

DATE 23 April 1999

TO/DEST. Mayor and Ottawa City Council
Chair and Regional Council

FROM/EXP. Regional Chief Administrative Officer
Ottawa Chief Administrative Officer

SUBJECT/OBJET - **REGIONAL ASSUMPTION OF LANSDOWNE PARK**
- **UNIFICATION OF OTTAWA AND REGIONAL**
SEWER SYSTEMS

Purpose

The purpose of this report is to recommend to the Councils of Ottawa and Ottawa-Carleton:

1. The recognition of the Regional character of the Lansdowne Park facility, and its assumption by the Region of Ottawa-Carleton as a basis for its redevelopment to preserve its key features and to better develop the balance; and
2. The unification, by assumption into the Regional Sewer System, of the Ottawa sanitary and combined sewer systems.

Resolution

NOW THEREFORE BE IT RESOLVED that the Council of the Regional Municipality of Ottawa-Carleton and the Council of the Corporation of the City of Ottawa adopt in principle the said report and direct their respective officials to prepare such agreements and take such action as is required to enable the Regional and City Councils to formally consider, approve and implement this proposal, with the formal Agreement to be executed by 30 June 1999 and with all closings and transfers to be completed no later than October 29, 1999.

The full resolution, including recitals, is attached at Annex "A".

Review Approach

Over the last several years, a number of issues have arisen that would be less complex to deal with if municipal restructuring in Ottawa-Carleton were a reality. The ownership and operation of Lansdowne Park is such an issue. Under a one-tier scenario, Lansdowne Park would become a single-city asset, and therefore Council would be preparing a management plan for its administration since Lansdowne Park clearly serves as an important public facility for residents across the entire region and beyond. The City of Ottawa has expressed its unwillingness to continue to operate Lansdowne at a cost to the City taxpayer when it is of significance to the broader community. Early transfer of Lansdowne Park, prior to municipal restructuring, has therefore become the subject of public debate. The City of Ottawa took on the difficult issue of meeting the Lansdowne challenge on a basis that has resulted in a common solution with the Region.

The reality of provincial downloading has also increased the importance of timely municipal restructuring. Savings must be achieved as quickly as possible in order to absorb the costs associated with the Local Services Realignment while respecting Council's desire to avoid increasing taxes. In the long run, the only realistic way to address the challenge of downloading is by tackling the overlap and duplication inherent in a two-tier system of municipal governance. Restructuring savings cannot wait if we are to address the challenge of downloading in a truly sustainable way.

One of the more promising areas for generating efficiencies will come with amalgamation of the local and regional sewer systems. Currently ownership and daily management is divided in a way that makes a system-wide approach to the sanitary sewer system difficult to achieve. Ottawa-Carleton has responsibility for trunk sewers and sewage treatment and disposal. The City of Ottawa has responsibility for the local sanitary and combined sewers. These two systems must be operated by two different municipal corporations to serve the same taxpayers and residents. Some duplication of effort and some inefficiencies are the inevitable consequence.

Both the City of Ottawa Council and Regional Council have passed motions directing staff to seek ways of amalgamating services to improve efficiency. The transfer responsibility for all sanitary sewers within the City of Ottawa to the Region on suitable terms will produce operating efficiencies and costs savings.

First-Step Proposal

It is the opinion of staff that savings can be achieved and important public assets can be preserved through a limited restructuring undertaken under existing authority. This restructuring proposal will prepare the ground for more fundamental change.

Under this proposed agreement the Region would assume ownership and responsibility for Lansdowne Park as well as the management and control of the sanitary sewer system within the City of Ottawa. Savings from the proposal would allow for funding of the capital rehabilitation needs required for a stabilization period of up to ten years, if

required, for Lansdowne Park, for an enhanced sewer capital program in Ottawa and for lower costs for Ottawa ratepayers. Over the ten year stabilization period the total net present value of financial benefit to Ottawa ratepayers is estimated to be more than \$26 million without additional cost to the Region.

