

REGION OF OTTAWA-CARLETON
RÉGION D'OTTAWA-CARLETON

REPORT
RAPPORT

Our File/N/Réf.
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DATE 15 September 1999

TO/DEST. Co-ordinator
 Corporate Services and Economic Development Committee

FROM/EXP. Chief Administrative Officer

SUBJECT/OBJET **REGIONAL ASSUMPTION OF LANSDOWNE PARK**

DEPARTMENTAL RECOMMENDATIONS

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

- 1. In recognition of the regional character of Lansdowne Park, that the facility be assumed by the Region of Ottawa-Carleton subject to the terms and conditions set out in this report, and;**
- 2. Further review and study of the unification of the Regional sewer system and the Ottawa sanitary and combined sewer systems be undertaken jointly by the Region and the City of Ottawa, subject to the terms and conditions set out on this report.**

BACKGROUND

On 5 May 1999 Regional Council approved a joint report from the CAOs of the Region of Ottawa-Carleton and the City of Ottawa. That report recommended the transfer of Lansdowne Park to the Region of Ottawa-Carleton, and the unification of the Regional sewer system with the Ottawa sanitary and combined sewer systems.

Following Council's approval in principle, staff working groups were established to undertake a detailed analysis of the key issues including staffing, legal implications, separation of storm and sanitary sewers, verification of financial information, assessment of the viability of the proposal and preparation of such agreements as would be necessary to implement the approval in principle. During the months of May and June considerable work was done in this area by the staff of both municipalities. In particular, the City of Ottawa undertook a comprehensive

analysis of the sanitary sewer assumption issues including financial implications. This resulted in a proposal from the City of Ottawa dated June 10, 1999, which set forth two options for consideration by the Region. Upon a full review of that proposal, it was apparent that the financial viability of the sewer unification together with anticipated savings was not going to be achievable. Accordingly, a counter-suggestion was made whereby the Region proposed assuming all of the sanitary and storm sewer system of the City of Ottawa. This proved not to be acceptable and it was concluded that a report would be submitted recommending that the Lansdowne transfer proceed on its own and that further work be done on the sewer unification matter.

Correspondence between the Chair of the Regional Corporation and the Mayor of the City of Ottawa transpired during the month of July resulting in the agreement of both to submit the matter to their respective councils. The City of Ottawa submitted a report to its Community Service and Operations Committee on July 28, 1999 and thereafter to City Council on August 4, 1999. The proposed agreement to transfer Lansdowne Park to the Region was approved in principle with public consultation to occur during August and the matter returning to City Council on September 1, 1999 for final approval. That approval by City Council has been obtained and this proposal is now before Regional Council for its approval.

TERMS OF AGREEMENT

It is recommended that Lansdowne Park be transferred to the Region of Ottawa-Carleton subject to the following conditions. These conditions are essentially the same as those which were before Regional Council when it approved the overall matter in principle at its meeting of 5 May 1999.:

1. That the Region resolve the liability for redevelopment of Lansdowne Park including claims from Canderel and Gateway and site remediation costs.
2. That the Region be required to conduct and fund a parking study prior to implementing a parking charge at Lansdowne Park.
3. That the Region commit to a full community consultation process for any future development of Lansdowne Park and agree to comply with all the City's planning processes.
4. That the proceeds from any sale be used to cover the direct costs of sale, including site remediation as may be necessary, the balance of the funds to be used exclusively for operating and maintenance re-capitalization of public assets on the site.
5. If in the future the Region decides to completely remove the major community facility designation on Lansdowne Park in the Regional Official Plan without the concurrence of the City of Ottawa, that the property would then revert back to the City of Ottawa for a nominal fee of one dollar.

6. That the transfer of Lansdowne Park from the City of Ottawa to the Region of Ottawa-Carleton be at no cost to the Region. The responsibility for the operation of Lansdowne Park will be borne by the Region.
7. That the Region implement the scheduled capital maintenance improvements to infrastructure at Lansdowne Park (1997-2001) deferred by the City of Ottawa. The improvements will be funded in part from an annual payment of \$675,000.00 from the City to be paid to the Region by annual grant or special area rate for a period of 15 years.

As provided in the earlier report to councils, the City of Ottawa will continue to retire the outstanding debt on Lansdowne Park for costs incurred in prior years. The total servicing (principle and interest) costs and remaining debt payments from 2000 to 2002 is \$4.5 million. This cost will be retained by the City of Ottawa.

It is anticipated that the same approach utilised between the municipalities in earlier transfers of responsibility will serve well in this situation. Historically when functions were transferred from the City to the Region, we have been able to secure agreements with our bargaining agents, whereby the employees would transfer into our existing collective agreements and employees would be subject to our policies and practices.

As for past service transfers, the City will indemnify the Region of Ottawa-Carleton for the costs associated with the accumulated employee benefits for staff at Lansdowne Park, which are estimated to be \$178,000.00. These costs are liabilities of The Corporation of the City of Ottawa as of the date of transfer.

All closings and transfers are to be completed by 31 December, 1999. The actual operation transfer date will be discussed and confirmed between the parties. The original closing date was suggested as 29 October 1999 but City staff have recommended, and Regional staff concur, that it is desirable to allow time to ensure that all the steps necessary for the transfer can proceed smoothly. However, Regional staff will pursue with City staff the opportunity to advance the closing of the transaction to an earlier date.

As advised at the Special Council Meeting of 5 May 1999, staff negotiated a resolution of the liability issues that existed with Canderel and Gateway. In essence, these negotiations resulted in the following:

1. Gateway is prequalified for ten years as a potential developer for any future development at Lansdowne.
2. Canderel is appointed for eight years as Project Manager for the substantial capital improvements or re-development

Motion No. 93, adopted on 5 May 1999, directs that staff conduct further negotiations with Canderel and Gateway to determine if other options for discharging any liabilities that may be in place are possible. Should Regional Council approve this report, staff will proceed to have further discussions with Canderel and Gateway.

SEWER UNIFICATION

The agreement to recommend the assumption of Lansdowne Park as a separate matter was subject to the condition that a complete review of the sanitary and storm sewer systems would be conducted by the Chief Administrative Officers of both municipalities and that both municipalities would undertake to use their best efforts to transfer the storm and sanitary sewers when it is demonstrated that savings can occur for the taxpayer. It was further understood and agreed that the complete review of the unification of the sewer systems would be carried out during the latter part of 1999 and early 2000 with a report target of June 1, 2000. It is anticipated that a full and careful review of the sewer unification issues will result in recommendations that will provide savings to the taxpayer.

CONCLUSION

On the basis of the foregoing, it is recommended that the Region of Ottawa-Carleton acquire the Lansdowne Park site on the terms and conditions outlined in this report.

*Approved by
Merv Beckstead
Chief Administrative Officer*

EAJ/MB:cab