

REGION OF OTTAWA-CARLETON
RÉGION D'OTTAWA-CARLETON

REPORT
RAPPORT

Our File/N/Réf. Your File/V/Réf.	07-99-0083
DATE	01 June 2000
TO/DEST.	Co-ordinator Corporate Services and Economic Development Committee
FROM/EXP.	Executive Director, Economic Affairs
SUBJECT/OBJET	2 RIDEAU STREET / CANADA'S SPORTS HALL OF FAME DESIGN GUIDELINES AND REQUEST FOR PARTNERSHIP

DEPARTMENTAL RECOMMENDATIONS

That the Corporate Services and Economic Development Committee recommend Council:

- 1. Endorse the Design Guidelines, June 2000 [distributed separately] developed for the adaptive re-use of 2 Rideau Street, the former Union Station and adjoining lands, as prepared for and recommended by the study Steering Committee;**
- 2. In conjunction with the National Capital Commission, use its best efforts to co-ordinate the construction of the Mackenzie Avenue/Colonel By Drive section and node of Confederation Boulevard with the redevelopment of 2 Rideau Street and provide appropriate funding to meet its obligations in this regard; and**
- 3. Authorize staff to enter into negotiations with the private partnership group lead by Canadian Gateway Development Corporation to secure a formal partnership arrangement and ultimately development and long-term lease agreements for the adaptive re-use of 2 Rideau Street to accommodate Canada's Sports Hall of Fame and other complementary uses.**

BACKGROUND

In 1998, Canada's Sports Hall of Fame (CSHF) expressed interest in relocating to Ottawa and being accommodated at 2 Rideau Street, the former Union Station and current site of the federal Government Conference Centre. However, as the site is designated as part of the National Interest Land Mass (NILM) and falls under various federal ownerships, jurisdictions and designations, it could not be directly transferred to CSHF.

Therefore, on April 27, 1998, Public Works and Government Services Canada (PWGSC), the Region of Ottawa-Carleton (Region) and Canada's Sports Hall of Fame (CSHF) entered into an Agreement in Principle governing the adaptive re-use of the site to permanently house CSHF. The agreement assumed that the building could be transferred from PWGSC to the Region, and from the Region to CSHF, on the basis of a long-term lease for a dollar. However, preliminary building and development analyses subsequently undertaken by the signatories confirmed that CSHF would require use of the first and second floors of the building, but not the upper, office block floors. The studies also brought to light that the scope and cost of work required to rehabilitate the overall building would be significant, and therefore beyond the responsibilities and financial capabilities of CSHF.

The Region had a strong interest in seeing this project proceed. The re-use of the former Union Station would serve to animate this prime site and return it to the public realm -a major contribution to downtown revitalization. The site had also been identified as an important hub in the priority pedestrian linkages system which will directly connect downtown hotel and convention facilities. It was therefore determined that the Region could help facilitate the transfer and re-use of the site, firstly, by entering into a long-term lease and serving as a head lessor for the property and secondly, by seeking a private partner to invest in redeveloping the overall site in a manner which would finance the rehabilitation costs, and to manage the property.

On July 14, 1999, the Region, CSHF, PWGSC, Parks Canada (Parks) and the National Capital Commission (NCC) entered into a Memorandum of Understanding (MOU) for achieving the redevelopment of the site, with the goal of opening the Hall of Fame on July 2, 2002. A summary of the signatories' responsibilities under the MOU is provided in Annex A.

This report addresses progress on three key components of the MOU:

- Completion and approvals of the Design Guidelines, under the direction of the NCC;
- Completion of the Request for Partnership and approval of the selection of a proponent for further partnership and development and long-term lease negotiations, by the Region; and
- Securing of financial commitments and commencement of conceptual and functional planning for Canada's Sports Hall of Fame, by CSHF.

The report also addresses next steps in the project process, including related initiatives, such as the completion of Confederation Boulevard, and anticipated approvals processes and timelines.