The proposal also addresses the backlog of deferred capital rehabilitation spending at Lansdowne Park. The Civic Centre and Frank Clair Stadium at Lansdowne Park will be retained in public ownership, and operated as a community-oriented venue for trade shows, conferences, entertainment and leisure events of region-wide significance.

Implementation of a short-term operational strategy will stabilize current operations. The Region will immediately undertake the required capital maintenance improvements that have been deferred since 1997. The facilities will be operated on a revenue neutral, or better, basis. This additional time will allow the Region to thoughtfully plan for the future of Lansdowne Park, guided by high-level, broad-based use and development principles laid out in this report and endorsed by Regional and City Councils.

It is anticipated that financial savings created in the Regional system through management efficiencies in wastewater system operations, capital investment savings and overall corporate streamlining can be followed to achieve savings for the local system. Gains accrued in this area through management by the Region will allow the City to fund existing sewer system debt charges from existing levels of surcharge revenues instead of the tax bill, thereby creating capacity on the City's tax bill for the remaining life of the debt. After the sewer debt is retired, payments of an equivalent amount will be made available as additional funding to the City's storm sewer system. In turn, an annual contribution from the City of Ottawa will facilitate the stabilization of capital maintenance investment at Lansdowne, and ensure a continuing role for the Park in the community.

Lansdowne Park Proposal

On 8 October 1998, Regional Council adopted the following (in part) motion:

"...that the RMOC work co-operatively with the City of Ottawa to find some means whereby Lansdowne Park could function profitably within its 'Major Community Facility' designation..."

"...should all efforts by the RMOC to work co-operatively with the City of Ottawa to find a joint and mutually agreed upon solution to the redevelopment of Lansdowne Park fail, Regional Council indicate its readiness to enter into negotiations with the City of Ottawa to purchase Lansdowne Park, subject to a business plan that ensures no future operating and capital deficits..."

"...should the City of Ottawa indicate its willingness to enter into negotiations with the RMOC for the purchase of Lansdowne park, that the Economic Affairs Unit be instructed to retain an independent firm to

prepare a viable business plan for Regional Council approval that will maintain Lansdowne park as a public place..."

Subsequently, on 20 January 1999, Ottawa City Council, adopted the following motion (in part):

"that negotiations with Canderel be suspended for 90 days and that the Chief Administrative Officer be authorized to enter into discussions with the Region to discuss and consider any offers the Region may wish to make for the purchase of Lansdowne Park, consistent with their motion passed on October 8, 1998"

During the ensuing period of time, the Regional Chair, the Mayor of the City of Ottawa and their respective CAO's have met to explore the potential opportunities for Lansdowne Park, endeavoring to find common ground consistent with the Council motion of October 8, 1998. Guidance and professional advice was also sought from key advisors agreed to by both parties. The advisors were Barry Hobin of Barry J. Hobin and Associates Architects Incorporated and Mr. Richard Moore, P.Eng., President of Thomas Fuller Construction Co., Limited.

The ninety-day discussion period initiated by Canderel, with an additional 15 days extension, expires on May 6, 1999. During discussion on Lansdowne Park and subsequent analysis by Regional staff, it became apparent that the best way to address Council's goals was to take a broader approach. While the concepts underpinning the proposal are straightforward; sorting out the details will be more complex and will require time to identify and resolve for implementation.

The 1999 Ottawa Budget provides an operating budget for Lansdowne Park of \$3.8 million in gross expenditures, of which \$2.6 million is offset through operating revenues resulting in a tax requirement of \$1.2 million.

In addition, the City has identified existing annual debt servicing costs for Lansdowne Park of \$1.8 million. This existing debt will be retired by the City of Ottawa. These debt servicing costs were excluded from the proposals the City received concerning the redevelopment of Lansdowne Park. These debt servicing costs are also excluded from this proposal.

