



Finance and Economic Development Committee

MINUTES 25

Tuesday, 2 October 2012, 9:30 a.m.

Champlain Room, 110 Laurier Avenue West

Present: Chair : Mayor J. Watson
Councillors P. Clark (Vice-Chair),
R. Chiarelli, D. Deans, K. Egli, A. Hubley, P. Hume, M. McRae, M. Taylor,
D. Thompson, M. Wilkinson

CONFIRMATION OF MINUTES

Minutes 24 - Finance and Economic Development Committee meeting of 19 September 2012; and

Minutes 2 – Joint Finance and Economic Development Committee and Governance Renewal Sub-Committee meeting of 30 August 2012

CONFIRMED

DECLARATIONS OF INTEREST

There were no declarations of interest.

-
- Notes:
1. Please note that these Minutes are to be considered DRAFT until confirmed by Committee.
 2. Please note that any written or verbal submissions (including your name but excluding personal contact information) will form part of the public record and be made available to City Council and the public.
 3. Unless otherwise noted, items requiring Council consideration will be presented to Council on 10 October 2012 in Finance and Economic Development Committee Report 25.

AUDIT SUB-COMMITTEE

1. OFFICE OF THE AUDITOR GENERAL (OAG) – 2013 WORK PLAN, BY-LAW AND PROTOCOL AMENDMENTS AND SUCCESSION PLAN
ACS2012-OAG-BVG-0002 CITY-WIDE
-

REPORT RECOMMENDATION

That the Finance and Economic Development Committee recommend Council approve the 2013 OAG's Work Plan and the amendments to the Audit Protocol and receive this report.

MOTION FED 25/01

Moved by Councillor A. Hubley

WHEREAS the Office of the Auditor General 2013 work plan adopted by the Audit Sub-Committee identified the inclusion of an audit on Service Excellence; and

WHEREAS the implementation of the Service Excellence program is well underway but not complete; and

WHEREAS it is anticipated that the Service Excellence program will be fully implemented in 2014 and an audit subsequent to this would be preferable; and

WHEREAS the Audit Sub-Committee has identified a desire to have the Auditor General conduct a review of Infrastructure Services;

THEREFORE BE IT RESOLVED that the Office of the Auditor General 2013 work plan be revised to include an audit of Infrastructure Services and to defer an audit of Service Excellence until after the program is fully implemented in 2014.

CARRIED

The report recommendations were then put to Committee and CARRIED, as amended by Motion FED 25/01.

OTTAWA MUNICIPAL CAMPGROUND AUTHORITY

2. OTTAWA MUNICIPAL CAMPGROUND AUTHORITY - ANNUAL
REPORT
ACS2012-CMR-OMC-0003 BAY (7)
-

REPORT RECOMMENDATION

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

CARRIED

PLANNING AND INFRASTRUCTURE

INFRASTRUCTURE SERVICES

3. COMPREHENSIVE ASSET MANAGEMENT PROGRAM
ACS2012-PAI-INF-0007 CITY-WIDE
(Tabled at the meeting of September 19, 2012.)
-

REPORT RECOMMENDATIONS

At its meeting of 2 October 2012, that the Finance and Economic Development Committee recommend Council:

- a) Receive the Comprehensive Asset Management Program, 2012 State of the Asset Report (Document 1);
- b) Approve the Comprehensive Asset Management Policy (Document 2);
- c) Approve an infrastructure renewal funding target, indexed annually to construction inflation, to maintain City assets in a state of good repair, as outlined in this report, to be reached within 10 years and included for consideration as part of each year's draft budget; and
- d) Approve inclusion of an Asset Management section in all relevant future Committee and Council reports to ensure the long-term infrastructure implications of recommended projects are specifically identified.

MOTION FED 25/02

Moved by Councillor M. Wilkinson

That the following be added as recommendation e) to the report:

- e) Approve working with the Association of Municipalities of Ontario (AMO) and the Federation of Canadian Municipalities (FCM) to achieve long-range infrastructure funding for municipalities.**

CARRIED

MOTION FED 25/03

Moved by Councillor M. Taylor

WHEREAS upon its release on September 19, 2012, the above-noted report contained the following statement in its “Legal Implications” section;

“Due to time constraints, a legal opinion on this report will be available on October 2, 2012.”

AND WHEREAS Legal Services staff have since provided a more fulsome Legal comments with respect to the above-noted report;

THEREFORE BE IT RESOLVED that the report be amended by replacing the content of its “Legal Implications” section with the following:

“Legal Services supports the recommendations contained in this report, which outlines a proposal for a renewed approach to investment in infrastructure maintenance for the City of Ottawa.

Like any other property owner, the City of Ottawa is responsible for maintaining its assets in order both to preserve its investment, as well as to ensure that they do not deteriorate to the point that they pose a risk to others. Where the deterioration of municipal infrastructure results in incidents that cause injuries or property damage to others, it is foreseeable that legal claims will follow. The City’s ability to successfully defend those claims depends on a number of factors, one of the most important of which is the extent to which the level of disrepair is attributable to a policy decision of Council, or an operational decision at the staff level.

In a succession of decisions spanning the period between 1989 and 1995, the Supreme Court of Canada articulated a principled approach to the assessment of liability against a public authority for claims arising out of allegations of improper maintenance. This approach is founded on the view that policy decisions made by public authorities, particularly those involving the allocation of public funds, should be shown deference by the courts. Simply put, if a

government chooses to provide a lower level of maintenance due to budgetary constraints, that government should not then be held liable for claims resulting from that lower level of maintenance. At its root, this legal approach this represents the legal equivalent of “you get what you pay for”. If, however, the damage or injury is the result of an operational decision by staff, the government’s liability is assessed in accordance with the ordinary principles of negligence.

In the 1994 case of *Brown v. British Columbia (Ministry of Transportation and Highways)*, the Supreme Court of Canada tried to define the two types of decisions as follows:

Policy

“In such decisions, the authority attempts to strike a balance between efficiency and thrift, in the context of planning and predetermining the boundaries of its undertakings and of their actual performance. True policy decisions will usually be dictated by financial economic, social and political factors and constraints.”