ANALYSIS

1. Design Guidelines

The urban design and development guidelines have been prepared by Roger du Toit Architects Limited/du Toit Allsopp Hillier for the NCC, under the direction of an inter-agency Steering Committee comprised of representatives of the NCC, PWGSC, Parks, the Region, CSHF, the National Arts Centre (NAC) and City of Ottawa (City). Funding of the guidelines was cost-shared by the NCC, Region, Parks, PWGSC and CSHF.

Development Options Considered:

In developing the guidelines, four general development options, which are illustrated at a conceptual level in Annex B, and supporting development scenarios were examined. Features common to all of the options included: removal of the utilitarian 1968 addition at the south end of the building and its replacement with a new addition extending further south; and improved pedestrian connections, with the addition of a footbridge over the Canal and the removal of the pedestrian stairway and underpass at Colonel By Drive and Rideau Street and its replacement with a grade-level sidewalk.

The options varied with respect to the provision for additions to the east façade of the building and for enclosed pedestrian linkages to and through the site. The following summarizes the four options and the extent to which they were regarded as satisfactory by the Steering Committee in terms of urban design, pedestrian linkage, heritage values and economic viability.

Option 1:

This 'minimum' development option included a small addition along the blank wall of the east façade and was regarded as unsatisfactory.

Option 2:

This 'moderate' development option included a pedestrian linkage atrium and building expansion along the entire east façade of the existing building, extending out to and following the Colonel By Drive slip ramp alignment. This option was regarded as satisfactory.

Option 3:

This 'medium' development option included the realignment of the slip ramp to the west alongside the existing building, creating an island large enough to site a second, new building. The two buildings would be connected by pedestrian linkages over the ramp, and to the Congress Centre with a linkage over Colonel By Drive. This option was perceived to be more satisfactory.

Option 4:

This 'maximum' development option removed the slip ramp entirely, expanding the redevelopment site and permitting a pedestrian linkage/atrium and larger contiguous addition to the east, with a linkage over Colonel By Drive to the Congress Centre. This option was seen as highly satisfactory but unfeasible in terms of anticipated impacts on the area transportation network and resulting delays in securing approvals.

The first draft guidelines endorsed by the Steering Committee were therefore based on the third, 'medium' development option as the preferred option.

Input on Draft Guidelines:

The draft guidelines were presented for preliminary consultation to:

- Parks Canada's Federal Heritage Buildings Review Office (FHBRO)
- NCC's Advisory Committee on Planning Design and Realty (ACPDR)
- Adjacent property owners

- The Linkages Initiative
- The general public and interest groups at a public meeting held December 9, 1999

Feedback from adjacent property owners and the public was generally supportive of the Canal and Confederation Boulevard improvements. However, concerns were expressed with the Site and Building parameters. The scale and massing of the two connected buildings, and particularly, the impact on views to the Daly Site and Château Laurier, elicited some negative responses, including letters of objection from adjoining property owners. Concerns were also expressed with the 'underpass environment' that might be created between the two buildings.

Reaction to the proposed pedestrian connections and linkages was mixed. The grade level crossing at Rideau Street and the Canal footbridge were well supported. Members of the public were generally opposed to any elevated linkages and suggested at grade or if necessary, underground connections would be preferable. The business community and adjoining property owners were supportive of the linkage over Colonel By Drive and expressed some concern that a linkage over the Canal between the CSHF and the NAC was not also being recommended at this time.

Overall, there seemed to be a perception that the recommended 'medium' development option was focused primarily on economic viability and was not sufficiently compatible with the surrounding urban environment.

Revisions to Guidelines:

Based on the feedback received on the draft guidelines, a meeting of the organizations overseeing the guidelines was held at the executive level. With respect to concerns regarding the linkage over Colonel By Drive, the partner agencies agreed to conduct more detailed analyses of the potential for locating it underneath Colonel By Drive. The analyses indicated that although a below grade connection would be technically feasible, the costs would be prohibitive due to the significant construction costs, underground utility relocation costs, costs to connect from underground into adjoining properties (e.g., the Rideau Centre or Westin) and loss of existing business revenues. An analysis of the potential to off-set costs, such as through retail activity, determined that the relatively low projected pedestrian volumes would not support sufficient sales to attract retailers.

With respect to the massing of the buildings and impact on views, it was agreed that the design guidelines should be revised based on a refined version of the second, more 'moderate' development option.