Over the years, the City's practice has been to provide the capital funds needed to maintain Lansdowne. These capital contributions stopped in 1996 when Ottawa started the process to determine the most appropriate course for the future of the facility. Since that time, approximately \$7 million of capital works expenditures have been deferred.

In order to assess the capital requirements needed to continue to operate the facility during a stabilization period within its present use, the Region engaged the services of Mr. Richard Moore, P.Eng., President, Thomas Fuller Construction. The consultant was asked to review the capital needs for up to a ten-year stabilization period, by which point

the results of a long-term strategy and public consultation process will have been completed. The consultant reported that capital requirements of \$7.4 million would be required during the stabilization period (see Table 1). This represents approximately \$675,000 annualized over a fifteen year term.

TABLE 1: PROJECTED CAPITAL INVESTMENT (\$000)

	Coliseum	Aberdeen Pavilion	Civic Centre	L.P.D. Site	South Side Stands	Totals
Investment to Year 2001	\$200	\$ 75	\$2,900	\$ 800	\$600	\$4,575
Investment for Years 2001 to 2008	\$250	\$150	\$1,700	\$ 600	\$150	\$2,850
Totals	\$450	\$225	\$4,600	\$1,400	\$750	\$7,425

Barry J. Hobin and Associates and Fuller Construction Limited assessed the constraints and opportunities which would direct the redevelopment of Lansdowne Park. The advisors reviewed the RFP submissions and designs with the co-operation of the two existing short-listed proponents. The study suggests that by following an alternate approach during the Request For Proposal process it would be possible to retain the majority of the site for public use with less land being allocated for development and without further taxpayer support.

It is recommended that Regional Council endorse the following high-level, broad-based use and development principles as an expression of its commitment to the long-term future of Lansdowne Park:

- **Retain the Civic Centre and Frank Clair Stadium, and explore means to minimize their visual and functional impacts on the surrounding environment;**
- **Develop a major green space feature which incorporates active and passive areas;**
- **Integrate the parkland areas into the linear canal and driveway systems, thereby opening up views, pedestrian pathways and cycle routes;**
- **Incorporate existing structures of heritage status into a place of respect and prominence as part of the park; and**
- **Explore opportunities for commercial and residential development, which could support the neighbourhood and other uses at Lansdowne Park.**

It will only be possible to set a long term revitalization plan for the facility in partnership with the community and with the private sector. An extensive partnership and consultation with affected communities, particularly in the Glebe and Old Ottawa South, is required before a definitive revitalization framework can be set.

Lansdowne Park Ten-Year Stabilization Period

Significant opportunities exist to improve the operating results of Lansdowne Park to a “break even” position following transfer of the facility to the Region.

In order to achieve these results Regional Council must commit itself to an aggressive operating plan based upon the following immediate actions:

- *Rationalize operating costs with an emphasis on reductions realized through greater efficiencies in facilities operations management.*

A reduction of 5-10% in operating costs at Lansdowne would realize an approximate expenditure saving of \$250,000. These savings would be obtained from more efficient use of resources, purchasing efficiencies, service agreements and strict adherence to pricing structures and revenue agreements. Any subsidies to be provided by Council for use of the facility would have to be undertaken by way of grant, rather than exemptions from fees as is currently done.

- *Implement a fee structure for use of the parking facilities at Lansdowne.*

At present, fees for parking are not charged at Lansdowne Park. It is estimated that parking revenue at the site derived from major events would be in the order of \$570,000 net of administration costs, based on an average 80% occupancy of the 2,058 parking stalls during 70% of the reported 174 annual major event days (96 events) and a parking spot fee of \$3.00 per vehicle.