Operational

“The operational area is concerned with the practical implementation of the formulated policies, it mainly covers the performance or carrying out of a policy. Operational decisions will usually be made on the basis of administrative direction, expert or professional opinions, technical standards or general standards of reasonableness.”

By way of example, if a municipal council decides that it can only afford one cycle of bridge inspections per year, it may be insulated from liability in the event that a problem with the bridge causes damage to a passing vehicle, even if more frequent inspections may have uncovered the problem such that timely repairs could have been done. However, if an operational decision is made by staff that the annual inspection is to be done in January of one year and December of the following year, the municipality may be found liable if it is shown that allowing the bridge to go uninspected for a period of 23 months is negligent.

It is important to observe that, while the distinction between policy and operational decisions may serve to insulate a public authority from liability, the courts have shown themselves willing to characterize decisions as “operational” in cases where a sympathetic plaintiff might otherwise be denied compensation.

It should further be noted that the courts deference to public policy decisions may be limited by considerations of bad faith or irrationality: A municipality that chooses through policy to undertake no maintenance, nor to correct known

hazards, will almost certainly be found liable for any loss that results. Similarly, where there exist legislated requirements, such as Ontario's *Minimum Road Maintenance Standards*, it is not open to a municipality to ignore these, even by way of a policy decision.

In the present report, staff have outlined three options for City Council's consideration. These reflect levels of maintenance ranging from the *status quo*, to a higher level (cited as the "good state of repair"), to an even more enhanced level of maintenance. As would be expected, higher levels of maintenance require a greater financial commitment on the part of the City.

In terms of liability, Council is free to select any of the three options. In the view of Legal Services, this would properly fall within the definition of a "policy" decision by Council, particularly as the report identifies the varying that are associated with each of the proposed maintenance levels. As such, City Council's adoption of a Comprehensive Asset Management Policy may help to insulate the municipality from claims arising out of allegations of deficient maintenance of City infrastructure.

The recommendations contained in the report constitute a rational evaluation of Council's options. The preferred option of adopting a "good state of repair" level of infrastructure maintenance may help to limit the risk of future incidents that could give rise to claims, particularly as it currently represents an industry best practice.

While it would be open to a future Council to adopt a different policy approach in respect of its commitment to infrastructure maintenance, such a decision would need to give due consideration to the same kinds of social, political, and economic factors as will underlie Council's decision in the present case. Whether a future reduction in maintenance levels would give rise to increased liability would necessarily depend on the state of the law at the time, particularly given the courts' reluctance to deny compensation to otherwise sympathetic and deserving plaintiffs."

The report recommendations were then put to Committee and CARRIED, as amended by Motions FED 25/02 and FED 25/03.

For ease of reference, the report recommendations are set out in full below, as amended by Motions FED 25/02 and FED 25/03:

- 1. At its meeting of 2 October 2012, that the Finance and Economic Development Committee recommend Council:**
 - a) Receive the Comprehensive Asset Management Program, 2012 State of the Asset Report (Document 1);**
 - b) Approve the Comprehensive Asset Management Policy (Document 2);**

- c) Approve an infrastructure renewal funding target, indexed annually to construction inflation, to maintain City assets in a state of good repair, as outlined in this report, to be reached within 10 years and included for consideration as part of each year's draft budget; and
 - d) Approve inclusion of an Asset Management section in all relevant future Committee and Council reports to ensure the long-term infrastructure implications of recommended projects are specifically identified.
 - e) Approve working with the Association of Municipalities of Ontario (AMO) and the Federation of Canadian Municipalities (FCM) to achieve long-range infrastructure funding for municipalities.
- 2. That the report be amended by replacing the content of its "Legal Implications" section with the following:**

"Legal Services supports the recommendations contained in this report, which outlines a proposal for a renewed approach to investment in infrastructure maintenance for the City of Ottawa.

Like any other property owner, the City of Ottawa is responsible for maintaining its assets in order both to preserve its investment, as well as to ensure that they do not deteriorate to the point that they pose a risk to others. Where the deterioration of municipal infrastructure results in incidents that cause injuries or property damage to others, it is foreseeable that legal claims will follow. The City's ability to successfully defend those claims depends on a number of factors, one of the most important of which is the extent to which the level of disrepair is attributable to a policy decision of Council, or an operational decision at the staff level.

In a succession of decisions spanning the period between 1989 and 1995, the Supreme Court of Canada articulated a principled approach to the assessment of liability against a public authority for claims arising out of allegations of improper maintenance. This approach is founded on the view that policy decisions made by public authorities, particularly those involving the allocation of public funds, should be shown deference by the courts. Simply put, if a government chooses to provide a lower level of maintenance due to budgetary constraints, that government should not then be held liable for claims resulting from that lower level of maintenance. At its root, this legal approach this represents the legal equivalent of "you get what you pay for". If, however, the damage or injury is the result of an operational decision by staff, the government's liability is assessed in accordance with the ordinary principles of negligence.

In the 1994 case of *Brown v. British Columbia (Ministry of Transportation and Highways)*, the Supreme Court of Canada tried to define the two types of decisions as follows:

Policy

“In such decisions, the authority attempts to strike a balance between efficiency and thrift, in the context of planning and predetermining the boundaries of its undertakings and of their actual performance. True policy decisions will usually be dictated by financial economic, social and political factors and constraints.”

Operational

“The operational area is concerned with the practical implementation of the formulated policies, it mainly covers the performance or carrying out of a policy. Operational decisions will usually be made on the basis of administrative direction, expert or professional opinions, technical standards or general standards of reasonableness.”

By way of example, if a municipal council decides that it can only afford one cycle of bridge inspections per year, it may be insulated from liability in the event that a problem with the bridge causes damage to a passing vehicle, even if more frequent inspections may have uncovered the problem such that timely repairs could have been done. However, if an operational decision is made by staff that the annual inspection is to be done in January of one year and December of the following year, the municipality may be found liable if it is shown that allowing the bridge to go uninspected for a period of 23 months is negligent.

