGRAM
PHASE II - ENGINEERING DESIGN -
CONTRACT ETL00-3078

- Environment and Transportation Deputy Commissioner's report dated 26 Sep 00

Councillor Cantin referenced a Property Services report considered by Committee in February 2000 with respect to the replacement of generators at 111 Lisgar, in addition to other locations. He stated the report had been deferred until August, however, has since not returned to Committee. The Councillor inquired if the generation capacity at 111 Lisgar was sufficient to replace the aging generators at the purification plants. In addition, he wondered if there was sufficient generator power at 111 Lisgar, noting the consequences should there be a power failure.

J. Miller, Director, Engineering Division, reported the generators required for the purification plants were intended to be standby and duty, whereas the generators for 111 Lisgar were only for standby and not for full duty operation. Mr. Miller did not believe there was a match; however, he agreed to review the option. In addition, Mr. Miller stated the generators at the purification plants were obsolete and must be replaced.

With respect to the generators at 111 Lisgar, Mr. Miller deferred the question to Property Services. M.J. Woollam, A/Chief Administrative Officer, stated the Property Services Director was absent; however, she agreed to obtain the information prior to Council.

Speaking to the subject ETD report, Councillor Cantin inquired if the cost was for the study alone. Mr. Miller reported the total program was in excess of \$12 million. He explained a feasibility study recommended it was critical to proceed at this time. Mr. Miller added the program had been postponed for two year earlier due to the SCADA implementation.

Councillor van den Ham inquired about the requested expenditure and if it was for study alone or purchasing equipment. Mr. Miller reviewed the process and compared the program to that for the Robert O. Pickard Centre gas utilization. He pointed out the report dealt with both water treatment plants (Lemieux and Britannia), and the nature of the work did require a number of contracts.

Councillor van den Ham referenced the statement that public consultation would be undertaken as part of the class environmental assessment component. He questioned the necessity, noting it was to replace standby power. In response, Mr. Miller confirmed it was a requirement of the process as outlined in the class environmental assessment document. He expected there might be concerns with respect to emissions; however, he stated the new equipment was much cleaner and quieter.

The Committee then considered the staff report.

That the Corporate Services and Economic Development Committee and Council approve the award of Contract ETL00-3078 to CH2M Gore and Storrie Ltd., Ottawa, for engineering pre-design and detailed design for the proposed modifications to the Lemieux Island and Britannia Water Purification Plant standby power systems, for a total contract provision of \$1,373,649.

CARRIED

3. HIRING OF COMBINATION SPREADER / ***
PLOW TRUCK UNITS FOR WINTER MAINTENANCE SERVICES
CONTRACT 97-822 EXTENSION

- Environment and Transportation Deputy Commissioner's report dated 21 Sep 00

Councillor Cantin referenced the negotiated 4% increase to the established hourly rate for each combination unit. B. Beveridge, Director, Infrastructure Maintenance Division, stated the recommendation represented an excellent deal for the Corporation. He pointed out the equipment was on the leading edge and was a very expensive investment for the contractor. Mr. Beveridge explained to return to the original tender, staff had a difficult time to find a single contractor who would undertake the provision for five of the specially equipped units. He believed offering a three-year contract with an option for two additional years encouraged submissions. Mr. Beveridge pointed out diesel fuel had doubled in price per litre since the original contract was signed, and the 4% increase was fair and reasonable. In closing, Mr. Beveridge reviewed the process in developing the contract terms. He indicated the Province of Ontario had proceeded the same way for their area maintenance contracts in that they also offered three-year terms with potential two-year extensions subject to satisfactory performance.

That the Corporate Services and Economic Development Committee and Council approve the extension of Contract 97-822 with Goldie Mohr Ltd., Nepean, for the services of five Combination Spreader/Plow Truck Units, for use in winter maintenance operations for a period of two winter seasons, 2000/2001 and 2001/2002, in the amount of \$1,725,651 (\$862,826.00 annually for two years), bringing the revised total contract provision to \$4,044,811.