- *Aggressively pursue new revenues at Lansdowne Park.*

Because of the uncertainty about the future of Lansdowne Park, there has not been an aggressive marketing plan for several years. A conservatively assumed 15% increase in revenue generated from rental sales of space would net an additional \$370,000 annually. An aggressive marketing plan to attract new events and limit idle time of the facilities would include:

- ⇒ creating a community-use pricing structure for Frank Clair Stadium;
- ⇒ better marketing of ice time;
- ⇒ better marketing of the facilities for sporting events such as track and field competitions;
- ⇒ examining surcharge amounts from ticket sales and potentially increasing that amount;
- seeking additional trade and development events in partnership with Regional development agencies (OTCA, OCRI, OED and OLSC); and

⇒ working with existing events organizers to increase attendance.

Long Term Operation Strategy at Lansdowne Park

Lansdowne Park is a unique and valuable Regional community resource. The Park will continue to be a focus in the Region of Ottawa-Carleton. The site is a significant component of the urban and regional landscape. The site is adjacent to National Capital Commission green space and the Rideau Canal.

A commitment has been made for the use of Lansdowne as a key site for activities that will be part of the Francophone Games during July, 2001. The Region will fulfill the commitments undertaken by the City of Ottawa with respect to the Francophone Games, as well as the Central Canada Exhibition in 2000 and 2001 and the Ottawa 67's 2000-2002 playing seasons. With these commitments to the immediate future and to financial stability, there is clearly time for the Regional community to thoughtfully plan for the future of Lansdowne Park.

Sanitary Sewer System Proposal

This report is the final step in the reunification of the system of sewers in the City of Ottawa. Prior to 1968, Ottawa had built and operated its own trunk and sanitary sewer systems, and sewage treatment and disposal facilities. To a very limited extent these services were made available in abutting lands by specific agreements.

With the advent of Regional Government in 1968, the Ottawa system formed the core of the new Regional system, which was now the base for service to an ever expanding service area. While the Region assumed responsibility for outstanding sewer related debt, no provision was made for prior years capital contributions or net system value. With this merger, the fragmentation of the system is ended.

Sanitary Sewer System Budget

The City of Ottawa funds both sewer operations and sewer capital from a 67.5% sewer surcharge based on total water charges. This revenue is billed and collected by the Region and remitted to the City of Ottawa. Based on Ottawa's 1999 Budget, this translates into \$18.6 million of sewer surcharge revenue allocated as follows: 7.3 million to sanitary sewer operations, \$1.4 million for storm water system operation and maintenance and \$9.9 million in capital contributions.

In addition, the City also funds debt servicing charges which will amount to \$4.2 million, until retired in 2004, for sanitary and storm sewers from property taxes.

The ten-year capital plan for Ottawa sewers calls for \$111 million in rehabilitation works which is planned to be covered by existing sewer surcharge rate contributions.

The Region will ensure that the level of expenditure to maintain and improve the sewer system in Ottawa and the level of service to Ottawa residents is at least equal to that of the City of Ottawa prior to the transfer of the systems to the Region.

Ottawa shall exert its best efforts to ensure that all of its sewer systems are Y2K compliant prior to the date of transfer.

The Region undertakes to complete the Combined Sewer Overflow Tunnel project and all other works jointly undertaken as of the date of this agreement and Ottawa will transfer, and the Region will utilize Ottawa Sanitary Sewer Reserves for these purposes.

Transfer of Sanitary Sewer System

Past work and analysis have estimated the overall potential for savings from unifying sewer and water services region-wide at between \$5 and \$7 million. Within the City of Ottawa, it is expected that \$3-4 million in annual savings can be achieved by managing the sanitary sewer system as a unified system.

The following areas are expected to yield significant immediate savings:

- Overlap and duplication elimination through overtime and work pool optimization;
- Expanded use of SCADA to manage the system on a day to day basis;
- Making best use of the expertise that presently exists across the two organizations, such as hydraulic modeling;
- Organizational efficiencies (typically in management and supervisory areas);
- Streamlining the decision-making process for wastewater related initiatives;
- Improving co-ordination of rehab works with watermains; and
- Clear identification of accountability to enable efforts to be concentrated on improving service.