It is important to observe that, while the distinction between policy and operational decisions may serve to insulate a public authority from liability, the courts have shown themselves willing to characterize decisions as “operational” in cases where a sympathetic plaintiff might otherwise be denied compensation.

It should further be noted that the courts deference to public policy decisions may be limited by considerations of bad faith or irrationality: A municipality that chooses through policy to undertake no maintenance, nor to correct known hazards, will almost certainly be found liable for any loss that results. Similarly, where there exist legislated requirements, such as Ontario’s *Minimum Road Maintenance Standards*, it is not open to a municipality to ignore these, even by way of a policy decision.

In the present report, staff have outlined three options for City Council’s consideration. These reflect levels of maintenance ranging from the *status quo*, to a higher level (cited as the “good state of repair”), to an even more

enhanced level of maintenance. As would be expected, higher levels of maintenance require a greater financial commitment on the part of the City.

In terms of liability, Council is free to select any of the three options. In the view of Legal Services, this would properly fall within the definition of a “policy” decision by Council, particularly as the report identifies the varying that are associated with each of the proposed maintenance levels. As such, City Council’s adoption of a Comprehensive Asset Management Policy may help to insulate the municipality from claims arising out of allegations of deficient maintenance of City infrastructure.

The recommendations contained in the report constitute a rational evaluation of Council’s options. The preferred option of adopting a “good state of repair” level of infrastructure maintenance may help to limit the risk of future incidents that could give rise to claims, particularly as it currently represents an industry best practice.

While it would be open to a future Council to adopt a different policy approach in respect of its commitment to infrastructure maintenance, such a decision would need to give due consideration to the same kinds of social, political, and economic factors as will underlie Council’s decision in the present case. Whether a future reduction in maintenance levels would give rise to increased liability would necessarily depend on the state of the law at the time, particularly given the courts’ reluctance to deny compensation to otherwise sympathetic and deserving plaintiffs.”

CARRIED, as amended

CITY TREASURER AND FINANCE

4. LONG RANGE FINANCIAL PLAN IV - TAX SUPPORTED CAPITAL
ACS2012-CMR-FIN-0039 CITY-WIDE
-

REPORT RECOMMENDATIONS

That the Finance and Economic Development Committee recommend that Council approve that the existing debt policies be continued while providing the required investment to maintain City assets in a state of good repair, and that in order to address the funding target as recommended in the *Comprehensive Asset Management Program* report, the following funding strategies be approved for consideration as part of future budgets:

- 1. That the use of debt for tax supported capital works continue to correspond to the amount of debt retiring within the year in accordance with Council’s adopted target to limit debt service for tax supported debt to 7.5% of own source revenues;**

2. To ensure capital funding is maintained and increased, starting in the 2013 budget year, the annual contribution from taxation for capital projects be increased by inflation (Construction Price Index) and by an additional \$5.4 million per year for both the renewal of existing assets and the increase in the asset base, as a priority within Council's approved tax targets;
3. Starting in the 2015 budget year, the portion of the contribution to capital used to fund capital projects classified as strategic initiatives (new capital works) be maintained at \$20 million per year and that priority be given, after the completion of the "Service Ottawa" project, to infrastructure investment;
4. Starting in the 2015 budget year, the enhancement component of any capital renewal project be identified and approved separately;
5. That the City of Ottawa Endowment Fund be maintained at \$200 million and any excess continue to be directed to fund the capital program; and
6. That Council's priorities for the use of any future federal or provincial infrastructure funding programs be for the renewal of existing assets and transit related projects included in the Transportation Master Plan.

Appearing before Committee on this item were Ms. Marian Simulik, City Treasurer, and Ms. Mona Monkman, Deputy City Treasurer. They spoke to a PowerPoint presentation, which served to provide Committee with a detailed overview of the report. A copy of their presentation is held on file with the City Clerk.

Following their presentation, Ms. Simulik and Ms. Monkman responded to questions from Committee members.

The report recommendations were then put to Committee and CARRIED as presented.

5. DELEGATION OF AUTHORITY – CONTRACTS AWARDED FOR THE PERIOD APRIL 1, 2012 TO JUNE 30, 2012
ACS2012-CMR-FIN-0038 CITY-WIDE
-

REPORT RECOMMENDATION

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

RECEIVED

CITY MANAGER'S OFFICE

6. LANSDOWNE PARTNERSHIP PLAN - AUTHORIZATION TO PROCEED WITH LEGAL CLOSE AND IMPLEMENTATION
ACS2012-PAI-INF-0010 CITY-WIDE

REPORT RECOMMENDATIONS

That the Finance and Economic Development Committee recommend Council:

- 1. Approve that By-laws 2005-439 and 2004-239, being by-laws regulating permanent and temporary signs on private property, be amended so as to establish Lansdowne as a special signage zone where the implementation of signage, including the review and approval for purposes of issuing sign permits, will be in accordance with the policies, directions, and regulations set out in the Lansdowne Signage and Way-finding Plan approved by Council on June 27, 2012, as revised by this report, and that the required by-laws setting out the details of the amendments be brought forward for enactment by Council prior to the end of 2012.**
- 2. Approve the Heritage Easement Agreement between the City of Ottawa and the Ontario Heritage Trust as outlined in Document 1 to this report and authorize the City Manager to execute the Agreement on behalf of the City.**
- 3. Approve an increase of \$12 Million in capital authority and the funding sources as outlined in this report.**
- 4. Receive the final report on the satisfaction of all of the conditions precedent to close the Lansdowne Partnership Plan Project Agreement as outlined in Document 4 to this report, as amended by the recommendations above.**
- 5. Approve the legal close of the Lansdowne Partnership Plan in order to move to the construction stage of the redevelopment of Lansdowne Park and approve that the City Manager be delegated the authority to carry out the intent of the foregoing approvals including, but not limited to, the execution and delivery of such other agreements, documents, instruments, acts and things as are required or deemed necessary or desirable to give full effect to the terms of this report and the transactions contemplated herein.**

Committee dealt with items 6 and 7 concurrently - Lansdowne Partnership Plan - Authorization to Proceed with Legal Close and Implementation (ACS2012-PAI-INF-0010) and Lansdowne Partnership Plan Implementation – Final Report on Legal Agreements (ACS2012-CMR-LEG-0002).

