

**3. DECLARATION OF SURPLUS AND TRANSFER OF 1825 TRIM ROAD TO OTTAWA COMMUNITY LANDS DEVELOPMENT CORPORATION FOR FUTURE DISPOSAL AND THE PROVISION OF A RESOURCE FOR THE CORPORATE REAL ESTATE OFFICE**

**DÉCLARATION COMME EXCÉDENTAIRE ET CESSION DE LA PROPRIÉTÉ SITUÉE AU 1825, CHEMIN TRIM, À LA SOCIÉTÉ D'AMÉNAGEMENT DES TERRAINS COMMUNAUTAIRES D'OTTAWA POUR ALIÉNATION ULTÉRIEURE ET L'ADDITION D'UN RÉSOURCE DANS LE BUREAU DES BIENS IMMOBILIERS MUNICIPAL**

**COMMITTEE RECOMMENDATIONS**

**That Council:**

- 1. a) Declare the property municipally known as 1825 Trim Road, described as part of Lot A, Concession 9, geographic Township of Cumberland, (Part 1 on Plan 4R-29839) being part of PIN 14526-2120, containing an area of approximately 3.8606 ha (9.54 acres), shown as Parcel 1 on Document 1 attached, as surplus to City requirements;**
- b) Authorize the transfer of the property municipally known as 1825 Trim Road subject to an easement in favour of Hydro One Networks Inc. as in OC1956784 and any other easements that may be required, to Ottawa Community Lands Development Corporation for disposal; and**
- 2. Approve the transfer of \$134,000 from professional services within the Corporate Real Estate Office budget to compensation and establish one full-time equivalent position as outlined in the report.**

### RECOMMANDATIONS DU COMITÉ

Que le Conseil :

1. a) **Déclare excédentaire, par rapport aux besoins de la Ville, la propriété située à l'adresse municipale 1825 rue Trim, décrite comme une partie du lot A, concession 9, canton géographique de Cumberland (partie 1 du Plan 4R-29839) et faisant partie du PIN 14526-2120, d'une superficie de 3.8606 ha (9.54 acres), et désignée comme la parcelle 1 dans le document 1 ci-joint ;**
- b) **Autorise la cession du propriété située à l'adresse municipale 1825 rue Trim Hydro One Networks Inc. comme pour OC1956784 et de toute autre servitude requise, à la Société d'aménagement des terrains communautaires d'Ottawa pour aménagement ou cession ultérieure ;**
2. **Approuve le transfert d'une somme de 134,000 dollars de l'enveloppe des services professionnels du budget du Bureau des biens immobiliers municipaux à l'enveloppe de la rémunération, et l'établissement d'un poste équivalent temps plein, comme décrit dans le rapport.**

### DOCUMENTATION/DOCUMENTATION

1. Director's report, Corporate Real Estate Office, dated 26 June 2018 (ACS2018-CSD-CRE-0011).

Rapport du Directeur, Bureau des biens immobiliers municipal, daté le 26 juin 2018 (ACS2018-CSD-CRE-0011).

**Report to  
Rapport au:**

**Finance and Economic Development Committee  
Comité des finances et du développement économique  
3 July 2018 / 3 juillet 2018**

**and Council  
et au Conseil  
11 July 2018 / 11 juillet 2018**

**Submitted on June 26, 2018  
Soumis le 26 juin 2018**

**Submitted by  
Soumis par:  
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**Ward: CITY WIDE / À L'ÉCHELLE DE LA VILLE      File Number: ACS2018-CSD-CRE-0011**

**SUBJECT: DECLARATION OF SURPLUS AND TRANSFER OF 1825 TRIM ROAD  
TO OTTAWA COMMUNITY LANDS DEVELOPMENT CORPORATION  
FOR FUTURE DISPOSAL AND THE PROVISION OF A RESOURCE  
FOR THE CORPORATE REAL ESTATE OFFICE**