CARRIED

HEALTH

4. NEW PERFORMANCE BASED AMBULANCE SERVICE
CONSULTANT APPOINTMENT

- Medical Officer of Health's report dated 03 Oct 00

Councillor van den Ham noted the consultant appointment represented phase three. He inquired if this was the final phase or if staff expected more.

*****NOTE: TRANSITION BOARD APPROVAL WILL BE REQUIRED FOLLOWING COUNCIL
CONSIDERATION OF THIS ITEM**

J. Yelle-Weatherall, Director, Land Ambulance Services, confirmed this was the final implementation phase.

Councillor van den Ham referenced phase two and inquired if it was known if the Region would receive dispatch. Ms. Yelle-Weatherall stated dispatch was not yet finalized, however, they remain optimistic. She added the People Services General Manager was negotiating this aspect.

Councillor van den Ham wondered if it was premature to implement phase three. In response, Ms. Yelle-Weatherall stated not, pointing out they were already four to six months behind schedule and critical steps such as facilities, fleet and staff remain unresolved. Councillor van den Ham concurred with the need to move ahead, to attempt to be ready and to fulfill the Region's responsibility.

That the Corporate Services and Economic Development Committee and Council approve the appointment of Fitch & Associates of Platte City, Missouri, to provide expert advice and professional services for Phase III - Implementation of the new performance based ambulance service, for a total contract provision of \$249,260.00 including GST.

CARRIED

LEGAL / PLANNING AND DEVELOPMENT APPROVALS

5. SUBDIVISIONS ***

AIR RIGHTS

KANATA REGIONAL SHOPPING CENTRE

- Joint A/Regional Solicitor and Planning and Development Commissioner's report dated 11 Oct 00

Mr. Dennis Eberhard, Assistant Vice-President, Pen Equity Management Corporation, spoke to the Committee on this matter. Mr. Eberhard addressed report recommendation nos. 3 and 4.

*****NOTE: TRANSITION BOARD APPROVAL WILL BE REQUIRED FOLLOWING COUNCIL CONSIDERATION OF THIS ITEM**

As background, Mr. Eberhard reported that in 1997 Pen Equity entered into discussions with the Region to obtain the air rights over the park and ride facility and the transit lands. He stated that in May 1997, Pen Equity received a letter from Regional Planning staff that outlined the principles of the air rights over the park and ride facility. The speaker pointed out the letter stated Pen Equity would receive the air rights for both the park and ride and transit lands at a nominal consideration. Mr. Eberhard continued to explain an agreement was drafted and finalized two years ago, however, the parties have since been trying to define the agreement schedules. The speaker stated in July 2000, Pen Equity expressed concern with the long negotiations, noting the importance for a resolution and the need for Pen Equity to be able to incorporate the air rights into their future marketing design of the shopping center. Mr. Eberhard reported Pen Equity was informed in July 2000 that the Property Services Division had not reviewed this agreement and the Region now assessed that there was considerable value to the air rights over the park and ride facility (Block 3). He expressed concern and surprise at this statement, referencing the need to redraft the agreement to incorporate the conditions as set out in the report, and the change in staff's opinion with regard to the air rights over Block 3. Mr. Eberhard stated it was only in the last three months that staff had decided some value should be assigned to Block 3, noting the figure from an appraisal was not disclosed to him. In closing, Mr. Eberhard emphasized air rights was a very expensive and challenging development to undertake, and stated the air rights should be provided at a nominal amount. He added the original planning rationale for the nominal consideration was that high-density development in and around a transit facility would be beneficial for the Region and support the large investment in the transit facility and system. Mr. Eberhard requested Committee to support the original agreement and urged for closure on the issue.