Final Guidelines:

The final Design Guidelines, which are generally illustrated in the 'Summary of Design Guidelines' concept (Annex C), address four key aspects of the adaptive re-use of the site:

- The Building -including matters of public access, urban design, economic viability, pedestrian linkages, transportation servicing, heritage character, historic values and views
- Site Development -including matters of pedestrian circulation, public activity and transportation servicing

- Rideau Canal
- Confederation Boulevard

The following summarizes key points from the four guideline sections.

The Building:

The guidelines recommend that the north and west façades of the building remain exposed to view, with minimal interventions. Additions along the east elevation are permitted, such that with the exception of the northerly 'blank wall' section, exterior or interior views of the façade are maintained. Additions are recommended to step down in a southerly direction, in tandem with the heights of the existing building sections, from a height of about seven storeys to three storeys. Removal of the 1968 southerly addition and attachment of a new three storey addition is permitted, with views to the concourse roof and roof light to be maintained.

While respecting the building's heritage and architectural value, accessible, active, animated uses are encouraged at grade levels around the perimeter. In addition to CSHF, a range of potential complementary uses is encouraged, including office, retail, dining and entertainment/leisure uses.

Building setbacks permit a continuity of surface sidewalks with a general width of six metres. Provision is made for enclosed pedestrian linkages to and through the site, including the connection of the existing below-grade linkage between the Château Laurier and the building to a north-south atrium/linkage through the building, and in turn to an above-grade linkage to the Congress Centre over Colonel By Drive.

In the case of the latter linkage, which will be the most prominent, the guidelines state that it "... must form an inspired sense of gateway into the Core of the Capital. It is not acceptable to have a bridge as utilitarian as those now crossing Rideau Street". With any redevelopment of the Congress Centre and NAC, provision for a pedestrian linkage is recommended, integrated with the Mackenzie King Bridge, such that the viewscape is protected.

Site Development:

The guidelines recommend modifying the Rideau Street/Colonel By Drive intersection such that the slip ramp is straightened, narrowed and shifted to the east. This will create a more formal street pattern and small square, the 'Sussex Triangle'. Street landscaping in keeping with Confederation Boulevard standards will further improve the site and environs.

Based on a transportation servicing analysis report, the guidelines recommend that drop-off and pick-up for the mobility challenged and service deliveries and removals be accommodated on site; and that taxi and bus drop-off and pick-up be accommodated on, or directly adjacent to the site along Colonel By Drive. The site is well situated for access by public transit and cycling routes. Parking is not required or easily provided on site. Co-ordination and linkages with nearby parking facilities will therefore be important.

Rideau Canal:

The guidelines promote re-capturing the Rideau Canal as an 'Entrance Valley' and scenic approach to the Capital. The focus is on improved access to this half hidden area and developing it as an animated leisure and entertainment destination. A pedestrian lift or swing bridge over the Canal is recommended to draw people to and through the area. Access to the area is also expected to increase as a result of the Plaza Bridge Rehabilitation project improvements.

Confederation Boulevard:

The guidelines call for the completion of Confederation Boulevard to the north of the site (from Mackenzie Avenue to Colonel By Drive) and completion of the Confederation Boulevard Node at this key turning point in the route. This 'urban room' will feature a visible marker, entries and open space with public activity areas, all framed by surrounding buildings featuring animated uses.

The guidelines also recommend reclaiming Colonel By Drive as a true scenic entry to the Capital Core, and possibly as an extension of Confederation Boulevard. This includes minimizing lane widths and increasing pedestrian space, improving landscaping and enhancing the street frontage of the Congress Centre when it is expanded.

Input on Final Guidelines:

The revised, final guidelines as summarized above, were presented for further feedback to: FHBRO, ACPDR, adjacent property owners, the Linkages Initiative, the City of Ottawa's Local Architectural Conservation Advisory Committee (LACAC) and the general public and interest groups, at an open house held by the Region on 26 April, 2000.

Generally, the response to the revised guidelines based on the more moderate development scenario was positive. Many of the respondents expressed appreciation at seeing that their previous input had resulted in considerable change to the guidelines.

