

**Report to  
Rapport au:**

**Finance and Economic Development Committee  
Comité des finances et du développement économique  
2 February 2021 / 2 février 2021**

**and Council  
et au Conseil  
10 February 2021 / 10 février 2021**

**Submitted on 22 January 2021  
Soumis le 22 janvier 2021**

**Submitted by  
Soumis par:  
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**Ward: GLOUCESTER-SOUTH NEPEAN      File Number: ACS2021-PIE-EDP-0009  
(22) / GLOUCESTER-NEPEAN SUD (22)**

**SUBJECT: South Merivale Business Park**

**OBJET: Parc d'affaires de Merivale-Sud**

## **REPORT RECOMMENDATION**

**That the Finance and Economic Development Committee recommend that Council approve that the City convey to Zena-Kinder Holdings Ltd the lands described in Document 1 subject to the terms set forth in Document 2 for a consideration of \$1.**

## **RECOMMANDATION DU RAPPORT**

**Que le Comité des finances et du développement économique recommande au Conseil municipal d'approuver que la Ville cède les terres décrites dans le document 1, à Zena-Kinder Holdings Ltd, pour un montant de 1 \$, sous réserve des modalités définies dans le document 2.**

## **BACKGROUND**

As permitted by the *Ontario Municipal Act*, the former City of Nepean sought to establish business parks to promote employment. The City would acquire lands within the municipality, install the services in the area, including the establishment of roads, and then sell parcels within the business park to users, consistent with the zoning for the lands. Examples include the Colonnade and Rideau Heights Business Parks off of Merivale Road.

Consistent with this practice, the City of Nepean sought to acquire lands south of Fallowfield and west of Merivale Road for the establishment of a business park (the South Merivale Business Park) in the early 1990s. The original intent of the City was to acquire such lands through expropriation.

However, it was subsequently arranged between the three landowners and the City of Nepean to enter into an agreement for the development of the lands. Approximately one-quarter of the lands were conveyed to the City at no cost. In addition, the lands for the roads were conveyed to the City at no cost. A reference plan was deposited on the title of the lands which identified the roads that would be laid out and constructed.

The proposed development of the South Merivale Business Park was revised as a result of the establishment on site of JDS Uniphase. The acquisition of land by JDS Uniphase resulted in the evolution of the vision of the business park to a campus style development.

Subsequent to the conveyance of the former JDS Uniphase parcel to the RCMP, the remaining private owner (Zena-Kinder Holdings Ltd ) of the undeveloped lands within the business park has determined to proceed with a development on its lands that, while consistent with the functions of the lands as a business park, will not require the

construction of the remaining unconstructed roads identified in the 1996 agreement. Such development of the lands will eliminate the outstanding obligation to construct the proposed roads and install the servicing identified in the 1996 agreement.

## **DISCUSSION**

Estimates provided between 2016 and 2019 of the cost to construct the remaining roads and services identified in the 1996 agreement have ranged from seven to ten million dollars. While the 1996 agreement envisioned that the then City of Nepean would be able to recoup the cost of servicing all of the South Merivale Business Park from the sale of the lands that had been conveyed to Nepean, subsequent events, i.e. the sale of lands to JDS Uniphase, have resulted in such no longer being possible. As a result, there is no current funding source for the City to complete the servicing and road construction. The remaining road and servicing works are not eligible for Development Charge funding.

Given that the lands for the roads were made available to the City at no cost and that the reconveyance to Zena-Kinder Holdings Ltd and the termination of obligations under the 1996 agreement will remove a significant financial liability from the City, staff are recommending that the reconveyance be approved by Committee and Council.

The Corporate Real Estate Office (CREO) has circulated the proposed lands for disposition and no impediment to their conveyance has been identified. The value of the lands to be conveyed are significantly less than the estimated cost to construct roads and services.

## **RURAL IMPLICATIONS**

There are no rural implications associated with this report.

## **COMMENTS BY THE WARD COUNCILLOR**

Councillor Meehan is aware of this report

## **LEGAL IMPLICATIONS**

There are no legal impediments to the adoption of the recommendation in this report. Given the elimination of the financial obligation to construct roads and services, it is the opinion of Legal Services that a conveyance for one dollar is in compliance with the prohibition on bonusing in the *Municipal Act*.

## **RISK MANAGEMENT IMPLICATIONS**

There are no risk management implications associated with this report.

## **ASSET MANAGEMENT IMPLICATIONS**

There are no asset management implications associated with the recommendation of this report.

## **FINANCIAL IMPLICATIONS**

The estimated cost of constructing the remaining roads and services is \$7 million to \$10 million (2016 – 2019 estimates); conveying the lands would alleviate the City's responsibility for these works. The value of the lands to be conveyed are significantly less than the estimated cost to construct the roads and services.

## **ACCESSIBILITY IMPACTS**

There are no accessibility impacts associated with this report.

## **ENVIRONMENTAL IMPLICATIONS**

There are no environmental implications associated with this report.

## **TERM OF COUNCIL PRIORITIES**

There are no Term of Council priorities impacted by this report.

## **SUPPORTING DOCUMENTATION**

Document 1 Description of Lands to be conveyed

Document 2 Terms of Conveyance

## **DISPOSITION**

Legal Services is to proceed with the preparation of releases and the conveyance of the lands identified in Document 1.

**Document 1 – Description of Lands to be conveyed**

Part 13 on Reference Plan 4R-9089, Save and Except Part 3 on Plan 4R-11133, and Save and Except Part 4 on Plan 4R-23595; and

Part 25 on Reference Plan 4R-9089 Save and Except Paragon Avenue on Plan 4M-1354 subject to a sewer easement being retained by the City where the sewer crosses Part 25, 4R-9089.

**Document 2 – Terms of Conveyance**

1. Lands sold on an “as is, where is” basis
2. City to be released from obligations in 1996 South Merivale Business Park Agreement
3. Zena-Kinder is to be released from obligations in 1996 South Merivale Business Park agreement.
4. City to reimburse Zena-Kinder for cost of reference plan
5. Transaction to close within 30 days of Council approval