Councillor Munter reported he had spoke with Pen Equity and staff and suggested a compromise from the staff recommendations and the request from Pen Equity. The Councillor pointed out the Region purchased the land for the sole purpose of the transitway and park and ride. Councillor Munter acknowledged the desire for staff to attempt to recover the expenditure, however, he referenced the original 1997 Regional position in that there was a public interest in this initiative. As a compromise, Councillor Munter suggested Pen Equity have access to the air rights over Block 3 for nominal consideration for three years following the construction of the transit facility. He recommended at the end of the three years, if Pen Equity has not developed the space, then the Region had the right to put forward a request for proposal to obtain another developer and Pen Equity could not frustrate the process.

Councillor Meilleur stated it was an objective of the transitway system to build an employment center near by. The Councillor acknowledged staff's opinion that the air rights were of monetary value; however, she stated she wished to see the Pen Equity project advance. Councillor Meilleur moved a Motion outlining the Munter compromise.

Councillor Cantin agreed with the staff opinion the air rights were of value and inquired what the value was. T. Marc, Manager, Planning and Development Law, confirmed there was substantial value to the lands; however, he could not disclose a figure. He reported Block 4 was acquired subject to a subdivision agreement that specifically stated the air rights would be granted for \$1.00. Although, with respect to Block 3 (the park and ride facility), Mr. Marc stated the Region had paid \$1.65 million for the lands. Councillor Cantin referenced the Gloucester Shopping Centre / Blair transit facility and the Glen View Park and Commerce buildings. He wondered how those projects were dealt with and noted the need for consistency. With respect to the three-year term, the Councillor felt it was too long.

In the absence of Chair Chiarelli, Councillor Loney moved into the position of Acting Chair for the remainder of the meeting.

Councillor van den Ham expressed his support for the staff recommendations and the need to determine a value for Block 3. In response to an inquiry, Mr. Marc confirmed the discussions with Pen Equity from 1997 to the spring of 2000 were on the basis that nominal consideration would be paid for both Blocks 3 and 4. However, Mr. Marc stated there was no commitment at a high level {senior staff, Committee, Council or a signed agreement} that justified disposal of the air rights over Block 3 for \$1.00. Therefore, he explained staff changed their position and now believes that given the substantial expenditure for the property, market value should be assigned to the air rights over Block 3.

Councillor Beamish inquired about the construction proposed by Pen Equity. Mr. Eberhard reviewed the proposal, emphasizing the associated challenges and expenses. He acknowledged the prime location of the property with respect to the value; however, he referenced the reality of incorporating it into Pen Equity's development and the need to make it economical and effective. Mr. Eberhard believed the air rights were a separate issue from the purchase price paid by the Region when they acquired the property for transportation purposes.

Councillor Hunter stated air rights had value if there was a competitive market, noting Pen Equity could use the air rights whereas another company would actually have to build a structure and would lose their dollar advantage. He questioned the proposed high value of the air rights as suggested by staff. Councillor Hunter referenced the 1997 letter and stated it should take precedent, noting the letter and commitments must have been vetted for accuracy. He did not support the Meilleur motion, as the timing of the transitway was unknown. In addition, Pen

Equity had the opportunity to move ahead at this time with a proposed project but required some assurance with respect to the air rights.

Councillor Munter disagreed with the previous comments with respect to the land value; he reviewed the location of the property and rationale for its substantial value. However, Councillor Munter referred to the 1997 commitments and the public interest in having the site developed. He reviewed his compromise that if Pen Equity were unsuccessful with their project, the Region would proceed with a request for proposal.

Councillor Loney inquired on the size of the proposed building. Mr. Eberhard acknowledged the Pen Equity's interest in the air rights. However, he stated they could not guarantee a building or the type of building at this time. He reiterated the expense, challenge and need for a parking structure to be incorporated into the existing development of the shopping centre. The speaker further explained it might be Pen Equity's desire to incorporate the air rights into the marketing of the project to increase tenant interest. With respect to co-operating with another developer in the long term, Mr. Eberhard stated Pen Equity would have to look closely at the impact on their operations.