At the start of the meeting, Councillor Deans moved the following on behalf of Councillor D. Chernushenko.

MOTION FED 25/04

Moved by Councillor D. Deans

That consideration of items 6 and 7 be deferred to the next meeting of the Finance and Economic Development Committee.

LOST

YEAS (1): D. Deans

NAYS (9): R. Chiarelli, K. Egli, A. Hubley, P. Hume, M. McRae, M. Taylor,
D. Thompson, M. Wilkinson, Mayor Watson

Mr. Kent Kirkpatrick, City Manager, and Mr. Rick O'Connor, City Clerk and Solicitor, spoke to a PowerPoint presentation, which served to provide Committee with a detailed overview of both staff reports. A copy of their presentation is held on file with the City Clerk.

Mr. Roger Greenberg, Ottawa Sports and Entertainment Group, also made some opening remarks with respect to these items.

Committee then heard from the following public delegations:

- Brian Tansey, Friends of Lansdowne;
- Bob Brocklebank, Glebe Community Association;
- Mark Cohan, Canadian Football League;
- Pierre Azzi, Building Owners and Managers Association (BOMA) Ottawa;
- John DeVries, Ottawa Construction Association;
- Joe Guest, Canadian Soccer Association;
- Walter Hendelman, resident;
- Judy Peacock, resident;
- Bill Siekierski, Rough Rider Alumni;
- Gordon Bunke, Rough Rider Alumni;
- John Herbert, Greater Ottawa Home Builders' Association;
- Bruce Hillary, resident;
- Jasna Jennings, ByWard Market BIA;
- Ted Smale, Rough Rider Alumni; and
- David Gladstone, resident.

The following written submissions were also received and are held on file with the City Clerk:

- Letter from the Glebe BIA dated August 21, 2012;
- Written submission from the Friends of Lansdowne;

- Written submission from the Glebe Community Association; and
- Written submission from Barry Turner, former MP, Ottawa-Carleton.

After hearing from the delegations, staff and Mr. Greenberg responded to questions from Committee Members.

Before voting on item 6 and the related motions, Committee voted on, and unanimously CARRIED item 7.

Committee then considered the following motions.

MOTION FED 25/05

Moved by Councillor P. Hume

WHEREAS Council has delegated the authority for the site plan approval for the Lansdowne Partnership Plan redevelopment to the Lansdowne Design Review Panel; and

WHEREAS the Lansdowne Design Review Panel has approved the site plan with the detailed language in the Site Plan Agreement with respect to the stadium scoreboard; and

WHEREAS the OSEG has requested that the language be modified to include the following: “The owner acknowledges that such conditions, as *they relate to any commercial advertising but not naming rights or sponsorship applications*, can be reviewed and updated as required during the first year of operation, so as to address any community concerns regarding the intensity of illumination, time of use and appropriateness of the messaging/advertising for this public space and main street environment.”; and

WHEREAS this modification requires Council approval;

THEREFORE BE IT RESOLVED that the site plan for the Lansdowne Partnership Plan redevelopment be approved with the inclusion of the modified language in the Site Plan Agreement as follows:

“The Owner acknowledges and agrees that any LED or electronic messaging/advertising to be provided on the Bank Street frontage of the Stadium scoreboard, outside those time periods when this area of the stadium scoreboard is being used for messaging/information/wayfinding or advertising in association with an event being held at Lansdowne, shall be subject to controls.

The controls shall be in accordance with any conditions that may be imposed by the General Manager, Planning and Growth Management at

his/her sole discretion, as part of the sign permit that will be required for this feature , as set out in the Lansdowne Signage and Wayfinding Plan. The owner acknowledges that such conditions may relate to but are not necessarily limited to matters of size, intensity of light, and the time periods when such messaging/advertising may be provided. The owner acknowledges that such conditions, as they relate to any commercial advertising but not naming rights or sponsorship applications, can be reviewed and updated as required during the first year of operation, so as to address any community concerns regarding the intensity of illumination, time of use and appropriateness of the messaging/advertising for this public space and main street environment.”

CARRIED

MOTION FED 25/06

Moved by Councillor P. Hume

WHEREAS Council has delegated the authority for the site plan approval for the Lansdowne Partnership Plan redevelopment to the Lansdowne Design Review Panel; and

**Council delegated the design approval to the LDRP
LDRP has offered the following comments on the Value Engineering (VE):**

In most of the VE issues we have seen the changes are reasonable.

- 1. The purloin spacing modification to match the top spacing with the side spacing is acceptable. The modifications for size reduction on the leading edge is understood but in design terms must not introduce an arbitrary straight line into the veil. Reductions or modifications must follow the same conceptual curvature and/or an acceptable one to the design architect if the veil is modified.**
- 2. Sketch 6 and 7 show vastly reduced weather canopies over the stadium entrances. Significant discussion over several LDRP meetings occurred around the topic of these features, their importance and their role in the composition of the base building block of this side of the stadium.
Removal greatly reduces the visual importance of this facade and the associated commercial blocks along it and, diminishes the effective the snow and rain protection afforded patrons to the facility at the entrances along Aberdeen Way. LDRP views this as a cost saving measure only and one that has a negative impact on the stadium design quality and functionality. LDRP cannot endorse this change.**

3. We appreciate the pedestrian bridge can be constructed of metal with a wood decking, possibly be prefabricated and brought to the site and these are acceptable changes and methods. We would like clarification that the 'Snowmobile Bridge' shown in the attachment is not the actual design of the bridge to be used. The method and materials should be applied to a design in keeping with the design of the stadium. The stadium architect should assist the design build contractor to ensure the suitability is consistent.

4. We do not have a comment on the foreshortening of the north side roof. We understand it to be a structural issue with the existing constructs reused.