The reduced scale of the addition is seen as a significant improvement. The straightening and narrowing of the slip ramp and creation of the 'Sussex Triangle' is also regarded positively. The Linkages Initiative and adjoining land owners strongly support the linkage over Colonel By Drive, subject to further examinations to fix the most appropriate points of connection. However, LACAC and local community interests, continue to express their opposition to the elevated linkage and their preference for a street level or below grade connection. Much of the concern seems to be based on fears that this linkage will lead to the development of many more overhead linkages, based on the precedents of cities with extensive elevated systems, like Calgary and Minneapolis and would be of a poor design, based on the precedent of the nearby pedways connecting the Bay and Rideau Centre over Rideau Street.

In response to these concerns, staff note the following. Implementation of the priority pedestrian linkages is critical to the economic future of our Tourism cluster. Unlike any other cities with linkage networks, the system endorsed by City and Regional Council and reflected in the Region's Official Plan

policies, is strategic, limited in scope, and varied in level. Only two overhead linkages are contemplated to directly connect the Congress Centre/new convention centre to the 2 Rideau site and to the Novotel/Les Suites development, and thereby to as many as 1,500 additional hotel rooms. Detailed analyses were undertaken before a linkage underneath Colonel By Dr. was ruled out as a possibility.

In keeping with the subject Design Guidelines and the Pedestrian Linkages Implementation Guidelines recently adopted by Regional Council, any new linkages will be subject to discussions with the affected property owners and to inter-agency approvals which will require the highest of design standards.

2. Confederation Boulevard / 2 Rideau Street Co-ordination

In association with the completion of the last section and node of Confederation Boulevard, there is a need and commitment to remove the pedestrian underpass at Colonel By Drive and Rideau Street. This will likely require the removal of the related bridge structure owned by the Region. The reinstatement of a grade level crossing will provide a greatly improved pedestrian environment at this key downtown crossroads.

3. Request for Partnership

In accordance with the MOU, the Region has undertaken steps to secure a private partner to invest into the redevelopment and on-going management of the site. At this time, staff are seeking Council approval to select a private partner to enter into further negotiations, with the objective of securing a formal partnership arrangement and ultimately, development and long-term lease agreements.

Selection Process:

The Region issued a Request for Partnership through the electronic MERX system on August 27, 1999, and advertisements in the Citizen, Sun and Le Droit on September 3, 1999, and the Globe & Mail on September 4, 1999. An information session and site tour was conducted on September 14, 1999 and the deadline for submissions was September 27, 1999.

Submissions were received from the following two firms:

- Bosgoed Project Consultants Ltd., Regina, Saskatchewan
- Canadian Gateway Development Corporation, Ottawa, Ontario

The submissions were evaluated by a committee comprised of representatives from the Region, Canada's Sports Hall of Fame, and the National Capital Commission, using the following criteria:

- Experience in Projects of a Similar Scope
- Understanding of the Project
- Financial Capability

The Bosgoed submission, made on behalf of the Assembly of First Nations, was an expression of interest in leasing space, not developing the site. Accordingly, it did not meet the requirements of the RFP. The submission from the private partnership group lead by Canadian Gateway Development Corporation (GCDC) met all requirements of the RFP and this group is therefore being recommended for selection to enter into further negotiations with the Region.

Approval of Selection of Partnership Group:

In support of this report, CGDC and CSHF have prepared summary submissions regarding the adaptive re-use of 2 Rideau Street (distributed separately). As illustrated in their submission, the development team lead by CGDC is well suited to undertaking the 2 Rideau Street project. CGDC is comprised of prominent local development companies, The Regional Group of Companies and Westeinde Construction Ltd.

CGDC will also be working in partnership with Trammell Crow Company, a North American leader in property development and management. The project team will also include the Zeidler Roberts Partnership (ZRP), architects for such exemplary Canadian projects as Toronto's Eaton Centre, Queen's Quay Terminal and Ontario Place Forum and Vancouver's Canada Place, as well as many notable international developments. Additionally, Barry Padolsky Architect Ltd. will be responsible for the detailed restoration and heritage considerations. Soskolne Associates will handle the planning and development issues and Pelican Woodcliff Inc. will be the project managers.