Councillor Loney supported the notion that a substantial employment centre be developed on the location to tie in with the transitway. The Councillor supported the nominal consideration for Block 3; however, he suggested the need for some minimal requirements such as the assurance that a large employment centre would be constructed, referencing the public interest. In response, Mr. Eberhard was not agreeable to this, stating Pen Equity could not give up their ability to protect their tenants and facilities from the encroachment of an adjoining development or their legal rights to the ownership of the property.

Councillor Cantin referenced the Gloucester Centre and the arrangement to use some parking space for park and ride purposes to encourage transit users. He reviewed the advantages to having people travel through the shopping centre. However, the Councillor noted the difference in the type of development i.e. office towers. In response to a question, Mr. Marc confirmed the land was sold to the Region for transportation purposes with no conditions attached. As a result, the Councillor did not support the Meilleur motion and moved to refer the issue to the new City of Ottawa Council.

Councillor Munter stated it was not correct to expect a developer to use all their retail parking space. He referenced the need for reasonable accommodation through an agreement and there would be some control, but not the ability for Pen Equity to block the process. Mr. Eberhard referenced outstanding issues such as access. He reiterated the cost and challenges of the venture, stating to add the cost for the air may make the proposal uneconomical.

Councillor Beamish expressed his support for some comments made by Councillor Munter as well as the staff position. However, he stated he could not support the Meilleur motion. He believed there was a value to the air rights, which would only rise over time and could be determined at a later time. Councillor Beamish stated the Region had an obligation to the taxpayer to be compensated for that value. In closing, the Councillor referenced the unfortunate situation created by the 1997 letter. However, he stated Pen Equity should have realized this letter held no final authority until approved by Council or through a signed agreement. As another means to compromise and allow Pen Equity proceed with their marketing plans, Councillor Beamish moved a motion as outlined below.

Councillor van den Ham suggested the real question was the value of the air rights. He agreed there was a need to provide assurance to Pen Equity to allow them to proceed with their marketing. He expressed his support for the report recommendations as it provides the guarantee Pen Equity will obtain the air rights, noting recourse to an arbitrator, and provides closure to the issue.

Councillor Cantin requested withdrawal of his referral motion, in support of the report recommendations. The Committee concurred.

Moved by R. Cantin

That this item be referred to the New City Council for debate and consideration.

WITHDRAWN

Moved by M. Meilleur

Amend report recommendation no. 2 by adding Block 3, as follows:

2. The granting of a lease for the air rights (above 5.5 metres) over Block 3 and Block 4, Plan 4M-921 to Penex Kanata Limited for a period of ninety-nine years at nominal consideration with the Penex having the option of renewing the lease for two, twenty-five year periods at fair market rent;

Replace report recommendation nos. 3 and 4 with the following :

3. That the foregoing be subject to a legal agreement between the Region and Penex Kanata Limited allowing the Region to conduct a Request for Proposal for the development of these air rights if Penex Kanata has not yet applied for and received development approval within three years following the earlier of the completion of the construction of the Transitway station or the park and ride at the regional shopping center site, such legal agreement specifying that Penex Kanata Limited can not unreasonably withhold its consent for access, egress and other co-operation required for the development of the site by a different developer, and requiring high-density employment development.

LOST

NAYS: D. Beamish, R. Cantin, B. Hill, W. Stewart, R. van den Ham ... 5

YEAS: G. Hunter, A. Loney, M. Meilleur ... 3

Moved by D. Beamish

That the Corporate Services and Economic Development Committee recommend that Council agree in principle that the concept of the development of air rights over the Kanata Town Centre Park and Ride Lot be supported, and that the staff be directed to negotiate at the time of development proposal for suitable compensation.

LOST

NAYS: G. Hunter, A. Loney, M. Meilleur, R. van den Ham ... 4

YEAS: D. Beamish, R. Cantin, B. Hill, W. Stewart ... 4

As the Beamish and Meilleur motions lost, the Committee then considered the staff recommendations.

