

Subject: Lansdowne Partnership Sustainability Plan and Implementation Report

File Number: ACS2022-PIE-GEN-0003

**Report to Finance and Economic Development Committee on 6 May 2022
and Council 25 May 2022**

Submitted on April 26, 2022 by Stephen Willis, General Manager, Planning, Real Estate and Economic Development Department

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Ward: Citywide

Objet : Plan de viabilité de la société en commandite du parc Lansdowne et Rapport sur la mise en œuvre

Dossier : ACS2022-PIE-GEN-0003

Rapport au Comité des finances et du développement économique

le 6 mai 2022

et au Conseil le 25 mai 2022

Soumis le 26 avril 2022 par Stephen Willis, Directeur général de la planification, des biens immobiliers et du développement économique

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Quartier : À l'échelle de la ville

REPORT RECOMMENDATIONS

That the Finance and Economic Development Committee recommend Council:

- 1. Receive the Lansdowne Partnership Sustainability Plan and Implementation Report, including the following:**

- a. **The updates on the work undertaken in accordance with Council direction to develop a proposal to make Lansdowne Park Partnership sustainable over the term of the Lansdowne Partnership Agreements, including the proposal from the Ottawa Sports and Entertainment Group (OSEG) entitled Proposal to the City of Ottawa – Lansdowne 2.0 (Document 1).**
 - b. **The cost estimates for the recommended approach to the revitalization of Lansdowne Park, including the results of the due diligence review of all financial estimates, the pro forma projections, and the recommended funding strategy for the City’s portion of the construction cost related to City assets, which incorporates an assessment of revenue neutrality and financial implications for the City for the term of the Partnership agreement.**
- 2. Approve the Lansdowne Partnership Sustainability Plan and Implementation Report as described in this report and as follows:**

Planning and Design

- a. **Approve in principle the recommended concept plan, including the development of a new Event Centre, new North Side Stands, a new mixed-use development in the location of the existing Civic Centre, comprising 100,000 square feet of retail and 1200 new housing units as the basis for negotiations between the City and the Ottawa Sports and Entertainment Group for the redevelopment of those elements of Lansdowne Park subject to the Lansdowne Partnership, as described in this report;**
- b. **Direct the General Manager of Planning, Real Estate and Economic Development to commence a City-initiated Rezoning application for Lansdowne Park and undertake public consultation in accordance with the *Planning Act* and the previously approved Stakeholder Engagement Strategy following the submission of all required background information from the Ottawa Sports and Entertainment Group, as described in this report, to facilitate the rezoning for the Event Centre and an amendment to the current zoning and applicable zoning standards to permit additional development to allow the City to finance the replacement of the functionally obsolete**

sporting facilities, consistent with the recommended funding strategy;

Urban Park and Public Realm

- c. **Approve the next steps in the redevelopment of the Urban Park/Public Realm components of Lansdowne Park as described in this report, including the development of a strategic public investment plan of capital improvements to the Urban Park and Public Realm to enhance site animation, programming, and public access (Document 2: Strategic Investment Plan for the Urban Park and Public Realm) to be informed by feasibility studies and further consultation with stakeholders, to be reported back to Council in the first half of 2023, dependent on the progress of negotiations;**

Air Rights

- d. **Approve the affordable housing target of 10 per cent be embedded in the process to seek bids for air rights, consistent with Council direction and the recommended funding strategy;**

Business Model and Funding Strategy

- e. **Approve the recommended business model and financial funding strategy for the redevelopment of the portions of Lansdowne Park subject to the Lansdowne Park Partnership Plan, as outlined in this report, and establish budget authority for the cost of construction and preliminary works being established with an upset limit of \$332.6 million, to be financed by a combination of the sale of air rights, debt and City capital budgets for City-specific and internal project management costs, with annual debt servicing to be funded by property tax uplift, ticket surcharge revenue, net cashflows from the Lansdowne Master Limited Partnership (LMLP) waterfall, on the condition that the planned uses and source of funds for the City portion maintains revenue neutrality for the City and is aligned with the Long Range Financial Plan.**

Project Agreements

- f. **Delegate the authority to the City Manager to renegotiate the terms and conditions of the Partnership with the Ottawa Sports and**

Entertainment Group for the redevelopment of Lansdowne Park for the construction of a new Event Centre, the reconstruction of the North Side Stands and new retail space with a podium component that is aligned with the legal framework and amendments described in this report and within the parameters of the recommended Financial Funding Strategy, to be reported back to Council for their consideration in the first half of 2023, dependent on the progress of negotiations.

- g. Approve the estimated costs of \$8 million for the next steps in the project to be spent against the project budget authority and cost sharing provisions as outlined in this report and authorize the City Manager to formalize Engagement and Cost Sharing Agreements with OSEG for the planning, design and engineering steps for the public sports facilities required to be completed until the next Council approval in the project.**

RECOMMANDATIONS DU RAPPORT

Que le Comité des finances et du développement économique recommande au Conseil municipal :

- 1. De prendre connaissance du Plan de viabilité de la société en commandite du parc Lansdowne et du Rapport sur la mise en œuvre, à savoir :**
 - a. les comptes rendus portant sur les travaux effectués conformément aux directives du Conseil municipal afin d'élaborer une proposition pour assurer la viabilité de la société en commandite du parc Lansdowne pendant la durée des accords de société en commandite du parc Lansdowne, dont la proposition de l'Ottawa Sports and Entertainment Group (OSEG) sous le titre « Proposition à la Ville d'Ottawa – Lansdowne 2.0 (pièce 1);**
 - b. les estimations de coûts pour l'approche recommandée afin de revitaliser le parc Lansdowne, y compris les résultats de l'examen préalable de toutes les estimations financières, de toutes les projections pro forma et de l'ensemble de la stratégie de financement recommandée pour la tranche de la Ville dans les coûts de construction se rapportant aux actifs municipaux, en tenant compte de l'évaluation de la neutralité des revenus et des incidences**

financières sur la Ville pour la durée de l'accord de société en commandite;

2. d'approuver le Plan de viabilité de la société en commandite du parc Lansdowne et le Rapport sur la mise en œuvre Partnership selon les modalités exposées dans le présent rapport et dans les alinéas ci-après :

Planification et conception

- a. d'approuver en principe le plan d'avant-projet recommandé, notamment pour l'aménagement d'un nouveau centre d'événements, des nouveaux gradins du côté nord, d'un nouvel immeuble polyvalent à l'endroit où se trouve le Centre municipal existant, soit 100 000 pieds carrés de superficie de vente au détail et 1 200 nouveaux logements, comme point de départ des négociations entre la Ville de l'Ottawa Sports and Entertainment Group pour le réaménagement des éléments du parc Lansdowne qui font l'objet de l'accord de société en commandite du parc Lansdowne, selon les modalités exposées dans ce rapport;
- b. de demander au directeur général de la Direction générale de la planification, de l'immobilier et du développement économique de lancer la demande de rezonage du parc Lansdowne à l'initiative de la Ville et de mener une consultation publique conformément à la *Loi sur l'aménagement du territoire* et à la Stratégie déjà approuvée pour la consultation des parties prenantes dans la foulée de la présentation de toute l'information contextuelle nécessaire, à déposer par l'Ottawa Sports and Entertainment Group, selon les modalités exposées dans ce rapport, afin de permettre de rezoner le Centre d'événements et de modifier le zonage actuel et les normes de zonage applicables pour pouvoir réaliser les travaux d'aménagement supplémentaires qui permettront à la Ville de financer le remplacement des infrastructures sportives fonctionnellement désuètes, conformément à la stratégie de financement recommandée;

Parc urbain et domaine public

- c. d'approuver les prochaines étapes dans le réaménagement des composants parc urbain et du domaine public du parc Lansdowne

selon les modalités exposées dans ce rapport, dont l'élaboration du plan d'investissement public stratégique dans les améliorations à apporter aux immobilisations du parc urbain et du domaine public afin de rehausser l'animation, la programmation et l'accessibilité publique du site (pièce 2 : Plan d'investissement stratégique pour le parc urbain et le domaine public), à éclairer par les études de viabilité et de nouvelles consultations auprès des parties prenantes, afin d'en rendre compte au Conseil municipal dans le premier semestre de 2023, selon l'avancement des négociations;

Droits sur le volume supérieur

- d. d'approuver la cible de 10 % pour le logement abordable, dans le cadre du processus d'appel d'offres pour les droits sur le volume supérieur, conformément à la directive du Conseil municipal et à la stratégie de financement recommandée;

Modèle opérationnel et stratégie de financement

- e. d'approuver le modèle opérationnel et la stratégie de financement recommandés pour réaménager les tranches du parc Lansdowne subordonnées au Plan de commandite du parc Lansdowne, selon les modalités exposées dans ce rapport, et d'établir l'autorisation budgétaire des coûts de construction et des travaux préliminaires sous réserve d'une limite supérieure de 332,6 millions de dollars à financer à la fois par la vente de droits sur le volume supérieur, par dette et en puisant dans les budgets des dépenses en immobilisations de la Ville pour les coûts de gestion de projet propres à la Ville et internes, en finançant le remboursement annuel de la dette en faisant appel au rehaussement de l'assiette foncière, aux recettes apportées grâce au supplément sur les frais de billet et aux rentrées de fonds nettes apportées par la structure en cascade de l'Accord de société en commandite principale Lansdowne (ASCPL), à la condition que les vocations planifiées et l'origine des fonds pour la tranche de la Ville restent neutres du point de vue des recettes pour la Ville et cadrent avec le Plan financier à long terme.

Accords dans le cadre du projet

- f. **de déléguer au directeur municipal le pouvoir de renégocier les clauses et les conditions de l'accord de société en commandite avec l'Ottawa Sports and Entertainment Group pour le réaménagement du parc Lansdowne en prévision de la construction d'un nouveau centre d'événements, de la reconstruction des gradins du côté nord et d'un nouvel espace de vente au détail avec un podium qui cadre avec la structure juridique et les modifications décrites dans ce rapport et selon les paramètres de ce qui est recommandé et de ce qui permet de réaliser la Stratégie de financement proposée, afin d'en rendre compte au Conseil municipal pour étude dans le premier semestre de 2023, selon l'avancement des négociations;**
- g. **d'approuver les coûts estimatifs de 8 millions de dollars pour les prochaines étapes du projet, à consacrer aux pouvoirs budgétaires du projet, ainsi que les dispositions prévues pour le partage des coûts selon les modalités exposées dans ce rapport, et d'autoriser le directeur municipal à officialiser les accords de consultation et de partage des coûts avec l'OSEG pour les étapes de la planification, de la conception et de l'ingénierie des infrastructures sportives publiques à achever jusqu'à ce que le Conseil approuve ensuite le projet.**

EXECUTIVE SUMMARY

Introduction

This report updates Council on commercially confidential negotiations with the Ottawa Sports and Entertainment Group (OSEG) on the redevelopment of Lansdowne Park. It contains recommendations for Council consideration based on staff's analysis and due diligence of the OSEG redevelopment concept and business case to make Lansdowne Park and the Lansdowne Park Partnership sustainable for the next fifty years. It outlines the due diligence process that staff completed to ascertain the viability and affordability of the OSEG proposal and will recommend the redevelopment of Lansdowne Park to make it a 365-day-a-year destination with the capacity to attract five million visitors annually – a target that makes the site financially self-sustaining. It will also demonstrate how the proposal remains consistent with the 2010 Council approved Guiding Principles for the Transformation of Lansdowne.

This report outlines the recommended financial funding strategy needed to pay for the replacement of the arena, Civic Centre and North Side Stands and shows how, if

adopted, this investment is affordable to the City, and of benefit to Ottawa and the taxpayer over the life of these important assets. To support this funding strategy, the report sets out the process for securing an open and transparent procurement of air rights for the proposed residential development, including set commitments for affordable housing.

The report also includes a strategic investment and implementation plan on options for physical improvements to the Urban Park and heritage buildings to facilitate more public programming, overall site animation and the active transportation network. These recommendations require further feasibility work and public consultation, and they will be advanced in subsequent reports to Council.

Finally, the report seeks Council's approval in principle for the redevelopment concept plan and business case, and requests authority for staff, with the required resources, to complete the next steps in a sequence of future Council approvals including real estate, planning approvals and stakeholder engagement. This report will also explain the future decision points that will be before the next Council.

Background

Lansdowne Park is a major Ottawa destination, with more than a century of history as a gathering place for residents and tourists alike. After having become increasingly unusable over decades due to long-standing under-investments in infrastructure, the revitalized Lansdowne Park, with its greenspaces, play areas, public art, sports venues, event venues, restored heritage buildings and new facilities, pathways, parking, retail, restaurant spaces and much more, has been made possible through a 40-year partnership between the City of Ottawa and the Ottawa Sports and Entertainment Group (OSEG), approved by City Council in October, 2012, governed by the Lansdowne Partnership Plan (LPP).

The LPP has achieved Council's vision of making what had become an admission-only, gated asphalt and concrete campus in disrepair into a place "where people can go to walk, cycle, shop, enjoy a good meal, be entertained, work, live, and play in an environment respectful of our architectural heritage" (Lansdowne Partnership Plan and Implementation report (ACS2010-CMR-REP-0034). As noted in the Lansdowne Annual Report and COVID-19 Impacts Update report (ACS2020-CMR-OCM-0003), in the seven years since it has opened, there have been over 20 million visitors to Lansdowne Park and TD Place sports and entertainment district. There have been over 1,000 large and small events for people of all ages. The site currently houses over 50 businesses and has created over 4,000 full and part-time jobs. In 2017, the OSEG Foundation was

established to lower the financial barriers of entry to enable kids from all socio-economic backgrounds to participate in organized sport. Since its founding, the OSEG Foundation has contributed \$3.7 million to our community and REDBLACKS and 67's players spend 1,500 hours annually off the field volunteering their time with community groups and organizations.

Council Direction

In July 2021, Council approved the Lansdowne Park Partnership: Path to sustainability and Next Steps report (ACS2021-PIE-GEN-0004). This report included the framework and principles for improving Lansdowne Park and making the Lansdowne Partnership sustainable over the term of the partnership. It also directed staff to negotiate with OSEG on a commercially confidential basis on a proposal to revitalize Lansdowne Park and ensure the site can live up to its potential as a City-wide destination and be financially sustainable over the long-term with a goal to attract 5 million visitors to the site annually. Further, Council directed staff to complete the necessary due diligence and business case on an OSEG proposal and associated business plan and bring forward the findings and recommendations based on the results of the necessary due diligence review.

Council gave further direction to bring forward a proposal that can attract another one million people to Lansdowne Park annually, with considerations to increase density with more housing, both market and affordable and to increase foot traffic by expanding retail. Staff were also asked to examine public access, consider safety for all users and make recommendations for capital improvements to support site animation, create a more welcoming outdoor Urban Park and develop public programming to increase site use. The overall plan for the Urban Park and Public Realm will highlight Lansdowne Park as a city-wide facility and acknowledge the role of the park as an attraction for all residents and visitors of Ottawa. While much work has been done to gather ideas from the public, specific recommendations on programming merit additional City-wide engagement that will broaden the possible programming uses.

The July 2021 report also updated the Guiding Principles to provide a high-level notional concept of how the sports facilities could be replaced with contemporary facilities. The seven negotiating principles approved by Council are included later in this report but include:

- i. The overall package must be affordable and have a material and/or financial benefit to the City of Ottawa and the taxpayer.

- ii. The proposal has to be fair to both parties and sustainable over the long term.
- iii. City funds will not be used to subsidize OSEG operations.
- iv. There will continue to be City-owned and managed assets that are distinct from the OSEG partnership.
- v. New retail or commercial development must remain within the waterfall.
- vi. A competitive tender process be used for the new public facilities.
- vii. Affordable housing will be a key consideration in whatever is negotiated.

The OSEG Redevelopment Proposal and Design

The proposed mixed-use redevelopment project involves the replacement of the functionally obsolete Civic Centre and North Side Stands with a new 5,500 seat Event Centre to be built east of the current end-zone, and new North Side Stands with a seating capacity of 11,200, plus 900 standing. An increase of 1,200 residential housing units and a 59K square foot expansion of onsite retail is also being proposed.

A new Events Centre and North Side Stands, if approved, will create the conditions to sustainably revitalize the site. New facilities will attract more fans to the existing teams. Other cities that have renewed their OHL sized arenas have seen attendance increases. Recently, the new arena in Gatineau has resulted in a 40 per cent increase in attendance in the first year of operations. A revitalized facility will have an easier time attracting other sports teams, events and sporting events.

The fan experience will also be improved. Both the Event Centre and stadium stands will be more comfortable, functional and usable. They will have improved physical accessibility for users of all ages and abilities. The washrooms, concourse space, as well as food and beverage services will be much better for patrons. The new Event Centre will have considerably better sight lines for hockey games and concerts.

The event production experience will be better. The Event Centre will have proper “back of house” facilities including better designed gender-balanced change rooms, preparation rooms for entertainers, and modern telecommunications and broadcast facilities. The food and beverage facilities will be better located in the facility that will support easier operational management by staff working events, and potentially more diverse food options.

The Event Centre will fill a critical gap in the Ottawa market for a contemporary venue for mid-sized music and cultural events that are currently by-passing Ottawa on national tours. Ottawa is missing a venue of medium size for arts and cultural event – it simply does not exist today in Ottawa. The size of the current arena is too large for OHL games, and it is not appointed or configured properly for many concerts and cultural events that need a mid-sized facility as noted in the City's Music Strategy. The new Event Centre can supplement the offerings of existing music festivals with a facility designed to host major music events, which the Civic Center is ill-designed to do. OSEG will market the new facility for high-quality sports, music and cultural events, which will have a broader spin-off effect on the local economy, particularly since they will enhance the tourism appeal of Ottawa.

The addition of 1,200 residential housing units on the site will give more consistent life to the site on non-event days. It will create an on-site population base to help support the retail activities and provide more customers for Bank Street businesses. It will be easy for people to live in this location car-free since all of the attributes of a fifteen-minute neighbourhood will be there on day one. This, in turn, supports local retailers both on the site and on Bank Street. Larger retailers that depend on a broader target population to be successful will generate spin-off business for their smaller neighbours. The principles for the original Lansdowne included creating opportunities for smaller businesses on site. These changes could assist in achieving the original objective of a balanced retail mix.

More retail space will allow OSEG to diversify the retail offerings on the site, and to introduce more experiential and destination-based retail options in a variety of sizes. This brings a synergy between larger retailers, smaller retailers, restaurants and experiential retail offering so that the visitor has many options and a variety of choices. It will make the site more appealing for people to spend a half day or more.

The enhanced mix of uses on the site will better achieve the goals of the Lansdowne Special District in the new Official Plan. Although the details of the development must still go through the planning approval process, the concept as proposed by OSEG accomplishes much of what the City has said it needs in the new Official Plan. A mixed-use redevelopment project provides much needed housing through infill of an existing urban site. It introduces new forms of housing into the immediate neighbourhood to meet the needs of different household types, including more affordable options. It allows the Lansdowne site to be where people could live, work and find amenities and entertainment without needing their own private vehicle, since alternative modes of travel are abundant, realizing the goals of a fifteen-minute

neighbourhood. The project will enhance the urban character of the site with more activity throughout the days of the year. Replacing antiquated and highly energy-inefficient sports facilities with modern facilities will reduce the environmental impact of the operations of the site. Finally, more mixed-use development is broadly supportive of the economic development role of the site as a Special District that animates the City with sports, recreation, arts, culture, and community activities.

In addition to the proposal that improves the financial returns from the Partnership, and is revenue-neutral for the City, staff believes the redevelopment has benefits that extend beyond the financial. In the Council-adopted Official Plan, Lansdowne was approved as one of the City's five "city-defining Special Districts." Special Districts play an important draw internationally, nationally and to the metropolitan area. Special Districts help define the image of the city through their cultural heritage value, architecture, public realm, and their roles as tourism attractions and or major economic generators. As one of Canada's marquee urban stadium developments, Lansdowne integrates an important sports facility with community facilities, greenspace and park amenities, heritage resources, needed housing and supporting commercial activities.

More event days a year, more retail, and additional use of the public facilities will create new employment opportunities. OSEG is currently one of the largest youth employers in the City, and redevelopment will expand these opportunities.

With a renewed facility, the Ottawa Tourism's Major Events strategy can aggressively target a portfolio of high-quality events. Such events have a significant impact on the local economy and enhance Ottawa's visibility on the world stage.

A totally new facility will allow a modern, more comfortable venue to be realized that meets current day accessibility standards. By improving the accessibility of the built environment within the Event Centre and North Side Stands more people of different abilities and ages will be able to use these facilities.

The redevelopment will replace highly inefficient facility with a new energy efficient design, with a live green roof, that is sustainable and will reduce overall operating costs. The facilities will have much better electrical and mechanical systems. The heating and cooling systems will be more environmentally efficient, and they will create a more comfort environment for patrons. The energy and GHG emissions load of one of the City's worst-performing building assets will be replaced by lower usage and lower emission systems (details to be confirmed during detailed design).

In summary, OSEG has submitted detailed conceptual drawings and cost estimates that shows how the new sporting facilities can be constructed within a revitalized Lansdowne that significantly improves the financial sustainability of the partnership and makes this project affordable and revenue neutral for the City. The proposed concept demonstrates that a mixed use residential and commercial development in the area above the current Civic Centre, which includes 120 affordable housing, can help pay for construction of the new sports facilities. The redevelopment concept is consistent with the new Official Plan (OP) policies regarding the Lansdowne Special District, it replaces inefficient facilities with sustainable energy efficient building and supports and recognizes the role of Lansdowne as a destination for festivals, year-round sports, residential, commercial and public space.