As indicated in their submissions, both CGDC and CSHF have included ZRP on their development teams. This demonstrates a strong partnership approach and initiative in addressing one of the objectives of the MOU -to use best efforts to select a common architect for CSHF and the Private Partner.

Both Regional staff and Canada's Sports Hall of Fame support the selection of the private partnership group lead by CGDC for further negotiations.

Formalizing the Long-term Agreements:

Before long-term lease agreements can be negotiated, the private partnership group will need to undertake due diligence in order to verify the building condition to their satisfaction and assess development options and approval requirements based on the Design Guidelines. At that time, they will be in a position to confirm the economic viability of the project. This due diligence period will extend for a maximum period of four months. If the project is not sufficiently viable, neither the partnership group or the Region are obligated to proceed with the effort and the property will remain with the federal government.

4. Canada's Sports Hall of Fame Financial Commitments

Under the terms of the MOU, CSHF is responsible for raising all funds required for the fit-up, operation and leasing of its space. It is also responsible for related planning, design and approvals requirements.

Towards this end, CSHF has been working towards a goal of raising a total of \$35M, including:

- securing ten founding partners contributing \$1.5M each for a total of \$15M;
- securing contributing partners for financial or in-kind contributions amounting to \$5M;
- securing \$5M each from the Provincial and Federal governments for a total of \$10M; and
- securing \$5M from a grass roots fund-raising campaign.

CSHF's significant progress to date in their fundraising efforts is reported in the summary submission distributed separately. The involvement of flagship corporations and agencies and senior governments demonstrates that there is strong support for this national facility and that it will be developed as a world class attraction.

In addition to retaining ZRP, CSHF has also retained project managers Pelican Woodcliff Inc. The firms are presently working with CSHF to develop preliminary conceptual and functional plans for the Hall. CSHF is also in the process of issuing a request for proposals from the nation's best exhibit designers.

5. Next Steps

The next steps for the Region in fulfilling its obligations under the MOU are to:

1. Continue to work in collaboration with all federal agencies, the private partnership group and Canada's Sports Hall of Fame to:
 - secure commitments to proceed with long-term plans within the next 4 months
 - negotiate and develop the long-term lease agreements
 - report back to the new City Council for approval of the long-term lease agreements;
2. Negotiate with adjoining property owners on the funding cost-sharing for the pedestrian linkages proposed in the design guidelines, as per the Pedestrian Linkages Implementation Guidelines approved by Council; and
3. Work closely with the National Capital Commission, and others, on the planning and design of the last portion of Confederation Boulevard.

Anticipated Project Timelines:

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|--|-----------------------------|
| • Approval of Design Guidelines | June 2000 |
| • Trial Design Studies | July-August 2000 |
| • Conceptual Design | September 2000-January 2001 |
| • Execution of Agreements | January-February 2001 |
| • Design and Approvals | February-December 2001 |
| • Building Transfer | January 2002 |
| • Award Contracts and Start Construction | January 2002 |
| • CSHF Opening | July 2003 |

CONSULTATION

Consultation related to Recommendation 1. concerning endorsement of the Design Guidelines was undertaken as follows.

The Design Guidelines were developed by an inter-agency Steering Committee chaired and managed by the NCC, with representatives from the Region, PWGSC, Parks, CSHF, the NAC, and City of Ottawa. Executives from these organizations also provided direction on the process. The NCC's Advisory Committee on Planning Design and Realty and Parks Canada's Federal Heritage Buildings Review Office were also consulted throughout the guidelines study.

Input was solicited from the pedestrian Linkages Initiative and from adjoining property owners on both the draft and final guidelines. The final guidelines were also posted at a display at the By Ward Market Showcase on May 2, 2000, and presented for information and input to the City of Ottawa's Local Architectural Conservation Advisory Committee on May 16, 2000.

A public meeting on the draft guidelines was held by the Steering Committee December 9, 1999 and a public open house on the final guidelines was held by the Region on April 26, 2000. Interest groups, such as area community and business associations, were directly notified of the public meetings as well as this report to Corporate Services and Economic Development Committee.

Input received from these consultations was considered in the preparation of the guidelines and this report.