It is important to recognize also that direct operating costs are only one of the components of the overall costs required to be supported by the sewer rate. Other cost areas include:

- Corporate Costs which includes the corporate departments such as CAO, Finance, Clerk, HR and financial services such as debt payments and contributions to reserves for capital expenditures;
- Indirect Program Costs which includes direct support costs for such services as stores and engineering

In addition, a substantial piece of the funding model is the long term capital rehabilitation and upgrade requirements of the system. A more detailed assessment is required in these

areas to identify potential efficiencies and outstanding system deficiencies beyond the City of Ottawa's capital.

The savings estimates outlined in this report were compared to available benchmarking data to provide a higher level of confidence in program delivery savings. There is no clear parallel to the proposed amalgamation; however some facts do stand out. An analysis completed by the region of Waterloo entitled One-Tier Sewer and Water System Costing Study identified 17% savings in wastewater delivery costs under a one-tier delivery model.

A comparison of benchmark data for small versus larger municipalities supports that economies of scale in operation and maintenance are achieved with larger systems. In fact the benchmarking data revealed that, on average, the operation and maintenance unit cost for the larger systems was 30% lower than the smaller system.

The Region's past record of achieving efficiencies in sewer service and the benchmarking data indicates that it is reasonably conservative to anticipate approximately 15 to 20% savings in unifying the City of Ottawa sewer system. Based on the City of Ottawa's 1999 operating budget the longer term savings amount to approximately \$3 - \$4 million annually which savings could reasonably be expected, to be available after the third year of a unified operation. Savings of at least \$1.5 million will be immediately achievable upon the merger of the local sanitary sewers in the City of Ottawa into the overall regional system.

Responsibility for all storm sewer services remain with the City of Ottawa. The rate requirement for these services would be transferred to the City on a flow-through basis from a portion of the revenues generated by the surcharge rate. The rate for Ottawa storm sewers shall be as determined to be required by Ottawa to meet its full costs recoveries.

Issues such as infiltration, flow monitoring, expansion and rehabilitation planning, and overall water environment protection will be done on a system basis with clear definition of accountability and responsibility. Decisions will therefore reflect the best solution for both the environment and the system without overlaying sewer ownership considerations. The two major environmental services that affect residents on a daily basis, water and sewers, would then be on the same footing, and conservation and protection measures that affect both systems can be more readily implemented. Customers will benefit from having only one contact for these two key services at their door.

One of the advantages of this first-step proposal is that it will set the groundwork for dealing with one of the most difficult problems facing a wider restructuring. Opponents of a single government often cite Ottawa's local sewers, and the liabilities associated with its present condition as a reason to oppose amalgamation. This proposal addresses those concerns by:

- establishing differential sewer rates so that liabilities are dealt with by the ratepayers within that area;

- limiting the liability by more aggressively addressing the capital needs of the sewer system without shifting costs to ratepayers in other municipalities. It is a general rule that for every dollar spent on the timely system renewal, three dollars will be saved in the long run; and
- the framework for normalizing the condition of all local sewers will be in place while the long-term goal of phasing out differential sewer rate is pursued;
- the proposal will be accomplished without financial burden or contributions from ratepayers outside the City of Ottawa.

Summary of the Proposal

The proposal being presented in this report is as follows:

- **The transfer of Lansdowne Park from the City of Ottawa to the Region of Ottawa-Carleton at no cost to the Region.** After 1999, the City of Ottawa will realize a benefit of \$1.2 million in eliminated annual operating cost. Responsibility for the operation of Lansdowne Park, will be borne by the Region. The facility will be operated by the Region on a breakeven basis in accordance with the operational principles set out in this report.
- **The Region will assume responsibility for the management and operation of local sanitary (including combined) sewer system in the City of Ottawa.** The City will retain ownership and responsibility for storm sewers. Savings generated by the unified management and control of the sanitary sewer system will be made available to the City to fund sewer debt service charges currently funded by City property taxes, thereby immediately lowering the City's tax requirement. This use of sewer surcharge savings capacity can continue until the related debt is retired, which is expected to occur in 2003. Subsequently, the \$1.5 million in sewer surcharge savings capacity will be made available as funding for the City storm sewer systems for an additional seven years.