WHEREAS a cost savings of \$750,000 has been identified with modified J-Block canopies; and

THEREFORE BE IT RESOLVED:

- 1) That Committee recommend Council approve the Value Engineering proposals number 1, 3 & 4 subject to the design recommendations of the LDRP namely:
 - a) Reductions or modifications must follow the same conceptual curvature and/or an acceptable one to the design architect if the veil is modified and whereas modifications to the approved site plan requires Council approval;
 - b) The method and materials should be applied to the design of the pedestrian bridge in keeping with the design of the stadium. The stadium architect should assist the design build contractor to ensure the suitability is consistent.

FURTHER BE IT RESOLVED:

- 2) That in light of the concerns raised by the LDRP that the Committee recommend that Council request the LDRP to review other design decisions related to stadium construction with a view to recommending to City Council any realistic alternatives to the value engineering recommendations for the stadium canopies.

FURTHER BE IT RESOLVED:

- 3) That the alternatives for the stadium canopies, if any, provide for a cost saving of at least \$750,000.

CARRIED

MOTION FED 25/07

Moved by Councillor M. Wilkinson

WHEREAS Council approved the *Capital Adjustments and Closing of Projects – City Tax and Rate Supported* report (Ref No: ACS2012-SMR-FIN-0029) on July 11, 2012, which authorized the transfer of \$3.46 million from the Parking Cash-in-lieu Fund to the parking component of the Lansdowne revitalization project; and

WHEREAS the several Business Improvement Areas have expressed concern over this transfer and requested the funds be reinstated in the Parking Cash-in-lieu Fund; and

WHEREAS the use of these funds for the Lansdowne revitalization project reduces the annual debt servicing cost of the project by \$181,000; however, the funds are not required for the Lansdowne revitalization project to proceed; and

WHEREAS staff is supportive of the reinstatement of \$3.46 million to the Parking Cash-in-lieu Fund;

THEREFORE BE IT RESOLVED that staff be directed to reinstate \$3.46 million to the Parking Cash-in-lieu Fund and that the same amount be issued as debt for the Lansdowne revitalization project.

CARRIED

MOTION FED 25/08

Moved by Councillor D. Deans

WHEREAS the Staff Report on the Lansdowne Partnership Plan – Authorization to Proceed with Legal Close and Implementation recommends an increase of \$12 Million in capital authority;

AND WHEREAS when the Lansdowne Partnership Plan (LPP) report was approved by City Council the City Treasurer confirmed that the financial requirements are within the City's financial capacity and the City of Ottawa's Auditor General has confirmed the accuracy of the financial forecasts and concluded "that the financial model for the LPP can achieve its projected results."

THEREFORE BE IT RESOLVED THAT with the recommended increase in capital authority the Finance and Economic Development Committee recommend the City of Ottawa's Auditor General update his analysis of the

Lansdowne Partnership Plan to determine if the financial model remains sound;

AND BE IT FURTHER RESOLVED THAT the Auditor General report back to FEDCO and Council.

LOST

YEAS (1): D. Deans

NAYS (10): R. Chiarelli, P. Clark, K. Egli, A. Hubley, P. Hume, M. McRae,
M. Taylor, D .Thompson, M. Wilkinson, Mayor Watson

The report recommendations were then put to Committee and CARRIED on a division of 10 YEAS and 1 NAY, as amended by Motions FED 25/05, FED 25/06 and FED 25/07.

YEAS (10): R. Chiarelli, P. Clark, K. Egli, A. Hubley, P. Hume, M. McRae,
M. Taylor, D .Thompson, M. Wilkinson, Mayor Watson

NAYS (1): D. Deans

For ease of reference, the report recommendations are set out in full below, as amended by Motions FED 25/05, FED 25/06 and FED 25/07:

That the Finance and Economic Development Committee recommend Council:

- 1. Approve that By-laws 2005-439 and 2004-239, being by-laws regulating permanent and temporary signs on private property, be amended so as to establish Lansdowne as a special signage zone where the implementation of signage, including the review and approval for purposes of issuing sign permits, will be in accordance with the policies, directions, and regulations set out in the Lansdowne Signage and Way-finding Plan approved by Council on June 27, 2012, as revised by this report, and that the required by-laws setting out the details of the amendments be brought forward for enactment by Council prior to the end of 2012.**
- 2. Approve the Heritage Easement Agreement between the City of Ottawa and the Ontario Heritage Trust as outlined in Document 1 to this report and authorize the City Manager to execute the Agreement on behalf of the City.**
- 3. Approve an increase of \$12 Million in capital authority and the funding sources as outlined in this report.**

4. Receive the final report on the satisfaction of all of the conditions precedent to close the Lansdowne Partnership Plan Project Agreement as outlined in Document 4 to this report, as amended by the recommendations above.
5. Approve the legal close of the Lansdowne Partnership Plan in order to move to the construction stage of the redevelopment of Lansdowne Park and approve that the City Manager be delegated the authority to carry out the intent of the foregoing approvals including, but not limited to, the execution and delivery of such other agreements, documents, instruments, acts and things as are required or deemed necessary or desirable to give full effect to the terms of this report and the transactions contemplated herein.
6. a) That Committee recommend Council approve the Value Engineering proposals number 1, 3 & 4 subject to the design recommendations of the LDRP namely:
 - i. Reductions or modifications must follow the same conceptual curvature and/or an acceptable one to the design architect if the veil is modified and whereas modifications to the approved site plan requires Council approval;
 - ii. The method and materials should be applied to the design of the pedestrian bridge in keeping with the design of the stadium. The stadium architect should assist the design build contractor to ensure the suitability is consistent.
- b) That in light of the concerns raised by the LDRP that the Committee recommend that Council request the LDRP to review other design decisions related to stadium construction with a view to recommending to City Council any realistic alternatives to the value engineering recommendations for the stadium canopies.
- c) That the alternatives for the stadium canopies, if any, provide for a cost saving of at least \$750,000.
7. That the site plan for the Lansdowne Partnership Plan redevelopment be approved with the inclusion of the modified language in the Site Plan Agreement as follows:

“The Owner acknowledges and agrees that any LED or electronic messaging/advertising to be provided on the Bank Street frontage of the Stadium scoreboard, outside those time periods when this area of the stadium scoreboard is being used for messaging/information/wayfinding or advertising in association with an event being held at Lansdowne, shall be subject to controls.