Urban Park and Public Realm

The public realm improvements for the portions of the site managed by the City will draw more people from the neighbourhood and from across the City. The improved infrastructure recommended for the site will give the Recreation, Culture and Facilities department more options for site programming in the future and simplify the operations of the existing facilities. Improvements to the Aberdeen Pavilion and the Horticulture Building will improve their usability for community activities in the future and extend the amount of rentable days, will provide flexibility for more types of uses, provide better amenities, upgrade sound and audio visual equipment and improve internal conditions on hot and cold days.

With improvements to the active transportation system, the site will be better connected and more appealing for people to come on foot or cycling to the site. The site is easily reachable by a large population by bike, and it will draw more if the cycling experience is convenient, comfortable and people feel safe.

Building on its history as a community gathering space for over a century, the long-term sustainability showcasing Lansdowne Park as a vital, sustainable gathering place for residents and visitors for the years to come is also dependent on a successful and memorable Public Realm. The public spaces throughout the park, and the unique historical buildings on-site, make this site a legacy worthy of consideration for future investments into the Urban Park, the on-site facilities and for additional programming.

This report proposes a dedicated plan for investment in both the urban park and active transportation that improve connectivity to the site and make the park more inviting and goes beyond the planned lifecycle renovations to the Aberdeen Pavilion. An annual investment for the next decade will be established for physical infrastructure

improvements to facilitate increased programming and site animation, to augment the use of the park, improve pedestrian and cycling safety and create a more welcoming outdoor public realm. This will improve the overall visitor experience for residents across the City and appeal to tourists.

Business Model and Funding Strategy Due Diligence

The total capital cost for the redevelopment is estimated at \$332.6 million. This estimate includes the cost of construction, soft costs related to design and delivery, escalation allowances, and contingency.

The initial construction estimate was prepared by OSEG, reviewed by City staff, and was vetted by a third-party cost consultant who confirmed this number to be in-line with industry standards. A benchmarking exercise was also undertaken by the same independent cost consultant and confirmed that the estimate prepared by OSEG is comfortably within the range of recent projects of similar size and scope.

Staff recommend that the budget authority for this project be established in this report in order to proceed with the next stages. This timeline was set to reduce the risk of construction escalation costs due to delays. The budget would be established at an upset limit of \$332.6 million and staff would report back to Council at each stage for approval to proceed to the next stage. However, budget authority is required for the total estimated construction cost of \$332.6 million at this time. Costs will be incurred to move to the next steps of the project. Final approval from Council will be required to proceed with construction. If the project does not proceed for any reason, these costs, estimated at \$8 million will then be funded by the capital budget account. If the project does proceed, then there are sufficient estimated funding sources to finance this project, which is described in greater detail in the Funding Strategy.

The partnership functions as a “closed” financial model that sees cashflows generated from the operations of the entire site, with the exception of the Urban Park. The cashflow generated is distributed in a system referred to as “the waterfall”, with OSEG being responsible for any deficits. The partnership agreement requires OSEG to make mandatory contributions into the lifecycle reserve fund, and any net positive cashflows are distributed as a return on and of equity for OSEG, return on City deemed equity and an equal share for OSEG and the City of any residual income. To be successful, the sustainability of the Lansdowne Master Partnership Agreement (LMLP) depends largely on attracting visitors to the site with a base target of 5 million visitors per year.

The problem with the current model is that it didn't contemplate OSEG contributing so much additional equity, primarily to cover year over year deficits since inception. As of March 31, 2021, OSEG has contributed \$160 million, which is \$100 million more than projected in 2012. They have also accumulated \$60.2 million of interest on this equity at 8 per cent interest. Projecting this accumulating equity and interest there is no expected returns from the waterfall to be paid to the City for the term of the agreement.

The redevelopment is proposed to be paid for by a combination of the sale of air rights over the existing Civic Centre, allocation of the incremental future property taxes, a ticket surcharge, additional returns to the City from the waterfall due to the improved financial projections resulting from the revitalization of the park and a restructuring of the current waterfall distribution model where the City and OSEG share more equally in the net revenues throughout the entire term of the agreement.

As part of the due diligence the City required, the proposal from OSEG needed to include detailed plans and cost estimates for the revitalization of the Park and provide a fulsome analysis of all financial estimates and proforma projections. The City retained the services of external experts to conduct the due diligence with additional reviews from City staff on the costing submitted by OSEG and the revised proforma projections for the LMLP financial results to the end of the term of the agreement. City staff, working with external experts, then developed a cashflow model, financing strategy and financial risk analysis to assess the affordability of the project. The proposed financial funding strategy is affordable, minimizes risk to the City, and maintains revenue neutrality such that this project is at no additional cost to taxpayers, while the City gains a new asset and improved facility.

Redevelopment of Lansdowne Park will improve the financial returns from the Partnership and distributions to the City from the waterfall overall, while also generating additional property tax revenues from new residential and commercial properties.

If approved, the City's total capital contribution, not to exceed \$332.6 million will be funded by cash from the sale of air rights (debt if the air rights are leased), debt funding and some City capital budget funding for internal costs. The annual debt servicing will be funded by the property tax uplift, ticket surcharge revenue from Lansdowne Park games and events, and waterfall distributions to the City.

The funding strategy is dependent on making changes to the waterfall distribution framework, to ensure the City is paid net positive cashflow distributions earlier, to share more equally with OSEG and to eliminate some of the financial pressures within the current proforma to increase the cash available for distribution to the City. The first level

of distribution would continue to be made for the lifecycle expenditures. The second level will pay to the City the revenue from the ticket surcharge. The proposed third level of distribution would now be shared equally by OSEG and the City, and it would be a return of equity based on the pro-rata share of contributed equity made by each partner. Level 4 distributions would be made once all equity is returned based on a 50-50 residual profit share to the City and OSEG.

OSEG and City staff worked together to propose some additional changes to the waterfall, to improve the overall distributions and increase the allocation to the City. OSEG has agreed to eliminate and write off their minimum equity contribution and accumulated interest estimated at \$54 million, while the City would also need to eliminate the concept of deemed equity and accumulated interest of approximately \$18 million, which in the current model neither is expected to be paid back to OSEG or the City. In the new model, the equity contributions would be repaid equitably to the City and OSEG based on the share of equity and the 8 per cent interest would be eliminated going forward. OSEG would continue to fund any operating deficits, but during the construction period there may be impacts to operations that may require some funding from the City as a partner in this endeavor.

These proposed changes, as an integrated package, make the funding strategy achievable. If any one component is removed or fundamentally changed, the feasibility of this strategy would be compromised.

Estimated Economic Impact of the Redevelopment Project

City staff commissioned the Altus Group to conduct an independent economic impact analysis of the OSEG proposal. The analysis measured direct economic impact, indirect impact which is the economic activity connected to the supply chain supporting the core economic activity, and induced impact which is the economic activity stimulated by the spending of income from the direct and indirect rounds.

Based on Altus' analysis, the proposed Lansdowne project will create 1,430 person years of direct employment and 1,210 person years of indirect and induced employment. The project will add \$165 million directly to the regions GDP in direct outcomes, and \$140 million in indirect and induced impact. It will add \$40 million in business earnings to the local economy from direct economic impacts and \$55 million in indirect and induced earnings.

Consultation

Meetings with the Planning and the Economic Council Sponsors Groups, as well as the Stakeholder Sounding Board were held on several occasions throughout the past several months.

However, due to the complexity and commercially confidential nature of the negotiations, and the time required for due diligence, staff are now reporting on the Business Plan and deferring the land use planning approvals, and public consultation, until after Council agrees in principle to the Business Plan. Furthermore, the land use approvals and finalization of the development concept are dependent on Council agreeing to proceed to the next step in the process.

Council approved a robust, city-wide engagement strategy in the July 2021 report that would ensure residents from all over the city can have a voice in the redevelopment of a sustainable Lansdowne Park. The engagement strategy was supported by Council with a budget of \$200,000 to ensure staff were able to conduct a fulsome round of far reaching and city-wide consultation activities. There was an original intent to engage with the public following the July report. However, given the work that was required to be undertaken on the OSEG proposal, financial analysis and associated due diligence, engaging in broad public consultation was deemed to be premature and will be undertaken subsequent to Council consideration of this report.

Next Steps

This report seeks authority from Council to:

- commence the City Initiated Rezoning application;
- undertake public consultation in accordance with the *Planning Act* and the Stakeholder Engagement Strategy approved in report ACS2021-PIE-GEN-0004;
- start the two-stage process for the lease or sale of air rights;
- continue negotiations with OSEG; and,
- refine the design and cost estimates for a tender-ready package for the sporting facilities.

Staff will return to Council in Q1 2023 with an Implementation report for authority to accept offers for air rights, to present feedback from engagement efforts on the Rezoning Application and Public Realm outreach, to execute any final legal or other agreements with OSEG, and to provide an update on total project cost.

This project, should Council approve it, will achieve the original goals for the redevelopment of Lansdowne Park and make the site a better draw to meet the goals of attracting five million visitors annually and will allow Lansdowne to achieve the next step in its evolution toward delivering on its Guiding Principles.

SYNTHÈSE ADMINISTRATIVE

Introduction

Dans le présent rapport, nous soumettons au Conseil municipal un compte rendu sur les négociations commercialement confidentielles avec l'Ottawa Sports and Entertainment Group (OSEG) sur le réaménagement du parc Lansdowne. Ce rapport comprend des recommandations soumises à l'étude du Conseil d'après l'analyse du personnel et l'examen préalable de l'avant-projet de réaménagement et de l'analyse de rentabilisation de l'OSEG afin de veiller à ce que le parc Lansdowne et la société en commandite du parc Lansdowne soient durables pour les 50 prochaines années. Ce rapport décrit dans ses grandes lignes le processus d'examen préalable que le personnel a mené pour assurer la viabilité et l'abordabilité de la proposition de l'OSEG et recommande que le projet soit viable et abordable; dans ce rapport, nous démontrons que le réaménagement du parc Lansdowne est nécessaire pour en faire une destination 365 jours par an, à même d'attirer chaque année 5 millions de visiteurs — objectif qui permettra d'assurer l'autonomie financière du site. Nous démontrons aussi que la proposition continue de cadrer avec les principes directeurs approuvés par le Conseil municipal en 2010 pour la transformation du parc Lansdowne.

Ce rapport trace les contours de la stratégie de financement que l'on recommande d'adopter pour financer le remplacement de l'aréna, du Centre municipal et des gradins du côté nord et démontre que si ces recommandations sont adoptées, cet investissement est abordable pour la Ville et est avantageux pour Ottawa et pour le contribuable pendant la durée de ses actifs importants. Pour étayer cette stratégie de financement, nous traçons dans ce rapport le processus de sécurisation pour l'acquisition ouverte et transparente des droits sur le volume supérieur pour les aménagements résidentiels proposés, dont les engagements adoptés pour le logement abordable.

Le rapport comprend aussi un plan d'investissement et de mise en œuvre stratégique sur les options portant sur les améliorations physiques à apporter au parc urbain et aux édifices patrimoniaux afin de favoriser l'amélioration de la programmation publique, l'ensemble de l'animation du site et le réseau de transport actif. Ces recommandations

réclament d'autres travaux de viabilité et de consultation publique et feront l'objet de rapports subséquents à l'intention du Conseil municipal.

Enfin, dans ce rapport, nous demandons au Conseil municipal d'approuver en principe le plan de l'avant-projet de réaménagement et l'analyse de rentabilisation et nous lui demandons de donner au personnel le pouvoir, ainsi que les ressources nécessaires, pour réaliser les prochaines étapes dans une séquence d'approbations futures du Conseil municipal, qui porteront entre autres sur l'immobilier, la planification et la consultation des intervenants. Dans ce rapport, nous expliquons aussi les points de décision projetés qui seront soumis au Conseil dans son prochain mandat.

Contexte

Importante destination à Ottawa, le parc Lansdowne a plus d'un siècle d'histoire comme lieu de rassemblement pour les résidents comme pour les touristes. Devenu de plus en plus inutilisable au fil des décennies en raison des sous-investissements chroniques dans les infrastructures, le parc Lansdowne a pu être revitalisé, avec ses espaces verts, ses zones de jeux, ses œuvres d'art public, ses établissements sportifs et événementiels, ses édifices patrimoniaux restaurés, ainsi que ses infrastructures, sentiers, zones de stationnement, établissements de détail, restaurants et autres nouveaux, grâce à un accord de société en commandite de 40 ans entre la Ville d'Ottawa et l'Ottawa Sports and Entertainment Group (OSEG); cet accord, approuvé par le Conseil municipal en octobre 2012, est régi par le Plan de la société en commandite du parc Lansdowne (PSCPL).

Le PSCPL a permis de réaliser la vision du Conseil municipal, qui consiste à transformer un campus d'asphalte et de béton en mauvais état, ceinturé et accessible pour les spectateurs exclusivement afin d'en faire un lieu « où les gens peuvent se rendre pour faire des randonnées, du vélo, des emplettes, dîner au restaurant, assister à des spectacles, travailler, vivre et se divertir dans un environnement respectueux de notre patrimoine architectural » (Plan de la société en commandite du parc Lansdowne et Rapport sur la mise en œuvre [ACS2010-CMR-REP-0034]). Comme l'indique le Rapport annuel sur le parc Lansdowne et le Rapport pour faire le point sur les répercussions de la COVID-19 (ACS2020-CMR-OCM-0003), dans les sept années depuis qu'il est ouvert, le parc Lansdowne et le quartier des sports et des loisirs Place TD ont attiré plus de 20 millions de visiteurs. Il s'est déroulé dans le parc Lansdowne plus de 1 000 événements de grande et de moindre envergure pour les personnes de tous les groupes d'âge. Le site abrite actuellement plus de 50 entreprises et a créé plus de 4 000 emplois à temps plein et à temps partiel. En 2017, on a établi la Fondation de

l'OSEG pour amoindrir les obstacles financiers dans l'accès afin de permettre aux jeunes de tous les horizons socioéconomiques de participer à des sports organisés. Depuis qu'elle a été créée, la Fondation de l'OSEG a apporté un concours financier de 3,7 millions de dollars à notre collectivité, et les joueurs du ROUGE et NOIR et des 67 d'Ottawa ont consacré 1 500 heures par an, hors du terrain, à faire du bénévolat auprès des groupes et des organismes communautaires.

Directives du Conseil municipal

En juillet 2021, le Conseil municipal a approuvé le rapport Société en commandite du parc Lansdowne : Parcours sur la voie de la durabilité et prochaines étapes (ACS2021-PIE-GEN-0004). Ce rapport fait état de la structure-cadre et des principes pour l'amélioration du parc Lansdowne, ainsi que pour assurer la durabilité de la société en commandite du parc Lansdowne pendant la durée de l'accord de société en commandite. Dans ce rapport, le Conseil donne aussi pour consigne au personnel de négocier avec l'OSEG, selon des principes commercialement confidentiels, une proposition pour la revitalisation du parc Lansdowne, afin de s'assurer que le site pourra faire fructifier tout son potentiel de destination sur l'ensemble du territoire de la Ville et qu'il sera financièrement durable à long terme, afin de pouvoir attirer chaque année 5 millions de visiteurs. En outre, le Conseil municipal a donné pour consigne au personnel de mener l'examen préalable nécessaire et de faire l'analyse de rentabilisation voulue de la proposition de l'OSEG et du plan directeur correspondant et de soumettre ses constatations et recommandations d'après les résultats de l'examen préalable nécessaire.

Le Conseil municipal a aussi donné pour consigne au personnel de la Ville de déposer une proposition qui permettrait d'attirer chaque année au parc Lansdowne un million de personnes de plus, en tenant compte des possibilités d'accroître la densité grâce à un plus grand nombre de logements offerts au prix du marché et à des prix abordables, de même que pour augmenter l'achalandage piétonnier en aménageant un plus grand nombre d'établissements de détail. On a aussi demandé au personnel de la Ville d'examiner les moyens d'accès public, de tenir compte de la sécurité pour tous les utilisateurs et de faire des recommandations pour les améliorations à apporter aux infrastructures afin d'assurer l'animation du site, de créer un parc urbain en plein air plus accueillant et de mettre au point des programmes publics pour accroître l'utilisation du site. Le plan d'ensemble du parc urbain et du domaine public mettra en lumière la vocation d'infrastructure municipale du parc Lansdowne et mettra en valeur le rôle de ce parc comme attraction pour tous les résidents et visiteurs d'Ottawa. Bien qu'on ait accompli énormément de travail pour réunir les idées du public, les recommandations

précises sur la programmation justifient une consultation supplémentaire sur tout le territoire de la Ville afin d'enrichir l'éventail des moyens de programmation envisageables.

Le rapport de juillet 2021 a aussi permis de mettre à jour les principes directeurs pour établir l'avant-projet global des moyens de remplacer les installations sportives par des infrastructures contemporaines. Voici les sept principes de négociation approuvés par le Conseil et reproduits plus loin dans ce rapport :

- i. Dans l'ensemble, le programme doit être abordable et apporter des avantages matériels ou financiers à la Ville d'Ottawa et au contribuable.
- ii. La proposition doit être équitable pour les deux parties et viable à long terme.
- iii. Les fonds de la Ville ne serviront pas à subventionner les opérations de l'OSEG.
- iv. Il continuera d'y avoir des infrastructures qui appartiennent à la Ville et qu'elle gère, en plus d'être distinctes de celle de la société en commandite avec l'OSEG.
- v. Les nouveaux aménagements consacrés aux commerces de détail ou aux bureaux doivent continuer de faire partie de la structure en cascade.
- vi. Il faut lancer un appel d'offres en régime de concurrence pour les nouvelles infrastructures publiques.
- vii. Le logement abordable sera une considération essentielle dans tous les accords négociés.

La proposition de réaménagement et le plan de conception de l'OSEG

Le projet de réaménagement polyvalent proposé consiste à remplacer le Centre municipal et les gradins du côté nord, fonctionnellement désuets, par un nouveau centre d'événements de 5 500 places, à construire à l'est de la zone d'extrémité actuelle, ainsi que par de nouveaux gradins du côté nord, dotés d'une capacité de 11 200 places assises et de 900 places debout. On propose également d'aménager 1 200 logements et une superficie de 59 000 pieds carrés pour agrandir l'espace des commerces de détail sur le site.

Le nouveau Centre d'événements et les gradins du côté nord, s'ils sont approuvés, créeront les conditions qui permettront de revitaliser durablement le site. Les nouvelles infrastructures attireront plus de spectateurs pour les matchs des équipes existantes.

D'autres villes qui ont procédé à la réfection des arénas répondant aux normes de la LHO ont constaté une hausse de l'achalandage. Récemment, le nouvel aréna de Gatineau a donné lieu à une hausse de 40 pour cent de l'achalandage dès la première année de son exploitation. Le parc revitalisé pourra plus facilement attirer d'autres équipes sportives, d'autres spectacles et d'autres événements sportifs.

L'expérience offerte aux spectateurs sera elle aussi améliorée. Le Centre d'événements et les gradins du stade seront plus confortables, fonctionnels et utilisables.

L'accessibilité physique sera améliorée pour les utilisateurs de tous les groupes d'âge et de tous les niveaux d'aptitude physique. Les toilettes, l'espace des galeries, ainsi que les services d'aliments et de boissons seront nettement améliorés pour les clients. Le nouveau Centre d'événements offrira des lignes de mire nettement supérieures pour les matchs de hockey et les concerts.

L'expérience offerte aux producteurs d'événements sera meilleure. Le Centre d'événements sera doté d'installations « auxiliaires » appropriées, dont des vestiaires genrés mieux pensés, des salles de préparation pour les artistes de la scène et des infrastructures de télécommunications et de radiodiffusion modernes. Les infrastructures d'aliments et de boissons seront mieux situées dans l'établissement, ce qui permettra au personnel affecté aux événements de gérer plus facilement les opérations et d'offrir éventuellement des options plus variées dans le choix des produits alimentaires.

Le Centre d'événements corrigera un déficit critique, sur le marché d'Ottawa, pour un établissement contemporain permettant de tenir des événements musicaux et culturels de taille moyenne, qui évitent actuellement Ottawa dans les tournées nationales. Ottawa n'a pas d'établissement de taille moyenne pour les événements artistiques et culturels : ce genre d'établissement n'existe tout simplement pas aujourd'hui dans cette ville. L'aréna actuel est trop grand pour les matchs de la LHO et n'est pas aménagé ni configuré comme il se doit pour nombreux concerts et événements culturels, qui doivent se dérouler dans un établissement de taille moyenne, comme l'indique la Stratégie musicale d'Ottawa. Le nouveau Centre d'événements peut assurer l'appoint des infrastructures offertes pour les festivals de musique existants, grâce à des installations conçues pour organiser des manifestations musicales majeures, pour lesquelles le Centre municipal est mal conçu. L'OSEG mènera une promotion de la nouvelle installation pour les événements sportifs, musicaux et culturels de grande qualité, ce qui produira un effet d'essaimage plus vaste sur l'économie locale, d'autant plus que l'établissement viendra améliorer l'attrait touristique d'Ottawa.

L'aménagement de 1 200 logements sur le site permettra de mieux viabiliser le lieu pendant les jours où il n'y aura pas d'événements. Ces logements créeront sur le site une base de population qui permettra d'appuyer les activités de commerces de détail sur les lieux et d'attirer plus de clients dans les commerces de la rue Bank. Il sera facile d'habiter sur ce site si on n'a pas de voiture, puisque toutes les caractéristiques du quartier du quart d'heure seront réunies dès le premier jour. On pourra ainsi épauler les commerçants de détail de la localité à la fois sur le site et sur la rue Bank. Les grands détaillants dépendent, pour réussir, d'une population cible plus nombreuse, ce qui donne naissance à de petites entreprises pour leurs voisins plus modestes. Les principes du projet du parc Lansdowne à l'origine consistaient à offrir des perspectives à de petites entreprises sur le site. Ces changements permettront d'atteindre l'objectif originel, soit une palette de commerces de détail équilibrée.