**OBJET: DÉCLARATION COMME EXCÉDENTAIRE ET CESSION DE LA  
PROPRIÉTÉ SITUÉE AU 1825, CHEMIN TRIM, À LA SOCIÉTÉ**

**D'AMÉNAGEMENT DES TERRAINS COMMUNAUTAIRES D'OTTAWA  
POUR ALIÉNATION ULTÉRIEURE ET L'ADDITION D'UN RÉSOURCE  
DANS LE BUREAU DES BIENS IMMOBILIERS MUNICIPAL**

**REPORT RECOMMENDATIONS**

**That the Finance and Economic Development Committee recommend Council:**

- 1. a) Declare the property municipally known as 1825 Trim Road, described as part of Lot A, Concession 9, geographic Township of Cumberland, (Part 1 on Plan 4R-29839) being part of PIN 14526-2120, containing an area of approximately 3.8606 ha (9.54 acres), shown as Parcel 1 on Document 1 attached, as surplus to City requirements;**
- b) Authorize the transfer of the property municipally known as 1825 Trim Road subject to an easement in favour of Hydro One Networks Inc. as in OC1956784 and any other easements that may be required, to Ottawa Community Lands Development Corporation for disposal; and**
- 2. Approve the transfer of \$134,000 from professional services within the Corporate Real Estate Office budget to compensation and establish one full-time equivalent position as outlined in the report.**

**RECOMMANDATIONS DU RAPPORT**

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

- 1. a) De déclarer excédentaire, par rapport aux besoins de la Ville, la propriété située à l'adresse municipale 1825 rue Trim, décrite comme une partie du lot A, concession 9, canton géographique de Cumberland (partie 1 du Plan 4R-29839) et faisant partie du PIN 14526-2120, d'une superficie de 3.8606 ha (9.54 acres), et désignée comme la parcelle 1 dans le document 1 ci-joint ;**
- b) D'autoriser la cession du propriété située à l'adresse municipale 1825 rue Trim Hydro One Networks Inc. comme pour OC1956784 et de toute autre servitude requise, à la Société d'aménagement des**

**terrains communautaires d'Ottawa pour aménagement ou cession ultérieure ;**

- 2. D'approuver le transfert d'une somme de 134,000 dollars de l'enveloppe des services professionnels du budget du Bureau des biens immobiliers municipaux à l'enveloppe de la rémunération, et l'établissement d'un poste équivalent temps plein, comme décrit dans le rapport.**

## **BACKGROUND**

The purpose of this report is to present separate items of business from the Corporate Real Estate Office (CREO) with the recommendation for approval of the following two items. Recommendation 1 presents information related to the property declaration of surplus and transfer; and Recommendation 2 presents information regarding the business case analysis and recommendation to add a resource to CREO's Environmental Remediation Unit.

### **Recommendation 1: Property: 1825 Trim Road**

The subject property located at 1825 Trim Road was part of a larger parcel acquired by City of Ottawa in 2002 for the Trim Road realignment and the construction of the Cardinal Creek Storm Water Works (ACS2001-CRS-RPR-0064). The subject portion of 1825 Trim Road within this report and outlined in Document 1 is surplus to both the Trim Road and Cardinal Creek projects.

The property is legally described as part of Lot A, Concession 9, geographic Township of Cumberland and further described as Part 1 on Plan 4R-29839 (part of PIN 14526-2120). It is vacant and contains an area of 3.8606 hectares (9.54 acres). The current zoning is Development Reserve - DR and will be subject to a re-zoning application in the future prior to any development occurring.

A circulation to all City departments, for the purposes of declaring the parcel as surplus to City needs was completed in 2017. Housing Services was the only branch that indicated a potential interest in a portion of this property for affordable housing.

Given the results of the circulation process and the ability to address Housing Services requirements through the sale and/or development of this property, staff is recommending the subject property be formally declared surplus to City needs.