The controls shall be in accordance with any conditions that may be imposed by the General Manager, Planning and Growth Management at his/her sole discretion, as part of the sign permit that will be required for this feature, as set out in the Lansdowne Signage and Wayfinding Plan. The owner acknowledges that such conditions may relate to but are not necessarily limited to matters of size, intensity of light, and the time periods when such messaging/advertising may be provided. The owner acknowledges that such conditions, as they relate to any commercial advertising but not naming rights or sponsorship applications, can be reviewed and updated as required during the first year of operation, so as to address any community concerns regarding the intensity of illumination, time of use and appropriateness of the messaging/advertising for this public space and main street environment.”

8. That staff be directed to reinstate \$3.46 million to the Parking Cash-in-lieu Fund and that the same amount be issued as debt for the Lansdowne revitalization project.

CARRIED, as amended

CITY CLERK AND SOLICITOR DEPARTMENT

7. LANSDOWNE PARTNERSHIP PLAN IMPLEMENTATION – FINAL
REPORT ON LEGAL AGREEMENTS
ACS2012-CMR-LEG-0002 CITY-WIDE
-

REPORT RECOMMENDATIONS

That the Finance and Economic Development Committee recommend Council:

1. Approve amendments to the Lansdowne Partnership Plan Project Agreement, as contemplated by the updated LPP Project Agreement Framework, as follows:
 - (a) That the previously approved LPP Project Agreement Framework be amended to state that the City will agree to act reasonably, in accordance with pre-determined criteria, in deciding whether to permit a sale of either or both of the Canadian Football League team and/or the Ontario Hockey League team in exchange for a binding commitment by the Ottawa Sports and Entertainment Group (OSEG), or OSEG's successor, to extend its legal obligations to operate the teams for the first eight (8) years under the Lansdowne Partnership Plan instead of the current, first five (5) years, as described in this report;

- (b) That the Project Agreement be amended to treat any cost overruns above the conditional guaranteed maximum price contract incurred by the members of OSEG for the City's portion of the Stadium Parking Garage as Additional Equity under the Closed System for the Lansdowne Partnership Plan, as described in this report; and,
- (c) That the description of the formula for City Funding Equity in the previously approved LPP Project Agreement Framework be amended to read as follows, "the lesser of the Maximum City Cost or the actual cost borne by the City for the Stadium Improvements and City's share of Cost of Parking less proceeds from the sale of air rights, less the amount that can be debentured from 75% of the realty taxes estimated from the project other than the residential component, less the amount that can be debentured from the avoided costs of \$3.8 million per year of the City by it not having to operate the Stadium" and that the Project Agreement be revised accordingly, as further described in this report.
2. Confirm that the priorities for the distribution of net cash flow between the City and OSEG in the Closed System under the LPP are as set out in the previously approved June 28, 2010 LPP Project Agreement Framework referenced in this report.
 3. Approve the updated LPP Project Agreement Framework as described in this report and attached as Document 1 – "Overview of Structure and Content – Final LPP Project Agreements" as amended by the above recommendations.
 4. Receive the final legal Agreements, as amended by the recommendations above and by the updated LPP Project Agreement Framework, as set out in Document 2 – "Listing of Final LPP Legal Agreements on file with the City Clerk and Solicitor".

CARRIED

YEAS (11): R. Chiarelli, P. Clark, D. Deans, K. Egli, A. Hubley, P. Hume,
M. McRae, M. Taylor, D. Thompson, M. Wilkinson, Mayor Watson

NAYS (0):

-
8. STATUS UPDATE – FINANCE AND ECONOMIC DEVELOPMENT COMMITTEE INQUIRIES AND MOTIONS - FOR THE PERIOD ENDING 21 SEPTEMBER 2012
ACS2012-CMR-CCB-0073 CITY-WIDE
-

REPORT RECOMMENDATION

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

RECEIVED

CORPORATE PROGRAMS AND BUSINESS SERVICES

9. QUARTERLY PERFORMANCE REPORT TO COUNCIL, Q2: APRIL 1 – JUNE 30, 2012
ACS2012-CMR-OCM-0017 CITY-WIDE
-

REPORT RECOMMENDATIONS

1. That the Finance and Economic Development Committee receive the attached report and refer it for review and discussion at the following standing committee meetings:
 - Transportation Committee – October 3, 2012
 - Agriculture and Rural Affairs Committee – October 4, 2012
 - Planning Committee – October 9, 2012
 - Environment Committee – October 16, 2012
 - Community and Protective Services Committee – October 18, 2012
2. That Council receive the report for information on October 24, 2012 once it has been reviewed by standing committees.

CARRIED

PLANNING AND INFRASTRUCTURE

REAL ESTATE PARTNERSHIPS AND DEVELOPMENT OFFICE

10. LEASE - RIVERAIN PARK – OTHER PROPERTIES - NATIONAL
CAPITAL COMMISSION
ACS2012-PAI-REP-0021 Rideau-Vanier (12)
-

REPORT RECOMMENDATION

That the Finance and Economic Development Committee recommend Council approve a lease between the City of Ottawa and the National Capital Commission (NCC) for the property at 400 North River Road, known as Riverain Park, for a forty-nine (49) year term at a rental rate for the term of \$1, and that in kind services (maintenance) on various NCC properties in the amount of \$370,000 per annum be performed to reflect the current market lease value of the Riverain Park property.

CARRIED

11. SURPLUS DECLARATION AND SALE – 1357 KITCHENER AVENUE
ACS2012-PAI-REP-0026 RIVER (16)
-

REPORT RECOMMENDATION

That the Finance and Economic Development Committee declare as surplus to the City's needs two (2) residential building lots located at 1357 Kitchener Avenue shown as Parcels 'A' and 'B' on Document 1, and authorize staff to proceed with the sale of the lots in accordance with the City's Disposal of Real Property Policy.