Grâce à la superficie plus vaste des commerces de détail, l'OSEG pourra diversifier l'offre des commerçants sur le site et offrir dans différentes tailles plus d'options de détail expérientielles et d'après la destination, ce qui créera une synergie entre les grands détaillants, les petits commerces de détail, les restaurants et les établissements de détail expérientiels, de sorte que les visiteurs auront plus d'options et différents choix. Le site sera ainsi plus attrayant pour ceux et celles qui veulent y passer une demi-journée ou plus.

La palette améliorée des aménagements du site permettra de mieux atteindre les objectifs du secteur spécial du parc Lansdowne dans le nouveau Plan officiel. Même si les détails du projet d'aménagement doivent toujours être soumis au processus d'approbation des demandes d'aménagement, l'avant-projet proposé par l'OSEG permet de réaliser essentiellement ce que la Ville précise comme besoins dans le nouveau Plan officiel. Un projet de réaménagement polyvalent permet de construire les logements absolument nécessaires dans les aménagements intercalaires de ce site urbain existant. Ce projet prévoit de nouvelles formes de logements dans le quartier immédiat afin de répondre aux besoins des différents types de ménages, en leur proposant des options plus abordables. Ce projet permet au site du parc Lansdowne d'offrir des logements et des établissements de travail, ainsi que des commodités et des loisirs, sans dépendre des voitures particulières, puisque les différents modes de déplacement sont nombreux, ce qui permet d'atteindre un des objectifs du quartier du quart d'heure. Ce projet viendra améliorer la physionomie urbaine du site en offrant plus d'activités tous les jours de l'année. Remplacer des infrastructures sportives vétustes et très voraces en énergie par des infrastructures modernes réduira l'empreinte environnementale des opérations du site. Enfin, les aménagements polyvalents plus

nombreux viendront essentiellement promouvoir le rôle du site comme secteur spécial dans le développement économique, ce qui animera la Ville grâce à des activités sportives, récréatives, artistiques, culturelles et communautaires.

Hormis la proposition qui permet d'améliorer les rendements financiers apportés par la société en commandite et qui est neutre du point de vue des revenus pour la Ville, le personnel croit que le réaménagement fait rejaillir des avantages qui débordent le cadre des questions financières. Dans le Plan officiel adopté par le Conseil municipal, le parc Lansdowne est l'un des cinq « secteurs spéciaux définitoires de la Ville » approuvés. Les secteurs spéciaux jouent un rôle important, internationalement, nationalement et dans la zone métropolitaine. Ils permettent de définir l'image de la Ville grâce à leur valeur de patrimoine culturel, à leur architecture, au domaine public et à leur rôle comme attraction touristique et important moteur économique. Puisqu'il s'agit de l'un des stades urbains les plus prestigieux au Canada, le parc Lansdowne intègre une importante infrastructure sportive avec des installations communautaires, des espaces verts et des commodités à vocation de parc, des ressources patrimoniales, les logements nécessaires et les activités commerciales auxiliaires.

Puisqu'il y aura plus de jours d'événements par an, plus de commerces de détail et qu'on fera une plus grande utilisation des infrastructures publiques, on pourra créer de nouvelles perspectives d'emploi. L'OSEG est aujourd'hui l'un des plus importants employeurs de jeunes dans la Ville, et ce projet de réaménagement viendra augmenter ces perspectives d'emploi.

Grâce à la réfection des installations, la stratégie des événements majeurs de Tourisme Ottawa peut cibler ambitieusement un portefeuille d'événements de grande qualité. Ces événements ont un impact considérable sur l'économie locale et rehaussent le rayonnement d'Ottawa sur la scène mondiale.

Les installations toutes nouvelles permettront d'aménager un établissement moderne plus confortable, qui répondra aux normes d'accessibilité d'aujourd'hui. En améliorant l'accessibilité de l'environnement bâti du Centre d'événements et des gradins du côté nord, les personnes de différents niveaux d'aptitude physique et de différents groupes d'âge seront plus nombreuses à pouvoir se servir de ces installations.

Ce projet de réaménagement viendra remplacer les installations très inefficaces par un modèle économe d'énergie, en prévoyant un toit vert et en dotant l'installation d'infrastructures durables, qui feront baisser les frais d'exploitation dans l'ensemble. Les installations seront dotées de systèmes électriques et mécaniques nettement supérieurs. Les systèmes de chauffage et de climatisation seront plus efficaces du point

de vue environnemental et offriront un environnement plus confortable aux clients. Les systèmes d'énergie émetteurs de GES de l'un des complexes immobiliers les moins performants de la Ville seront remplacés par des systèmes moins énergivores et moins polluants (détails à confirmer pendant la conception détaillée).

En résumé, l'OSEG a soumis des dessins conceptuels et des estimations de coûts détaillés qui indiquent les moyens grâce auxquels les nouvelles infrastructures sportives pourront être construites dans le complexe revitalisé du parc Lansdowne afin d'améliorer considérablement la viabilité financière de la société en commandite et de rendre ce projet abordable et neutre du point de vue des recettes pour la Ville. L'avant-projet proposé démontre qu'un complexe résidentiel et commercial polyvalent dans le volume du dessus du Centre municipal actuel, qui comprend 120 logements abordables, permettra de financer la construction des nouvelles infrastructures sportives. L'avant-projet de réaménagement cadre avec les politiques du nouveau Plan officiel se rapportant au secteur spécial du parc Lansdowne; il remplace des infrastructures inefficaces par un bâtiment économe d'énergie et durable, en plus de promouvoir et de reconnaître le rôle de ce parc comme destination pour les festivals, les manifestations sportives toute l'année durant et les espaces résidentiels, commerciaux et publics.

Parc urbain et domaine public

Les améliorations du domaine public pour les tranches du site gérées par la Ville attireront plus de citoyens du quartier et de tout le territoire de la Ville. Les infrastructures améliorées et recommandées pour le site apporteront à la Direction générale des loisirs, de la culture et des installations plus d'options pour la programmation du site éventuellement et simplifieront les opérations des infrastructures existantes. Les améliorations à apporter au pavillon Aberdeen et à l'Édifice de l'horticulture en amélioreront l'utilisabilité pour les activités communautaires éventuellement et prolongeront le nombre de jours de location, en plus d'apporter une marge de manœuvre pour un plus grand nombre de types de vocations, d'offrir de meilleures commodités, de rehausser le matériel sonore et audiovisuel et d'améliorer les conditions internes par temps chaud et par temps froid.

Grâce aux améliorations à apporter au réseau du transport actif, le site sera mieux connecté et plus attrayant pour ceux qui s'y rendront à pied ou à vélo. Le site est facile d'accès à vélo pour une population nombreuse et attirera plus de visiteurs si l'expérience offerte aux cyclistes est pratique, confortable et sécuritaire.

En misant sur son histoire de lieu de rassemblement communautaire depuis plus d'un siècle, le parc Lansdowne est, du point de vue de sa durabilité à long terme, un lieu de rassemblement vital et durable pour les résidents et les visiteurs dans les années à venir et dépend aussi du domaine public, qui doit être florissant et mémorable. Grâce aux lieux publics du parc et aux bâtiments historiques exceptionnels du site, ce lieu est un patrimoine qu'il vaut la peine de considérer pour les investissements à consacrer au parc urbain, aux infrastructures du site et à la programmation supplémentaire.

Dans ce rapport, nous proposons un plan exclusif d'investissement dans le parc urbain et dans le transport actif afin d'améliorer la connectivité du site et de rendre le parc plus invitant, en débordant le cadre des rénovations planifiées selon le cycle de la durée utile du pavillon Aberdeen. On établira pour la prochaine décennie un plan annuel d'investissement dans les améliorations à apporter aux infrastructures physiques afin de permettre de rehausser la programmation et l'animation du site, d'augmenter l'achalandage du parc, d'améliorer la sécurité des piétons et des cyclistes et de créer un domaine public en plein air plus accueillant, ce qui viendra améliorer l'expérience offerte dans l'ensemble aux visiteurs pour les résidents de toute la Ville et d'attirer les touristes.

Examen préalable du modèle opérationnel et de la stratégie de financement

On estime à 332,6 millions de dollars le coût total des immobilisations de ce projet de réaménagement. Cette estimation tient compte des coûts de construction, des coûts invariables liés à la conception et à la réalisation, des provisions pour indexation et des éventualités.

L'estimation initiale des coûts de construction a été préparée par l'OSEG, examinée par le personnel de la Ville et entérinée par un expert-conseil indépendant spécialisé dans l'analyse des coûts, qui a confirmé que ce chiffre cadre avec les normes de l'industrie. Le même expert-conseil indépendant a aussi mené une analyse comparative et a confirmé que l'estimation préparée par l'OSEG se situe bien en deçà du maximum de la fourchette de projets récents de même taille et de même envergure.

Le personnel de la Ville recommande que les pouvoirs budgétaires de ce projet soient établis dans ce rapport afin d'enchaîner avec les étapes suivantes. Ce calendrier a été établi afin de réduire les risques de hausse des coûts de construction à cause des retards. Le budget serait établi selon une limite supérieure de 332,6 millions de dollars, et le personnel de la Ville rendrait des comptes au Conseil municipal à chacune des étapes, pour lui demander d'approuver la réalisation de l'étape suivante. Toutefois, il faut, au moment d'écrire ces lignes, délivrer une autorisation budgétaire pour le total

des coûts de construction estimatifs de 332,6 millions de dollars. Les coûts seront engagés pour enchaîner avec les étapes suivantes du projet. Le Conseil devra délivrer l'approbation définitive pour enchaîner avec la construction. Si le projet n'est pas lancé pour une raison ou une autre, ces coûts, estimés à 8 millions de dollars, seront alors financés à même le compte du budget des dépenses en immobilisations. Si le projet est effectivement lancé, il y aura des sources de financement estimatives suffisantes pour financer ce projet, ce que nous décrivons plus en détail dans la Stratégie de financement.

La société en commandite exerce ses activités selon un modèle financier « à capital fermé » : les rentrées de fonds sont apportées par les opérations sur l'ensemble du site, à l'exception du parc urbain. Les fonds générés sont répartis dans un système appelé la « structure en cascade », dans laquelle l'OSEG est responsable des déficits. L'accord de société en commandite oblige l'OSEG à apporter des contributions obligatoires au fonds de réserve du cycle de la durée utile, et toutes les rentrées de fonds nettes positives sont distribuées au titre du rendement des fonds propres pour l'OSEG, du rendement des fonds propres réputés de la Ville et en parts égales entre l'OSEG et la Ville pour les revenus résiduels. La viabilité de l'accord de société en commandite principale du parc Lansdowne (ASCPL) dépend essentiellement, pour être fructueuse, de la capacité du parc à attirer les visiteurs sur le site d'après une cible de base de 5 millions de visiteurs par an.

Si le modèle actuel est problématique, c'est parce qu'on n'envisageait pas que l'OSEG apporte autant de fonds propres supplémentaires, essentiellement pour couvrir les déficits sur un an depuis le début. En date du 31 mars 2021, l'OSEG a apporté 160 millions de dollars, soit 100 millions de dollars de plus que projeté en 2012. L'OSEG a aussi cumulé sur ces fonds propres des intérêts de 60,2 millions de dollars, à raison d'un taux d'intérêt de 8 pour cent. En projetant ce cumul des fonds propres et des intérêts, on ne s'attend pas à ce que la structure en cascade apporte des rendements à la Ville sur la durée de l'accord.

On propose de financer ce projet de réaménagement grâce à la fois à la vente des droits sur le volume supérieur au-dessus du Centre municipal existant, à l'affectation des impôts fonciers projetés incrémentiels, à un supplément sur le prix des billets, à des rendements supplémentaires pour la Ville grâce à la structure en cascade en raison de l'amélioration des projections financières découlant de la revitalisation du parc et à la restructuration du modèle actuel de distribution des revenus de la structure en cascade, dans lequel la Ville et l'OSEG se partagent en parts plus égales les revenus nets pendant toute la durée de l'accord.

Dans le cadre de l'examen préalable obligatoire exigé par la Ville, la proposition de l'OSEG devait comprendre des plans détaillés et des estimations de coûts circonstanciées pour la revitalisation du parc, ainsi qu'une analyse approfondie de toutes les estimations financières et de toutes les projections pro forma. La Ville a fait appel aux services d'experts externes pour mener l'examen préalable, en plus des examens supplémentaires du personnel de la Ville sur le calcul des coûts soumis par l'OSEG et sur les projections pro forma révisées pour les résultats financiers de la SCPL jusqu'à la fin de la durée de l'accord. En collaboration avec les experts externes, le personnel de la Ville a ensuite mis au point un modèle de trésorerie, une stratégie de financement et une analyse des risques financiers afin d'évaluer l'abordabilité du projet. La stratégie de financement proposée est abordable, minore le risque pour la Ville et assure la neutralité des revenus, de sorte que ce projet ne donnera pas lieu à des coûts supplémentaires pour les contribuables, alors que la Ville s'enrichira d'un nouvel actif et d'une infrastructure améliorée.

Le réaménagement du parc Lansdowne améliorera les rendements financiers de la société en commandite et les sommes distribuées à la Ville dans l'ensemble de la structure en cascade, tout en produisant d'autres recettes du point de vue de l'impôt foncier au titre des nouvelles propriétés résidentielles et commerciales.

Si le projet est approuvé, la contribution totale de la Ville en capitaux, qui ne dépassera pas 332,6 millions de dollars, sera financée grâce aux fonds apportés par la vente des droits sur le volume intérieur (ce qui deviendra une dette si ces droits sont loués à bail), par le financement par dette et par le financement du budget des immobilisations de la Ville pour les coûts internes. Le remboursement annuel de la dette sera financé grâce au relèvement de l'impôt foncier, aux recettes apportées par le supplément de frais sur les billets au titre des matchs et des événements du parc Lansdowne et aux sommes distribuées à la Ville dans la structure en cascade.

La stratégie de financement dépend des changements qui seront apportés à la structure de distribution en cascade, pour s'assurer que la Ville touchera des rentrées de fonds nettes positives dans la distribution avant terme, pour assurer un partage plus égal des rentrées de fonds avec l'OSEG et pour éliminer une partie des impératifs financiers prévus dans les états pro forma actuels afin d'accroître les fonds à verser à la Ville dans la distribution. Le premier niveau de la distribution continuerait d'être assuré pour les dépenses du cycle de la durée utile. Le deuxième niveau apportera à la Ville des recettes au titre du supplément de prix des billets. Le troisième niveau de distribution proposé serait désormais partagé en parts égales entre l'OSEG et la Ville et correspondrait au rendement des fonds propres d'après la quote-part des fonds propres

apportés par chaque associé commanditaire. Les sommes distribuées au niveau 4 le seraient lorsque tous les fonds propres auraient été remboursés à raison d'une quote-part du bénéfice résiduel de 50 pour cent pour la Ville et de 50 pour cent pour l'OSEG.

L'OSEG et le personnel de la Ville ont travaillé de concert afin de proposer les changements supplémentaires à apporter à la structure en cascade, d'améliorer les sommes distribuées dans l'ensemble et d'accroître les fonds apportés à la Ville. L'OSEG s'est engagé à éliminer et à radier son apport minimum en fonds propres et les intérêts cumulés, estimés à 54 millions de dollars, alors que la Ville devrait aussi éliminer le concept des fonds propres réputés et les intérêts cumulés de l'ordre de 18 millions de dollars, ce qui devrait, dans le modèle actuel, être remboursé à l'OSEG ou à la Ville. Dans le nouveau modèle, les apports en fonds propres seraient remboursés équitablement à la Ville et à l'OSEG d'après la part des fonds propres et le taux d'intérêt de 8 pour cent serait éliminé à terme. L'OSEG continuerait de financer les déficits opérationnels, pendant la durée des travaux, au cours de laquelle il pourrait y avoir des incidences sur les opérations, ce qui pourrait obliger la Ville à apporter une part du financement en tant qu'associé commanditaire dans cette activité.

La stratégie de financement est réalisable grâce aux changements proposés dans le cadre d'un programme intégré. Si on retranche ou modifie de fond en comble un composant du programme, la viabilité de cette stratégie serait fragilisée.

Répercussions économiques estimatives du projet de réaménagement

Le personnel de la Ville a missionné le Groupe Altus pour mener une analyse indépendante des répercussions économiques de la proposition de l'OSEG. Cette analyse a permis de mesurer les répercussions économiques directes, les répercussions indirectes de l'activité économique liée à la chaîne logistique qui appuie l'activité économique essentielle, ainsi que les répercussions induites de l'activité économique stimulée par la dépense des revenus dans les cycles directs et indirects.

D'après l'analyse du Groupe Altus, le projet proposé du parc Lansdowne créera 1 430 années-personnes d'emploi direct et 1 210 années-personnes d'emploi indirect et induit. Ce projet apportera directement au PIB de la région 165 millions de dollars en résultats directs et 140 millions de dollars en répercussions indirectes et induites. Il viendra ajouter 40 millions de dollars aux résultats bénéficiaires opérationnels de l'économie locale grâce aux répercussions économiques directes et 55 millions de dollars dans les résultats bénéficiaires indirects et induits.

Consultation

Des réunions ont eu lieu à maintes reprises, dans les derniers mois, avec les groupes parrains du conseil de planification et du conseil économique, ainsi qu'avec le Groupe de consultation des parties prenantes.

Toutefois, en raison de la complexité et du caractère commercialement confidentiel des négociations, ainsi que des délais à consacrer à l'examen préalable, le personnel rend aujourd'hui compte du plan opérationnel et reporte les approbations dans l'aménagement du territoire et la consultation publique jusqu'à ce que le Conseil municipal ait donné son accord de principe sur le plan opérationnel. En outre, les approbations dans l'aménagement du territoire et la finalisation de l'avant-projet d'aménagement dépendent de la question de savoir si le Conseil municipal donnera son accord pour enchaîner avec l'étape suivante du processus.

Dans le rapport de juillet 2021, le Conseil municipal a approuvé une rigoureuse stratégie de consultation sur tout le territoire de la Ville, pour veiller à ce que les résidents de tout le territoire d'Ottawa puissent s'exprimer sur le réaménagement du parc Lansdowne pour qu'il soit viable. La stratégie de consultation a été entérinée par le Conseil municipal d'après un budget de 200 000 \$ pour veiller à ce que le personnel puisse mener un cycle complet de vastes activités de consultation sur l'ensemble du territoire de la Ville. À l'origine, on avait l'intention de consulter le public dans la foulée du rapport de juillet 2021. Toutefois, en raison des travaux qu'il a fallu consacrer à la proposition de l'OSEG, à l'analyse financière et à l'examen préalable correspondant, on a jugé qu'il était prématuré de se consacrer à une vaste consultation publique, qui sera menée lorsque le Conseil se sera penché sur ce rapport.

Prochaines étapes

Dans ce rapport, nous demandons au Conseil municipal l'autorisation de :

- commencer à rédiger la demande de rezonage à l'initiative de la Ville;
- mener une consultation publique conformément à la *Loi sur l'aménagement du territoire* et à la Stratégie de consultation des parties prenantes approuvée dans le rapport [ACS2021-PIE-GEN-0004](#);
- de lancer le processus en deux étapes pour la location à bail ou la vente des droits sur le volume supérieur;
- de poursuivre les négociations avec l'OSEG;

- d'affiner la conception et les estimations de coûts pour le dossier de l'appel d'offres des infrastructures sportives.

Le personnel de la Ville se présentera de nouveau devant le Conseil municipal au premier trimestre de 2023, pour lui présenter un rapport sur la mise en œuvre afin de faire autoriser l'acceptation des offres pour les droits sur le volume supérieur, de soumettre les commentaires issus des efforts de consultation sur la demande de rezonage et sur le rayonnement du domaine public, de signer les documents juridiques définitifs et les autres accords avec l'OSEG et de faire le point sur le coût total du projet.

Si le Conseil municipal l'approuve, ce projet permettra d'atteindre les objectifs originels pour le réaménagement du parc Lansdowne et de permettre au site de mieux réaliser les objectifs qui consistent à attirer 5 millions de visiteurs par an. Le parc Lansdowne pourra ainsi enchaîner avec l'étape suivante de son évolution dans la réalisation de ses principes directeurs.

BACKGROUND

Situated in the heart of the City of Ottawa, Lansdowne Park is considered a location steeped in history, with amenities and programs to attract residents and visitors of all ages, abilities, and incomes. Bounded on one side by the Rideau Canal, a UNESCO World Heritage Site, and vibrant Bank Street (designated as a Mainstreet Corridor) on another, it is home to a vast urban park, the Aberdeen Pavilion National Historic Site, multiple courtyards, 280 residential units, over 50 businesses and TD Place Stadium. With its blend of historic and modern elements, Lansdowne Park is a treasured destination for the City of Ottawa.

Lansdowne Park has a long, vibrant and significant history dating back to 1847. Considered a major downtown destination within the Nation's Capital, it has been a gathering place for residents and visitors for well over a century. Since its tenure as the host location for Canada's Exhibition, and home to the historic Aberdeen Pavilion, Lansdowne Park has been, and continues to be, a destination that brings people together, hosts a variety of cultural and sporting events, offers greenspace, parkland and public art, highlights Indigenous history, and provides a place for people to live and shop. The site has undergone several transformations in its 174 years and remains one of the City of Ottawa's most recognizable landmarks and most cherished attractions.

Lansdowne Park has adapted to changing times, while maintaining its core uses and values. Although the facilities retained their intended uses and public access remained, age became apparent on the site and the facilities needed attention leading into a new

millennium. In the 1990's improvements were completed, with the removal of some buildings and the addition of new parkland and green space.

More recently, in 2009, the City embarked on a new venture with OSEG to undertake a historic redevelopment of the park. In [June 2010](#), Council approved the Lansdowne Partnership Plan, and the accompanying Master Plan in report ACS2010-CMR-REP-0034. The rebuild of the site in 2014 transformed an asphalt and concrete campus into a destination where people can live, visit, shop and be educated and entertained. The redevelopment brought greenspace, play areas, sports venues and restaurants and retail. It also became the first neighbourhood in Canada to be awarded the LEED ND: Plan (v.2009) Silver certification for a design and implementation that meets high levels of environmentally responsible, sustainable development. Those elements remain in place today and will be carried forward with the proposed redevelopment.

