

MINUTES

CORPORATE SERVICES & ECONOMIC DEVELOPMENT COMMITTEE

REGIONAL MUNICIPALITY OF OTTAWA-CARLETON

CHAMPLAIN ROOM

01 AUGUST 2000

3:00 P.M.

PRESENT

Chair: R. Chiarelli

Members: D. Beamish, B. Hill, P. Hume, M. Meilleur, W. Stewart, R. van den Ham

Regrets: R. Cantin, G. Hunter, A. Loney

CONFIRMATION OF MINUTES

That the Corporate Services and Economic Development Committee confirm the Minutes of the 04 July 2000 meeting.

CARRIED

DECLARATIONS OF INTEREST

No declarations were filed.

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- Notes: 1. Underlining indicates new or amended recommendations approved by Committee.
2. Reports requiring Council consideration will be presented on 9 August 2000 in Corporate Services and Economic Development Committee Report Number 70.

FINANCE / SOCIAL HOUSING

1. PROPERTY TAX - NEW MULTI-RESIDENTIAL
OPTIONAL PROPERTY TAX CLASS
- Joint A/Finance Commissioner and A/Social Housing
Group Director's report dated 19 July 00

In response to an inquiry from Councillor R. van den Ham, Mr. L. Russell, Acting Commissioner of Finance, replied that although there is an existing multi-residential property tax class, there is a need for a new multi-residential class, which would represent primarily new rental units at a tax ratio that may be closer to the residential rate than other multi residential rates have historically been. When Council approved the existing policy in 1998 they didn't deal with that particular class, and by creating it now, it provides the opportunity for the next Council to address the overall issues of tax rates to create a more equitable tax arrangement for these new types of rental units.

Councillor W. Stewart queried that in creating a new property class, owners of those multi-residential units would receive a tax break that would translate into either less revenue for the Region or an increase in the tax rate for another class. Mr. Russell clarified that as the class would apply only to new units, there would not be a tax loss. The tax rates established for these properties may be lower than what they would have been had they been the existing multi-residential class.

In reply to a question from Councillor Stewart, Mr. Russell advised that the intent of the legislation is to provide a lower tax rate for a period of 8 years, at which time the properties would revert to the full multi-residential class and be taxed at the same rate as all other rental properties.

Councillor Stewart inquired whether the department could provide comparative examples of how this has functioned in other communities, and whether it has resulted in a boom in construction of rental properties. Mr. Russell noted that an examination is currently being undertaken to review municipalities who have undertaken this and what the effect has been, and that information will be available for the consideration of the new Council early in 2001, prior to the setting of a new rate.

Councillor M. Meilleur posited that an appeal to the Ontario Municipal Board could be made based on tax rate comparitors for rental properties, and the proposed disparity could be viewed as unfair. Mr. Russell noted that while the avenue of appeal is open to any resident, it wouldn't

necessarily address what the legislation is intended for, or recognize the disparity between the residential rate and the multi-residential rate. For the municipal portion of the tax bill, the multi-residential rate is about 2.3 times that of the residential unit. So even if they were to get their assessment reduced somewhat, the tax rate is still significantly higher than the residential rate. The creation of this class was an effort on the part of the province to provide some tax relief for rental properties for a period of time but ultimately be phased out. The focus is on development and providing some incentive for rental unit construction.

In response to a request for clarification from Councillor Meilleur, Mr. Russell noted that an appeal must be based in the same class.

Councillor Meilleur noted she represents a ward with a number of shelters which are very crowded, and hopefully this proposal will stimulate construction and alleviate some of the problems being experienced downtown.

That Corporate Services and Economic Development Committee recommend Council:

- 1. Approve that the Region adopt the new multi-residential optional property tax class; and,**
- 2. Enact and pass the by-law adopting the new multi-residential optional property tax class**

CARRIED

ENVIRONMENT AND TRANSPORTATION

2. SUPPLY OF COARSE CRUSHED ROCK SALT
TENDER 01300-77545-T01
- Environment and Transportation Commissioner's report
dated 01 May 00

Councillor R. van den Ham expressed concern that a multi million dollar contract is being awarded to a firm from Quebec, instead of an Ontario company. He added that he had anticipated that there might have been a reduction in the requirement for rock salt due to amalgamation of all road clearing operations.

Councillor van den Ham inquired what the price per tonne for road salt is this year compared to last year. Mr. J. Byrne, Manager, Purchasing, replied that although it is against policy to publicly release the unit price, the rate for the upcoming winter season is approximately a 2% increase over the rate paid last year. Mr. Byrne clarified that the price is all-inclusive.

Councillor van den Ham inquired where the provincial sales taxes are paid. In reply, Mr. Byrne noted that sales taxes are submitted in the province in which the goods are delivered. The Councillor requested confirmation of which province the sales tax will be paid in, prior to the 9 August 2000 meeting of Council, adding that there is potentially \$2 million in taxes.