MOTION FED 25/09

Moved by Councillor M. McRae

WHEREAS 1357 Kitchener Avenue is land owned by the City of Ottawa, but is surplus to municipal requirements;

AND WHEREAS 1357 Kitchener Avenue is located in the R1S subzone for which residential development is limited to detached dwellings;

AND WHEREAS 1357 Kitchener is comprised of two parcels;

THEREFORE BE IT RESOLVED THAT:

1. The provisions regarding the sale of these parcels include the following in the agreement of purchase and sale:

- a. That development on each parcel be limited to a detached dwelling
 - b. That no more than one dwelling be permitted on each parcel
2. The above provisions be set forth in a restrictive covenant to be registered against the title to this property on closing

CARRIED

For ease of reference, the report recommendations are set out in full below, as amended by Motion FED 25/09:

That the Finance and Economic Development Committee declare as surplus to the City's needs two (2) residential building lots located at 1357 Kitchener Avenue shown as Parcels 'A' and 'B' on Document 1, and authorize staff to proceed with the sale of the lots in accordance with the City's Disposal of Real Property Policy and subject to the following:

1. That the provisions regarding the sale of these parcels include the following in the agreement of purchase and sale:
 - a) That development on each parcel be limited to a detached dwelling;
and
 - b) That no more than one dwelling be permitted on each parcel; and
2. That the above provisions be set forth in a restrictive covenant to be registered against the title to this property on closing.

CARRIED, as amended

12. PROPERTY ACQUISITION - URBAN NATURAL FEATURES: UNA #98 – RIVERSIDE SOUTH FOREST AND UNA #100 – ARMSTRONG ROAD SOUTH WOODS – URBANDALE CORPORATION AND RIVERSIDE SOUTH DEVELOPMENT CORPORATION
ACS2012-PAI-REP-0035 GLOUCESTER-SOUTH NEPEAN (22)

REPORT RECOMMENDATIONS

That the Finance and Economic Development Committee recommend Council approve:

1. The Urban Natural Features acquisitions described in this report in accordance with the terms and conditions contained in a Memorandum of Understanding between City of Ottawa and Urbandale Corporation and Riverside South Development Corporation attached as Document 1; and
2. Subject to approval of Recommendations 1 and to the City satisfying all

requirements of the Disposal of Real Property Policy, the delegation of authority to the Deputy City Manager, Planning and Infrastructure to declare surplus the City lands described as Parcel 5 on Document 2, and to finalize and execute the required agreements with Urbandale Corporation and Riverside South Development Corporation.

CARRIED

ECONOMIC DEVELOPMENT AND INNOVATION

13. CITY OF OTTAWA'S RESPONSE TO ONTARIO LOTTERY GAMING CORPORATION REQUEST FOR EXPRESSIONS OF INTEREST
ACS2012-CMR-OCM-0021 CITY-WIDE
(Timed item – 5:00 p.m.)
-

REPORT RECOMMENDATIONS

That the Finance and Economic Development Committee recommend Council:

- 1. Approve that the City of Ottawa respond to the Ontario Lottery Gaming Corporation's ("OLG") Request for Interest (RFI) by sending a letter from the Mayor stating that the City of Ottawa supports in principle becoming a "host city" for a gaming entertainment centre;**
- 2. Direct staff to provide an analysis that gives a broad picture of the potential economic benefits and impacts of a gaming facility for the City of Ottawa. As part of this analysis, staff will consult with relevant stakeholders and consult with Ottawa Public Health staff on the potential public health impacts of an expanded gaming facility in Ottawa, including providing an overview of the current mitigation measures for populations at-risk of problem gambling. The staff report will be provided to FEDCO and Council when Council reconsiders the matter once a preferred proponent has been selected by OLG.**

Mr. Saad Bashir, Director of Economic Development and Innovation, introduced this item by making some opening remarks to provide some context on this issue.

The following representatives from the Ontario Lottery and Gaming Corporation (OLG) appeared before Committee: Rod Phillips, President and CEO, Giacomo (Jake) Pastore, Community and Municipal Relations Gaming Portfolio Manager, and Paul Pellizzari, Director of Policy and Social Responsibility.

Mr. Phillips and Mr. Pellizzari spoke to a PowerPoint presentation, which served to provide Committee with an overview of the OLG's modernization plan. A copy of their presentation is held on file with the City Clerk.

Following their presentation, Mr. Phillips and Mr. Pellizzari responded to questions from Committee members.

Committee then heard from the following public delegations:

- Dave Donaldson, Ottawa Chamber of Commerce
- Adam Slight, Ottawa Rickshaws
- Ann Tremblay, Ottawa International Airport Authority
- Martha Jackman, Faculty of Law, University of Ottawa
- Gerry LePage, Bank Street BIA
- Carol Wu, Amethyst Women's Addiction Centre
- Athos Sani, Friends of Ottawa
- Diana Ward, resident
- Noel Buckley, Ottawa Tourism
- Suzanne Langlois Mooney, resident
- Alex Roussakis, Centretown Community Health Centre
- Diane McIntyre, resident
- Dallas Smith, Mental Health Counselor, LESA program
- John MacMillan, National Capital Region Harness Horse Association (NCRHHA)
- Alex Lawryk, Rideau Carleton Entertainment Centre
- Jon Legg, resident
- Liam Mooney, resident
- Paul Welsh, Rideauwood Addiction and Family Services
- Anna Cuyllits, resident
- Brian Tansey, resident
- James O'Grady, resident
- Harry Schlange, resident
- Joanne Lefebvre and Anne-Marie Éthier, Regroupement des gens d'affaires de la capitale nationale
- Kris Nanda, Riverview Park Community Association
- Doug Rochow, resident
- Adam Awad, Canadian Federation of Students
- Arlene Borg, resident
- Itza Schachtler, resident
- Bill Driver, resident
- Gordon McDonald, National Capital Region Harness Horse Association (NCRHHA)

The following written submissions were received in relation to this item and are held on file with the City Clerk:

- Submission from Amy Griffin;
- Submission from Anne de Stecher;
- Letter from the Bank Street BIA;
- Submission from Diana Ward;