No consultation was required with respect to Recommendations 2. and 3. regarding the co-ordination of work with the National Capital Commission or the Request for Partnership.

FINANCIAL IMPLICATIONS

There are no new financial implications associated with the endorsement of the Design Guidelines or with the selection of the private partner for further development and lease agreement negotiations for the redevelopment of 2 Rideau Street.

With respect to ensuring funds are provided for the co-ordination of construction work related to the completion of the Mackenzie Avenue/Colonel By Drive section and node of Confederation Boulevard and the redevelopment of 2 Rideau Street, funds in the order of \$600,000 have already been budgeted by the Environment and Transportation Department to initiate this work, as per Account No. 900071, Mackenzie Ave/Rideau St. (Reference Page 168, 2000 Capital Budget).

*Approved by
R. Chartrand*

CAL/
Attach. (3)

**Memorandum of Understanding
Government Conference Centre
2 Rideau Street Ottawa**

Summary of Major Roles and Responsibilities

Public Works and Government Services Canada (PWGSC) will:

- Lease the building to the Region for a minimum 40 year period with renewal provisions;
- Contribute \$1,500,000 to the Region for building upgrades upon execution of the lease;
- Contribute at least \$500,000 in capital maintenance repair work to the building prior to commencement of the lease; and
- Contribute \$500,000 and endeavour to obtain additional funding to construct a pedestrian walkway linkage from the NAC across the Canal to the building, conditional upon the eventual linkage owner obtaining approvals and the Region securing similar funds for construction of a north-south linkage through the building and obtaining \$500,000 from other sources for a linkage across Colonel By Drive to the proposed Convention Centre.

The Region of Ottawa-Carleton (Region) will:

- Enter into the building lease with PWGSC subject to:
 - Receiving Urban Design and Development Guidelines from the NCC,
 - Finding and entering into an agreement with a suitable Private Sector Partner to finance the capital investment required to develop the property,
 - Receiving all necessary approvals to develop the property, obtained at the cost of CSHF and the Private Sector Partner,
 - Retaining right of approval over potential building tenants to protect corporate image of the Region and CSHF, and
 - Obtaining all necessary financial guarantees from CSHF;
- Ensure its Private Sector Partner and CSHF renovate, improve and expand the property in accordance with the NCC guidelines;
- Ensure its Private Sector Partner will:
 - Provide property management services, including leasing all non-CSHF space, and
 - Provide basic building services to perimeter of CSHF space;
- Contribute \$500,000 to the north-south pedestrian linkage and secure funds from other partners for the pedestrian linkage across Colonel By Drive;
- Contribute up to \$500,000 from the Plaza Bridge project for the development of the space under the east arch as a tourist destination; and
- Provide leadership and best efforts in implementing and managing adaptive re-use of site.

Canada's Sports Hall of Fame (CSHF) will:

- Sublease the 1st and 2nd floors of the building from the Region, on terms coterminous with the building lease, for an annual rent of a minimum \$500,000, subject to negotiated increases;
- Review and comment on potential tenants to protect their corporate image;
- Obtain all approvals for and implement its leasehold improvements and operations at its cost;
- Finance freight elevator costs, and 1/3 of existing passenger elevators and all other operating costs associated with their occupancy; and
- Use best efforts to select a common architect and to share the fees pro rata with the Region, through its Private Sector Partner and to tender the work as one contract.

All above obligations are subject to the ability of CSHF to raise necessary funding.

National Capital Commission (NCC) will:

- Contribute its adjacent lands to the Region through a long-term ground lease coterminous with the building lease and subject to the same renewal terms, for annual rent of \$1 (subject to terms of NCC's lease commitments with Paul's Boat Lines and approvals required under National Capital Act)
- Prepare Urban Design and Development Guidelines for the property; and
- Grant Federal Design and Land Use approval for the property.