The transfer of the operating responsibility will require that the City of Ottawa and the Region jointly petition the Province to approve the appropriate legislation authorizing transfer of ownership of the local sewer system from the City to the Region.

- **The Region will implement the scheduled capital maintenance improvements to infrastructure at Lansdowne Park (1997-2001) deferred by the City of Ottawa.** The improvements will be funded, in part, from an annual payment of \$675,000 from the City to be paid by annual grant or special area rate for a period of 15 years. This contribution towards real property improvements will be more than offset by the tax room created on the City tax bill through the funding of the sanitary and storm sewer debt charges by surcharge revenues, and the \$1.2 million annual operating deficit which will no longer exist.

General Matters

Estimates - Due Diligence

The estimated figures used in this report reflect the best initial efforts of the two municipalities. Prior to the completion and execution of the final agreement and transfers both parties shall review and ensure the accuracy and completeness of this Proposal.

Indemnification - Past Liability

In general Ottawa will retain responsibility for all matters that have occurred prior to the actual date of transfer of ownership and responsibility. Once it has assumed ownership or responsibility, the Region assumes all related financial responsibilities.

Legislation - Sewer System Transfer

The legislation governing sanitary sewers within Ottawa-Carleton is based upon a two-level approach. Trunk sewers, regionally significant sewers and sewage treatment plants are owned by the Region while the local sanitary sewer collection network is owned by the area municipality in which the sewer is located. The current legislative framework applicable to Ottawa-Carleton does not permit the Region to directly assume all of the sanitary sewers within one local municipality.

However, the *Regional Municipalities Act* does permit the entering into of agreements over any of the aspects with respect to the operation, maintenance, repair and extension of the sanitary sewer system of an area municipality.

There is clear authority to the Region to enter into the limited restructuring contemplated in this document. The agreement with the City of Ottawa will vest with the Region the responsibility for the operation, maintenance, repair and extension of the local sanitary sewer system within Ottawa. The Region has the ability to continue the sewer surcharge, applicable solely with the geographical boundaries of the City of Ottawa, to recover the cost of the Region's operation of the sewer system.

Present legislation is such that an application to the Government of Ontario is required for 3 amendments to enable:

- Formal transfer of sewer system ownership to the Region;
- Transfer of enabling legislation for sewer system regulation to the Region; and
- Provide enabling legislation to the Region for the special area rates referred to in the report.

Summary of Benefits

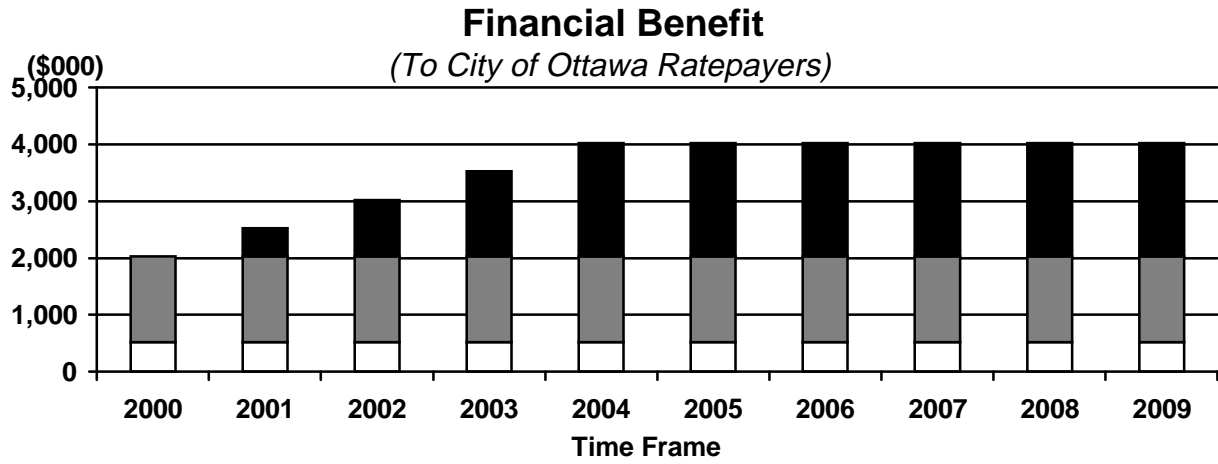
Ottawa-Carleton taxpayers residing in the City of Ottawa will recognize financial benefit from this proposal, as follows:

