

MINUTES

CORPORATE SERVICES AND ECONOMIC DEVELOPMENT COMMITTEE

REGIONAL MUNICIPALITY OF OTTAWA-CARLETON

CHAMPLAIN ROOM

21 JULY 1998

8:30 A.M.

PRESENT

Chair: R. Chiarelli

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

CONFIRMATION OF MINUTES

That the Corporate Services and Economic Development Committee confirm the Regular Minutes of the 16 June 1998 meeting.

CARRIED

REGULAR ITEMS

1. CONVENTION CENTRE FACILITIES

- Joint Chief Administrative Officer and Executive Director, Economic Affairs
report dated 15 Jul 98

Mr. Rejean Chartrand, Executive Director, Economic Affairs, introduced the staff report and reviewed key components as follows:

- ⇒ In 1995, Minto Development and the Region jointly agreed to study the feasibility of an expanded convention facility; study prepared by KPMG and released in Jun 96. The study confirmed the need for an expanded facility and outlined the numerous benefits such as job creation and increased tax revenues.

Notes: 1. Underlining indicates new or amended recommendations approved by Committee.
2. Reports requiring Council consideration will be presented to Council on 12 August 1998 in Corporate Services and Economic Development Committee Report Number 15.

- ⇒ Following the study, staff requested submissions of interest; two received from Minto Development Inc. and Viking Rideau. Staff reviewed the proposals and brought recommendations forward, recommending Viking Rideau as the more suitable site. Council requested more information on design, costs, potential financing and the need for private, Federal and Provincial participation.
- ⇒ Report prepared by Coopers and Lybrand in June 1997 confirmed the analysis of KPMG study and made additional comments regarding the need to improve Ottawa's competitive edge.
- ⇒ Due to the considerable investment of time and resources, and the difficulty in attracting potential investors, the two proponents expressed the need for Council to confirm its support and to select a site.
- ⇒ Staff recommends entering into a public/private partnership in that the Region would contribute its best efforts to work with the proponent to set up a business plan that would be successful. No intention at this point that Council make a financial commitment to the project.
- ⇒ Throughout process, Council will maintain the ability to approve a number of issues including site plan, financial / business plans, servicing and transportation issues.
- ⇒ Private sector expected to obtain potential investors and initiate planning activities.
- ⇒ Each proponent was capable of constructing a convention centre that would enhance the economic growth of the Region, were both reputable companies with professionals to undertake the project, and had the credibility to attract potential investors; the Region welcomed the opportunity to associate itself with either proponent.
- ⇒ With respect to site selection, staff reviewed previous recommendations of the Steering Committee and studies; considered six criteria in assessing each site:
 1. Land Assembly/Ownership
 2. Planning Approvals
 3. Relationship with Rideau Centre and Ottawa Congress Centre
 4. Access to Nearby Attractions
 5. Architectural "Statement" and Landmark
 6. Urban Environment

(see staff report dated 15 Jul 98 for detail rationale)
- ⇒ Concluded with the selection of the Viking Rideau site.

Councillor Hume inquired what role the Board of the Ottawa Congress Centre (OCC) would have. Mr. Chartrand stated it would be large, but more as a member rather than a leader. He agreed it would be necessary to involve a number of very strong members, such as the OCC and the convention industry. However, he noted there were issues the Region must approve. He suggested the next step would be to establish a working team that would review the issues.

In response to Councillor Stewart's question regarding recommendation No. 3, Mr. Chartrand confirmed if Council approved a site and proponent, staff could then continue with the project. He noted Council's original requirements of financial options and private sector involvement would be met at a later date. Mr. Chartrand confirmed Council had the ability to reject any design or concept that did not meet the requirements.

Councillor Meilleur inquired why the report stated there were no financial implications to the Region when a budget of \$3 million had been approved. Mr. Chartrand responded the specific recommendations outlined in the report did not require financing. However, he noted should the recommendations be approved, a report would be forthcoming requesting the budget freeze be lifted to allow staff to fulfill their obligations.

Councillor Hunter requested confirmation that Council would not be committing funds to the capital and operating costs of the facility. Mr. Chartrand referenced recommendation No. 4 and suggested this commitment was outlined there. The Councillor believed it was necessary to state the Region may support the concept, but property tax dollars were not to be used for the construction or operation of the facility. Speaking to the involvement of the Region, Councillor Hunter suggested there may be a concern or conflict in future planning issues around the project.

Councillor Cantin requested the addition of the word "design" in recommendation No. 3. Speaking to the membership of the working committee, the Councillor suggested a board member of the Ottawa Tourism and Convention Authority sit on the committee. As staff direction, Mr. Chartrand agreed representation from this important industry would be on any working team developed.

Councillor van den Ham inquired what contact had been made with the Provincial and Federal governments regarding possible financing. Chair Chiarelli reported there had been some discussions with the Federal level and they expressed an interest in receiving requests. In addition, contacts had been made with several Provincial individuals and the Minister responsible, which had also received promising feedback. The Chair reinforced that it was necessary to select a site and proceed.