That the Corporate Services and Economic Development Committee recommend Council approve:

1. **That the air rights located beyond 5.5 metres above Blocks 3 and 4, Plan 4M-921 be declared surplus to Regional needs;**

2. **The granting of a lease for the air rights (above 5.5 metres) over Block 4, Plan 4M-921 to Penex Kanata Limited for a period of ninety-nine years at nominal consideration with the Penex having the option of renewing the lease for two, twenty-five year periods at fair market rent;**
3. **That the Region grant to Penex Kanata Limited an option to acquire the air rights (above 5.5 metres) over Block 3 at fair market value with such price to be agreed upon between the Region/new City and Penex, or, in the absence of agreement, as determined by an arbitrator;**
4. **Penex shall have until the expiration of two years following the earlier of the completion of the construction of the Transitway station or the park and ride at the regional shopping centre site to exercise the option.**

CARRIED

YEAS: R. Cantin, B. Hill, A. Loney, M. Meilleur, W. Stewart, R. van den Ham ... 6

NAYS: D. Beamish, G. Hunter ... 2

LEGAL

6. MUNICIPAL ROAD ACCESS AGREEMENTS

DELEGATION OF AUTHORITY

- A/Regional Solicitor's report dated 04 Oct 00

That the Corporate Services and Economic Development Committee recommend Council delegate to the Acting Environment and Transportation Commissioner and the Acting Regional Solicitor authority until December 31st, 2000, to approve municipal road access agreements in accordance with this report.

CARRIED

PLANNING AND DEVELOPMENT APPROVALS

7. SALE OF SURPLUS LAND ***
HAWTHORNE AT WALKLEY, OTTAWA
- Planning and Development Approvals Commissioner's report
dated 26 Sep 00

That the Corporate Services and Economic Development Committee approve the sale of 2.37 acres of vacant land, being part of Lots A and 1, Concession 5 and 6 (R.F.), and part of the road allowance between Concession 5 and 6 (R.F.), former Township of Gloucester, now City of Ottawa, shown as Parts 2, 3, 5 and 7, on Plan 4R-15335, subject to any easements that may be required, to Springcress Properties Inc. for the sum of \$325,000 pursuant to an Agreement of Purchase and Sale that has been received.

CARRIED

8. SALE OF SURPLUS LAND
3323 HAWTHORNE ROAD, GLOUCESTER AND OTTAWA
- Planning and Development Approvals Commissioner's
report dated 29 Sep 00

That the Corporate Services and Economic Development Committee recommend Council:

1. **Declare a vacant parcel of land approximately 3,295 m², being part of the south half of Lot 4, Concession 6, (R.F.), former Township of Gloucester, now partly in the City of Gloucester and partly in the City of Ottawa, shown as Part 1 on Plan 4R-14378, as surplus to the Region's needs;**
2. **Approve the sale of the lands described in Recommendation 1, subject to an easement for a Regional water main over Part 1 on Plan 4R-15221, and any other easements that may be required, to Ottawa Fibre Inc. for the sum of \$80,000 pursuant to an Agreement of Purchase and Sale that has been received.**

CARRIED
(R. Cantin dissented)

9. REVISED OTTAWA-CARLETON PROJECTIONS, 2001-2031
CONSULTANT APPOINTMENT

- Planning and Development Approvals Commissioner's
report dated 27 Sep 00

That the Corporate Services and Economic Development Committee and Council approve the appointment of The Centre for Spatial Economics, Oakville, to undertake the Region of Ottawa-Carleton Population, Household, Dwelling Unit and Employment Projections, 2001-2031, for a total contract provision of a maximum of \$114,600.

CARRIED

10. LAND ACQUISITION ***
4120 RIVERSIDE DRIVE, OTTAWA

- Planning and Development Approvals Commissioner's
report dated 12 Oct 00

That the Corporate Services and Economic Development Committee recommend Council approve the acquisition of Parts 1 & 3, Plan 4R-10226 from Thomas Wynn and Parts 2 & 4, Plan 4R-10226 from D. Lyall Hanes (1983) Ltd. for \$245,000 plus GST.