- Beginning in 2000, Ottawa ratepayers will no longer pay \$1.2 million in property taxes for the operation of Lansdowne Park.
- The City will pay by annual grant or special rate \$675,000 to the Region for fifteen years to fund the accumulated required capital spending on Lansdowne Park.
- Beginning in 2000, Ottawa ratepayers will no longer pay through their property taxes \$1.5 million for debt service charges for the storm and sanitary sewer systems. These debt charges will be funded from the \$1.5 million of annual sewer surcharge savings achieved through the unified management of the sewer system. This will continue until 2003 when the related debt is retired. Subsequently, the \$1.5 million in sewer surcharge savings capacity will be made available for enhanced funding of the City's storm sewer program.
- By 2003, the savings from unified management of the sewer system are expected to increase from the initial \$1.5 million to, \$3.5 million per year. This additional capacity of \$2.0 million can be invested in accelerated spending on capital rehabilitation or, alternatively, the sewer surcharge can be decreased. Either alternative will further benefit Ottawa-Carleton ratepayers residing in the City of Ottawa.

The financial benefit of the proposal to City of Ottawa ratepayers, over the ten year stabilization period, measured on a net present value basis will exceed \$26 million (assuming a discount rate of 5.5%).

Chart 1 below outlines the financial benefits for the City of Ottawa ratepayers.

CHART 1



- Capacity for Increased Sewer Capital Contributions or Rate Reductions
- Savings Funding Sewer Debt Charges and Storm Sewer Support
- Net Property Tax Savings - Lansdowne Park

Appendix 1 - Five Year History of Sewer Rate and Regional Sewer Statistics

Area Municipality Sewer Surcharge Rates:

	1995	1996	1997	1998	1999
City of Vanier	70%	70%	68%	68%	68%
City of Ottawa	65%	65%	67.5%	67.5%	67.5%
City of Nepean	55%	60%	60%	62.4%	62.4%
City of Gloucester	55%	55%	55%	55%	55%
City of Kanata	40%	35%	36%	36%	32%
Rockcliffe Park	60%	60%	60%	60%	60%
Township of Cumberland	30%	30%	30%	30%	30%
Township of West Carleton	n/a	n/a	40%	40%	40%
Township of Goulbourn	n/a	n/a	n/a	n/a	n/a

Regional Rates and Statistics:

Region's Commercial Sewer Rate	121.17%	100%	100%	100%	100%
Region's Residential Sewer Rate	103%	100%	100%	100%	100%
Water Rate \$/m ³	0.515	0.515	0.495	0.495	0.495
Number of Customers	147,499	149,332	151,000	157,000	160,000
Region's Commercial Sewer Levy Mill Rate	5.79	4.85	4.02	N/A	N/A
Region's Residential Sewer Levy Mill Rate	6.81	5.70	4.73	N/A	N/A
Revenue from Regional Sewer Surcharge ⁽¹⁾	\$71.3M	\$63.3M	\$58.8M	\$48.0M	\$48.0M

⁽¹⁾ Source: Annual Operating Budget Books

ANNEX "A"**RESOLUTION**

WHEREAS The Corporation of the City of Ottawa is the owner of approximately 40 acres of land in the area of Bank Street and The Queen Elizabeth Driveway, upon which land, over a period of more than 100 years it has developed and operated stadiums, arenas and sports, recreation and conference facilities, all of which are collectively known as Lansdowne Park; and