## **Recommendation 2: Resource Business Need for the CREO's Environmental Remediation Unit**

Due to increasing business needs and requests from other City departments for services provided by CREO's Environmental Remediation Unit (ERU), a business case analysis was undertaken to review the best approach for addressing resource availability to enable the ERU to meet this increased demand within the City.

The ERU was created at amalgamation to meet obligations set out in environmental legislation and regulations established by the Province of Ontario and the federal government, and to implement environmental policies adopted by the City. The ERU's objectives are to protect public health and the environment, and to exercise due diligence in the management of environmental risks and liabilities for city-owned properties. As the centre of expertise, the ERU serves the City by delivering mandatory responsibilities and core services that include managing and monitoring a comprehensive range of environmental requirements related to City-owned properties, City rights-of-way, as well as projects run by other City departments. The ERU develops policy and strategies related to the management of environmental contamination (i.e., Underground Storage Tank Management Strategy, Old Landfill Management Strategy, Fuel Standardization, Land Conveyance and Excess Soil Management). Additionally, the ERU liaises with the Ministry of Environment and Climate Change (MOECC) regarding adverse impacts on City-owned and non-city-owned properties. In addition to these core services, the ERU also provides expertise and support to other city departments for a number of large City projects.

The ERU is currently comprised of a team of five Full Time Equivalent (FTE) positions staffed with a mix of specialized staff who are professionals in the area of environmental remediation. In addition to the ERU team, one FTE, the Senior Geoenvironmental Advisor, is dedicated to support city projects in Infrastructure Services by providing environmental expertise on construction projects including excess soil management practices and ensuring the City complies with provincial legislation. In the recent re-organization, this position was transferred to CREO to further centralize the environmental work within CREO and that position complements and supports ERU. Four FTE positions are fully staffed with one Real Estate Advisor II, two Environmental Remediation Advisors and one Specialist, Environmental Remediation. In addition, a part-time position is being used to provide dedicated support to the environmental matters related to Stage 1 and Stage 2 Light Rail Transit (LRT) projects.

The business case reviewed the potential for an additional FTE to serve increasing environmental needs and priorities from other City departments, including Planning, Infrastructure and Economic Development (PIED).

## **DISCUSSION**

### **Recommendation 1a): Declaration of Surplus for 1825 Trim Road**

As 1825 Trim Road is surplus to City requirements, it is recommended that the property be declared surplus.

As noted in the Consultation section of this report, an internal circulation to all City departments was undertaken to confirm the availability of 1825 Trim Road for disposal. Housing Services expressed interest in the potential development of a portion of this property. CREO staff are currently in discussions with Housing Services staff to understand their requirements so as to address their needs. In this regard, Housing Services has expressed interest in developing some affordable housing in the area, particularly townhouse and medium density residential development. At a minimum, 25 per cent of net revenue from the sale of these lands can be transferred to the Affordable Housing Branch for future projects. Alternatively, a portion of these lands can be reserved for an affordable housing development or some type of combination of funds and actual development.

### **Recommendation 1b): Transfer to Ottawa Community Lands Development Corporation**

Approval of Recommendation 1b) will allow for the transfer of the property from the City to the Ottawa Community lands Development Corporation (OCLDC) to facilitate a strategic disposal of 1825 Trim Road for future development.

The mandate of the OCLDC is to obtain “optimal value” pertaining to both financial and non-financial community value. This mandate is based on the four (4) pillars approach that emphasizes a concern for financial, social, environmental and cultural sustainability. By transferring the lands into the OCLDC, the City is able to separate its land ownership/real estate development role from its planning authority role under the Municipal and Planning Acts. This transfer of property to the OCLDC will result in the following additional benefits:

- Ability to achieve the highest and best use of the property and ensure

- compatibility with the Official Plan development goals;
- Entering into agreements with purchasers to provide additional development and design criteria that ensures a high standard of architecture;
  - Maximize potential revenues for the City by generating additional tax revenues; and
  - Ensuring efficient use of the city infrastructure services by creating development opportunities in serviced areas.