- Submission from Gay Richardson;
- Submission from Greg Reilly;
- Submission from Inga D'Arcy;
- Submission from Inge Vander Horst;
- Submission from Isabel Hobson;
- Submission from Janet Riehm;
- Submission from Lawrence S. Cumming;
- Submission from Linda Kimpe; and
- Submission from Margaret Cumming.
- Letter from Dick Brown, Ottawa Gatineau Hotel Association;
- Submission from Lyle Young and Elisabeth Salm;
- Submission from Paul Welsh, Rideauwood Addiction and Family Services;
- Submission from Danny Handelman.
- E-mail from Doug Rochow;
- Submission from Kris Nanda
- Letter from the Kanata Chamber of Commerce;
- Submission and supporting document from Athos Sani, Friends of Ottawa;
- Submission from Harry Schlange;
- Submission from Diane McIntyre;
- Documents from the Centretown Community Health Centre;
- Comment sheet from Margaret Moriarty;
- Comment sheet from Ann Young;
- Comment sheet from Deborah Hanscom; and
- Comment sheet from Lauren Rock.

After hearing from the delegations, Committee Members posed questions of staff with respect to the report recommendations and their implications.

Following these exchanges, Committee considered the following motions.

MOTION FED 25/10

Moved by Councillor D. Thompson

WHEREAS the City of Ottawa has had a long-standing, successful relationship with the Rideau Carleton Raceway and the City recognizes the importance of the Raceway to the local economy; and

WHEREAS the City recognizes the challenges facing the Rideau Carleton Raceway following the Ontario Lottery and Gaming Corporation's announcement that it will end its Slots at Racetracks Program; and

WHEREAS the Minister of Agriculture, Food and Rural Affairs has appointed a 3-member panel to work with the horse racing industry to develop a vision for the future, advise on the modernization of other industry revenue sources to assist the industry to become more sustainable as well as draft

ways to allocate \$50 million in transitional funding over three years and, while the City supports this process, it recognizes that the Request for Proposal process for the new gaming facility will begin before the panel completes its work; and

WHEREAS the City wishes to encourage the Rideau Carleton Raceway to compete in the Ontario Lottery and Gaming Corporation's upcoming Request for Proposal process for a gaming facility while the Ontario Horse Racing Transition panel completes its work;

THEREFORE BE IT RESOLVED that the Mayor's letter stating the City of Ottawa's support in principle for becoming a "host city" for a gaming entertainment centres include the following:

1. That the City of Ottawa strongly encourages the Ontario Lottery and Gaming Corporation establish an Request for Proposal process that is fair, transparent, open and competitive and which provides all proponents, including the Rideau Carleton Raceway, an opportunity to compete within a level playing field; and
2. That the Ontario Lottery and Gaming Corporation consider providing an opportunity for the Rideau Carleton Raceway to be pre-qualified to take part in the final bidding process, given their strong record of success in the Ottawa region.

CARRIED

YEAS (10): R. Chiarelli, P. Clark, K. Egli, A. Hubley, P. Hume, M. McRae,
M. Taylor, D. Thompson, M. Wilkinson, Mayor Watson
NAYS (1): D. Deans

MOTION FED 25/11

Moved by Councillor P. Clark

WHEREAS ON September 27, 2012, staff issued a REVISED page 299 (REVISED page 306 in the French version) with respect to the above-noted report;

THEREFORE BE IT RESOLVED that the Finance and Economic Development Committee recommend Council approved the report as amended by the REVISED pages 299 and 306 (French version).

CARRIED

Committee then considered the report recommendations, as amended by Motions FED 25/10 and FED 25/11. Councillor Deans asked for a separate vote on recommendation 1 of the report.

That the Finance and Economic Development Committee recommend Council:

- 1. Approve that the City of Ottawa respond to the Ontario Lottery Gaming Corporation's ("OLG") Request for Interest (RFI) by sending a letter from the Mayor stating that the City of Ottawa supports in principle becoming a "host city" for a gaming entertainment centre;**

CARRIED

YEAS (10): R. Chiarelli, P. Clark, K. Egli, A. Hubley, P. Hume, M. McRae,
M. Taylor, D. Thompson, M. Wilkinson, Mayor Watson
NAYS (1): D. Deans

- 2. Direct staff to provide an analysis that gives a broad picture of the potential economic benefits and impacts of a gaming facility for the City of Ottawa. As part of this analysis, staff will consult with relevant stakeholders and consult with Ottawa Public Health staff on the potential public health impacts of an expanded gaming facility in Ottawa, including providing an overview of the current mitigation measures for populations at-risk of problem gambling. The staff report will be provided to FEDCO and Council when Council reconsiders the matter once a preferred proponent has been selected by OLG.**
- 3. That the Mayor's letter stating the City of Ottawa's support in principle for becoming a "host city" for a gaming entertainment centres include the following:**
 - a) That the City of Ottawa strongly encourages the Ontario Lottery and Gaming Corporation establish an Request for Proposal process that is fair, transparent, open and competitive and which provides all proponents, including the Rideau Carleton Raceway, an opportunity to compete within a level playing field; and**
 - b) That the Ontario Lottery and Gaming Corporation consider providing an opportunity for the Rideau Carleton Raceway to be pre-qualified to take part in the final bidding process, given their strong record of success in the Ottawa region.**
- 4. That the report be amended by the REVISED pages 299 and 306 (French version) issued on September 27, 2012.**

CARRIED, as amended

INFORMATION PREVIOUSLY DISTRIBUTED

- A. 2013 VEHICLE GROWTH
ACS2012-COS-PWS-0014-IPD CITY-WIDE

RECEIVED

- B. CITY OF OTTAWA'S RESPONSE TO THE PROVINCE'S PROPOSED
CHANGES TO REGULATIONS OF THE AODA
ACS2012-CMR-OCM-0020-IPD CITY-WIDE

RECEIVED

- C. MPAC ASSESSMENT NOTICES
ACS2012-CMR-FIN-0041-IPD CITY-WIDE

RECEIVED

ADJOURNMENT

The Committee adjourned the meeting at 10:15 p.m.

Original signed by
D. Blais

Committee Coordinator

Original signed by
Mayor J. Watson

Chair