Councillor Beamish referenced the term “public/private partnership” and questioned its use. Mr. Chartrand acknowledged that Council had made it clear that unless the private sector became involved financially, such as facility would not proceed. He explained the partnership was in the context that a public contribution from the Region’s perspective was to attract funding from the senior levels of government, a task the private sector would have difficulty doing without the Region’s support. Mr. Chartrand confirmed the private sector had not officially been asked to contribute funds as it was premature at this time.

With regard to making the project financially viable, Chair Chiarelli referenced suggestions, not necessarily proposals, to be explored such as the possibility of a hotel tax or a tax levy for the benefiting businesses in the area. The Chair stressed the importance to choose a site so issues such as private sector financing could be reviewed to determine its feasibility.

Councillor Legendre agreed it was necessary to “unblock” the current situation and move towards a decision. The Councillor requested clarification with the wording of recommendation No. 3. The Chair noted a revision was forthcoming.

The Committee then heard from Minto Developments Inc. and Viking Rideau, followed by public delegations supporting the project.

Mr. Roger Greenberg, Minto Development Inc.

Mr. Greenberg expressed both disappointment and excitement by the staff report; disappointment that the Minto site was not recommended but excitement that the much needed facility may become a reality. Mr. Greenberg referenced the initiative taken by Minto in 1995 to examine this need and noted he was more convinced now of the overwhelming need and benefits to the Region. He believed the success of a new facility would depend on it being functional and first class. In closing, Mr. Greenberg expressed Minto’s support in the Region selecting a site as it was a critical step which would permit the resolution of many details.

Chair Chiarelli and committee members expressed their respect and admiration to Mr. Greenberg and Minto Development Inc. The Chair noted the project would not exist without Minto’s initiative.

Mr. Don Maclellan, Viking Rideau

Mr. Maclellan referenced the past development of the Rideau Centre and its strategic positioning as a revitalization of the downtown core and the declining business district. He explained the Centre resulted from the initiative of the Federal and Regional

governments and City of Ottawa, in co-operation with the private enterprise of Viking Rideau. He pointed out the desired change was accomplished; however, in order to maintain economic return, enhancement and growth must be permitted as the status quo was not acceptable. Mr. Maclellan stated Viking Rideau looked forward to the recently announced changes to the downtown core and the opportunity to work with the Region on this project. Mr. Maclellan complimented Minto, Mr. Roger Greenberg and Mr. Regis Trudel for their vision and concern for the City of Ottawa.

In response to a question from Councillor Cantin regarding the tax revenues from the commercial retail units (Rideau Centre), Congress Centre and hotel, Mr. Maclellan stated the realty and business taxes paid were approximately \$10 million per year.

Councillor Beamish inquired if Viking Rideau would invest money in a new convention centre. Mr. Maclellan stated they were willing to work with the Region in the development of a business plan. He understood the Region did not intend to contribute financially, but noted interest from the Provincial and Federal levels. He believed there was a need to examine in what manner it could be constructed and financed, and determine if an economic analysis identified it as being a viable proposition. Mr. Maclellan pointed out the OCC had a shortfall over the years, however, there was a much greater investment in tax revenue. In closing, Councillor Beamish suggested most tax revenue gained in large projects such as this was required to support the operations and infrastructure needs.

Chair Chiarelli referenced the name of the committee and their responsibility to economic development in the Region.

Public Delegations

Ms. Jacquelin Holzman, Chair, Ottawa Congress Board (OCC)

(See written presentation entitled "Expanding Ottawa's Convention Capacity")

Ms. Holzman reviewed statistical information confirming the benefits of an expanded convention centre and losses due to the existing situation. She stressed Ottawa was capable of capturing a larger share of the growing convention market.

Ms. Holzman reported conventions had a positive economic impact, were a growth industry in which Ottawa was presently losing, and the investment would pay both immediate and long-term dividends.

In closing, the Board Chair reviewed the two sites and confirmed the OCC Board had officially endorsed the Viking Rideau site. She pointed out the operation and management role of the current OCC and requested the Region grant the Board 90 days to prepare a business plan. Ms. Holzman explained funding of up to \$200,000 (joint from Province and RMOC) would be required to assist in the preparation of the plan.

In response to questions from Councillor Beamish, Mr. Hamilton, OCC President, reviewed public owned facilities that achieved funding from private corporations, such as the Edmonton Convention Centre and a General Motors facility.

Responding to questions from Councillor Meilleur, Ms. Holzman confirmed the Board considered this project as an expansion of the current Congress Centre, not a new Convention Centre. She believed it should be managed by one Board.