The initial revitalization and the establishment of the Partnership has achieved Council's vision of making what had become an admission-only, gated asphalt and concrete campus in disrepair into a place where people can go to walk, cycle, shop, work, live and play. In the years following its reopening, there have been over 20 million visitors to Lansdowne Park and TD Place, hosting over 1,000 large and small events for people of all ages. The site currently houses over 50 businesses and has created over 4,000 full and part-time jobs. The establishment of the OSEG Foundation in 2017 lowered the financial barriers of entry to enable kids from all socio-economic backgrounds to develop, learn and grow through sport.

In November 2020, City Council received the Lansdowne Annual Report and COVID-19 Impacts Update report ([ACS2020-CMR-OCM-0003](#)) which identified many significant and unforeseeable challenges because of the pandemic, which ceased most of Lansdowne Park's operations and activities. These challenges included both the financial effects of extremely low attendance, and the site's infrastructure deficit that would make financial recovery from the pandemic less feasible for all parties. While some events and activities have since resumed, it has only been a fraction of what is regularly scheduled at any given time of the year. The mandatory closures, fluctuating re-openings, and reduced capacities have had a significant impact on all the revenue streams both the City and OSEG depend on for Lansdowne Park and the Partnership to remain successful.

Recognizing the impact the pandemic has had on the viability of the Partnership, a report (ACS2020-CMR-OCM-0003) was presented and approved by City Council on

November 25, 2020 that sanctioned three amendments to the existing Agreement. The amendments were as follows:

- The Partnership was allowed to temporarily access the Lifecycle Fund reserves of \$4.7 million for operating cashflow purposes in 2021, with the reserve funds to be replenished over the remaining term of the Partnership based on amounts determined by an independent third-party engineering study.
- The extension of the Waterfall Expiry Date and Initial Term of the Stadium Lease by ten years, on the same terms and conditions, to December 31, 2054.
- The base rent would not be increased, and participation rent would be removed in the event of a permitted transfer of the Retail Component during the term of the Retail Lease, and the early termination provision in the retail lease was removed.

Council directed staff to work with OSEG representatives to explore options that would enhance the sustainability and long-term financial viability of Lansdowne's operations and the Partnership, including both operating and capital requirements. The review was to include options to increase foot traffic on the site towards the target of five million annual visitors (which has been understood as the threshold for financial viability), enhance animation, improve public amenities, assess aging infrastructure and increase density in keeping with Council's urban intensification principles, including affordable housing.

Staff reported to Council as part of the [Lansdowne Park Partnership: Path to Sustainability and Next Steps](#) (ACS2021-PIE-GEN-0004) in July 2021 on the state of the current sporting facilities and laid out a plan for a new redevelopment. The report identified that the North Side Stands and Arena (Civic Centre) are approaching functional obsolescence. These facilities, built in 1967, remain structurally sound, however even with an annual maintenance budget of over \$1 million, the facilities remain below current building standards. For the arena, there exists a history of water penetration and damage, seating and aisle widths do not meet current code or accessibility standards, washrooms are antiquated, and the windows and roof are not insulated. Overall, the Civic Centre and North Side Stands are increasingly non-energy efficient, resulting in increased operating and repair costs within a building that does not meet Council's overall environmental goals for City facilities.

The arena is not compliant with current industry and multi-league standards; load restrictions make it impossible to host multiple events in the stadium and dressing room

space is inadequate. Concessions, due to space limitations, are also approximately 30 per cent below what would be required of a modern building resulting in excessive crowding and wait times. The existing building is one of the largest energy consumers in the City's real estate portfolio and the way the building is designed, it is very energy inefficient. Furthermore, the way the original roof structure was designed, it is very difficult to make the facility watertight, leading to constant maintenance and repairs. This has a major effect on user experience, comfort and accessibility for guests and users, and the ability to attract more events to the site. In addition to the facility improvements, considerations for enhanced urban park and site animation, new retail and commercial opportunities, transportation and transit are also needed. With this in mind, the City and OSEG have worked together to present a business case on a proposed redevelopment of Lansdowne Park as directed by Council.

Staff were directed by Council to work with OSEG to bring forward detailed plans and cost estimates for the revitalization of Lansdowne Park and conduct a due diligence review of all financial estimates and proforma projections. The City retained the services of external experts to conduct the due diligence with additional reviews from City staff on the costing submitted by OSEG and the revised proforma projections for the LMLP financial results to the end of the term of the agreement. City staff, working with external experts, developed a cashflow model, financing strategy and financial risk analysis to assess the affordability of the project. The proposed financial funding strategy (detailed in the discussion section of this report) is affordable, minimizes risk to the City, and maintains revenue neutrality such that this project is at no additional cost to taxpayers, while the City gains a new asset.

The General Manager of Planning, Infrastructure and Economic Development was directed to negotiate with OSEG, on a commercially confidential basis, on a proposal to revitalize Lansdowne Park.

Council approved two changes to the Guiding Principles for Lansdowne Park and seven negotiating principles for a revitalization:

- i. The overall package must have a material and/or financial benefit for the City and the taxpayer, as well as adhering to the basic principles of fairness to both parties and ensuring the Partnership is sustainable over its entire term.
- ii. The overall package must be affordable for the City, as determined by the City CFO/Treasurer, be independently validated, and be in keeping with the terms of the intent of the Lansdowne Partnership Agreement, the Long-Range Financial

Plan and be consistent with the requirements of the *Municipal Act, 2001* and any other relevant legislation.

- iii. City funds will not be used to subsidize any of OSEG's operations, including the professional sports teams, retail, or residential, and including any impacts of construction on those operations.
- iv. There will continue to be City-owned and managed assets that are distinct from the OSEG partnership.
- v. Affordable housing will be a key consideration in whatever is negotiated.
- vi. Retail or Commercial (existing and any potential new) remains in the waterfall, to a level deemed satisfactory to the City.
- vii. Any new municipal or public facilities will be built through a competitive tendered process administered under the City's procurement methodology with oversight by a construction management team involving both parties.

City staff and OSEG have worked diligently since July 2021 to achieve the recommendations contained in this report and abide by the guiding and negotiating principles. Through the negotiations, there are a number of matters that were identified where the original agreements could not contemplate the situation, we are in in 2022 where we are trying to accomplish sustainability with the full replacement of the North Side Stands and the Civic Centre. In these instances, staff acknowledge that any further step towards sustainability requires the City to share costs and risks associated with redevelopment and the new retail component of the project and requires some reasonable modifications to the original agreements. These are outcomes of extensive negotiations and balanced by meaningful concessions made by OSEG to restructure the waterfall, as described in the Financial Implications component of this report.

As the city emerges from the COVID-19 pandemic, sporting and music events are returning to the site. Restaurants and retail stores are back to full capacity. If positive public health trends continue, the City and OSEG believe that attendance should return to pre-pandemic levels within the next two years.

DISCUSSION

This section of the report provides a synopsis of the proposal from OSEG to replace the North Side Stands and Civic Centre with new stands, a state-of-the-art Event Centre and new retail podium. It provides a proposal on the City's investment strategy to

improve the non-leased public portions of the site (Aberdeen Pavilion, Horticulture Building and the Urban Park) and also includes specific recommendations for Council's endorsement to form part of future Capital Budget submissions to Council in the subsequent terms. Based on direction from Council in 2021, this section of the report further discusses transportation and transit considerations.

It also describes the affordable housing commitment, the land use planning implications of the proposed development concept, geotechnical and environmental due diligence, and an overview of tasks completed to date. An overview of all steps completed since July 2021 is included.

Since the use of air rights is one of the principal sources of funding proposed for the project, the report also describes in detail the process to capture that value should the project proceed. This would start with a Request for Expressions of Interest (REOI) to identify potential bidders while negotiations continue, since it is a critical path item on the implementation schedule. The REOI process would not preclude any subsequent decision of Council to proceed or not.

Finally, this section concludes with a notional implementation plan should the project proceed, financial implications of the project based on the current state of commercially confidential negotiations, and a synopsis of how the current proposal meets the Council-approved negotiating principles.

The Proposal from OSEG – Concept Plan to Replace the North Side Stands and Civic Centre

Since July 2021, OSEG has developed a preliminary concept plan (attached as Document 1) for the redevelopment of the North Side Stands and Civic Centre, replacing them with the following:

- A new state-of-the-art Event Centre, which can be the refreshed home of the Ottawa 67's, and regional venue to attract and host a diverse range of events to Ottawa. This new 5,500 seat stand-alone and fully accessible Event Centre will support an expansion of local events, concerts, markets and music festivals for diverse users. It would further align with the goal of Ottawa Tourism partners to provide more provincial, national and international festivals.
- The proposed location of the new Event Centre encroaches onto the land where the existing berm is located. The concept plan replaces the berm with a new berm that is approximately 50m east of its current location so that the visual

context of the urban park and views towards the Aberdeen Pavilion remain similar to what is there today.

- Reconstruction of the North Side Stands to replace the aging infrastructure and rebuild it to the latest accessibility standards. It will include improved amenities, larger concourses, better views of the field and will enhance the overall user experience.
- A new retail podium to replace the “J Block” that will include new retail and commercial space (“J Block” is the two-storey space currently occupied by the Box Office, the Team Store, and GoodLife). The podium will be a two-storey building, increasing in floor area from 41,000 square feet to an estimated 100,000 square feet for new retail, and 25,000 square feet for administrative offices, and will bring more vendors to Lansdowne Park. The podium will be set farther back from the current internal road, which will open the historic viewpoints of the Aberdeen Pavilion from Bank Street.
- An estimated 1,200 housing units can be accommodated above the retail podium in the space currently occupied by the Civic Centre. The disposal of this aging building and corresponding development opportunity will assist in financing the replacement of the sporting facilities. There is no additional residential development proposed on any other portion of the site. The size of the residential component is to achieve a targeted revenue contribution from the lease or sale of air rights to defray the cost of constructing the sports facilities. The sale or lease of air rights will use the same competitive process as in 2010-11, described later in this report. As directed by Council, the residential component of the revitalization project will include 10 per cent of the units as affordable, to be built by the successful development proponent.
- Any additional parking will only be for the purposes of the new residential units, with no additional non-residential parking on the site proposed.
- No new housing units will be built adjacent to the Rideau Canal/Queen Elizabeth Driveway frontage, or around the existing retail/residential development north of Exhibition Way to Holmwood Avenue.
- The conceptual development plan does not change any aspect or the footprint of Sylvia Holden Park.

To date, OSEG has completed the following tasks:

- A conceptual master plan for the site showing the location of the new sporting facilities;
- Detailed conceptual designs of the Event Centre and North Side Stands; using their architects with expertise in sporting facilities and local residential development;
- Geotechnical field work and hydrogeological investigations that support the proposed design and costing;
- Class D cost estimate for the project that is at a higher level of detail than typical City Class D cost estimates, sufficient to match anticipated contingencies closer to a Class C level of design;
- Business case including financial estimates and proforma projections;
- Preliminary Traffic Review Study; and
- Written commitment to maintain sports franchises (Document 5).

Community Benefit and the OSEG Foundation

The establishment of the OSEG Foundation in 2017 lowered the financial barriers of entry to enable kids from all socio-economic backgrounds to develop, learn and grow through sport. Since its founding, the OSEG Foundation has contributed \$5.0 million to the community, and REDBLACKS and Ottawa 67's players spend 1,500 hours annually off the field volunteering their time with community groups and organizations. Additionally, OSEG and the OSEG Foundation have provided numerous charities, not for profit organizations and community groups access to TD Place at no charge, maximizing their reach through the National Capital Region. Most recently, OSEG launched an innovative pop-up retail program that offered an accessible opportunity for a small local retailer to establish its business on site and offer a community hub and a designated Indigenous space at TD Place.

The revitalization of Lansdowne with a new multi-purpose Event Centre and North Side Stands, as well as increased density on site will provide additional opportunities for the OSEG Foundation to raise funds and elevate its impact through increased programming and community investments. An increase in the number of events and additional traffic are expected to generate additional revenue for the Foundation through 50/50 and other fundraising sources, as well as new sponsorship and donor engagement opportunities. Those funds will be re-invested back into the community.

Planning and Design Considerations

Land Use Planning and Heritage

To implement the proposed Lansdowne Park redevelopment, a City-initiated amendment to the Zoning By-law will be required subject to the endorsement of the proposed report recommendations. It is premature to start that process as Council has not yet approved a business case for the project.

Today, Lansdowne Park is dual zoned between the Major Leisure Facility and Open Space zones. The current zoning regulations are reflective of the Ontario Municipal Board (OMB) decision dated June 15, 2011, which states that a sports arena is limited to the Major Leisure Facility Zone and is not permitted on the portion of the site zoned Open Space. It also defines maximum building heights for new development on the site.

The following zoning modifications are required to implement the proposal from OSEG:

- A change in the land use designation to allow for a portion of the new Event Centre to be constructed within the Open Space subzone, shifting the boundary between the zones by up to 50 metres.
- New land use permissions and performance standards, to be established for the respective zones,
- An increase in dwelling units above 280 which is not in keeping with the 2011 Minutes of Settlement and OMB Decision, and
- Amendments to the current height schedule to establish new maximum building heights to support high-rise development.

City staff recommend that a combined rezoning application for the Event Centre and the residential component commence as early as Q2 2022, pending Council approval of the business case for the site. The rezoning application will be subject to City procedures for public engagement (discussed later in this report), circulation and notification, and will follow with a report to Planning Committee and Council. If Council deems the minor change required for the Event Centre should proceed more quickly, it can be separated from the other amendments.

The redevelopment concept is consistent with the new Official Plan (OP) policies regarding the Lansdowne Special District which supports and recognizes the role of Lansdowne as a destination for festivals, year-round sports, residential, commercial and public space. As such, upon receiving Ministerial approval of the new OP, no Official Plan amendments would be required. The proposed development would be subject to consultation with the Urban Design Review Panel (UDRP), with all applicable Council approved design guidelines to assist in the detailed design and future Site Plan Control applications.

Lansdowne Park includes some of the City's most important heritage resources. The Aberdeen Pavilion National Historic Site and the Horticulture Building are two facilities on site which are designated by the City under Part IV of the *Ontario Heritage Act*. As such, the proposal for the redevelopment of the site will require a rigorous review from a heritage perspective, that will involve consultation with local heritage stakeholders and the Ontario Heritage Trust (OHT). The OHT, established in 1967, is the province's heritage agency, with a statutory responsibility for identifying, preserving, protecting and

promoting built, cultural and natural heritage across the province. The responsibilities and powers of the Trust are set out in Part II of the [Ontario Heritage Act](#).

Portions of Lansdowne Park, including the Aberdeen Pavilion, Horticulture Building and their settings, are also subject to an easement agreement between the City of Ottawa and OHT via the authority of the *Ontario Heritage Act*. The purpose of this easement agreement is to ensure that the cultural heritage value and attributes of the property will be conserved. Any permanent alterations to the property within the boundaries of this easement area require consultation with, and potentially a permit, from the OHT.

Given that the proposed new Event Centre is located within the easement lands, its design features will need to be reviewed, and is subject to consultation and approval with the OHT. The proposed podium and residential towers are adjacent to the easement lands, and while there is no permit required for this, consultation with the OHT will still be sought.

Staff invited OHT to a pre-consultation meeting in September 2021 to present the general development concept, receive feedback and discuss the process for obtaining future approvals. OHT staff were amenable to the goals to further enhance Lansdowne Park while conserving the important heritage elements. The consensus was to meet again when a more refined design is available, prior to submitting a formal application under the *Ontario Heritage Act*. Staff further agreed to include the OHT in the circulation of the Heritage Impact Assessment that will accompany the applications under the *Planning Act*. Any modifications to the designated heritage buildings as part of the public realm improvements will be subject to heritage approvals and will go through the Built Heritage Sub-Committee.

Staff are encouraged that the design of the Event Centre replaces the existing grassed berm with a new grassed berm, and this is generally consistent with the intent of the framing lands in the heritage easement.

Consultation with the OHT will continue through the review and assessment of the zoning by-law amendment application. Upon the submission of the *Planning Act* applications, staff will engage further with the OHT to receive formal feedback on the development concept and the Heritage Impact Assessment. If required, an application for a heritage permit under the *Ontario Heritage Act* will be submitted at the Site Plan Control stage.

Affordable Housing Commitment

The City is recommending that the new residential component will have a minimum of 10 per cent affordable housing estimated at 120 units. Affordable Housing, for the purposes of this development, is defined as rental housing where the monthly rent does not exceed the City-Wide Average Market Rent (AMR) by unit type (i.e., one-bedroom, two bedrooms etc.) as determined by the Canada Mortgage Housing Corporation. This requirement will ensure that the resulting housing creates a mixed income community, affordable to people of diverse incomes.

The financial proforma of the development concept is based on that commitment. The disposal of the air rights will be written to ensure that the affordable housing units remain affordable in perpetuity under the ownership and administration of a non-profit housing provider. The overall funding strategy for Lansdowne does rely on property tax uplift from the residential build, including the 10 per cent affordable units. This would impact the level of affordability of these units to between 80 per cent AMR to up to 35 per cent above AMR that is still significantly lower than market rents charged for comparable rental units in the area.

The addition of affordable units on the site is a considerable benefit for the Glebe and surrounding area, which like much of the rest of the city, has seen significant upward pressure on rents.

The 10 per cent affordable housing is a requirement for the successful purchaser of air rights and will be the baseline built into the agreement between the winning bidder of the air rights (developer) and the housing provider.

Any additional funding provided to the housing provider will assist with exceeding these affordability requirements. The housing provider would have the option to engage the Canada Mortgage and Housing Corporation to access National Housing Strategy Program Funding and Financing to assist with making these units more affordable and ensuring that the affordable housing component is financially viable. Any other financial impacts to the City of adding 120 units of affordable housing would be aligned with the Housing Long Range Financial plan that assumes 500 units built each year and assumes two-thirds funding from senior levels of government. Therefore, any development charge or building permit fee exemptions or equity contributions to any non-profit developer would be absorbed by the Affordable Housing LRFP funding strategy.

Active Transportation, Transit and Traffic

With the possibility of residential growth and more events to occur at Lansdowne Park, access to and from the site by all transportation modes has been considered at a high level. Specific direction from Council as part of the 2021 report asked that any changes made to Lansdowne must take into consideration all users of the site, with a focus on making pedestrians and cyclists feel safer. Enhanced safety measures need to be considered, not just for the site itself, but in and around Lansdowne as well, with a continued emphasis on travel demand management during major events. Queen Elizabeth Drive is a critical access point to the site and will be an important connection in maintaining access to Lansdowne Park. Queen Elizabeth Driveway is under the jurisdiction of the National Capital Commission and staff will need to engage with them in more detail on any modifications to the site boundary lands they own as well as any physical improvements to crossings or entrances. The NCC will be a crucial partner in resolving issues on this side of the site, as will Parks Canada if we wish to gain access to the Canal dockwall for any future boat stops adjacent to Lansdowne.

Staff have heard through various platforms that Aberdeen Square should be considered for improvements to function as a gathering space for public use. Vehicular traffic through the square cannot be eliminated since the businesses in the surrounding blocks depend on it for deliveries and drop-offs, as well as access by emergency vehicles. However, opportunities to improve upon the physical infrastructure of the square are noted in the Strategic Investment Plan for the Urban Park and Public Realm (Document 2). These improvements would make it easier to close it during periods of high pedestrian activity and create a more intuitive delineation of pedestrian versus vehicle space.

Active Transportation

Public access to the site using Active modes has been studied, with a goal that pedestrians and cyclists feel safer and more welcome. Staff are proposing a medium to long-term plan for initiatives that will enhance connectivity for pedestrians and cyclists and improve on-site safety for all users and reduce conflict between transportation modes. Twenty-four suggested connectivity improvements, along with a key map, are listed in Document 3 (Lansdowne Park – Proposed Active Transportation Upgrades). Their scopes vary from providing missing links in the cycling network, to a fully re-imagined entrance to the park at Queen Elizabeth Driveway complete with a signalized pedestrian crossing.

The total for all proposed connectivity improvements is estimated at \$3.1 million (in 2022 dollars). City staff will seek opportunities to add some enhancements to existing or planned capital works projects, while other enhancements identified will require project specific funding and will likely be stand-alone projects spanning several years. Staff are also seeking funding for some of these connections in the amount of \$2.4 million through the federal Active Transportation Fund (ATF). Improvements to cycling and walking within the Lansdowne site itself are also identified and should be considered for implementation as a requirement of any site plan agreements associated with increased density and intensification of the site.

Staff propose to meet with a focus group of city-wide cycling advocacy groups and local users to discuss the list of Active Transportation concepts and garner feedback.

It should be noted that there are other potential cycling connections that go beyond Lansdowne, specifically along Bank Street. The Active Transportation Plan, which is currently being updated with the Transportation Master Plan, proposes a feasibility study be undertaken for cycling facilities on Bank Street between Echo Drive and Riverside Drive. If ultimately implemented, they would complement the cycle tracks over the Rideau Canal and the cycle tracks to be included in the Bank Street reconstruction further south between Riverside Drive and Ledbury Avenue. In addition, a motion ([Motion No PLC 2021 53-03](#)) was passed by Transportation Committee on 1 December 2021 requesting staff to scope a feasibility study to examine options for active transportation facilities and enhance transit operations, including considerations for a pilot project on Bank Street (from the Canal to the Queensway). The findings of these feasibility studies will be the subject of future reports on the City's active transportation program.