CARRIED
(B. Hill dissented)

ADDITIONAL ITEM

Moved by R. van den Ham

That the Corporate Services and Economic Development Committee approve the addition of Item No. 11, *Land Exchange, Regional Road 174, Cumberland*, to be considered by Committee at today's meeting.

CARRIED

11. LAND EXCHANGE

REGIONAL ROAD 174, CUMBERLAND

- Planning and Development Approvals Commissioner's report dated 06 Oct 00

That the Corporate Services and Economic Development Committee recommend Council:

1. **Declare a vacant parcel of land approximately 5,855 m² in area, described as being part of Lot 25 and part of the Road Allowance between Lots 24 & 25, Concession 1 (Old Survey), former Township of Cumberland, now City of Cumberland, shown as Parts 1 and 2, on Plan 4R-16000 as surplus to the Region's needs;**
2. **Authorize the Region's Legal Department to proceed with preparing a by-law to stop and close the portion of Regional Road identified in Recommendation 1;**
3. **Approve the sale of the property identified in Recommendation 1, to Leonard and Trinette Goddard, in exchange for Leonard and Trinette Goddard conveying three (3) parcels of land totaling 17,936 m² described as being part of Lot 25 and part of the Road Allowance between Lots 24 & 25, Concession 1 (Old Survey), former Township of Cumberland, now City of Cumberland, shown as Parts 1 thru 5, Plan 4R-15472, Part 4, Plan 50R-3686, Parts 1 & 6, Plan 50R-5476, save and except Parts 3 & 4, Plan 4R-16000, all for the sum of \$1.00.**

CARRIED

INFORMATION PREVIOUSLY DISTRIBUTED

REGIONAL CLERK

1. RECORD OF TENDER OPENINGS
FOR THE MONTH OF SEPTEMBER 2000
(As Per Corporate Policy Manual Section 4.6.6)
- Regional Clerk's memorandum dated 01 Oct 00
2. 2000 Arts Grants Report
- Chief of Arts and Heritage memorandum dated 26 Sep 00

CONFIDENTIAL AGENDA

PLANNING AND DEVELOPMENT APPROVALS

1. LAND ACQUISITION ***
NATURAL ENVIRONMENT AREA
SOUTH MARCH HIGHLANDS - KANATA
- Planning and Development Approvals Commissioner's report dated 11 Oct 00

Moved by R. van den Ham

That Agenda Item No. 1 of the Confidential Agenda be considered by the Corporate Services and Economic Development Committee In Camera pursuant to subsection 11 (1) (c) - a proposed or pending acquisition of land for the purposes of the Regional Corporation - of the Procedure By-Law.

CARRIED

[Reference Confidential Minute – 17 October 2000]

INQUIRIES

Councillor van den Ham referenced the November 13 election. He inquired about Council's authority after this date with respect to approvals and the "lame duck" provision. E. Johnston, A/Regional Solicitor, stated that staff were in the process of preparing a report on this matter. He confirmed it would be ready prior to Council on 25 Oct.

Councillor van den Ham pointed to the outstanding matter with respect to development and planning approvals. He stated there was a concern in the development industry that there would be a significant time lapse between the election and 2001 where business is on hold. T. Marc, Manager, Planning and Environment Law, reported on the possibility of a Provincial regulation coming through with respect to this issue, in particular around subdivision approvals. He believed this regulation would resolve this concern. Mr. Marc agreed to provide an information memorandum to members of Council in the near future. Councillor van den Ham suggested this memorandum be forwarded to the Ottawa-Carleton Homebuilders Association.

*****NOTE: TRANSITION BOARD APPROVAL WILL BE REQUIRED FOLLOWING COUNCIL CONSIDERATION OF THIS ITEM**

ADJOURNMENT

The meeting adjourned at 4:45 p.m.

CO-ORDINATOR

CHAIR