WHEREAS, as a result of the current operations of Lansdowne Park, The City of Ottawa annually incurs a deficit of \$1,200,000, which deficit is met by the taxpayers of The City of Ottawa; and

WHEREAS since Lansdowne Park has served and continues to serve the residents of the entire Region of Ottawa-Carleton as well as many persons residing even beyond those boundaries, it is more appropriate for it to be considered a regional facility and a regional responsibility; and

WHEREAS plans for the redevelopment and future use and role of Lansdowne Park are expected to be commenced for public consultation following the completion of existing commitments of Lansdowne Park to the Francophone Games (2001), the Central Canada Exhibition (2000 and 2001) and the Ottawa 67's 2000-2002 playing seasons, in accordance with all planning and environmental procedures; and

WHEREAS the report of the Municipal Review Commissioner, Murray Jones, in 1965, which led to the creation of Ottawa-Carleton, and the subsequent reports of Municipal Review Commissioners: Mayo, in 1976; Bartlett, in 1988; and Kirby, in 1992, have all recommended and endorsed the concept of a unified system for trunk and sanitary sewers, sewage treatment and disposal, and solid waste collection and disposal for Ottawa-Carleton; and

WHEREAS the trunk sanitary sewer system and sewage treatment and disposal systems, established by the Region in 1968 as the Regional system, had as its core facility the trunk and treatment systems designed, developed and paid for by the City of Ottawa over a long period of time, which facilities have been utilized by the Region for the continuing benefit of Ottawa and other Area Municipalities; and

WHEREAS, which The Regional Municipality of Ottawa-Carleton is responsible for providing all solid waste collection and disposal services, all trunk sewage treatment and disposal services in the Regional Area, the City of Ottawa has retained jurisdiction and responsibility for the construction, maintenance and operation of all local sanitary and combined sewers in the City; and

WHEREAS, as a result of this overlapping jurisdiction both the Region and the City maintain similar systems, work forces and operations to serve the same residents with what is, in fact, one sewer system; and

WHEREAS, as the result of economies of scale and the elimination of duplicate services, programs and facilities, it is possible for the Ottawa sanitary and combined sewer system to be transferred to and operated by the Region as part of the regional system on a basis that will provide significant financial savings to the taxpayers of Ottawa in both Ottawa and Regional levies; and

WHEREAS an agreement has been negotiated between The Region of Ottawa-Carleton and The City of Ottawa to provide for the following:

- 1. The transfer of Lansdowne Park to the Region in consideration of the terms of this agreement;**
- 2. The assumption by the Region of the Ottawa sanitary and combined sewer systems and their incorporation into the Regional sanitary sewer system, upon certain terms; and**
- 3. A series of payments, credits, charge backs and other commitments to give effect to the above arrangement to the benefit of both the City of Ottawa and The Regional Municipality of Ottawa-Carleton;**

which document is identified as the 1998 Lansdowne Park Preservation Agreement.

WHEREAS the Chief Administrative Officer for the Region of Ottawa-Carleton and the Chief Administrative Officer for the City of Ottawa have jointly recommended to their respective Councils, the transfer of the Park and the City of Ottawa Sanitary Sewer System to the Region of Ottawa-Carleton on the basis of the terms and conditions set forth in the said 1998 Lansdowne Park Preservation Agreement which is appended hereto Annex "A",

NOW THEREFORE BE IT RESOLVED that the Council of the Regional Municipality of Ottawa-Carleton and the Council of the Corporation of the City of Ottawa approve in principle the said report and direct their respective officials to prepare such agreements and take such action as is required to enable the Regional and City Councils to formally consider, approve and implement this proposal, with the formal Agreement to be executed by 30 June 1999 and with all closings and transfers to be completed no later than October 29, 1999.