Transit

When Lansdowne was redeveloped in 2009, the Site Plan Agreement included a robust list of transit commitments such as: the successful developer must provide one annual transit pass to the initial owner of each condominium unit on occupancy; enhanced transit service be provided for all events with on-site attendance of 5,000 persons or more; off-site parking be provided for all events with attendance of at least 10,000 persons; and shuttle buses to Lansdowne Park be provided for all events in the Stadium with an attendance reasonably anticipated to include 15,000 persons or more.

The City provides the enhanced transit service – which at the 5,000 attendance level is accommodated by increasing frequency on Routes 6 and 7. At attendance of 15,000, OC Transpo provides “shuttle” service, by the 450 series transit routes, and OSEG

operates yellow bus shuttles for the off-site parking lots. The NCC permits this shuttle service for large events under an access agreement with OSEG, as commercial vehicles are not normally permitted. OSEG will need to continue to maintain this agreement with the NCC into the future. The City charges back the cost of enhanced transit service to OSEG/event organizers, with costs expected to be recovered in the event ticket prices. The off-site parking costs (along with off-site parking yellow bus shuttles), and bike parking costs are covered by OSEG/event organizers.

The enhanced transit service agreement extends beyond event days at the stadium. Where an event is held in the urban park that is free with no event tickets, the City ensures that the cost for the enhanced transit service is covered through the overall programming costs related to the event, or through special arrangements with the event organizer. If the event is not ticketed, organizers need to either create a ticket for the purpose of boarding transit or have some other identifier. For example, a special transit ticket was created for the Christmas Market event, with OSEG assuming the cost for the provision of no-charge transit service. Another example would be on race event weekends, a race bib could be used for identification.

Providing free transit outside of ticketed event days or special arrangements is not consistent with current Council policy as fare revenues are used to help fund transit operations supporting these events. In the past, special arrangements by event organizers have been made to allow for no-charge transit but it typically requires the event organizer to at least partially cover the estimated cost of lost fare revenue. Without a change to the cost-recovery from transit fares and additional transit funding to make up for the revenue loss, the introduction of free transit would put increasing pressure on the overall transit operating budget and could as a result, lead to reduced transit service across the city. The concept of free transit, and its implications, was considered by Transportation Committee as a Motion ACS2021-OCC-TRC-0032 on December 1, 2021.

Traffic

OSEG retained Stantec to prepare a preliminary analysis of the potential transportation impacts associated with the residential in-fill development on the site. The preliminary review assumed an additional 1,200 dwelling units on site with the primary access being Bank Street and Exhibition Way. The preliminary assessment found that the intersections along Bank Street between Fifth Avenue and Sunnyside Avenue, including the lane reduction along the Bank Street bridge can accommodate the additional site generated trips. As part of the forthcoming land use planning applications, a

Transportation Impact Assessment (TIA) will be prepared as per City guidelines to assess the proposed trip generation from the additional commercial and residential development, along with the potential impacts of additional parking supply related to these uses.

Geotechnical and Environmental Considerations

As part of the report approved in July 2021, geotechnical and hydrogeological investigations on-site were commissioned. The information gathered from these investigations assists in understanding the subsurface soil and ground water conditions, which in turn guides the design and the cost estimates for the project.

Geotechnical and hydrogeological sampling was completed in the fall of 2021 in the berm of the Urban Park (proposed location of Event Centre) and along Exhibition Way (proposed location of podium, residential towers, and North Side Stands).

During the initial redevelopment of Lansdowne, impacted soils were found on the eastern portion of the site. The soil at that location contained spent ash, a result of historically heating buildings by coal.

Through consultation and permitting with the Ministry of Environment, Conservation and Parks (MECP), the soil was re-used to build the berm in the Urban Park since doing so posed no risks to human or ecological receptors, provided risk management measures were installed and maintained. When the soil was moved and used to build the berm, it was wrapped with geotextile fabric, covered by 1 m of non-impacted soil, and then the surface was sodded. The MECP approved this approach to soil management.

Prior to geotechnical investigations as part of due diligence, City staff advised the MECP of the work and confirmed a safe strategy to ensure the measures put in place during original construction of the berm were not impacted. The work was also overseen by a third party independent environmental consultant to ensure safety measures were followed, and proper reporting to the MECP was submitted, once the work was completed.

Since the Event Centre will be constructed in the location of the berm, some of the impacted soil will need to be stored on-site temporarily, while some will be sent to a licensed disposal facility. The City, and its contractors, will need to abide by the rules set out by the MECP when excavating and managing the soil on site. This will include monitoring measures and dust control. A fulsome Soil Management Plan will need to be developed with the MECP, if this project proceeds.

The proposed residential towers will also require permitting and consultation with the MECP. The work would include a Phase One Environmental Site Assessment (ESA), followed by a Phase Two ESA. Extent of potential remediation of soil or groundwater will only be known once more on-site geotechnical and hydrogeological investigations are completed. This work would be done early in the project planning phases, if the business case is approved by Council, with dialogue to be on-going with MECP on this project.

As was done during the 2010 redevelopment process, the City retains its legal responsibility as the underlying landowner for managing any impacted soils. The costs for managing the soils and groundwater are not known at this time but would be funded as part of the City's capital budget envelope.

Due Diligence Tasks Completed by Staff

The 2021 report contemplated commercially confidential negotiations leading to a business plan and business case and launching the planning approvals process by early 2022. Since July, City staff have completed the following due diligence tasks:

- Reviewed the formal business Plan from OSEG.
- Conducted a due diligence review of the financial projections and proformas received by OSEG; including a third party and independent review (Deloitte) of the noted financial projections, including a review of the economic assumptions, basis of calculation for revenue projections, and quality assurance review of the proforma model.
- With Deloitte, staff developed a cashflow model, financing strategy, financial risk analysis and business case to assess the revenue neutrality and affordability of the project.
- Conducted various sensitivity scenarios to assess the City's overall financial risk exposure.
- Assessed the feasibility and financial impact of including a 10 per cent target for affordable housing.
- Validated market value for air rights over the proposed podium.
- Reviewed the concept plan and identified the required formal planning application to address the North Side Stands and Civic Centre for future

consideration by Council and provided preliminary planning recommendations on the design concepts.

- Conducted pre-consultation with the Ontario Heritage Trust.
- Conducted pre-consultation with the Ministry of the Environment and Climate Change regarding the management of on-site contamination.
- Retained Turner and Townsend, an industry leader to undertake a third-party independent costing, to validate OSEG's estimates for construction and undertake a benchmark study.
- Commissioned Altus Group to complete a high-level economic impact assessment.
- Developed a list of active transportation enhancements to be considered within and around the site.
- Developed a list of Urban Park Improvements.
- Engaged with the Accessibility Office.
- Started preparing on-line engagement tools to facilitate city-wide consultation.
- Provided updates to the Stakeholder Sounding Board, and the Economic and Planning Sponsor Groups.

Air Rights

During the initial redevelopment of Lansdowne, the City divided property parcels into distinct legal entities that could be purchased or leased by a developer through a competitive procurement process. This was done to achieve the highest revenue contribution for the City, and to allow the required flexibility to develop the site to its highest and best use in accordance with the city's procurement standards.

A two-stage process was developed specifically for the initial Lansdowne Park redevelopment and followed the City's principles with respect to a competitive bidding process. The disposal was administered by the City's Real Estate Office (CREO) with assistance from Supply Branch and Legal Services. A Fairness Commissioner was retained to assist in defining and carrying out a fair, open and transparent disposal. Staff recommend following the same competitive procurement process for the sale or lease of new air rights over the proposed stadium if the business case is approved.

The process has two steps. Step One is the Request for Expression of Interest (REOI) which allows the City to qualify developers to progress to the second stage. The REOI process is exploratory and does not contractually commit the City or a Respondent to any real estate deal. Step Two is a Request for Offers (RFO) which would follow the further refinement of the overall development concept. The RFO would follow standard Real Estate processes to be fair, transparent and would include the participation of a Fairness Commissioner.

The proposal calls for the demolition of the Civic Centre, the North Side Stands, and “J Block” – a retail component south of Frank Clair Way. This demolition allows the City to offer for sale or lease a parcel of air rights over the proposed retail podium for residential development. As per the rezoning, the anticipated development density is estimated at 100,000 square feet of commercial and 850,000 square feet of residential, which can support 1,200 units. OSEG currently holds leases for the Civic Centre arena, North Side Stands and impacted commercial space. As part of the overall development proposal, OSEG must release those leasehold rights in order to facilitate the redevelopment.

The City commissioned an external appraisal firm to assess the land sale prices on a per square foot of anticipated development density. CREO’s internal appraisers reviewed the findings and reconciled the data in relation to the OSEG proposal. Based on the preliminary plans showing an anticipated development density of 850,000 square feet the estimate of market value attributable to the residential development air rights is \$43.5 million.

By following the same process as was done during the initial redevelopment, with oversight by a Fairness Commissioner, staff believe the sale or lease of these air rights creates significant added value by generating revenue to offset the project costs and helps to make the overall business case affordable to the City.

The results of the RFO would be Non-Binding until staff have had the opportunity to report back to Council with the findings in the first half of 2023 dependent on the progress of negotiations.

Strategic Investment Plan for the Urban Park and Public Realm

This section of the report outlines a broad plan and a strategic investment for the publicly-controlled portions of the site. Staff have gathered recommendations from several previous public engagements held by the City, the Councillor Sponsors Groups and by the ward Councillor on what can be envisioned for Lansdowne Park. There were

also suggestions from the Stakeholder Sounding Board that informed the July 2021 report. Implementation will be phased and will require input from the community. Additional City-wide engagement will be undertaken to explore the following themes:

- Broaden arts and culture on the site
- Increase variety of events and sports
- Broaden the spectrum of events
- Enhanced green space beautification
- Improvements to Aberdeen Pavilion and Horticulture Building
- Modernize amenities and focus on diverse and accessible programming
- Increase the uptake and the diversity of retail, including small format and local retailers
- Rideau Canal access and general connectivity
- Improvements to pedestrian and cycling safety and transportation infrastructure
- Inclusion of affordable housing
- Other applicable topics that may arise

Common themes have emerged on what improvements the public would like to see happen at Lansdowne Park, and how those improvements can enhance programming. The goal is to introduce new elements to the park to attract more visitors and have people stay, all towards supporting the goal of 5 million visitors per year. The resounding feedback has centered around a need to create new attractions or elements that will bring residents and visitors to the park from all over the city.

The following directly addresses what was asked of staff from the July 2021 report. The ideas have been compiled and costed with a focus around renewing the site and its facilities to support a variety of events that frequently offer different attractions, and to add to the permanent features it offers. A complete list of all ideas and costing are described in Document 2, the draft Strategic Investment Plan for the Urban Park and Public Realm.

Urban Park and Public Realm

The July 2021 Council report asked that staff undertake significant capital improvements in support of site animation. Specifically, these works included: the renewal of Aberdeen Pavilion roof and structural elements to resolve water penetration issues; options to provide air conditioning and window improvements to the Horticulture Building; and options for retrofitting both buildings with equipment and amenities that make it easier, and less costly, to stage events or activities in these spaces be considered. The roof on the Aberdeen Pavilion needs significant repairs/replacement in the coming years. Infrastructure and Water Services Department are currently completing the engineering designs for the work. Approximately \$6 million has been forecasted within future budgets for implementation, but this will not be sufficient to complete the project. The remaining required funds will be part of a capital budget request in the next two to three years, depending on budget directions and funding envelopes in the next term of Council.

Staff are recommending retaining specialists to undertake a feasibility study of both heritage buildings that will explore options and provide recommendations to improve the ability to offer climate-controlled space for all seasons. This could include heating, ventilation, or air conditioning as well as windows and insulation if beneficial. The study would also address improvements that support more events. However, any proposed changes would need to respect the heritage attributes of both buildings.

Staff will develop a master water and electrical servicing plan for the site, including the Aberdeen and Horticulture buildings, to meet all existing and future infrastructure needs. This plan would in turn be able to support more events on the Great Lawn as well as inside the buildings. Water improvements will support new uses on the site and improve irrigation to selected areas. Elements such as a standalone power source, a seasonal power source for the skating rink, and scattered power sources will support smaller more intimate events. A larger network of connection points across the park would be an investment that supports redevelopment goals to expand programming and special events, both small and large scale. Improved access to public washrooms also needs to be considered as part of the master plan.

It has been confirmed that there is sufficient capacity in the existing water infrastructure systems to accommodate the proposed redevelopment. However, there are some limitations to the wastewater and stormwater capacity that could impact the air rights.

A master plan for improvements in the urban park and public realm will allow an annual capital program that results in improved facilities alongside the improvements planned

within the partnership scope. The City would conduct stakeholder engagement on this plan in accordance with the engagement framework Council approved in 2021.

Create a More Welcoming Outdoor Public Realm

Council also directed staff to work on various initiatives to create a more welcoming outdoor public realm, by inviting more visitors into the site, and having them stay. Many of the ideas that are being put forward as part of this report were gleaned from the public through previous engagements.

Opportunities are immense and varied and would require further public consultation across the City to help prioritize the list of ideas. Possible opportunities include a redesign and rebuild of the Great Lawn with a renewed landscape plan for the site, additional outdoor seating, moveable furniture and shade cover to allow for passive use of the park, and moveable stages and movie screens.

A visual draw, and better connectivity at the entrance to the park along Queen Elizabeth Driveway is a consideration. A redesign of this intersection can be contemplated that would allow better connectivity for skaters in the winter, and boaters in the summer. This entry point into the park can be redesigned as a gateway, with floral gardens and a visual feature with more prominence to attract visitors. It could open up viewpoints to the Aberdeen Pavilion, making the view from The Driveway more appealing. This would enhance prospects to work with the National Capital Commission which owns land on the Queen Elizabeth Driveway frontage to build on Winterlude and Tulip Festival activities, allowing the events to spill over into Lansdowne Park.

New public art would be included as part of the redevelopment, with the mandated one per cent of the total construction estimate going towards a new installation. The Moving Surfaces sculpture, the existing art piece located in the park, would be repositioned in the same vicinity it currently resides in today, on the relocated berm. Installations can be points of interest that highlight the history and heritage of Lansdowne Park, such as the salvaged Coliseum Building year marker, or interpretive panels that highlight the history of Lansdowne.

Staff are recommending retaining landscape architect specialists to review the results of the public engagement, and present concepts and renderings on improvements to the Urban Park and Public Realm.

Develop Policies and Programs that Support Increased Public Use of the Park

Staff were also directed to look at new rental policies and explore allowable uses of the Great Lawn. Potentially, the park can be subdivided into smaller quadrants to make the space more affordable for community groups and clients to rent. It also allows for more simultaneous events to take place. Staff will continue to review existing rental fee structure for amenities, including the plaza, the Great Lawn, and Aberdeen Square. Any change to the pricing structure will require Council approval.

Staff will continue to review current programming and enhance existing offerings with unique cultural and artistic components such as garden workshops and talks, Indigenous educational walks, star gazing, Salsa in the Plaza or Movies in the Park. Encouraging an artist in residence or art in the park where artists are welcome to come to Lansdowne and create will be explored. Specific direction was given to look at extending market day on the site. Staff discussed this direction with the Ottawa Farmer's Market (OFM) and given the number of markets the OFM already operates city-wide, expanding to more days at the Lansdowne location is not practical.

Following the major construction activities, staff will develop strategies to allow more passive events on the Great Lawn. The new Event Centre will likely create more synergies in the programming of indoor and outdoor space. The new spaces will provide flexibility for more events on the site or expanding existing events such as Saunders Farm Halloween celebration and Bluesfest.

It is recommended that more public engagement is needed to solicit additional ideas and prioritize options. If there are changes to City policies, a report will be brought to Council approval. If there are changes to current operations, outside of the physical infrastructure improvements, these too will be brought to Council for consideration during the annual budgeting process.

Implementation

This public realm plan has been discussed with Finance staff and staff recommend that the City establish a program in future capital budgets dedicated to the Lansdowne Park Public realm. It would require \$1 million –to \$2 million in annual capital contribution to pay for this investment plan over the next 10 years. The City will also look for opportunities for senior government funding through cultural, heritage or stimulus programs to advance the implementation of the investment plan.

Notional Plan for Implementation

OSEG's notional implementation plan shows a start date of construction in November 2022, although staff believe this is overly optimistic given the required approvals and authorities.

If the business case to redevelop Lansdowne Park is approved, the City-initiated re-zoning application process would need to be fully completed before any activity on-site begins. This will entail the following tasks be completed and then presented to Council for approval before implementation can proceed:

- Public engagement on the re-zoning and site plan applications, followed by a report to Planning Committee and Council.
- Public engagement on the Strategic Investment Plan for the publicly controlled portions of the site.
- Presentation of the results of the Request for Offer of Air Rights to Council for approval.
- Presentation of the amended LMLP Legal agreements for the next phase of redevelopment to Council for approval.
- Update the total capital project costs based on completion of various studies identified earlier in this report.

Staff believe the best-case order of operations and associated timelines are as follows:

a) New stand-alone Event Center: Start summer 2023 for a duration of 23 months

Beginning construction with the Event Centre means there is no impact to the Ottawa 67's, or any planned events in the existing Civic Centre. Upon completion of the Event Centre, the Ottawa 67's will be relocated into the new Event Centre, so that demolition of the existing Civic Centre and North Side Stands could commence.

b) Demolition and Reconstruction of North Side Stands: Start summer 2025 for a duration of 30 months

The demolition of the existing Civic Centre and North Side Stands will see a reduction in seating capacity in the stadium for the 2025 and 2026 seasons. Temporary seating will be erected in the end zones to add up to 5,000 temporary seats.

Impacts to the urban park and businesses, construction staging areas, access in and out of the site will need to be assessed in additional detail if this project proceeds.

Business Interruption Considerations

The existing Block J of retail that is part of the Civic Centre building will be demolished as part of the project. There are a small number of existing tenants and one anchor tenant in that part of the complex. Some of the tenants have provisions in their existing lease that allow an early termination, and some do not. Negotiations in respect of this will be based upon the principle that there is no cost to the City. Staff will seek authorization through a subsequent report which will include a business case.

These tenants have an existing client base and many local patrons – and these established businesses are what the City and OSEG want to have on the site post-development. Their leases contribute predictable revenues to the waterfall that benefits the overall project viability.

The ideal scenario would be to relocate the tenants within the site during construction, and then bring them back to the newly constructed retail space. To mitigate the risks to the project in terms of both cost and risk of delay (which brings its own cost risk), the City and OSEG may explore options for temporary relocation in OSEG or City-managed spaces, including the Horticulture Building. The negotiation on this item remains ongoing, with risks and benefits still being assessed. If City facilities are to be used to resolve the issue, negotiations will need to resolve the rent and any physical improvements to the building paid for by OSEG, so that there is no cost to the City and leaves behind a benefit in terms of an improved facility for future community and day-rental uses. Staff will seek Council authorization through a subsequent report which will include a business case.

Estimated Economic Impact of the Project

City staff commissioned the Altus Group to conduct an independent economic impact analysis of the OSEG proposal. The analysis measured direct economic impact, indirect impact which is the economic activity connected to the supply chain supporting the core economic activity, and induced impact which is the economic activity stimulated by the spending of income from the direct and indirect rounds.

Based on Altus' analysis, the proposed Lansdowne project will create 1,430 person years of direct employment and 1,210 person years of indirect and induced employment. The project will add \$165 million directly to the regions GDP in direct

outcomes, and \$140 million in indirect and induced impact. It will add \$40 million in business earnings to the local economy from direct economic impacts and \$55 million in indirect and induced earnings.

Beyond the economic impact statistics, there are other tangible local and city-wide benefits to the project from an economic development perspective.

Lansdowne is a revenue generating site which can improve economic development in the city. With a new event centre and increased density on site, the Partnership will be better positioned to deliver a rich entertainment experience, 365 days a year, not just on gamedays. Increased density will serve to entice and attract a diverse array of new prospective retailers. Through a proactive commercial program, a multi-year strategy will be developed to attract a curated mix of retail offerings that position Lansdowne as an entertainment and lifestyle destination in the heart of the city. A new state of the art event centre will enable, in partnership with Ottawa Tourism and the Province of Ontario, the launch of a vigorous destination marketing campaign that will attract new music, cultural, and sporting events to Ottawa. Previously, many of these events/tours have otherwise passed Ottawa by due to the lackluster and aging Civic Centre arena and North Side Stands. Through a wholesome commercial program, enhanced guest value and experience, repeat tourism and an increase in per person spending are anticipated outcomes. The current lack of a mid-sized venue is a major obstacle for Ottawa's growth as a music city. The City has an obligation to ensure affordable access to local Ottawa live music promoters, musicians, festivals and, of course, the public. The Ottawa Music Strategy (OMS) was designed to support the development of the local music industry. The Ottawa Music Strategy helped to significantly elevate the profile of the local music industry within the Corporation and in the broader community, helping set the stage for the local industry to continue its growth and development. In 2022, City staff, in consultation with the community, will undertake an environmental scan which will allow the City to better understand current and anticipated future cultural and industry development needs, and recommend potential pathways for future City engagement. In keeping with the intent of the OMS, the City would like to ensure that the proposed new venue at Lansdowne will be accessible and affordable to local festivals, the local live music industry and other Ottawa-based cultural organizations and artists.

As part of the development of the City's first-ever Nightlife Economy Strategy, a recent on-line survey received over 1,700 responses. One of the questions asked respondents to identify neighbourhoods they were likely to visit for nightlife activities (6 PM – 6 AM) once pandemic restrictions were lifted. Respondents identified Lansdowne Park/The

Glebe as their preferred neighbourhood to visit either “most of the time” or “some of the time” and was also the top neighbourhood for respondents both under and over 40 years of age for planned nightlife activities. While this research is preliminary and should be considered in the context of the new Nightlife Economy Strategy, it clearly demonstrates that residents across the city are interested in visiting Lansdowne as a destination within the city and further supports the goal of attracting five million visitors to the site annually.

OSEG has made an explicit organizational wide commitment to advancing equity, diversity and inclusion (EDI) both within their organization and more broadly in the community.