Councillor Hume inquired if the Board considered its role to be larger than that referenced by staff. Ms. Holzman explained it was the Board that was responsible for the management and financial bottom line of the Centre. She believed they were in the position to prepare a proposal/business plan in conjunction with others such as Viking Rideau, RMOC staff, the industry and community. Ms. Holzman reported she had a letter from Provincial staff stating they were waiting for further information and the Region's position. Councillor Hume concluded by stating he felt the OCC should lead the process and moved a Motion to that effect.

Chair Chiarelli explained to date there was no clear arrangement on the partnership and the members, as they were details to be considered once a site and proponent were endorsed. He noted there would be a role for the RMOC, the Congress Centre, Viking Rideau, private investors, the industry and the community.

Mr. Otto Heberlein, Vice-Chair, Ottawa Tourism and Convention Authority

Mr. Heberlein expressed pleasure that a site recommendation had been made. He looked forward to working with the Region and Viking Rideau to ensure the centre was user friendly and marketable. Mr. Heberlein reviewed statistical data on the tourism industry and its relationship to the convention and trade show industry, emphasizing benefits such as balancing employment opportunities and tax revenues. In closing, Mr. Heberlein noted Ottawa had much of the infrastructure in place, provided a clean and safe City and stressed the need for this expansion. He urged the Committee to support the staff report.

In response to a question from Councillor Stewart regarding a hotel tax or tourist levy, Mr. Heberlein stated the hotel industry was aware of the need for funding sources to be reviewed. He acknowledged and confirmed there were many stakeholders in the tourism industry that would benefit from the expansion; this would ensure a public/private partnership.

Ms. Marg Coll, Conference Coll Incorporated

Ms. Coll expressed her support for the Viking Rideau proposal. She referenced the current shortage of meeting space and stated there were many peak periods throughout the year that hotels and space were not available for high paying clients. Ms. Coll referenced changes to the government conference centre and civic centre which increased the demand for additional space elsewhere. In closing, she spoke about the benefits and spin-offs from conventions and tourism in the downtown core.

Mr. Hector St. Jacques, President, Nautical Show Group

Mr. St. Jacques reported they had been holding boat shows in Ottawa for five years, however, recently outgrew the Corel Centre with all other facilities inadequate. Regarding the 1998 show, he reported they had reviewed all options possible, but have decided to cancel with the hope it will return in 1999. In closing, Mr. St. Jacques urged the Committee to proceed quickly with the expanded convention centre.

Mr. Bernie Colterman, Ottawa Association of Exhibition Managers

Mr. Colterman, Connelly Exhibitions, applauded the Region's efforts to proceed with the facility as the lack of space had severely hindered the trade show and conference industry. Mr. Colterman agreed with Councillor Cantin regarding the importance of consultation with the conference industry and requested time be given to allow them to contribute. This would ensure the facility would meet the users' needs and would compete in the marketplace as a world class facility.

Mr. Bill Fenton, Chair, Ottawa Economic Development Corporation

Mr. Fenton reported the OEDC agreed that a vibrant convention/tourism industry was essential to the fundamental economic goal of a diversified economy. He stressed this sector needed a new convention facility which would support these goals and build on the successes. Mr. Fenton reported the OEDC had solicited the views on economic development which concluded with reaffirmation that a expanded facility was essential and formed part of the Region's Economic Development Plan.

Ms. Helene Lamadeleine, President, Golden Planners Inc.

Ms. Lamadeleine referenced the Linkages Project and stated both projects together were integral to improving the marketability of Ottawa and extend the length of the tourism season and revenues. She noted all studies had shown a greater positive impact on the sector and economy which would be achieved through the completion of the Linkages and expanded convention facility projects. Ms. Lamadeleine reviewed statistics in the industry. In closing, she referenced the initiatives of Highway 416 and direct air links which had increased the accessibility to the City and business.

Ms. Gail Logan, President, Ottawa-Carleton Board of Trade

Ms. Logan expressed the Board's support for the expansion of the facility, as the City was limited in their ability to increase in the lucrative market without change. She encouraged the Committee to select a site and move forward quickly. Ms. Logan suggested it was necessary as early as during the construction, the management must actively market the facility to secure new business and dollars to the economy.

Ms. Donna Holton, Chair, Rideau Street BIA

Ms. Holton referenced a strategy plan for Rideau Street and stated various components of the plan supported the Viking Rideau proposal. She referenced the numerous economic returns and expressed concern there were members of Council that were opposed to the proposal. Speaking to the statistics, Ms. Holton reported she was in the position to see lost revenues in conventions over many years and stated there was a great deal more than documented. She stated there was even Ottawa based businesses holding their regional district meetings outside Ottawa-Carleton. In closing, Ms. Holton reported they were investigating development opportunities for Rideau Street. She expressed her support for Viking Rideau and Viking Rideau's past community and business contributions to the Region. Ms. Peggy Ducharme, Executive Director, Rideau Street BIA, reiterated the Board's endorsement of the Viking Rideau proposal as it integrated into the community better and supported the Linkages Project. Ms. Ducharme referenced vacant properties on Rideau Street that may have more development potential should the expansion proceed.