Parks Canada - Rideau Canal (Parks) will:

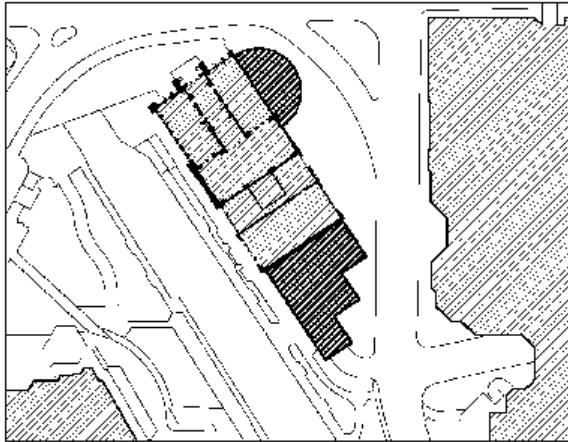
- Contribute lands lying under and to the south of the building to the Region through a long-term ground lease coterminous with the building lease and subject to the same renewal terms, for an annual rent of \$1, with provisions for pedestrian and operational access to and along the Canal;
- Review proposals for use of its additional lands adjoining the Canal and under Plaza Bridge, and if not required by Parks and a proposed use is acceptable to the Federal Heritage Buildings Review Office, contribute these lands to the Region through a long-term ground lease coterminous with the building lease and subject to the same renewal terms.

All Parties will:

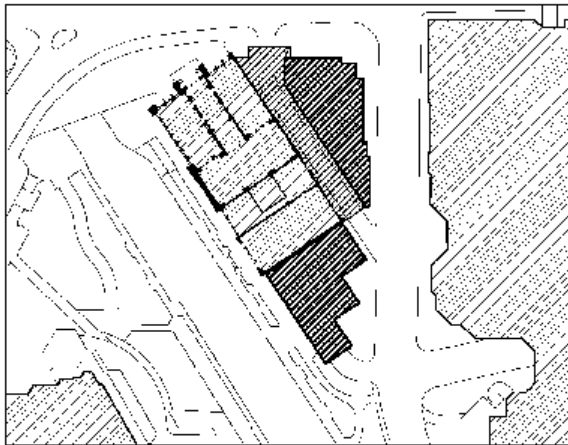
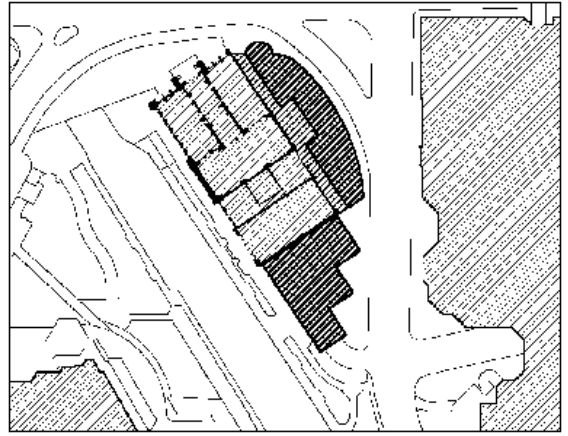
- Consider the use of Parks' land between the building and Canal for use as the north-south pedestrian linkage and for commercial uses such as a patio;
- Recognize the heritage values of the property and therefore further study the location of the north-south linkage; and
- Conduct a study led by the NCC to develop a concept design for the pedestrian walkway linkage across the Canal and invite the National Arts Centre and City of Ottawa to participate in the study.

Design Guidelines Development Options

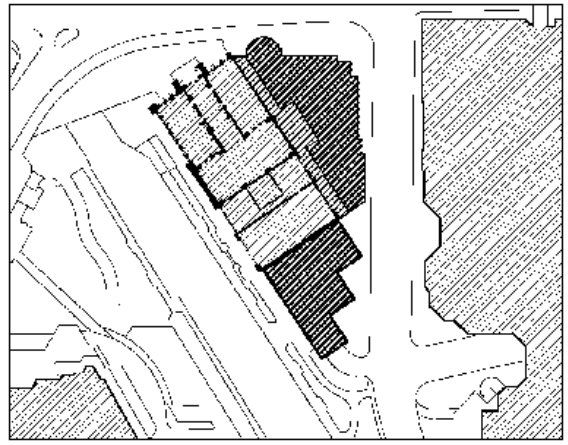
Option 1



Option 2



Option 3



Option 4

Guidelines Summary Concept