In 2020, OSEG established an EDI Council and associated sub-committees to guide and inform their EDI strategy and action plan. The EDI Council and sub-committees are comprised of both external and internal members who lend their expertise, and perspective to OSEG’s EDI efforts and initiatives. Serving as key informants, the EDI Council and committee membership are characterized by broad demographic representation with relevant expertise and lived experience among its external member and staff composition.

Following an extensive consultative process, OSEG developed an action plan that will serve to create, nurture and sustain an inclusive culture, where people are welcome and feel like they truly belong at TD Place. OSEG’s EDI Action Plan provides a corporate-wide strategy for further integrating EDI into all aspects of their work and includes a commitment to leveraging their platform and resources to advance meaningful change within the community.

Further, renewed sporting facilities will give OSEG the opportunity to attract new sports leagues to play at Lansdowne, with an emphasis on gender equity and attracting more women’s sports to the site. One of the advantages of having an additional population living on site is that it increases foot traffic. This, in turn, supports local retailers. Larger retailers depend on a broader target population to be successful, generating some spin-off businesses for their smaller neighbours. Today, the site houses over 50 businesses and has created over 4,000 full- and part-time jobs. The principles for the original Lansdowne included creating opportunities for smaller businesses on site, and additional retail space in the new proposal could assist in achieving the original objective.

Financial Business Case and Funding Strategy

Estimated Capital Cost

The total capital cost is estimated at \$332.6 million. This estimate includes the cost of preliminary works, construction, soft costs related to design and delivery, escalation allowances, and contingency.

The initial construction estimate was prepared by OSEG, reviewed by City staff, and was vetted by a third-party cost consultant who confirmed this number to be in-line with industry standards. A benchmarking exercise was also undertaken by the same independent cost consultant and confirmed that the estimate prepared by OSEG lies comfortably within the range of recent projects of similar size and scope.

Escalation of costs requires careful consideration when a tender is anticipated to occur in the future. The best-case scenario for this project would see a public tender occur early to mid-2023. Escalation values have been applied that are reflective of the pressures and workloads seen today in the construction industry. The escalation values were also vetted by the independent cost consultant and were deemed to be a fair assumption for the purpose of this exercise. \$25.3 million has been set aside to address escalations within the total capital cost.

Based on the Work Breakdown Structure prepared by OSEG, there is sufficient detail to accept this as a Class C level estimate. Per Council approved City policy for Class C estimates, a contingency of \$51.2 million has been applied to construction costs, including soft costs, which equates to 20 per cent of costs, excluding retail.

Table 1 provides a breakdown of the estimated costs to the City for this project. It includes the new retail component, but only the unfinanced portion. OSEG has agreed to obtain financing for 75 per cent of the cost of construction for retail, assuming the City guarantees the loan, and the City would pay the unfinanced portion of 25 per cent.

Table 1 – Estimated Cost of Construction

	Amount (in Millions \$)
Event Centre	106.4
North Side Stands	80.7
Shared and Stand-Alone Areas	11.0
Administrative Offices and Retrofits	14.5
Soft Costs	19.9
Project Management and Other (utilities, public art, commissioning etc.)	13.6
Escalations	25.3
Contingency @ 20 per cent	51.2
Retail Component (Net of OSEG financing)	10.0
Total Cost of Construction	332.6

Staff recommend that the budget for this project be established in order to proceed with the next stages, to proceed on time and to reduce the risk of construction escalation costs due to delays. The budget would be established at an upset limit of \$332.6 million and staff would report back to Council at each stage for approval to proceed to the next stage. Budget authority is therefore required for the total estimated construction cost of \$332.6 million.

Costs will be incurred to move to the next steps of the project until approval is received from Council to proceed to construction. If the project does not proceed for any reason, these preliminary works, estimated at \$8 million will then need to be funded by the capital budget account as described in the next section for Cost Sharing of Project Costs. If the project does proceed, then there are sufficient estimated funding sources to finance this project and the preliminary works, as will be explained in greater detail in the Funding Strategy.

Cost Sharing of Project Costs for LPP Implementation

Should Council adopt the recommendations outlined in this report, the City and OSEG intend to enter into a Cost-sharing Agreement for the next phase of work associated with the Lansdowne redevelopment proposal to reflect certain process-related requirements, including that the City and OSEG will share certain costs associated with considering and potentially advancing the Lansdowne redevelopment plan.

While each party pays its own costs in the event that the project does not proceed, and the redevelopment project is terminated in recognition of the fact that OSEG has and will continue to incur expenditures associated with City assets and the public realm, there may be circumstances where certain of these costs may be eligible for reimbursement where equitable, and subject to being in form and content satisfactory to the City. OSEG will be required to provide copies of all applicable invoices, receipts, or other supporting documentation.

The City will pay for its share of these costs from the capital budget account if the project is terminated.

Proforma Projections

As described in this report, redevelopment of Lansdowne is required to ensure the long-term financial sustainability of this partnership. As will be described later in the Funding Strategy, this redevelopment needs to pay for itself. The improved financial projections resulting from a more modern and expanded facility are projected to be sufficient to repay the additional equity that will be required to rebuild the Event Centre, Stadium and new retail facilities.

OSEG has provided staff with an estimate of the proforma projections for the redevelopment of Lansdowne. Staff, with the support of external experts conducted a due diligence analysis of those projections which were used as the basis for the financial strategy, funding plan and business case for the proposed redevelopment of Lansdowne.

The previous proforma projections were based on a 30-year projection and with the recent addition of the ten years to the agreement, the waterfall agreement was extended to 40 years. The revised proforma projections for redevelopment of Lansdowne must take into account a seven-year period of construction, first to build the Event Centre over two years, and then demolish the existing podium and North Side Stands and rebuild those over the next three years. Also, the 40-year debt funding for

the construction would be issued at the end of construction in 2026-27 for repayment by 2067. To better align the partnership agreement with the requirements of this redevelopment project, staff recommend that the agreement be extended an additional twelve years to December 31, 2066. This would also better align the waterfall agreement with the end of the retail lease in 2066.

The following table summarizes the revised proforma projection over a 52-year period, assuming redevelopment of Lansdowne:

Table 2: Revised 52-year Operating Revenue and Expense Projections

(in millions \$)	Redevelopment Projection
Revenue	
REDBLACKS	2,056
Ottawa 67s	331
Stadium and Event Centre	1,074
Retail and Other	1,655
Total Revenue	5,116
Operating Expense	
REDBLACKS	(1,630)
Ottawa 67s	(373)
Stadium and Event Centre	(1,158)
Retail and Other	(786)
Total Expenses	(3,947)
Other Non-Operating	
Lifecycle Fund	44
Ticket Surcharge	(33)
Loan	(39)

Equity	170
Interest Expense	(145)
Asset Acquisitions	(336)
Other/Working Capital	21
Total Non-operating	(318)
Waterfall Distributions	851

The redevelopment projections include the following assumptions:

- Retail rent price will stabilize to market rent for the area.
- Retail space increases by 59 thousand square feet and vacancies are estimated at 5 per cent.
- The addition of a third external sports team in the Event Centre starting in 2030.
- Concert and event revenue will increase by 5 per cent in each of the first two years of operation.
- Additional premium seating in Event Centre for concerts/events/67's games, increases premium ticket revenue.
- 10 per cent increase in parking revenue.
- The lifecycle costs for maintaining the North Side Stands will be reduced and are assumed to be in line with the lifecycle costs for the South Stadium Stands.
- Operating efficiencies for the North Side Stands and Event Centre are likely but have not been included to be conservative.
- 67's and the Stadium/Event Centre continue to operate at a slight deficit, but improve overall due to redevelopment, and the projected net operating surplus from the REDBLACKS and the retail component continue to contribute to the net positive results.

This significantly improves the net cashflow from operations to a sufficient level to fund the financing requirements of this project and repay the estimated equity contribution of both OSEG and the City. OSEG and City staff have also negotiated and are proposing some fundamental changes to the waterfall agreement, that will need to be approved in principle by Council. These changes will help to eliminate some of the current financial pressures, ensure the City is paid net positive cashflow distributions earlier, and to share waterfall distributions more equally.

Proposed Changes to the Partnership Agreement

The current financial arrangement for the LLP, also known as the waterfall, is based on a closed system that defines equity contributions from the City and OSEG to be used solely for the purposes of the total project. OSEG must contribute minimum equity and additional equity to cover any excess stadium/parking construction costs or to cover any negative operational cash flows. Annual net cash flows from the stadium, sports franchises and retail operations are distributed to each partner (the City and OSEG).

The distribution is based on a “waterfall” of priorities; first, to the Stadium and Parking Lifecycle Replacement reserve; second, return on equity to OSEG and the City (which is zero for the City as it did not contribute any equity); third, return of OSEG additional equity; fourth, return of OSEG minimum equity; fifth return on the City’s deemed equity; and finally, any remaining balance is shared equally by the City and OSEG. Return on equity is set at 8 per cent non-compounding interest.

The problem with the current model is that it didn’t contemplate OSEG contributing so much additional equity, primarily to cover year over year deficits since inception. As of March 31, 2021, OSEG has contributed \$160 million, which is \$100 million more than projected in 2012, primarily to cover year over year deficits. They have also accumulated \$60.2 million of interest on this equity at 8 per cent interest. Projecting this accumulating equity and interest there is no expected returns from the waterfall to be paid to the City for the term of the agreement. This is primarily because the City only gets paid after all equity and return on equity is paid back to OSEG first.

The Lansdowne Redevelopment project will require a significant equity contribution from the City. The next section will describe the overall funding strategy, which requires a large portion of the funding to come from the waterfall distributions. If the agreement were to stay as is, the likelihood of the City receiving any of those funds, even with the projected \$851 million in total disbursements, would be quite low. Therefore, OSEG and the City have agreed to the following changes to the waterfall framework and partnership agreement:

Table 3 – Proposed Partnership Agreement Amendments and Rationale

#	Proposed Partnership Agreement Amendments	Rationale
1	Eliminate the 8 per cent return on equity starting at the end of the 2022/23 fiscal year. Reduce return on equity to 5 per cent which will only be effective for the period of construction. Once stabilization is achieved, return on equity will be 0 per cent to the end of the agreement.	Continuing to provide return on equity during construction provides some risk protection. Eliminating interest returns from end of construction to the end of the agreement, significantly improves allocation of overall returns to the City.
2	Extend the waterfall expiry date to December 31, 2066.	Seven years of construction has an impact on financial returns in those years and the waterfall disbursement timeframe needs to be increased. Will also need to match the term of the 40-year debentures that will be issued, expected to mature in 2067.
3	Add two additional 10-year options to the Retail Lease to the existing two 10-year options now expiring 2106. The amended lease would continue to have an initial term that expires on December 31, 2066	Same as above. The time to stabilization has been extended and with the additional redevelopment investments the time to make this agreement financially viable pre and post waterfall expiry is longer.
4	OSEG will forgive the \$30 million minimum equity contributed in 2012 and accrued interest of \$24 million.	In the current proforma projections, OSEG will not recover this investment and by removing it from the waterfall calculation, net cashflows available to fund redevelopment are significantly improved.

#	Proposed Partnership Agreement Amendments	Rationale
5	City will eliminate the concept of “deemed equity” initially valued at \$23.7 million and forgive interest accrued to date of approximately \$18 million.	Same rationale as above. Furthermore, the deemed equity represented the market value of the land and an opportunity cost to the City. There was no cash outlay at the start of the agreement for this amount.
6	Reprioritize the waterfall distributions such that OSEG and the City are repaid their equity contribution at the same time on a pro-rata basis.	The City will be issuing debentures for the cost of construction and is dependent on receiving cashflows from the waterfall to help fund the debt servicing starting at the end of construction. The City cannot afford to wait until OSEG is repaid its equity contribution to receive these funds.
7	Level 1 will continue to include a contribution to the Lifecycle Reserve for City assets and a new Level 2 fee will be paid to the City to help fund debt servicing costs.	The new guaranteed fee to the City will be funded by a new Lansdowne ticket surcharge fee and from the savings in lifecycle maintenance costs that will result from the renewal of the stadium and Event Centre.
8	The waterfall will reimburse the net equity contributed by the City for the construction of the North Side Stands and new Event Centre. Net equity contribution will be defined as the difference between actual construction costs and actual funding received from other sources such as sale of air rights, property tax uplift, City capital budgets for internal costs, and ticket surcharge revenue.	The Lansdowne redevelopment project must be “revenue neutral” to the City. Any difference in actual construction costs and actual property tax uplift and air rights revenue from what was estimated will be considered contributed equity from the City and the City will expect returns from the waterfall to make up the difference over the term of the waterfall.

#	Proposed Partnership Agreement Amendments	Rationale
9	The new podium retail of 100 thousand square feet will be included as part of the Retail Leased Premises. This equates to an incremental 59 thousand square feet, compared to the existing podium.	Any new or additional retail must remain within the partnership. Retail is critical to the affordability of the overall partnership and the business case for redevelopment.

These are the key proposed changes to the agreement that are fundamental to making the City investment in the reconstruction of the North Side Stands, Event Centre and retail/podium feasible, affordable and revenue neutral. These proposed changes, as an integrated package, make the funding strategy achievable. If any one component is removed or fundamentally changed, the feasibility of this strategy would be compromised.

By elevating the City within the waterfall the City will be receiving cash disbursements earlier, some portion of which is guaranteed and a portion of which will be at risk if the net income from Lansdowne operations is lower than currently projected. In this revised waterfall framework, the City is benefiting much more from the partnership than previously, and the risk allocation is more balanced. OSEG would continue to fund any operating deficits, but during the construction period there may be impacts to operations that may require some funding from the City as a partner in this LLP.

Staff worked with external experts to assess the overall financial risk to the City, developing multiple sensitivity models to gauge the overall financial risk exposure and confirming the City's ability to absorb that risk. The maximum risk exposure will be the debt servicing cost that will need to be funded for the next 40 years. This will be explained further in the Financial Risk section.

Staff are recommending that these amendments be approved in principle and that they form the basis for further negotiations to develop the detailed terms and conditions associated with each one and any other changes to the agreement that may be required for a continued, financially viable partnership, which protects the City's interests.

The proposed changes to the waterfall prioritization are as follows:

Table 4 – Restructured Waterfall Distribution Framework

Current Waterfall Framework	Proposed Waterfall Framework
L1 – Additions to Lifecycle Fund	L1 – Additions to Lifecycle Fund
	L2 – Guaranteed Fees Paid to the City
L2 – OSEG Return on Equity at 8 per cent non-compounding	L3 – OSEG Return on Additional Equity (only up to stabilization) at 5 per cent compounding
L2 – City of Ottawa Return on Funding Equity (\$0)	L3 – City of Ottawa Return on Funding Equity (only up to stabilization) at 5 per cent compounding
L3 – OSEG Return of Additional Equity	L3 – OSEG Return of Equity
L4 – OSEG Return of Minimum Equity	
L4 – City of Ottawa Return of Equity (\$0)	L3 – City of Ottawa Return of Funding Equity
L5 – City of Ottawa Return on Deemed Equity at 8 per cent non-compounding	
L6 – OSEG Residual Share (50 per cent)	L4 – OSEG Residual Share (50 per cent)
L6 – City of Ottawa Residual Share (50 per cent)	L4 – City of Ottawa Residual Share (50 per cent)

This revised framework puts the City on par with OSEG for returns from the waterfall, reduces complexity and distributes cash to the City from the start, as opposed to just at the end or not at all, per the current framework.

Funding Strategy

The recommended funding strategy was developed by first identifying all possible sources of cash or external funding, then determining how much debt financing will be required for the remainder of the total project cost. Funding sources are then required

for the annual debt servicing requirement for the term of the loan which is expected to be 40 years to match the life of the asset and maximum term allowed by the *Municipal Act*.

The funding strategy was based on the premise that the initial investment and annual debt servicing not add any additional cost to taxpayers and be revenue neutral to the City. There are other potential sources of revenue and financing options that could help reduce the reliance on debt and cost of debt. These options will continue to be explored such as, grants from other levels of government and low interest loans (e.g. Canada Infrastructure Bank).

If approved, the City's total capital contribution, not to exceed \$332.6 million, will be funded by cash from the sale of air rights (debt if the air rights are leased), debt funding and City capital budget funding for internal costs. The annual debt servicing will be funded by the property tax uplift, ticket surcharge revenue from Lansdowne Park games and events, and waterfall distributions to the City.

The following table summarizes the funding requirement and funding sources for both the capital investment of \$332.6 million and the ongoing debt servicing funding requirement:

Table 5 – Funding Strategy

Funding Source	Funding Amount (in millions \$)	Annual Debt Servicing (in millions \$)	Total Debt Servicing Funded from Waterfall (in millions \$)
Sale of Air Rights	43.5		
Debenture Premium from Lansdowne 1.0	36.5	1.8	52.4
Capital Envelope (2023-2028)	13.6		
Total Non-Debt Sources of Revenue	93.6	1.8	52.4

Residential Property Tax Uplift	123.5	6.2	
Commercial Property Tax Uplift	5.9	0.3	
Ticket Surcharge	15.8	0.8	32.0
Return of Additional City Equity	93.8	4.7	189.5
Total New Debt Funding	239.0	12.0	221.5
Total	332.6	13.8	273.9

As described above, OSEG and staff have worked together to identify sources of revenue that will fund this project making it revenue neutral to the City. The project will be funded by the sale of air rights, which might be offset by a possible deduction for the land value of the 10 per cent portion of affordable housing. The debenture premium of \$36.5 million is also available for this project. This is the premium that the City has received on the re-issuance of the original Lansdowne 1.0 debenture. With the reduction in interest since that initial issuance the City has received premiums on the subsequent re-issuances of this debenture, that reduces our need to issue additional debt, but does have to be repaid over the term of debenture maturing in 2052. Internal City costs such as project management resources will be funded by the annual capital budget envelope throughout the construction timeframe.

The estimated total new debt that will be issued for this project would be \$239 million, with \$129.4 million of that debt that will be funded by the property tax uplift expected from the residential and commercial units. This assumes that we direct 90 per cent of the additional property tax to funding this project. The remaining 10 per cent property tax uplift and the annual budget tax increases would be available for funding City tax supported services. As part of the proposed agreement with OSEG, any difference in estimated property tax and actual property tax collected will be counted towards City contributed equity and will be recovered from waterfall distributions to the City. The remainder of the debt will also be funded by waterfall distributions to the City, which includes a “guaranteed” payment from the ticket surcharge of \$800,000 per year and waterfall distributions for the return on and return of City of Ottawa equity.

Distributions from the Waterfall

The following table summarizes the estimated waterfall proforma projections for the redevelopment of Lansdowne, compared to previous projections. It is important to note that the 2021/22 estimate is a 40-year projection and the Lansdowne redevelopment projection reflects the 12-year extension to 52 years. What is important to note is the increase in distributions to the City are more than sufficient to cover the total estimated debt servicing cost of \$273.9 million and there is an estimated additional revenue to the City of \$103.2 million.

Table 6: Comparison of Waterfall Distributions (in Nominal \$)

Current Waterfall Framework	2021/22 Projection	Lansdowne Redevelopment Projection
Lifecycle Fund	66.3	43.8
OSEG Summary		
OSEG Minimum Equity	17.0	17.0
Return on OSEG Minimum Equity	92.6	-
OSEG Additional Equity	6.5	123.1
Return on OSEG Additional Equity	362.3	112.5
Residual Profit Share	-	177.0
Total OSEG	478.4	429.6
City of Ottawa Summary		
Fee Paid to the City	-	33.4
City of Ottawa Funding Equity	-	144.8
Return on City of Ottawa Funding Equity	-	22.0
Residual Profit Share	-	177.0
Total City	-	377.1

Current Waterfall Framework	2021/22 Projection	Lansdowne Redevelopment Projection
Total Waterfall Distributions	544.7	850.5

The estimated additional \$103.2 million in revenue to the City (\$377.1 million to the City (Table 6) less \$273.9 in total debt servicing costs to be funded from the waterfall (Table 5)) is a buffer against any fluctuations in net cashflows from the waterfall, interest rate increases or other metrics that may vary from the original projections. The Lansdowne Redevelopment projection is significantly improved from the current 2021/22 projection which assumes no redevelopment. The distribution of net cashflows is much more balanced between OSEG and the City due to the reprioritization of the waterfall and the recognition of the City's contributed equity. Total distributions are estimated to increase from \$544.7 million to \$850.5 million, with OSEG receiving \$48.8 million less and the City receiving \$377.1 million more, which is sufficient to cover the debt servicing costs over the 40-year term of the new debt.

Financial Risk Analysis

The total estimated annual debt servicing cost is \$13.8 million with \$6.3 million funded by the property tax uplift, \$800,000 guaranteed annually from the partnership and the remaining \$6.8 million funded by the waterfall over the 40-year term. As mentioned earlier, these waterfall distributions rely on the financial success of Lansdowne 2.0. If the actual disbursements are lower than estimated, the City would need to absorb a portion of the \$6.8 million.

A sensitivity analysis was performed by Deloitte to assess the potential financial risk. The levers tested included the impact of changes in estimated net cashflows, debenture interest rates, valuation of property taxes, number of residential units built, air rights valuation and inflation. The proforma projections and funding source estimates are based on very conservative projections. Lansdowne 1.0 has been operating since 2012 we have financial projections based on actual results, increased primarily by expected increases in premium seating and total ticket sales for the Stadium and Event Center and the additional 59 thousand square feet of retail space. Interest debt is conservatively estimated at 4 per cent.

The financial risks range between \$0-4 million annually. There is an additional \$2.5 million annually expected from the waterfall to absorb some of that risk and if the actual net cashflows from the waterfall are less than projected, \$4 million could be absorbed within the City's budget by increasing debt servicing by only 0.5 per cent annually, while staying well below Council's 7.5 per cent debt servicing limit as a percentage of revenue. The risk of revenue neutrality being impacted is very low, as long as the business plan and funding strategy as proposed in this report are implemented.