As there is no City requirement to retain 1825 Trim Road, apart from the requirements expressed by Housing Services, whose requirements can be accommodated through the sale and/or development of these lands, it is recommended that 1825 Trim Road be transferred to OCLDC for future disposal.

### **Recommendation 2: Resource Business Need for the CREO's Environmental Remediation Unit**

On an ongoing basis, CREO reviews its client service needs, resource constraints, opportunities to enhance delivery of services, cost management and efficiency of operations. In response to growing environmental requirements from service needs of various City departments, a review of increasing service demands and current staffing composition has been undertaken. A business case analysis of the staff complement of the ERU within CREO considered the current positions of the ERU and risks to the organization of not being able to meet client needs in a timely manner that ensure delivery on priority commitments. The business case analysis resulted in the Recommendation 2 request for approval of the addition of one permanent FTE in order to shift environmental services work from a contracting out model to internal expertise.

This FTE position is required to address the increasing workload and will rely on technical knowledge to provide overall benefits to the City, including internal expertise development, accountability and transparency, to support PIED, and to provide priority support to large city-wide projects and other priorities that can involve environmental expertise with real estate. Various options were considered and analysis indicated that the status quo is not tenable as it exposes the City to risks of not handling files and initiatives in a timely or comprehensive manner, which in turn could mean that contamination or remediation needs would not be handled in a robust manner and delivery of City interests could be compromised.



One key responsibility of this new position will be to address PIED's increased requests for ERU staff's assistance regarding the reviews needed for Phase 1 and Phase 2 Environmental Site Assessments (ESAs) and Remedial Action Plans, which are key components of many planning applications. Another key responsibility of this new position will be to oversee the applications and remedial plans from the Brownfields Program.

A number of remediation projects are on the horizon and being proposed in the City, and the current staff complement does not have the capacity to provide support to these projects. The Official Plan requires that every Site Plan Application include a Phase I ESA at a minimum, and depending on the findings of that Phase 1 ESA, a Phase 2 ESA is often also required and subsequent remediation plans. Given the growth of infill projects and redevelopment in the urban core, many sites have complex environmental histories with correspondingly complex environmental reports. Although large suburban developments are often located in "greenfield" areas, due to the scale of the projects and complications such as the City being conveyed land for parks, roads etc., the diligent review of environmental reports for these projects is crucial.

The Brownfields Grant Program has been growing in recent years. Vigorous review of the environmental reports both prior to development and after remediation completion is required to ensure those grants (City tax dollars) are used appropriately. Planning Services is supportive of ERU taking on this role as it provides transparency and accountability.

Accordingly, the only two viable options to address the business needs would be the addition of one FTE or engage external Environmental Consultants. The business case analysis considered the cost alternative of contracting out the environmental review function within Planning Services, particularly brownfield review and oversight. To undertake this additional work, environmental consultant services could be engaged at a cost of \$273,000 annually. This estimate is based on the hourly rate from the current standing offer, which is \$150 for this level of expertise (Project Manager/Senior Professional). Costs are inclusive of overhead and disbursements and the City has to consider this work spans over many years. However, this option would not contribute to the development of internal expertise and integrated understanding of requirements, and could result in a loss of corporate knowledge and expertise, the potential for inconsistent reviews and management of potential conflicts of interest with contractors.

The cost estimate to fund one additional FTE as a Specialist, Environmental Remediation is \$134,000 (including benefits). The funding of this additional FTE will replace the estimated cost of \$273,000 on consultants, resulting in cost avoidance of \$139,000 annually. Given the depth of understanding and time horizon for many projects, an in-house expert for brownfield projects would be far more cost effective over the length of these projects (sometimes 15 years plus) to manage the specific files and build corporate knowledge.