In response to a question from Councillor van den Ham, Mr. Byrne noted that the tender was advertised on the MERCs system, and that one Ontario firm identified by the Councillor did not submit a bid as they were at a disadvantage in that some of the salt that they provide comes from the U.S. and the tender had a Canadian content policy.

Councillor van den Ham noted that a bid was received from the Detroit Salt Company in Michigan. Evidently they felt it was worthwhile going through the process. He inquired whether Mr. Byrne could estimate the number of truck loads required to deliver the 127,300 metric tonnes of crushed rock salt annually. Mr. Byrne replied in the negative. Councillor van den Ham speculated that it could approximate 27,000 thousand truck trips into the Region a year. He suggested that it be a condition of the contract that if the supplier is coming from Quebec, that they not travel through downtown Ottawa.

Councillor van den Ham commented that he would like some information from Legal Services on the awarding of the contract, and would prefer to see taxes that were collected in Ontario stay in Ontario.

In reply to a question from Regional Chair Chiarelli, Mr. Byrne confirmed that the terms of the contract outline that the Region is only obligated to purchase the amount of product required, not the complete amount specified in the tender. Mr. Byrne clarified that once the contract is approved, the option is not available to purchase product from another supplier.

That the Corporate Services and Economic Development Committee and Council approve the award of Tender 01300-77545-T-01 to the Canadian Salt Company Ltd., Pointe-Claire, Quebec:

- a. **for the purchase of coarse crushed rock salt for the 2000/2001 winter season at the estimated total price of salt is \$8,416,248.55 (including GST & PST), and;**
- b. **for the purchase of coarse crushed rock salt for the 2001/2002 winter season at the estimated total price of salt is \$8,584,602.80 (including GST & PST), and;**
- c. **for the purchase of coarse crushed rock salt for the 2002/2003 winter season at the estimated total price of salt is \$8,752,957.05 (including GST & PST).**

CARRIED

3. **EAGLESON ROAD FEEDERMAIN EXTENSION
BRIDGESTONE DRIVE TO EMERALD MEADOWS
CONTRACT NO. ETL99-3029**
- Environment and Transportation Commissioner's report
dated 14 Jul 00

That the Corporate Service and Economic Development Committee approve:

1. **The award of Contract ETL99-3029 to Dufferin Construction Company A Division Of St. Lawrence Cement, of Carp for the extension of a 610 mm diameter feedermain on Eagleson Road from Bridgestone to Emerald Meadows for a total contract provision of \$389,517;**
2. **The transfer of funds in the amount of \$53,000 from the project, Riverside Drive Feedermain, Order No. 900179 to Eagleson Road Feedermain, Order No. 900192.**

CARRIED

HOMES FOR THE AGED

4. CONTRACT AWARD FOR THE SECURITY MONITORING SYSTEM
FOR THE PETER D. CLARK LONG TERM CARE CENTRE
Homes for the Aged Commissioner's report dated 06 Jul 00

That the Corporate Services and Economic Development Committee approve the award of a contract to Suno-Tech Inc, Gloucester, for the security monitoring system at the Peter D. Clark Long Term Care Centre, for a total contract provision of \$200,760.

CARRIED

PLANNING AND DEVELOPMENT APPROVALS

5. LEASE PROPOSAL, 370 CATHERINE STREET, OTTAWA
- Planning and Development Approvals Commissioner's report
dated 17 Jul 00

Councillor van den Ham expressed concern about the \$500,000 required for capital improvements to the property and inquired whether other capital projects are being neglected in order to complete this work. Mr. R. Ennor, Director, Property Services, noted that the funds are in a Social Services account dedicated to capital improvements at service delivery sites, and in this instance will be used for improvements refurbishing the space at 370 Catherine Street. Mr. Ennor added that there are a number of other capital projects that will be better defined in the year 2001 with regard to a new service delivery model that will be brought forward.

Councillor van den Ham noted that the new space is much more expensive in terms of annual cost for rental space. Mr. Ennor noted that the rent for Catherine Street will be \$541,000 per year, while the rent at Wellington Street was \$183,000 per year.

That the Corporate Services and Economic Development Committee and Council:

- 1. Approve the lease for 29,953 square feet of office space at 370 Catherine Street with Three Seventy Catherine Limited for 6 years and 1 month from October 1, 2000 to October 31, 2006, at an annual cost of \$ 541,949.65 plus GST, and initial fit-up costs of \$500,000 plus GST, and;**

2. **Authorize staff to exercise and enter into negotiations for a five year renewal option commencing October 18, 2001 for existing space of 29,700 sq.ft. at 370 Catherine Street with Three Seventy Catherine Ltd.**

CARRIED

6. LOAN GUARANTEE:
WEST CARLETON AIRPORT AUTHORITY
- Planning and Development Approvals Commissioner's report
dated 24 Jul 00

That Corporate Services and Economic Development Committee recommend Council provide a loan guarantee to an approved lending institution, in support of an application by the West Carleton Airport Authority for an amount not to exceed \$250,000. for the purpose of constructing a twenty (20) bay hanger on the Carp Airport property. The amortization period will be for a maximum of twenty years. The terms of the loan to be to the satisfaction of the Region's Finance Commissioner.