Relationship of the Concept Plan to the Guiding Principles

The Guiding Principles for the Lansdowne Transformation were developed to help guide the initial redevelopment as a frame of reference for the overall design. Document 4 – Relating the Proposal to the Guiding Principles has a table that explains how the latest proposal maintains the integrity of those principles.

RURAL IMPLICATIONS

There are no specific rural implications associated with the approval of this report. The Lansdowne Market operates in the Urban Park under a Licence of Occupation and supports rural producers through this initiative.

CONSULTATION

On December 9, 2020, staff received specific direction on consultation for the Lansdowne Partnership Plan Update from Council to: 1. establish a staff working group to work with OSEG representatives (called Lansdowne Park Partnership Working Group); 2. establish two Council Sponsors Group (Planning and Economic); 3. establish a Stakeholder Sounding Board, and 4. develop a robust public engagement plan, with the assistance an external consultant.

Confirmed by City Council on February 10, 2021, the two Sponsors Groups for the next phase of Lansdowne divided their work into two broad categories of review for the long-term sustainability options, namely (1) Planning, infrastructure and affordable housing (Planning Sponsors Group); and (2) Economic development, tourism, increased animation of the site, and the ability of the partnership to foster city-wide and ward-specific support for small businesses (Economic Development Sponsors Group).

City Council also established a Stakeholder Sounding Board that included, but was not limited to, representatives from the Old Ottawa South, Old Ottawa East and Glebe Community Associations, a representative of Holmwood Avenue Residents, the Glebe

Business Improvement Area (BIA), the Lansdowne Market, Ottawa Tourism, Invest Ottawa, the Ottawa Council of BIAs, le Regroupement des gens d'affaires de la capitale nationale (RGA), the Ottawa music industry coalition, the Ottawa Festival Network, and the International Alliance of Theatrical Stage Employees (IATSE), representatives from the Vibe and South Holmwood condominium associations, Centretown Citizens of Ottawa Corporation, Ottawa Community Housing, uOttawa, Carleton University, Canada Live Music Association, Ottawa Blackjacks and Ottawa Bluesfest.

Due to the complexity of the negotiations and the time required for due diligence, staff chose to report on the business case and defer the land use planning approvals and public consultation, until after Council agrees in principle to the business plan and business case. Furthermore, the land use approvals and finalization of the development concept are dependent on Council agreeing to proceed to the next step in the process.

Council approved a robust, city-wide engagement strategy in the July 2021 report that would ensure residents from all over the city can have a voice in the redevelopment of a sustainable Lansdowne Park. The engagement strategy was supported by Council with a budget of \$200,000 to ensure staff were able to conduct a fulsome round of far reaching and city-wide consultation activities. There was an original intent to engage with the public following the July report. However, given that the business case has not yet been approved, engaging in broad consultation is premature and the funds have not been used to date.

Should Council approve the proposed business plan and business case, staff will commence implementation of the Public Engagement Strategy approved by Council in July 2021 as part of the rezoning process. Staff will begin the City-initiated rezoning and site plan process and conduct stakeholder engagement on the planning application and physical design ideas in the concept plan and will be expanded to include engagement on the strategic investment plans for capital improvements to the Urban Park and Public Realm will be completed using the allocated \$200,000.

Public consultation is critical to the success of Lansdowne, and the outreach and engagement for this project will require input from a broad and diverse group of voices and perspectives from across the city. The Public Engagement Strategy approved by Council in the last report outlines effective communications channels to reach target audiences.

A mix of targeted meetings, consultation sessions, open houses, online engagement activities and leveraging local community influencers will gather input from different

populations of people who experience the site in different ways. At a high level, this includes:

- Consultation Sessions and Public Open Houses that form part of the Rezoning Application Process, including notice of public meetings, local advertising, email and written commentary and feedback.
- Targeted Workshops and Meetings with public and industry stakeholders that will be customized to suit the needs and interests of participants, such as focus groups on Active Transportation proposals, and proposal for the Urban Park and Programming.
- Community Outreach to residents across the entire city and will seek input from members of the Equity Deserving Communities and Indigenous Communities, through the use of surveys, open houses, direct stakeholder meetings.
- Pop-up Engagement Activities to assist Lansdowne ambassadors to have an open dialogue with community members and event visitors.
- Web and social media to reach a broader audience and wider cross section of residents and visitors.
- Paid and earned media that will explore advertising in community hubs, community associations and cultural groups.
- Partnering with OSEG to facilitate on-site surveys and garner feedback and input from on-site amenity users.

Should Council not proceed with the recommendations outlined in this report and the need to consult and engage the public with any proposed changes diminishes or is deemed not necessary, the allocated \$200,000 for implementation of the engagement strategy will be returned to city coffers.

COMMENTS BY THE WARD COUNCILLOR

The implications of this report are city-wide; however, the Councillor for the ward in which Lansdowne is located is aware of the recommendations of this report and participated in both Council Sponsors Groups.

LEGAL IMPLICATIONS

There is no legal impediment to receiving this report for information.

It is the City's position that the process described in this Report, along with the approval in principle of the redevelopment proposals for Lansdowne Park set out herein, are not intended to commit the City at this stage to any particular course of action. Rather, appreciating the interdependencies regarding such matters as planning and zoning approvals and the financial plan for the proposed redevelopment, the City is reserving to a future Council the decision with respect to how, and whether, it wishes to move forward with the revisions to the existing Lansdowne Partnership Plan.

In considering any transaction having the magnitude and complexities of this redevelopment proposal for Lansdowne Park, the City will need to identify and assess options and risks, and to accept such risks or to manage or mitigate them to the extent possible.

There are commercial, financial, technical and legal considerations that should inform the approach which the City may undertake. This includes developing, appropriately memorializing, and adhering to a formal process and common understanding for assessing and making decisions about the redevelopment proposal. As assessment of the redevelopment proposal evolves, due diligence should be continuous, including an assessment of the balance of the risks and benefits to the City and OSEG, as well as consideration of the alternative options which may be available to the City.

Ultimately, the City intends to confirm that the redevelopment proposal is available to it and is in its best interests to undertake.

Should staff be directed to continue to explore with OSEG the redevelopment proposal set out in this Report, any required amendments to existing legal agreements, or new legal agreement, necessary to carry out the recommendation in s. 2(f) of this Report will be prepared to reflect Council's approved direction, for presentation and ultimate approval by Council.

RISK MANAGEMENT IMPLICATIONS

For the Lansdowne project, a key risk matrix would be developed at the outset, along with the likelihood of each risk occurring, their impact to the overall project and mitigation plans, should a risk become an issue.

As Lansdowne Park stands right now, with no proposed redevelopment, the biggest risk is the long-term viability of the Partnership. The Lansdowne Park site has structures that are in decline and do not have the ability to support more exciting, more frequent events. The structures are nearing the end of their useable life, though they remain structurally sound, but the outdated nature of the facilities plays a role in the user experience and the ability to attract visitors to the site. The infrastructure can be maintained but it is becoming more expensive to do so, and it is becoming more functionally obsolete each year. By not considering redeveloping now, the issue simply gets pushed further out in time.

Should this project proceed into redevelopment, the City understands the biggest risk to the project could be cost escalation. The following is an outline of how the process will be managed to mitigate and address construction cost overruns, should they occur.

Market fluctuations for material and labour within the construction industry can be difficult to anticipate, and the recent supply chain issues and labour shortages due to the pandemic have shown an upward trend in prices. Managing and planning for cost overruns within a defined scope of work can be accomplished with proper due diligence, collaboration and communication. For the Lansdowne Park project specifically, measures can be put in place at the outset that define cost check-in points and value engineering exercises built into the schedule, under the control of the City and the LMLP.

The procurement strategy for this project would follow the Design-Bid-Build model, which the City and the industry is most familiar with. With cost control being a primary focus for the Lansdowne redevelopment proposal, this model allows the project team to review the estimates at key milestones through the life of the design and permits time to react at each stage if alterations in scope are required.

As a project advances through its design life, mandatory check-ins with senior management occur as key milestones are achieved. The Infrastructure and Water Services Department employs a Stage Gate process that requires cost validation exercises be reviewed typically at Preliminary Design, and again at Detail Design, just prior to tender. However, a project of this size and scope merits more rigor, and it is

proposed that five check-ins become mandatory at concept stage, schematic stage, 33 percent design, 66 per cent design and 99 per cent final design.

The reviews at these project stages will provide an excellent indicator of risk to ensure the financials remain on-track but also allows time to react, if necessary. This level of oversight is recommended to ensure that adjustments to the design can be made as the project progresses.

The check-in process further provides the opportunity to undertake value engineering sessions at varying stages of the design. The City and OSEG will have the opportunity to jointly agree to changes in project scope at any of these check-in points that will bring the project back into the affordable budget envelope, should such changes be required.

At those review points, should items be cut from the project that either party wants to proceed with nonetheless, the City or OSEG could agree to add to the affordable budget to retain certain elements. Generally speaking, design elements that are directly related to the sports teams or ancillary commercial operations would be the responsibility of OSEG. Matters that relate to the overall longevity and sustainability of the buildings or which relate to the experience of the non-ticket-paying general public are the responsibility of the City. If the City wishes to enhance the budget envelope for those matters, staff will seek approval from Council.

The cost estimates for each element must be completed with sufficient detail and with cost escalation built-in to address likely increases in prices based on the best information on trends that is currently available. It must also consider projected costs to the anticipated project completion date, since market cost escalation can be significant, especially for a project that will take place over several years.

The cost estimates will also include appropriate contingencies. Contingencies are included to address risks, including unforeseen project conditions, that may arise during construction and are not intended to address cost escalations at the time of contract award. The City has a council-approved approach to applying contingency percentages as it relates to the design stage. Those contingency percentages will be applied accordingly, and further, a line-by-line risk assessment for specific items will be reviewed.

For the purposes of the proposal submitted by OSEG, the City retained an independent third party to review the construction costs as part of the due diligence required, discussed further under the Financial Implications section of this report. There is benefit in having an independent cost consultant become a more permanent part of the team. It

provides an extra layer of comfort in the costing, but permits for time to react and re-adjust, if required. It also aligns with a “no surprises” approach as design completion is realized. For the Lansdowne project, should Council decide to proceed with the proposed redevelopment, the City and OSEG will jointly engage with an independent cost reviewer at each of the five mandatory stages mentioned above (concept stage, schematic stage, 33 percent design, 66 per cent design and 99 per cent final design).

Following the identification of the preferred proponent, if the project has come in over the budgeted price, staff will work with OSEG on a third-party lead value engineering exercise to identify scope cuts and negotiate those with the preferred proponent in accordance with the negotiations provision of the solicitation. The value engineering exercise will be based on a similar cost responsibility process described above. If the resulting bid cannot be negotiated within the approved funding envelope that Council has agreed to, staff will return to Council with a recommendation to increase the approved budget along with the rationale or get direction from Council to cancel the tender process and re-evaluate the project.

Risk of Not Proceeding

If the status quo is maintained, the structure will continue to serve, but maintenance alone will never address the underlying functional deficiencies of the 54-year-old building. The facilities will continue to decline in commercial usability, making it harder for the Partnership to successfully compete for events at the stadium and arena. The impact of this means it will be extremely difficult for the Partnership to meet its commercial, operational and financial sustainability requirements. This is expected to worsen as the facility ages. It will become more difficult to attract events, it will continue to be energy deficient, and will not meet accessibility standards. The asset will continue to depreciate over time, needing more funding to address on-going maintenance, with an end result, a large obsolete concrete structure in a prime City destination.

ASSET MANAGEMENT IMPLICATIONS

It has been confirmed that there is sufficient capacity in the existing water infrastructure systems to accommodate the proposed redevelopment. However, there are some limitations to the wastewater and stormwater capacity that could impact the air rights.

New assets acquired through this redevelopment will add to the City’s inventory for operations and maintenance, as well as lifecycle renewal and replacement in the long term. Replacement of the existing Civic Centre with a new facility that meets today’s

standards would reduce operating costs, reduce short-term lifecycle renewal needs and improve the customer level of service and experience.

The roof on the Aberdeen Pavilion needs significant repairs/replacement in the coming years. Infrastructure and Water Services Department are currently completing the engineering designs for the work. Approximately \$6 million has been forecasted within future budgets for implementation, but this will not be sufficient to complete the project. The remaining required funds will be part of a capital budget request in the next two to three years, depending on budget directions and funding envelopes in the next term of Council.

FINANCIAL IMPLICATIONS

The financial implications are as described in this report. There are sufficient projected sources of additional revenue to fund the estimated cost of construction for the Stadium, Event Centre and new retail component, to make this project revenue neutral with no additional cost to taxpayers. The total estimated cost and budget authority requested is \$332.6 million to be funded by cash from the sale of air rights (debt if the air rights are leased), debt and City capital budget funding for internal costs. The annual debt servicing will be funded by the property tax uplift, ticket surcharge revenue from Lansdowne Park games and events, and waterfall distributions to the City. The funding strategy is dependent on making changes to the waterfall distribution framework and partnership agreement as described in this report. OSEG would continue to fund any operating deficits, but during the construction period there may be impacts to operations that may require some funding from the City as a partner in the LLP.

Staff are also seeking approval to continue working on this project, conduct the preliminary works to advance it to the schematic design stage, at which point Council approval will be required to continue with proceeding to the tender stage and confirmation of the final estimated project cost. If the project does not proceed for any reason, these preliminary works, estimated at \$8 million will then need to be funded by the capital budget account. If the project does proceed, then there are sufficient estimated funding sources to finance this project, as described in the Funding Strategy.

ACCESSIBILITY IMPACTS

It is expected that an accessibility lens be applied to all design elements of new proposed features as part of the Lansdowne Park proposal to ensure that requirements of the City of Ottawa Accessibility Design Standards (ADS) are met, which will include

ensuring appropriate design team expertise, consultations with the community and consultation with the Accessibility Advisory Committee (AAC).

Based on the existing nature of the site and the proposed redevelopment, appropriate expertise characterized by a strong understanding of how individuals navigate the site will be required to inform the design moving forward. The design will include all applicable requirements to ensure all new features are safe and accessible and well as ensuring appropriate interaction with existing features. It is envisioned that new accessibility features will be incorporated; however, it is essential that the existing features are also reviewed when design is being finalized.

The spaces should be easy to access and navigate and, as such, the design will employ a consistent application of features across the site. While the new design may be intuitive, simple and consistent, the designer needs to review what is already in place, propose modifications so that the existing features are useful and consistent with what is proposed for other areas across the site and how the site functions as a whole. This includes appropriate implementation of any future directional wayfinding and review of existing applications, including the potential addition of tactile relief wayfinding maps (contemplated but not included in the initial redevelopment of Lansdowne) to support use.

Throughout the next step in the design, the design team will engage in discussion and consultation with the community, including specific input from the Canadian National Institute for the Blind (CNIB). Given the size and scope of this proposed redevelopment, this project would merit a stand-alone meeting with the AAC and undergo consultation with the AAC as a stand-alone project.

ENVIRONMENTAL IMPLICATIONS

This section is addressed in the report, with the following being extracts from the report.

A totally new facility will allow a modern, more comfortable venue to be realized that meets current day accessibility standards. It would see the replacement of the highly inefficient facility with a new high energy efficient design, with a live green roof, that can be sustainable and will drive down overall operating costs. The facilities will have much better electrical and mechanical systems. The heating and cooling systems will be more environmentally efficient, and they will create more comfort for patrons. The energy and GHG emissions load of one of the City's worst-performing building assets will be replaced by lower usage and lower emission systems (the exact details to be worked out during detailed design).

During the initial redevelopment of Lansdowne, impacted soils were found on the eastern portion of the site. The soil at that location contained spent ash, a result of historically heating buildings by coal.

Through consultation and permitting with the Ministry of Environment, Conservation and Parks (MECP), the soil was re-used to build the berm in the Urban Park since doing so posed no risks to human or ecological receptors, provided risk management measures were installed and maintained. When the soil was moved and used to build the berm, it was wrapped with geotextile fabric, covered by 1 m of non-impacted soil, and then the surface was sodded. The MECP approved this approach to soil management.

Prior to geotechnical investigations as part of due diligence, City staff advised the MECP of the work and confirmed a safe strategy to ensure the measures put in place during original construction of the berm were not impacted. The work was also overseen by a third party independent environmental consultant, to ensure safety measures were followed, and proper reporting to the MECP was submitted once the work was completed.

Since the Event Centre will be constructed in the location of the berm, some of the impacted soil will need to be stored on-site temporarily, while some will be sent to a licensed disposal facility. The City, and its contractors, will need to abide by the rules set out by the MECP when excavating and managing the soil on site. This will include monitoring measures and dust control. A fulsome Soil Management Plan will need to be developed with the MECP, if this project proceeds.

The proposed residential towers will also require permitting and consultation with the MECP. The work would include a Phase One Environmental Site Assessment (ESA), followed by a Phase Two ESA. Extent of potential remediation of soil or groundwater will only be known once more on-site geotechnical and hydrogeological investigations are completed. This work would be done early in the project planning phases, if the business case is approved by Council, with dialogue to be on-going with MECP on this project.

INDIGENOUS GENDER AND EQUITY IMPLICATIONS

This section is addressed in the report, with the following extract:

OSEG has made an explicit organizational wide commitment to advancing equity, diversity and inclusion (EDI) both within their organization and more broadly in the community.

In 2020, OSEG established an EDI Council and associated sub-committees to guide and inform their EDI strategy and action plan. The EDI Council and sub-committees are comprised of both external and internal members who lend their expertise, and perspective to OSEG's EDI efforts and initiatives. Serving as key informants, the EDI Council and committee membership are characterized by broad demographic representation with relevant expertise and lived experience among its external member and staff composition.

Following an extensive consultative process, OSEG developed an action plan that will serve to create, nurture and sustain an inclusive culture, where people are welcome and feel like they truly belong at TD Place. OSEG's EDI Action Plan provides a corporate-wide strategy for further integrating EDI into all aspects of their work and includes a commitment to leveraging their platform and resources to advance meaningful change within the community.

Further, renewed sporting facilities will give OSEG the opportunity to attract new sports leagues to play at Lansdowne, with an emphasis on gender equity and attracting more women's sports to the site. One of the advantages of having an additional population living on site is that it increases foot traffic. This, in turn, supports local retailers. Larger retailers depend on a broader target population to be successful, generating some spin-off businesses for their smaller neighbours. Today, the site houses over 50 businesses and has created over 4,000 full- and part-time jobs. The principles for the original Lansdowne included creating opportunities for smaller businesses on site, and additional retail space in the new proposal could assist in achieving the original objective.

TERM OF COUNCIL PRIORITIES

The Lansdowne Partnership Plan and revitalization initiative relates to the following Strategic Priorities of Council:

Economic Prosperity

Objective: Promote Ottawa - Revitalized Lansdowne provides an Ottawa venue for hosting major sporting and cultural events.

Transportation and Mobility

Objective: Provide and promote infrastructure to support safe mobility choices - A key element of the Lansdowne revitalization was the development and implementation of a comprehensive and aggressive TDM program to encourage and promote use of

sustainable transportation for day-to-day activities and for events. Sustainable Environmental Services

Sustainable Environmental Services

Objective: Reduce long-term costs through planned investment and staging of diversion and conservation strategies - The Lansdowne revitalization significantly improved the manner in which stormwater flows into the City system, decreased storm run-off, improved the quality of storm flow to the Rideau Canal and provides for use of stormwater for site irrigation.

Healthy and Caring Community

Objective: revitalize recreation services - The revitalization has established Lansdowne as a significant urban place that is grounded in the site's history. It provides improved opportunities for sporting and cultural endeavours through a re-purposed stadium and a significant Urban Park to accommodate events and for day-to-day community use.

SUPPORTING DOCUMENTATION

Document 1 Proposal to the City of Ottawa – Lansdowne 2.0

Document 2 Strategic Investment for Plan for Urban Park and Public Realm

Document 3 Lansdowne Park – Proposed Active Transportation Upgrades

Document 4 Relating the Proposal to the Guiding Principles

Document 5 Commitment by the Ottawa Sports and Entertainment Group to maintain Sports Franchises

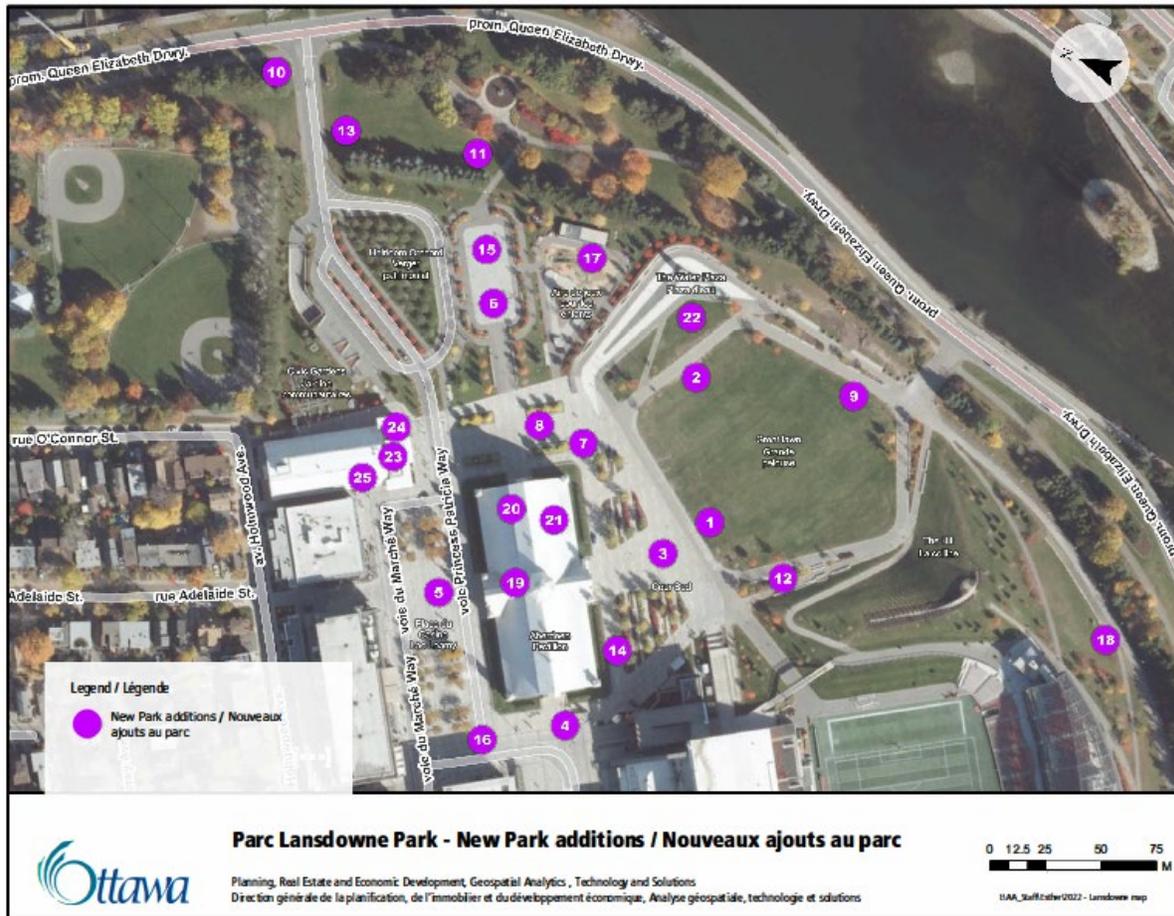
DISPOSITION

Staff will implement any directions related to Council receiving this report.