Mr. Phil Wasserman, Byward Market BIA

Mr. Wasserman expressed his support for the process to continue. He emphasized that the Region should not be responsible for any operating losses, and the design should be developed in conjunction with the users of the space.

Ms. Jean Pigott, Chair, Linkages Committee

Ms. Pigott thanked Minto and acknowledged their initiative in the project. In reference to the hotel, she pointed out the City would have over 2000 rooms linked to the Convention Centre which would provide an overwhelming marketing advantage. Speaking through experience, Ms. Pigott reviewed the tremendous investments and attractions that have developed in the Capital over the past fifteen years through the co-operation of the three levels of government and the private sector. She emphasized there were many more yet to come.

Councillor Hume inquired what Ms. Pigott seen the OCC role in the process. Ms. Pigott believed the Board must play a very "real" role in the design and the operating structure of the new centre, in particular with its proximity to the present components such as the kitchen and loading facilities. She pointed out financial success was achieved through the little details and efficient management of a facility.

Upon the conclusion of the public delegations, the Committee moved into discussion and debate on the report.

Councillor van den Ham moved a Motion regarding recommendation no. 4. Speaking to the Motion, he noted if he was to take the representative role, he could not support the report. However, he believed the project should continue to address the shortage of conference space with the inclusion of protection for the taxpayer. He acknowledged if Council decided to approve the continuation of the project, there may be a financial commitment from the Region, however, a financial plan was necessary. The Councillor explained the amendment would *require* participation by the private sector and the Federal and Provincial governments. Speaking to the annual budget process and the possibility of reducing services and/or programs, the addition of this project would require new revenue streams. Councillor van den Ham expressed the need to review options for a revenue stream to dedicate to the capital and/or potential operating costs to protect the taxpayer from potential liabilities. Chair Chiarelli summarized the motion and suggested that additional revenue streams be considered and be available to assist in the financing. However, they should not be a mandatory component if the business plan demonstrated it was not required.

Councillor Meilleur expressed the concerns of the Sandy Hill and Lower Town Market communities. In speaking to the current traffic problems, the Councillor noted this project would compound that problem with no clear resolution in the near future. Councillor Meilleur noted if the project was to continue, the communities favored the Viking Rideau site as it had less of an impact on the Sandy Hill residential community. The Councillor expressed additional concerns including the project's financial viability, additional costs to the Region and the possibility of future reduced services and/or programs. She emphasized all concerns and issues must be addressed first, and expressed her support for the review of other revenue streams.

Councillor Beamish referenced the terminology "proponents" throughout the recommendations and the necessity for recommendation No. 2. The Councillor stated Viking Rideau was the land holder of the site, however, was not going to be the only private partner involved. He stated if the project was to proceed, the RMOC would take the lead role along with other partners and joint proponents such as the OCC, OTCA, OEDC.

Councillor Hume believed the three key groups were Viking Rideau, the OCC and the Region, all being the "proponents". He agreed it would be necessary to consult with the community and other interested parties to make the facility successful, however, the OCC Board brought significant expertise and operating understanding. Councillor Hume stated his community did not support the Region committing to any financial contribution, however, understood it was necessary to choose a site and examine options for funding.

Chair Chiarelli agreed the OCC should be an integral component of the partnership, however, expressed concern over legal complications with three *equal* partners.

Councillor Meilleur requested that a representative from the community association be on the committee. Chair Chiarelli acknowledged that the community must be involved in the process, however, suggested that Councillor Meilleur, as the ward councillor, sit on the working committee. After discussion, Councillor Meilleur agreed she would sit on the committee.

Councillor Cantin hoped the members would approve the staff recommendations and proceed with the project. The Councillor referenced numerous cities across North America that had much better conference facilities yet were smaller or the same size as the Region. Councillor Cantin spoke about the numerous attractions in Ottawa and referenced the capacity to keep tourists for a lengthy visit. In closing, Councillor Cantin stated the hospitality industry attracted a different work force than the high tech industry, providing employment opportunities for a large number of people.

Councillor Loney stated the Region would inherently be involved financially if it was going to guide the project; he noted the responsibility was already with Council. The Councillor agreed a responsible business plan must be developed and if an annual deficit was expected, it must be weighed in the equation and a decision be made on that basis. He did not believe that an operating deficit for such a facility was an accumulated debt; instead the facility had certain revenues, including a contribution from the taxpayer to assist in the facility's operation, as there was a community need for the service/facility. Councillor Loney expressed support for Councillor van den Ham's Motion and emphasized the need for the hotel industry to be agreeable to the imposition of some kind of a tax.

In speaking to Councillor Hume's Motion, Councillor Loney did not at this time support the Motion to have a senior partnership with the OCC or the OCC's request for \$100,000 to assist in the development of the business plan. He agreed the OCC should be integrally involved, however, believed staff should be given the opportunity to address this proposal first.