WITHDRAWN

7. LANSDOWNE PARK - CFL LEASE
- Planning and Development Approvals Commissioner's report
dated 25 Jul 00

Councillor W. Stewart expressed support for the recommendation and congratulated Chair Chiarelli's office and staff for putting this together, noting that it strikes a happy balance between taxpayer's interests and private sporting interests. The Councillor noted however, that she has some reservations about recommendation 7, which would permit the renaming of Frank Clair Stadium, under certain conditions. She suggested that renaming an existing building, with a long-standing tradition and legacy in the community, flies in the face local tradition and history. There is great motivational merit in remembering our past and the connection of fans in this community to the history of football.

Councillor M. Meilleur inquired what the rationale is behind the renaming. Mr. R. Ennor, Director, Property Services, opined that renaming is a very important issue for the team and for the new ownership. The club owner sees the naming of the stadium as a critical component of the deal. Councillor Meilleur suggested that it would be inappropriate to change the name every few years.

Mr. R. Haycock, Manager, Operations, stated that it has become standard business practice for major facilities to bear the name of Corporate sponsors. Corporate sponsorship to the franchise can take many forms, and at this stage it is not known what the nature of a renaming deal might be. The new owner has expressed that this is a very important piece of the overall financial and marketing strategy, and the recommendation is an attempt to keep the door open so that the franchise owner has the opportunity to come forward with a complete proposal for consideration by Council.

Councillor Meilleur inquired whether there is specific criteria to be met in the case of renaming the stadium. Mr. Ennor responded that some terms have been identified in the report, with restrictions on tobacco/alcohol advertising/sponsorship, issues involving humanitarian concerns, and respect for the name of Frank Clair.

Councillor P. Hume expressed congratulations to staff and support for the report and recommendations, commenting that this is the smoothest, easiest lease for a major community facility that he has witnessed in his 9 years of community service. The Councillor added that the deal is a tribute to the professionalism that has been brought to this endeavor, and three very important things have been accomplished: it's been a smooth and positive arrangement for everyone; football is returning to Ottawa; and Lansdowne Park has been saved.

Councillor Stewart requested that Recommendation No. 7 be voted on separately from the rest of the recommendations. Recommendation 7 was removed for the vote, and a recorded vote was taken on that item.

That the Corporate Services and Economic Development Committee recommend Council direct staff to finalize a lease, to be executed by the Region's Chief Administrative Officer, with the Canadian Football League franchise owner, that will respect the following principles;

- 1. The underlying principle for the initial three year term will be to minimize cost recovery and at the same time, ensure that there is no cost to the taxpayer.**

2. **The initial lease shall be for a 3-year period, after which the financial terms will be renegotiated with a view to generating a contribution to stadium life-cycle costs;**
3. **All of Lansdowne Park's direct operating expenses related to the football club's occupancy of Lansdowne Park shall be paid for by the club;**
4. **The football club shall be exempt from the standard ticket surcharge for the initial 3-year term;**
5. **All revenue streams arising from the football club's game operations shall accrue to the club;**
6. **Any upgrades to the existing stadium scoreboard beyond its original operating capabilities shall be paid for by the club or alternatively, will require an equitable cost/revenue sharing agreement; and**
8. **Office accommodations at Lansdowne Park for the club's business operations will be provided to the club on a cost-recovery basis.**

CARRIED

7. **Any naming rights agreement negotiated by the club for Frank Clair Stadium will require approval of Regional Council.**

CARRIED

YEAS: D. Beamish, B. Hill, P. Hume, R. van den Ham, B. Chiarelli 5
NAYS: M. Meilleur, W. Stewart 2

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REGIONAL CLERK

1. RECORD OF TENDER OPENINGS
FOR THE MONTH OF JUNE 2000
(AS PER CORPORATE POLICY MANUAL SECTION 4.6.6)
Regional Clerk's memorandum dated 01 Jul 00

Corporate Services and Economic Development Committee Minute 01 August 2000	10
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INQUIRY

Councillor W. Stewart inquired whether the tender has been issued for the rejuvenation of Lansdowne Park prior to the Francophone Games. Mr. R. Ennor, Director, Property Services, replied that the project is being managed by Canderel, as part of the arrangement of the transfer of the property from Ottawa to the Region.

ADJOURNMENT

The meeting adjourned at 3:45 p.m.

A/CO-ORDINATOR

CHAIR