Staff will report out on the Lansdowne Partnership on an annual basis in accordance with established reporting requirements.

Document 1 – Proposal to the City of Ottawa – Lansdowne 2.0

Document 2 – Strategic Investment Plan for the Urban Park and Public Realm



	Concept or Idea	Comments	Preliminary Estimate
1	Additional seating in and around park	Park tables and umbrellas to provide more seating and additional shade.	\$100,000
2	Small bandshell for varied events	Portable bandshell for smaller events to attract visitors to the site.	\$10,000

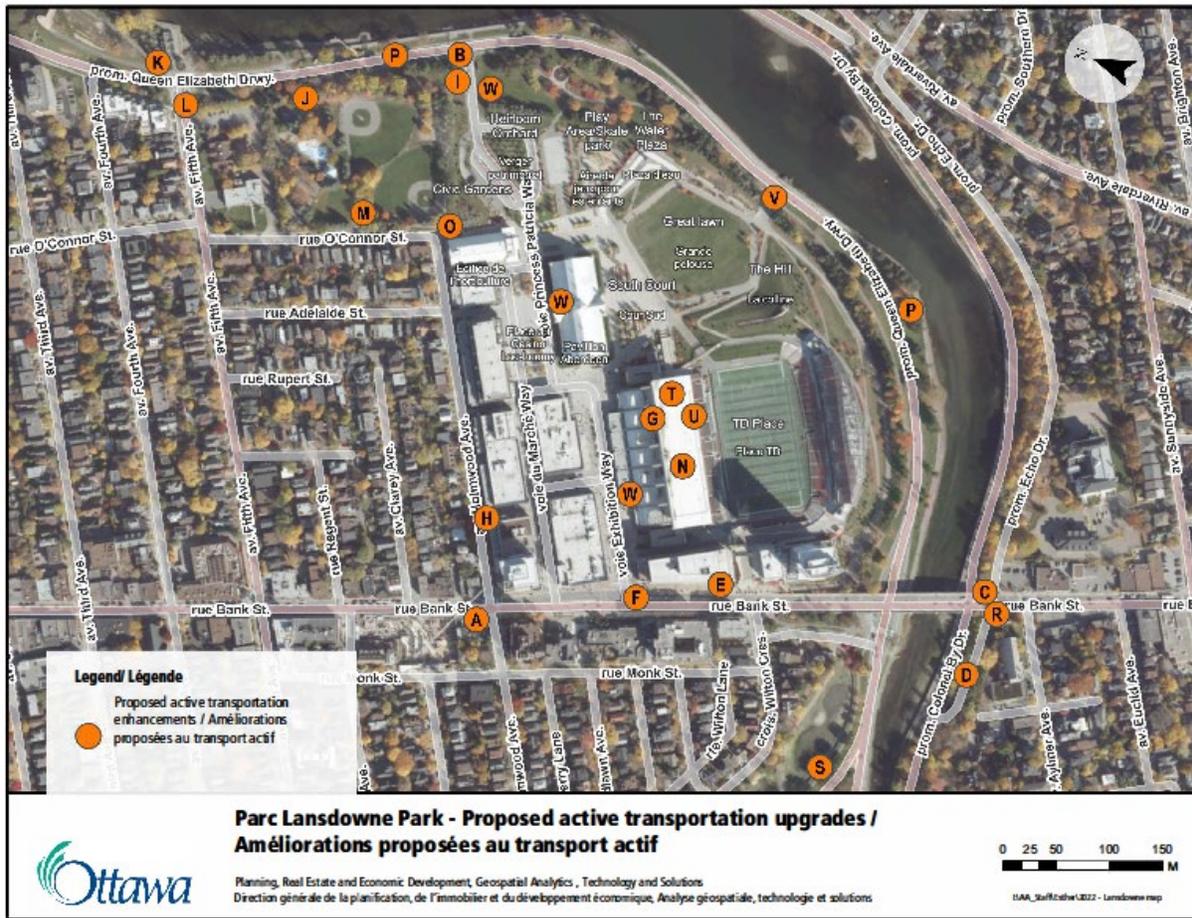
3	Additional covered bike parking	New covered bike parking throughout the site.	Included in Active Transportation List
4	Interpretive panels throughout the site	Erect permanent interactive panels throughout the site to display history of Lansdowne.	\$10,000
5	Enhanced delineation of square versus road	Installation of more permanent features that can help delineate the square and make it place for pedestrians.	\$60,000
6	Increased lighting and better sound equipment at skating rink	Enhanced infrastructure around skating rink to support better lighting and sound equipment.	\$175,000
7	Additional storage on-site	Construct an aesthetically pleasing single storey unheated storage unit that accommodate storage for equipment to support events on-site.	\$100,000
8	Bring WiFi to the site	Serves a purpose to track and understand the demographics of those visiting the park.	
9	Food vendors	Food trucks and other similar vendors inside the park during events and festivals.	
10	Redesigned entrance to the park at Queen Elizabeth Driveway	Redesign and reconstruct the entrance to the park to better accommodate cyclists and	Included in Active

		pedestrians. Consider adding a signalized crosswalk.	Transportation List
11	Forestry Plan for the site which includes a floral plan along the QED	Landscape plan for the entire site, includes a floral plan along Queen Elizabeth Driveway.	\$500,000
12	Provide additional shade	Permanently installed shade sails to encompass all seating areas at the water feature. Long term plan will involve shade being provided by trees, which links to the landscaping plan.	\$130,000
13	Redesign and rebuild of Great Lawn	Reconfigure paved pathways and redefine the berm elevations optimizing the barrier free routes as well as south facing steps.	\$360,000
14	New permanent art feature	A permanent visual draw that can attract visitors to the site and create instagrammable moments.	\$325,000
15	Upgraded electrical across the site	A redesign of the lighting plan across the site can support more support varied programming, festivals and concerts.	\$210,000
16	New permanent skate shack	This would eliminate the need to rent one every year and can double as storage.	\$50,000

17	More water fountains	Tie this to electrical redesign, and consider water leads and part of design.	\$80,000
18	New play area	When time comes for renewal of play area, consider including a water feature or splash pad to the park.	\$400,000
19	Community Garden	New community garden for residents living on-site.	\$35,000
20	Aberdeen roof repairs	Currently in design, construction expected for 2023 under the Capital Budget.	
21	Aberdeen climate control - Feasibility Study	Undertake a feasibility study to understand what can be done to adjust climate control while maintaining the heritage nature of the building.	\$200,000
22	Aberdeen sound system, masking, lighting, electrical	Recommend undertaking a feasibility study to upgrade infrastructure across the entire site, and a corresponding phasing plan. This connected to item above.	To be costed as part of Aberdeen Feasibility Study
24	Venting in Horticulture to support kitchen use	Upgrade kitchen facilities to allow more events to occur.	\$105,000
25	Horticulture sound system	New electrical and audio equipment, with sound	\$180,000

		masking, could support more events.	
26	Access to washrooms	Improve access to public washrooms throughout the site. This could include retrofitting buildings to allow access from the outside or create a corridor for public use of washrooms while events are happening.	\$450,000
		TOTAL =	\$3,480,000

Document 3 – Lansdowne Park - Proposed Active Transportation Upgrades



	Item	Description	Preliminary Estimate
A	Signalization Improvements	Add advanced bike phase at Bank Street and Holmwood to the existing advanced pedestrian phase in the west bound direction	\$20,000
B	Roadway Modifications	Signalized crossing at Queen Elizabeth Driveway and Princess Patricia Way	\$925,000

C	Roadway Modifications	Narrow throat entrance and extend sidewalk on Echo Drive to the gate	\$40,000
D	Roadway Modifications	Create a two-way accessible link from Colonel By to the Canal	\$15,000
E	Roadway Modifications	Curb modification on Bank Street to create a right in / right-out detail	\$60,000
F	Roadway Modifications	Adjust curbing to facilitate right turn movements on Bank Street at Exhibition Way	\$5,000
G	Infrastructure Upgrades	Covered bike parking (across the Lansdowne Park site)	\$130,000
H	Roadway Modifications	Install a new signalized pedestrian crossing at Holmwood Avenue 85 metres east of Bank Street	\$22,500
I	Roadway Modifications	Add sidewalk along north side of entrance to the Park at Queen Elizabeth Driveway	\$300,000
J	Infrastructure Upgrades	New lighting to increase visibility along existing MUP at north end of the site	\$53,000
K	Infrastructure Upgrades	Improved lighting at three-way MUP junction along Queen Elizabeth Driveway	\$10,000
L	Roadway Modifications	Re-fresh intersection design by adding protected cycling facility on Fifth Ave eastbound and widen west	\$37,500

		bound bike lane at Queen Elizabeth Driveway	
M	Roadway Modifications	Provide northbound bike and pedestrian MUP facility	\$120,000
N	Infrastructure Upgrades	Install physical barriers in Aberdeen Square to help delineate road from pedestrian plaza	\$75,000
O	Roadway Modifications	Improve entrance into Lansdowne Park by reducing curb barriers at the end of Holmwood Avenue	\$32,500
P	Signage	Sign speed limit along Queen Elizabeth Driveway to be 40km/hr	\$2,000
R	Roadway Modifications	Add a south-bound bike lane or cycle track from Bank Street to Aylmer Street	\$180,000
S	Roadway Modifications	Upgrade asphalt sidewalk off Queen Elizabeth Driveway to a MUP	\$140,000
T	Infrastructure Upgrades	Bike repair stand on-site	\$15,000
U	Signage	Wayfinding	\$5,500
V	Infrastructure Upgrades	Install Pedestrian Crossover along MUP across from Pig Island for better connectivity	\$280,000

W	Roadway Modifications	Consideration of cycling lanes through the site connecting cyclists from Bank Street to Queen Elizabeth Driveway	\$100,000
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Document 4 – Relating the Proposal to the Guiding Principles

Capital City and Context	
Guiding principle	Current proposal
Unique element, meeting place, supports year-round activities	New Event Centre that can support a wide variety of events, upgrading facilities and electrical across the site will help attract even more events, continue to work with our internal and external stakeholders to expand programming year-round, present options to the public that will make the park more inviting and have people stay.
Designed to be part of local and larger community	Outreach and engagement to residents across the city will inform some of the design elements through the Planning Application process; with broader outreach on programming and site animation.
Designed to capitalize on its unique location along the Canal	Exploring options to redesign the entrance to the park at Queen Elizabeth Driveway that will open up viewpoints and make connectivity to the canal more inviting during all seasons.
Respect the 30m buffer zone for heritage	New design will abide by this and will require consultation and approval with the Ontario Heritage Trust.
Design Lansdowne to be a landmark feature	Already a landmark feature and cultural destination, a new Event Centre and upgraded facilities provides an opportunity to expand the range of events and build on its location along the Rideau Canal.
Establish “address” on all sides	Completed as part of initial redevelopment – no new residential is planned that fronts Bank Street, Holmwood Avenue or Queen Elizabeth Driveway.
Explore possibility of pedestrian bridge over canal	Flora Footbridge completed in 2019.

The Overall Site	
Guiding principle	Current proposal
Increase public understanding of the places associated with this site	Staff are examining opportunities for further historic interpretation in the public realm strategy for the site.
Design and reflect the site as an urban park	The urban park will remain, but consideration is being given to add landscaping, shade features, more seating, and to create a more inviting green space.
Design to reflect agrarian and festival roots	Exploring climate control options at the Aberdeen Pavilion would allow for more market-type events to be hosted there.
Designed to have quality public realm and pedestrian traffic is a focus	Reconsidering how the plaza functions. Proposal includes new pedestrian concourse that links the north and south stands.
Designed to be responsive on how users approach the site (car, walk, bike etc.)	This report outlines a series of mobility improvements for the site.
Designed for winter considerations	Winter festivals, and building on Winterlude events, are being considered in both the facility design and in the public realm improvements.
Emphasis on architecture and materiality	This is a matter that will be explored in further detail in the zoning and site plan approval processes that will include consultation with the Urban Design Review Panel (UDRP).
Emphasis on landscape of the region	Landscaping elements and approach will be further evaluated as part of the future Site Plan Control application, building upon the direction and aesthetic established in the previous development.
Use of a water element	Completed as part of the last redevelopment, this water feature is often mistaken for a water park. A

	new water feature can be considered in the long-range plan when the existing park requires renewal.
Urban park to allow for events and festivals	The core function of the Urban park will remain, however with the new Event Centre, opportunities for events to be hosted over the collective site may be presented better utilizing all assets.
Sustainability	
Guiding principle	Current proposal
Seek a high level of sustainable design	New build will be energy efficient, will call for salvaged and local materials in the tender, will employ electric and solar energy sources and will target the City's Green Building Policy. As part of the proposed functional study for Aberdeen and Horticulture Buildings, design considerations for geothermal heating will be explored.
LEED requirements	Design will aim for silver certification and will follow the City's Green Building Policy. LEED designations received during the first phase of redevelopment will remain in place.
Solution for the site with wide variety of urban form and uses	The proposed concept plans broaden the range of land uses for the site.
Elemental considerations	Sustainable design, storm water conservation, alternate energy measures, bird friendly design, and transportation solutions will be examined in further detail during the Site Plan Control process.

The Site Components	
Guiding principle	Current proposal

Urban Park	The from OSEG for the Event Centre maintains the integrity of the Urban Park. The berm will be reinstated after construction is completed, and the inclusion of the green roof respects the open space of the site.
Farmers Market	Continue to provide Farmer's Market, and other markets in the square and Pavilion.
Aberdeen and Horticulture	Design of new elements will respect the heritage designation of these buildings and will open up viewpoints.
New development	New buildings will continue to pay tribute to the historical character of Lansdowne.
Stadium/Arena Revitalization	With a renewed facility, the Ottawa Tourism's Major Events strategy can aggressively target a portfolio of high-quality events. Such events have a significant impact on the local economy and enhance Ottawa's visibility on the world stage. A totally new facility will allow a modern, more comfortable venue to be realized that meets current day accessibility standards. It would see the replacement of the highly inefficient facility with a new high energy efficient design, with the largest live green roof in the National Capital region
Integration of Components	The proposed design allows for integration of functional circulation around all sides of the stadium. The OSEG proposal includes a pedestrian allée that will link the new North Side Stands, to the new Event Centre, and then connect back into the South Side Stands. The Event Centre itself, with its green roof and designed to have the berm reinstated around it, will blend into the Urban Park, maintaining the open green space seen today on site.

Programming	
Guiding principle	Current proposal
New uses support economic development	Please refer to the economic impact sections of the report.
Designed for mixed use	The proposal builds on the site being a mixed-use redevelopment. Retail, commercial and residential will be part of the proposal, with a commitment on Affordable Housing.
Designed to accommodate multiple programming opportunities	The proposed Event Centre will support an expansion of local events, concerts, markets and music festivals. It would further align with the goal of Ottawa Tourism partners to provide more national, provincial, and international festivals. Following the major construction activities, staff will develop strategies to allow an expansion of more passive events on the Great Lawn. The new Event Centre will likely create more synergies in the programming of indoor and outdoor space. The new spaces will give the flexibility for more events on the site or expanding existing events such as Saunders Farm Halloween event and Bluesfest
Solicit input from festival organizers	Robust engagement City-wide will commence if Council approves the proposal.
Provide indoor and outdoor spectator opportunities	The layout of the new Event Centre and surroundings will provide areas to watch events from both inside and out, and from all sides of the existing football field.

Integrate lifestyle fitness and wellness as part of business plan	Previous engagement efforts outlined a need for more passive use of the park, with a focus on fitness to be considered. This will be an item brought forward as the engagement efforts on the Public Realm, and specifically programming, continue.
Consider unique specialty uses, cooking schools, art classes, etc.	A master plan for the site will allow infrastructure upgrades to occur that could support such programs.
Develop commercial program to increase tourism – shops, arts and culture	Through a proactive commercial program, a multi-year strategy will be developed to attract a curated mix of retail offerings that position Lansdowne as an entertainment and lifestyle destination in the heart of the city.

Document 5 – Commitment by the Ottawa Sports and Entertainment Group to maintain Sports Franchises

AMENDMENT TO THE COVENANT TO OPERATE

OTTAWA 67's

TO: CITY OF OTTAWA

RE: Lansdowne Redevelopment Plan Project Agreement amongst the City of Ottawa, Ottawa Sports and Entertainment Group, Lansgreen Investments Inc., Shenkman Lansdowne Ltd., Trinity Lansdowne Ltd., Keljay Ltd. and Friarmere Holdings Inc. (collectively, the "Parties") made as of October 12, 2012 (the "Project Agreement") and as amended on December 15, 2015 and December 10, 2020.

AND RE: Assumption Agreement between, amongst others, the Parties and the Ottawa 67's Partnership (as defined in the Project Agreement) in respect of the rights and obligations of, amongst others, the Ottawa 67's Partnership made as of October 12, 2012.

This covenant to operate is delivered pursuant to section 5.8(b)(vii) of the Project Agreement. Capitalized terms used but not defined herein shall have the meanings attributed to them in the Project Agreement, as amended.

For good and valuable consideration, the receipt and adequacy of which are acknowledged, each of the undersigned hereby covenants and agrees to ensure that the Ottawa 67's shall operate during each of the eighteen (18) years immediately following the Lease Commencement Date as defined in the Stadium Lease, unless the OHL ceases to operate during that period.

Executed as of the effective date of the 10th day of December, 2020.

OTTAWA 67's GP INC., in its capacity as General Partner of OTTAWA 67'S LIMITED PARTNERSHIP

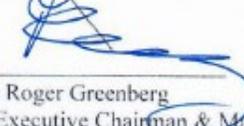
BY: 
Name: Mark Goodie
Title: President & CEO

BY: 
Name: David Porter
Title: Senior Vice President, Finance & Technology

We have authority to bind the corporation.

OTTAWA SPORTS AND ENTERTAINMENT GROUP

BY: 
Name: John Ruddy
Title: Director

BY: 
Name: Roger Greenberg
Title: Executive Chairman & Managing Partner

We have authority to bind the Partnership.

AMENDMENT TO THE COVENANT TO OPERATE

CFL TEAM

TO: CITY OF OTTAWA

RE: Lansdowne Redevelopment Plan Project Agreement amongst the City of Ottawa, Ottawa Sports and Entertainment Group, Lansgreen Investments Inc., Shenkman Lansdowne Ltd., Trinity Lansdowne Ltd., Keljay Ltd. and Friarmere Holdings Inc. (collectively, the "Parties") made as of October 12, 2012 (the "Project Agreement") and as amended on December 15, 2015 and December 10, 2020.

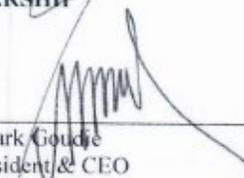
AND RE: Assumption Agreement between, amongst others, the Parties and the CFL Partnership (as defined in the Project Agreement) in respect of the rights and obligations of, amongst others, the CFL Partnership made as of October 12, 2012.

This covenant to operate is delivered pursuant to section 5.8(b)(vi) of the Project Agreement. Capitalized terms used but not defined herein shall have the meanings attributed to them in the Project Agreement, as amended.

For good and valuable consideration, the receipt and adequacy of which are acknowledged, each of the undersigned hereby covenants and agrees to ensure that the CFL Team shall operate during each of the eighteen (18) years immediately following the Lease Commencement Date as defined in the Stadium Lease, unless the CFL ceases to operate during that period.

Executed as of the effective date of the 10th day of December, 2020.

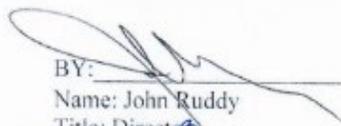
OTTAWA REDBLACKS GP INC.,
 in its capacity as
 General Partner of **OTTAWA**
REDBLACKS LIMITED
PARTNERSHIP

BY: 
 Name: Mark Goudje
 Title: President & CEO

BY: 
 Name: David Porter
 Title: Senior Vice President, Finance & Technology

We have authority to bind the corporation.

OTTAWA SPORTS AND
ENTERTAINMENT GROUP

BY: 
 Name: John Ruddy
 Title: Director

BY: 
 Name: Roger Greenberg
 Title: Executive Chairman & Managing Partner

We have the authority to bind the Partnership.