



Finance and Economic Development Committee

Minutes 21

Tuesday, March 2, 2021

7:35 pm

Electronic Participation

This Meeting was held through electronic participation in accordance with Section 238 of the *Municipal Act, 2001* as amended by Bill 197, the *COVID-19 Economic Recovery Act, 2020*.

- Notes:
1. *Please note that these Minutes are to be considered DRAFT until confirmed by Committee.*
 2. *Underlining indicates a new or amended recommendation approved by Committee.*
 3. *Except where otherwise indicated, reports requiring Council consideration will be presented to Council on 10 March 2021 in Finance and Economic Development Committee Report 21.*

Present:

Chair: Mayor J. Watson

Vice-Chair: Councillor L. Dudas

Councillors: J. Cloutier, G. Darouze, E. El-Chantiry, G. Gower, J. Harder, A. Hubley, M. Luloff, S. Moffatt, J. Sudds, T. Tierney

DECLARATIONS OF INTEREST

No declarations of interest were filed.

CONFIRMATION OF MINUTES

Minutes 20 - February 2, 2021

CONFIRMED

Please note that during the meeting of the Special Joint meeting of the Finance and Economic Development Committee and the Community and Protective Services Community held prior to this meeting, the following motion to extend the Finance and Economic Development Committee meeting past 7 pm was approved as set out below:

MOTION No. FEDC 2021 1/21

Moved by: Councillor L. Dudas

BE IT RESOLVED that the Finance and Economic Development Committee approve that the meeting time be extended past 7:00 p.m. pursuant to Subsection 8.(1)(c) of Procedure By-law 2021-24.

CARRIED

PRESENTATIONS

1. STAGE 2 LRT QUARTERLY UPDATE

CITY WIDE

Michael Morgan, Director, Rail Construction Program, Transportation Services who was accompanied by John Manconi, General Manager, Transportation Services, provided a video depicting the progress of the work regarding the Stage

2 LRT. He also spoke to a PowerPoint presentation, a copy of which is held on file with the City Clerk. Councillors R. Brockington, D. Deans, K. Egli, T. Kavanagh, C. Kitts, J. Leiper, C. McKenney and S. Menard were in attendance for this portion of the meeting.

Committee questions included matters pertaining to the construction surrounding Sawmill Creek multi-use pathway; timelines pertaining to the Trillium Line and surrounding stations; O'Train shutdown and delays; and anticipated timelines and updates that can be provided to university students.

After questions and discussion, the Committee RECEIVED this item for information.

FINANCE SERVICES

CORPORATE FINANCE

2. 2020 STATEMENT OF REMUNERATION, BENEFITS & EXPENSES PAID TO MEMBERS OF COUNCIL AND COUNCIL APPOINTEES

ACS2021-FSD-FIN-0002

CITY WIDE

REPORT RECOMMENDATION

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

RECEIVED

INNOVATIVE CLIENT SERVICES

LEGAL SERVICES

3. COMPREHENSIVE LEGAL SERVICES REPORT FOR THE PERIOD JULY 1 TO DECEMBER 31, 2020

ACS2021-ICS-LEG-0001

CITY WIDE

REPORT RECOMMENDATION

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

RECEIVED

OFFICE OF THE CITY CLERK

COUNCIL AND COMMITTEE SERVICES

4. STATUS UPDATE – FINANCE AND ECONOMIC DEVELOPMENT COMMITTEE INQUIRIES AND MOTIONS – FOR THE PERIOD ENDING FEBRUARY 19, 2021

ACS2021-OCC-FED-0008

CITY WIDE

REPORT RECOMMENDATION

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

RECEIVED

5. APPOINTMENTS TO THE SHAW CENTRE BOARD OF DIRECTORS

ACS2021-OCC-GEN-0006

CITY WIDE

REPORT RECOMMENDATION

That the Finance and Economic Development Committee recommend that Council extend the current voting members, as follows:

- **Debra Armstrong (term ending November 14, 2022)**
- **Michael Crockatt (term ending November 14, 2022)**

CARRIED

PLANNING, INFRASTRUCTURE AND ECONOMIC DEVELOPMENT

CORPORATE REAL ESTATE OFFICE

6. DELEGATION OF AUTHORITY - ACQUISITION, DISPOSAL AND LEASE
OF REAL PROPERTY - 1 JULY TO 31 DECEMBER 2020

ACS2021-PIE-CRO-0002

CITY WIDE

REPORT RECOMMENDATION

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

RECEIVED

7. FEE SIMPLE PROPERTY ACQUISITION OF 1010 SOMERSET STREET,
CITY OF OTTAWA

ACS2021-PIE-CRO-0003

SOMERSET (14)

REPORT RECOMMENDATIONS

That the Finance and Economic and Development Committee recommend that City Council:

- 1. Approve the acquisition of the property known as 1010 Somerset Street, containing 2.55 hectares (6.3 acres) shown as Parcels 1 and 2 on Document 1 attached, from Her Majesty the Queen in right of Canada as represented by the Minister of Public Works and Government Services (“Canada”).**
- 2. Delegate authority to the General Manager of Planning, Infrastructure and Economic Development to enter into, conclude, execute and amend on behalf of the City:**
 - a. A Purchase and Sale Agreement and all documents necessary or incidental thereto between the City and (Canada) in respect of the 1010 Somerset Street lands described in this report (attached as Document 4), for a total consideration of \$11,000,000 subject to final adjustments on closing, applicable tax and reasonable legal expenses related to the transaction.**
 - b. A Collaborative Benefits Agreement (CBA), subject to the terms and conditions in the CBA Correspondence (attached as Document 3), as described in this report, with the Algonquins of Ontario (AOO) as a condition precedent to acquire the fee simple interest in 1010 Somerset Street;**
 - c. A Framework Agreement Loan Agreement Mortgage, and all documents necessary or incidental thereto with Canada Mortgage and Housing Corporation (CMHC) subject to the terms and conditions in the CMHC Framework Agreement**