Chair Chiarelli expressed support for Councillor van den Ham's Motion as it clarified the intention of the report.

In speaking to Councillor Beamish's Motion, Chair Chiarelli did not at this time believe that the Region should necessarily be involved in the ownership. He stated amending the wording on an ad hoc basis could have significant legal implications.

Chair Chiarelli referenced Councillor Hume's Motion and agreed it was understood there would be co-operation with the OCC, however, he questioned that they take the lead role.

Speaking to his Motion, Councillor Beamish stated it was important to note Council was committing to the project as a public/private partnership, not just the RMOC or a public investment. He wanted the private sector to join as partners and contribute up front to the capital required, not later when there may be profits. The Councillor believed they should also take some risk in the development of the centre.

To accommodate concerns raised by Councillors Cantin and Legendre, the following Motion was considered, followed by the remaining Motions moved by committee members.

Moved by A. Loney

That staff recommendation No. 3 be amended by the following:

3. **That by choosing the site and the proponent it is clearly understood that the Regional Municipality of Ottawa-Carleton and the proponent will proceed on the basis that any financial plan, any business plan and any design, building plans and any final site plan will be subject to Council approval.**

CARRIED as amended

Moved by D. Beamish

1. That staff recommendation Nos. 3 and 5 be amended by removing the words "and the proponents".
2. That staff recommendation No. 2 be amended to read:
"That Council intends to create a public\private partnership in the development and ownership of the new convention facilities.

MOTION WITHDRAWN

Moved by D. Beamish

That staff recommendation No. 2 be deleted.

CARRIED

Moved by P. Hume

That Council request that the Board of Directors of the Ottawa Congress Centre join the Regional Municipality of Ottawa-Carleton in leading the development of the detailed analysis to support the Congress Centre expansion.

CARRIED

YEAS: D. Beamish, B. Hill, P. Hume, G. Hunter, M. Meilleur,
R. van den Ham ... 6
NAYS: R. Cantin, A. Loney, W. Stewart, R. Chiarelli 4

Moved by M. Meilleur

That when the steering committee is formed, the Ward Councillor be on the Committee.

CARRIED

Moved by Councillor van den Ham

That staff recommendation No. 4 be amended to read:

4a) That all financial planning will require participation by the private sector and the Federal and Provincial governments;

CARRIED as amended

4b) That the efforts to arrange a financial package do not explicitly or implicitly commit the Regional Municipality of Ottawa-Carleton to any financial contribution for convention facilities, and that the financial planning include a new RMOC Revenue Stream, other than property taxes, dedicated to capital and/or operating costs of a new Convention Centre, if required to protect the exposure of the Ottawa-Carleton taxpayer.

CARRIED as amended

In summary, the Committee then considered each recommendation as amended by the Motions put forward.

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

1. **That the Regional Municipality of Ottawa-Carleton endeavor to create new convention facilities in the context of a public/private partnership;**

CARRIED
(M. Meilleur, B. Hill and
P. Hume dissented)

2. **That staff recommendation No. 2 as follows be DELETED. That Council choose the site and the proponent with whom it intends to create the public/private partnership;**

CARRIED

3. **That staff recommendation No. 3 be amended by the following:**
That by choosing the site and the proponent it is clearly understood that the Regional Municipality of Ottawa-Carleton and the proponent will proceed on the basis that any financial plan, any business plan and any design, building plans and any final site plan will be subject to Council approval;

CARRIED as amended
(P. Hume dissented)

4. **That staff recommendation No. 4 be amended to read:**
4a) That all financial planning will require participation by the private sector and the Federal and Provincial governments;

CARRIED as amended

- 4b) That the efforts to arrange a financial package do not explicitly or implicitly commit the Regional Municipality of Ottawa-Carleton to any financial contribution for convention facilities, and that the financial planning include a new RMOC Revenue Stream, other than property taxes, dedicated to capital and/or operating costs of a new Convention Centre, if required to protect the exposure of the Ottawa-Carleton taxpayer;**

CARRIED as amended

5. **That the site and the proponent be the Viking Rideau lands, adjacent to the Rideau Centre, as owned and/or controlled by the Viking Rideau Corporation.**

CARRIED

6. **That Council request that the Board of Directors of the Ottawa Congress Centre join the Regional Municipality of Ottawa-Carleton in leading the development of the detailed analysis to support the Congress Centre expansion.**

CARRIED

YEAS: D. Beamish, B. Hill, P. Hume, G. Hunter, M. Meilleur,
R. van den Ham ... 6
NAYS: R. Cantin, A. Loney, W. Stewart, R. Chiarelli 4

7. **That when the Steering Committee is formed, the Ward Councillor be on the Committee.**

CARRIED

ENVIRONMENT AND TRANSPORTATION

2. HEMLOCK SEWAGE PUMPING STATION AND FORCEMAIN
CONTRACT NOS. 97-206 AND CA 9512
CONSTRUCTION CONTRACT AWARD AND CONSULTANT APPOINTMENT
- Environment and Transportation Commissioner's report dated 10 Jun 98