The recommendation would require that the compensation budget be increased by \$134,000, which would be offset by an equivalent reduction to the professional services budget of \$2.7M.

### **RURAL IMPLICATIONS**

There are no rural implications resulting from the recommendations in this report.

### **CONSULTATION**

In accordance with the Disposal of Real Property Policy approved by City Council on 28 March 2012, the availability of 1825 Trim Road was circulated to all City departments, including the Housing Branch and Ward Councillor to determine if the properties were required for a City mandated program. The only City requirement identified for 1825 Trim Road was Housing Services' interest in the potential development of a portion of the site

Councillor Monette has been consulted with respect to recommendations 1 a) and b) of this report and his comments are indicated under the Ward Councillor section below.

### **Affordable Housing Land and Funding Policy**

The Affordable Housing Land and Funding Policy approved by Council on 26 April 2017, advances the vision and targets established in the Ten Year Housing Homelessness Plan, the Official Plan and other Council-approved affordable housing initiatives. The policy also requires that the Official Plan target of 25% affordable housing be met on any City owned property where existing or proposed zoning allows for residential uses. These zones include all residential zones (R) - Village and rural residential zones (RR, RU, VM, V1 – V3) - Mixed use/commercial zones (TM, AM, GM, MC, MD and TD) and Institutional zones (I1 and I2).

Where a property is disposed of without a condition requiring an affordable housing component in any of the above zones, 25% of the net proceeds from the sale are to be credited to a housing fund to be used for the development of affordable housing elsewhere in the City.

1825 Trim Road is zoned Development Reserve (DR) and the DR zone is not subject to the Affordable Housing Land and Funding Policy; however, given that Housing Services has expressed interest in this property for affordable housing, their interests will be accommodated through the sale and/or development process as identified earlier in the Discussion section of this report.

### **COMMENTS BY THE WARD COUNCILLORS**

Ward 1 – Orléans, Councillor Monette is aware of the declaration of surplus report and is in support of the recommendations regarding 1825 Trim Road.

### **LEGAL IMPLICATIONS**

There are no legal impediments to implementing the recommendations in this report.

### **RISK MANAGEMENT IMPLICATIONS**

There are no risk implications to the surplus declaration of 1825 Trim Road nor its transfer to the OCLDC.

The recommendation for the addition of one FTE addresses potential risk management mitigations regarding environmental implications for real estate needs of the City activities.

### **FINANCIAL IMPLICATIONS**

There are no financial implications as the FTE identified in this report is funded from existing resources.

### **ACCESSIBILITY IMPACTS**

There are no accessibility impacts resulting from the recommendations in this report.

## **ENVIRONMENTAL IMPLICATIONS**

There are no environmental implications associated with Recommendations 1 a) and b), surplus declaration and transfer of 1825 Trim Road.

Recommendation 2 strengthens the depth of expertise and oversight by the ERU of implications in a cost effective manner while strengthening governance, internal expertise and mitigating environmental risks.

## **TERM OF COUNCIL PRIORITIES**

The recommendations in this report supports City Council's Financial Responsibility strategic priority to practice prudent fiscal management of existing resources and make sound long-term choices that allow core City services to be sustainable now and into the future; specifically it objective FS2 to maintain and enhance the City's financial position.

These recommendations also support the following 2014-2018 Term of Council Priorities: Sustainable Environmental Services, Governance, Planning & Decision Making, and Financial Sustainability.

## **SUPPORTING DOCUMENTATION**

Document 1 is a property sketch shows 1825 Trim Road as Parcel 1 and is included in this report.

## **DISPOSITION**

Following Council's approval, staff from CREO and Legal Services will complete the transfer of ownership at the designated time to address recommendations 1 a) and b). For recommendation 2, Corporate Finance will process the required budget adjustments and create the FTE position. CREO will work with Human Resources to create and staff the approved position.

Document 1 - Property sketch of 1825 Trim Road Shown as Parcel 1