(attached as Document 5) as described in this report in the amount of \$8,580,000 which loan is to be registered against the title to the property 1010 Somerset as a forgivable mortgage provided that the City complies with the development obligations with respect to Gladstone Village set out therein; and

- d. A Memorandum of Understanding with the Conseil des Écoles Publiques de l'Est de l'Ontario (CEPEO) (attached as Document 6) as described in this report for an exclusive period of two years to explore the possible inclusion of a primary school within a future development at 1010 Somerset Street and if feasible then dispose of the air rights for the construction of the school in accordance with the pricing formula in the MOU.
3. Approve a one-time contribution of \$400,000.00 from the City Wide Reserve to fund the development of a coordinated Master Concept Plan for a community hub at 1010 Somerset, together with the Plant Bath Recreation Facility and adjacent lands owned by Ottawa Community Housing Corporation (OCH), and to fund the extraordinary closing costs associated with the acquisition of 1010 Somerset Street lands.

CARRIED

IN CAMERA ITEMS*

MOTION No. FEDC 2021 2/21

Moved by Councillor L. Dudas

BE IT RESOLVED that, in accordance with Subsection 89(3) of the *Procedure By-law*, being By-law 2021-24, Finance and Economic Development Committee approve the addition of an item to today's Agenda with respect to the LRT Stage 1 Project – Claims Update and related matters, in order to provide for a timely *in camera* briefing with respect to these matters and associated next steps; and

BE IT FURTHER RESOLVED THAT in accordance with the *Procedure By-Law*, City Council resolve *In Camera* pursuant to Subsections 13 (1)(e), litigation or potential litigation affecting the City, and 13(1)(f), the receiving of advice that is subject to solicitor-client privilege, including communications necessary for that purpose, to receive and consider the LRT Stage 1 – Claims Update *In Camera* - Reporting out Date: Not to be reported out.

CARRIED

This item was dealt with *In Camera* pursuant to Procedure By-law (By-law No. 2021-24), Subsection 13 (1)(e), litigation or potential litigation affecting the City, and 13(1)(f), the receiving of advice that is subject to solicitor-client privilege, including communications necessary for that purpose.

As the content of the *In Camera* update regarding the O-Train Confederation Line LRT Stage 1 contains information pertaining to the legal aspects of the subject matter, the material falls within the exception contemplated by Subsection 13(1)(f) of City Council's Procedure By-Law. As such, this matter will not be reported out.

The subject matter of this item was the receipt and consideration of an update on the legal issues and options with respect to the O-Train Confederation Line LRT Stage 1. Upon resuming in open session, Mayor Watson stated that no votes were taken other than procedural motions and/or directions to staff and the following motion was then presented:

MOTION No. FEDC 2021 3/21

Moved by Vice-Chair Dudas

WHEREAS, at its meeting of March 2, 2021, the Finance and Economic Development Committee and other Members of Council received an *in camera* briefing on the status of the ongoing claims disputes between the City and the Rideau Transit Group (RTG) with respect to the Stage 1 Light Rail Transit Project, as well as the planned next steps towards resolving these disputes which is subject to lawyer-client, contemplation of litigation, and advice to government privilege; and

WHEREAS when the 2012 City Council approved the Ottawa Light Rail Transit Confederation Line Project budget of \$2.13 B, the \$100 million (approximately 4.5% of the combined total) as the project contingency to provide the flexibility to deal with possible cost changes, including legal and technical expert fees, and

these project contingency funds have been fully expended due to the nature of City's claims disputes with RTG; and

WHEREAS, as identified in the *in camera* briefing, the ongoing legal and subject matter technical expertise support and City staff support required to continue to defend the City's interests in the ongoing claims and disputes and the necessary actions associated with ensuring the rectification plan issues are addressed will create an additional pressure of \$15 million on the Stage 1 LRT project contingency budget; and

WHEREAS the City intends to include and seek to recover these additional costs in the dispute resolution process against RTG; and

WHEREAS the City Treasurer and Chief Financial Advisor recommends that the \$15 million in funds be provided from the Transit Capital Reserve, given that this project - 907143 Confederation Line Contingency - was refinanced as part of the Development Charges By-law update, with 18% or \$18 million of the total budget identified as the growth-related share of the costs; and

WHEREAS the City Treasurer and Chief Financial Officer further recommends that the growth-related component (18%) of this additional \$15 million also be funded from development charges in the future when the next Development Charges Background Study and By-law are updated, and that \$2.7 million of the \$15 million be funded from development charges on an interim basis until the DC Background study is updated;

THEREFORE BE IT RESOLVED that Finance and Economic Development Committee recommends that City Council approve the additional budget authority of \$15 million for Project 907143 Confederation Line Contingency, to be funded as described in this motion and on the understanding that the City intends to include and attempt to recover these costs in the dispute resolution process against RTG.

CARRIED

INFORMATION PREVIOUSLY DISTRIBUTED

- A FRENCH LANGUAGE SERVICES ADVISORY COMMITTEE – MEMBER
APPOINTMENTS FROM RESERVE LIST

ACS2021-OCC-GEN-0002

ADJOURNMENT

The meeting adjourned at 10:24 pm.

Committee Coordinator

Chair