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

1. **The award of a contract to the firm of Ottawa Greenbelt Construction, Gloucester, for the construction of the Hemlock Sewage Pumping Station and Sanitary Sewer for a total contract provision of \$1,650,518 (Contract No. 97-206);**
2. **The appointment of the firm of Cumming Cockburn Limited, Ottawa, to provide construction contract administration and field supervision services for the Hemlock Sewage Pumping Station and Sanitary Sewer for a total contract provision of \$165,960 (Contract CA9512);**

3. **The increase to the budget authority from \$2,200,000 to \$2,804,000 in Account No. 932-42036, Hemlock Sewage Pumping Station and Force-main. Funds are available for transfer from Account No. 932-42033, Rideau River Sewer Crossing.**

CARRIED

3. KILBORN AVENUE TO SMYTH ROAD FEEDERMAIN LINK
CONTRACT AWARD
CONTRACT NO. CA9518
- Environment and Transportation Commissioner's report dated 5 Jun 98

That the Corporate Services and Economic Development Committee approve the appointment of Novatech Engineering Consultants Limited, Nepean, to undertake the environmental assessment and detailed design for the Kilborn Avenue to Smyth Road Feedermain Link for a contract provision of \$147,100.

CARRIED

4. 1998 CYCLING FACILITIES PROGRAMME
CONSULTANT APPOINTMENT
CONTRACT NO. CA 9517
- Environment and Transportation Commissioner's report dated 4 Jun 98

That the Corporate Services and Economic Development Committee approve the appointment of Morrison Hershfield Limited, Ottawa, for the preliminary design and construction administration of cycling facilities, for a total contract provision of \$120,000, including GST.

CARRIED

(R. van den Ham dissented)

5. INNES ROAD FEEDERMAIN
WATERMAIN REPAYMENT
- Environment and Transportation Commissioner's report dated 19 Jun 98

That the Corporate Services and Economic Development Committee approve the repayment to Urbandale Corporation, Ottawa, for the construction of a portion of the Innes Road Feedermain, in the amount of \$500,000.

CARRIED

FINANCE

6. 1998 PROPERTY TAX POLICY

- Committee Co-ordinator's report dated 14 Jul 98
- Finance Commissioner's report dated 21 Jul 98

J. LeBelle, Finance Commissioner, introduced the staff report. The following outlines key points of the presentation:

- Represents an unprecedented change in the property taxation system.
- Under the new system, there will be a significant role for Regional and Municipal Councils to play in the setting of relevant tax burdens among the classes.
- 1998 is a transition year and staff are recommending the adoption of the provincially prescribed transition ratios as the tax ratios for the 1998 tax year; however, noted Council appointed a Tax Policy Committee which will begin meeting in the fall. This Committee will set tax ratios for 1999 property taxation and consider the use of a new multi-residential property class.
- In preparing the report and recommendations, experienced numerous problems associated with the On-Line Property Taxation Analysis (OPTA) System, particularly that it was not accessible until 1 Jul and not user friendly.
- Results of the analysis was by class and by municipality only, contained in large Annex Documentation; individual property information will not to be available until 22 Jul 98 or later.
- Important dates re Legislative Agenda
 - Tax Rates by August 14
 - Assessment Appeal deadline August 31
 - Information to Landlords September 30
 - School Requisitions paid by Sep 30
 - MegaWeek Invoices due on Oct 01
 - Charitable Rebates paid by Oct 31
- Major concerns surrounding the quality of the assessment data, the ability for area municipalities to send out tax bills, huge communications challenge to explain changes to public, and simply too many changes in one year.
- Council need to make decisions on eleven issues for the 98 property taxation; grouped in three logical groupings 1. Relative tax burden 2. Mitigation of Tax Impacts 3. Tax Rebate and Relief

K. Kirkpatrick, Deputy Treasurer, reviewed the timetable with a public consultation meeting on 29 Jul 98, Committee consideration on 4 Aug and Council consideration on 12 Aug 98. Commissioner LeBelle draw the Committee's attention to Annex C of the Annex Document, page 06. He noted the description in the top left box reading "RMOC" was incorrect and should read "Total"; not the Corporation's total, but is the aggravate of all

taxation in the Region for all purposes. Each box represented total taxation requirements for all three purposes, upper tier, lower tier and education.

Mr. Kirkpatrick reviewed the eleven issues highlighting the staff recommendation for each. Staff concluded by encouraging Councillors and the public to call or meet with them and they would assist in explaining this very complicated issue.

Following questions from committee members, the Committee received and tabled the report until 4 Aug 98.

- 1. That the Corporate Services and Economic Development Committee receive and table this report along with the following recommendations for consideration at the regular meeting scheduled on August 4, 1998;**
- 2. That a public meeting be scheduled for July 29, 1998 to receive delegations regarding the report and proposed recommendations;**
- 3. That Corporate Services and Economic Development Committee and Council approve the following;**
 - a) The adoption of the provincially prescribed transition ratios as the tax ratios for the 1998 tax year;**
 - b) The adoption of the following tax ratios for the mandatory property subclasses;**
 - i) vacant commercial units/land - 70% of the commercial property class tax ratio;**
 - ii) vacant industrial units/land - 65% of the industrial property class tax ratio;**
 - iii) farmlands pending development class I - 35% of the residential property class tax ratio;**
 - iv) farmlands pending development class II - 100% of the respective own property class tax ratio.**
 - c) The use of all optional property classes, namely, the shopping center commercial property class, the office tower commercial property class, the parking lot commercial property class and the large industrial property class;**
 - d) Consideration of the use of tiered tax rates and phase-in program for the residual commercial property class;**

- e) **The provision of a 40% rebate to charitable organizations as defined in the legislation;**
- f) **The provision of a 100% rebate to any church leasing space to houses of refuge;**
- g) **The provision of a tax relief (deferral) program for low income seniors and disabled as defined in this report;**
- h) **The adoption of the by-laws necessary to implement the aforementioned recommendations in accordance with the legislation.**

TABLED

7. APPOINTMENTS TO SINKING FUND COMMITTEE
- Finance Commissioner's report dated 3 Jul 98

That the Corporate Services and Economic Development Committee recommend Council enact a by-law appointing the Treasurer of the City of Ottawa and the Treasurer of the City of Kanata as members of the Regional Municipality of Ottawa-Carleton Sinking Fund Committee (SFC).

CARRIED

HUMAN RESOURCES

8. HRIS PROGRAMMING CONTRACT
- Human Resources Commissioner's report dated 26 Jun 98

That Corporate Services and Economic Development Committee approve the following:

- 1. **The award of contract for Human Resources Information System (HRIS) programming services to DGS Information Consultants, Ottawa, in the amount of \$97,691;**
- 2. **The extension of contract for Human Resource Information System (HRIS) programming service with RHI Consulting, Ottawa, (Reference C19810) in the amount of \$86,510.**

CARRIED

PLANNING AND DEVELOPMENT APPROVALS

9. OTTAWA COMMUNITY NETWORK

- Planning and Development Approvals Commissioner's report dated 19 Jun 98

The report carried during the consent agenda, however, four dissents were registered.

That the Corporate Services and Economic Development Committee recommend Council approve the expenditure of \$147,000 towards the Ottawa Community Network (OCN) project in accordance with the attached report entitled "OCN Project and Initiatives Expenditures for 1998" submitted by the Ottawa Community Network.

CARRIED

(B. Hill, P. Hume, G. Hunter
and R. van den Ham dissented)

10. PROPERTY ACQUISITION - 3323 HAWTHORNE ROAD
HAWTHORNE ROAD RECONSTRUCTION
OWNER: FRANK AND LILY KROPP

- Planning and Development Approvals Commissioner's report dated 2 Jun 98

That the Corporate Services and Economic Development Committee approve the acquisition of 3323 Hawthorne Road, City of Ottawa, from Frank and Lily Kropp for the reconstruction of Hawthorne Road between Russell and Hunt Club Road, for a consideration of \$226,550.

CARRIED

11. LEASE EXTENSION - 880 WELLINGTON STREET

- Planning and Development Approvals Commissioner's report dated 26 Jun 98

That the Corporate Services and Economic Development Committee approve the extension of the lease for 10,600 ft² of office space at 880 Wellington Street, with Equity Management International Ltd. for fourteen months from August 1, 1998 to September 30, 1999, at a cost of \$218,466.

CARRIED

12. CUMBERLAND TRANSITWAY AND BLACKBURN HAMLET
BYPASS EXTENSION - ENVIRONMENTAL ASSESSMENTS
STUDY SCOPE CHANGE

- Planning and Development Approvals Commissioner's report dated 26 Jun 98

That the Corporate Services and Economic Development Committee approve the change in scope for the above mentioned environmental assessments, assigned to Delcan Corporation, in the amount of \$90,000 (including GST), bringing the revised total study budget to \$660,000.

CARRIED

REGIONAL CLERK

13. ATTENDANCE AT 1998 ASSOCIATION OF MUNICIPALITIES
OF ONTARIO (AMO) CONFERENCE

- Regional Clerk's report dated 26 Jun 98

That the Corporate Services and Economic Development Committee approve the attendance of Councillors P. Hume and M. McGoldrick-Larsen at the Association of Municipalities of Ontario (AMO) 1998 Conference, to be held 23 - 26 August 1998 in Toronto, Ontario.

CARRIED

COUNCILLORS' ITEM(S)

14. EXEMPTION OF PROPERTY TAXES - HOUSE OF REFUGE

- Councillor D. Holmes report dated 29 Jun 98 and attachments

Councillor Holmes requested this item be tabled until 4 Aug 98 at which time the Committee will consider the Property Tax Policy.

Moved by W. Stewart

That the report and recommendations be tabled until the 4 Aug 98 meeting.

CARRIED

That the Corporate Services and Economic Development Committee recommend Council:

- 1. Provide tax exemption of municipal and education taxes to any church renting premises to any house of refuge in Ottawa-Carleton;**
- 2. Approve a grant to the St. George Warden Church to absorb the municipal and education taxes for the years 1996, 1997 and 1998 estimated to be \$ 52,000.00;**
- 3. Direct staff to develop a process to confirm the continuation of the tax exemption requirement.**

TABLED

IN CAMERA

- 1. VILLAGE COURT
WASTEWATER TREATMENT
- Joint Chief Administrative Officer, Finance Commissioner, Regional Solicitor and Environment and Transportation Commissioner's report dated 20 Jul 98**

Moved by R. Cantin

That the Corporate Services and Economic Development Committee move Out of Camera and resume in open session.

CARRIED

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

- 1. The capital authority for the communal wastewater treatment system for Village Court be increased from \$557,000 to \$1,450,000;**
- 2. The additional capital authority of \$893,000 be funded from the Sewer Capital Reserve Fund;**
- 3. The authority for the contract with CMS Group Inc. be increased from \$557,000 to \$778,943.86 (inclusive of G.S.T.);**

4. **Authority be established for works and engineering required for the sanitary sewage treatment system, other than the contract with CMS Group Inc., in the amount of \$631,300.00 (inclusive of G.S.T.);**
5. **Additional security in the amount of \$200,000 be required to guarantee that the CMS system will meet the discharge parameters of the Rideau River;**
6. **A hook-up charge of \$3,000 to be directed towards the capital cost of the wastewater treatment system for Village Court be imposed under the *Municipal Act*, section 221 upon all residential units comprising the Village Court development, and that increases in this rate be equivalent to annual increases, commencing 1 April 2000, in the interest rate which debentures would bear if issued on the date of the Council approval of this report until 1 April 2005;**
7. **A monthly charge of \$55 per residential unit to be directed towards the capital and operating cost of the wastewater treatment system for Village Court be imposed under the *Municipal Act*, section 221 upon all residential units comprising the Village Court development and that increases in this rate be equivalent to annual increases in the cost of living until 1 April 2005, at which time the rate is to be re-evaluated by Regional Council;**
8. **Charges similar to those in recommendations 6 and 7 be imposed upon non-residential development at Village Court on the basis that 500 square feet is equivalent to one residential unit;**
9. **The Region be authorised to enter into an operating and maintenance contract for the CMS system for a period of two years;**
10. **Commencing with the commissioning of the CMS Group Inc. wastewater treatment system, the annual operating budget for the Water Environment Protection Division be increased by the amount required to operate the CMS system inclusive of contract administration and overhead, such amount to be identified in the estimates for the 1999 operating budget;**
11. **In the event that the CMS wastewater treatment system is not shown to meet the parameters for discharge for the effluent to the Rideau River, that the Region approve the operation of a holding tank system, on an interim 5 year basis;**

- 12. That recommendations 1-10 be dependent upon the CMS system passing a test evaluation showing that the system can produce effluent that meets the requirements of the Ministry of the Environment for the Rideau River watershed.**

CARRIED as amended
(D. Beamish, P. Hume and
R. van den Ham dissented)

INFORMATION PREVIOUSLY DISTRIBUTED

ENVIRONMENT AND TRANSPORTATION

1. Waller Street
Mackenzie King Bridge To Daly Avenue Contract No. 98-707
(In Accordance With Corporate Policy Manual Section 4.6.9)
- Environment and Transportation Commissioner's memorandum dated 23 June 98

INTERNAL AUDIT

2. Internal Audit's Work with the Property Services Division
of the Planning and Development Approvals Department
- Internal Auditor's memorandum dated 22 Apr 98

LEGAL

3. Ontario Municipal Board Decision
Brookside Manor Retirement Home
- Regional Solicitor's memorandum dated 10 June 98

REGIONAL CLERK

4. 1998 Arts Grants Report
- Regional Clerk's memorandum dated 25 June 98

(G. Hunter dissented)

5. Record of Tender Openings for the Month of March 1998
(As per Corporate Policy Manual Section 4.6.6)
- Regional Clerk's memorandum dated 24 Apr 98

6. Record of Tender Openings for the Month of June 1998
(As per *Corporate Policy Manual* Section 4.6.6)
- Regional Clerk's memorandum dated 30 June 98

ADJOURNMENT

The meeting adjourned at 3:10 p.m.

NEXT MEETING

Wednesday, 29 July 98 8:30 a.m. Public Consultation meeting for all members of
Council to hear delegations
re 1998 Property Tax Policy

Tuesday, 4 August 98 3:00 p.m. Regular Meeting

CO-ORDINATOR

CHAIR