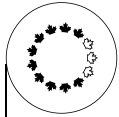


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NATIONAL CAPITAL COMMISSION  
COMMISSION DE LA CAPITALE NATIONALE

<b>No.</b>	2023-LB08
<b>To</b>	Board of Directors
<b>Date</b>	2024-01-25

**For** INFORMATION

### Subject/Title

Building LeBreton Project Updates

### Summary

The objective of this submission is to provide an update on the Building LeBreton project, including recent awards for the LeBreton Flats Master Concept Plan, the archaeology work of the former Malloch Residence, the National Capital Commission (NCC) Urban Design Challenge featuring the LeBreton Flats Parks District, and the status of the two current market offerings, the Major Event Centre and the Flats Phase.

### Risk Summary

The timing and outcomes for the Flats Phase development are dependent on a number of factors beyond the NCC's control, including construction costs and interest rates, which might have an impact on the expected financial results.

### Recommendation

N/A

#### Submitted by:

DocuSigned by:

A handwritten signature in blue ink, appearing to read "Bill Leonard".

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Bill Leonard, Vice President, Real Estate and Development

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## 1. Strategic Priorities

- **NCC Corporate Plan (2022-2023 to 2026-2027)**
  - Priority 2: Plan, rehabilitate and revitalize key assets and transportation networks in the National Capital Region.
- **NCC Strategic Directions**
  - Contribute to a thriving, connected and sustainable National Capital Region that inspires Canadians, through the planning, development and improvement of the NCC's assets.
- **The Plan for Canada's Capital, 2017 to 2067:**
  - The NCC will guide the redevelopment of LeBreton Flats as the nucleus of a revitalized district in the Capital.
  - The NCC will help to strengthen Algonquin Anishinaabe cultural traditions through placemaking and partnerships that bring Algonquins to the forefront of life in Canada's thriving and connected capital.
- **Canada's Capital Core Area Sector Plan (2005):**
  - New mixed-use developments restore and reconnect the urban fabric – in LeBreton Flats, in new residential and institutional projects on central sites.
  - Provide enhanced public access to, and use, appreciation and enjoyment of, the Ottawa River by providing more riverside facilities, services and activities in a manner consistent with the River's natural, cultural and historic character.
  - Celebrate the Area's industrial, aboriginal and natural heritage, establish a link between the downtowns of Ottawa and Gatineau, and develop a mix of uses, programs and open spaces that create a unique public experience.
- **LeBreton Flats Master Concept Plan (2021):**
  - A long-term vision for a mixed-use community that will restore LeBreton Flats as a place of national and local pride, featuring destination uses along with amenities to support the local community.

## 2. Authority

Section 10(1) of the *National Capital Act*.

## 3. Context

### 1. *Recent Awards for the LeBreton Flats Master Concept Plan*

In September, the Ontario Professional Planners Institute (OPPI) granted its highest honour to the LeBreton Flats Master Concept Plan (MCP), the inaugural PlanON Vision Award for planning documentation. NCC staff and consultants from O2 Planning and Design and N. Barry Lyon and Associates were at the 2023 OPPI Conference to accept the award. On November 30, the LeBreton Flats MCP received the City of Ottawa Urban Design Award of Merit in the Visions and Master Plans category.

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## 2. *NCC Urban Design Challenge*

The NCC's 2024 Urban Design Challenge was recently launched and invites post-secondary students from across the country to reimagine the LeBreton Flats Parks District by submitting their innovative planning and design concepts for this 10-hectare public realm site. The challenge was launched in early December for registration and open to interdisciplinary teams of students who are studying planning, architecture, environmental design, urban design or landscape architecture in Canada.

## 3. *Malloch Residence Archaeology*

In fall 2023 the NCC awarded a contract to Matrix Heritage to undertake an archeological dig at the site of the former Malloch residence, located along Albert Street west of Preston Street. Edward Malloch was a lawyer and politician who lived in LeBreton Flats in the 1860s. His house was constructed before 1861 and then later served as a brewery in the late 1800s.

The full report from this archeological assessment is forthcoming; however, the consultant archeologists uncovered intact foundation walls of the residence, associated multi-level stable and even a rare cobblestone courtyard with a drain. Upon the completion of the work, the site was protected with geotextile fabric before the soil was replaced on top of the ruins. Based on the results of the archeology report, when the site is excavated for future development, some of the archaeological resources identified in this dig could be excavated, saved and reused. The archeology team also worked with our geomatics staff to collect "point cloud" data of the ruins so that a 3D digital model of the site can be recreated.

## 4. *Major Events Centre*

The memorandum of understanding (MOU) deadline with Capital Sports Development Inc. (CSDI) for the major events centre has been extended to September 2024 to reach a lease agreement.

The original MOU was signed in 2022 with a fall 2023 target to reach a lease agreement; however, the Ottawa Senators team was later put on the market for sale, which led to delays in pursuing due diligence and design work for the arena. With new ownership in place as of September 2023, the NCC and CSDI are pursuing discussions and agreed to extend the MOU period by one year to enable the work that is necessary to advance design and negotiate terms for the lease.

## 5. *Flats Phase*

In 2022, the NCC launched a request for offers to lease (RFO) for the Flats Phase, asking developers to submit proposals to lease and develop up to four parcels in the Flats District. The RFO outlined key commitments and requirements from the MCP that are to be met in

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the proposals, including: delivering a minimum of 5% of residential units as affordable units for the term of the lease, a minimum of 15% of residential units with at least three bedrooms, net-zero carbon buildings that will connect to a future district energy system, a commitment to make public transit and active transportation the primary and preferred modes of travel, a community benefits plan that will dedicate 5% of development project costs to generating public benefits, and a plan to generate benefits for the Algonquin Nation (including a minimum of 5% of awarded contracts to Algonquin Nation companies, a minimum of 5% of the workforce and a minimum of 5 apprenticeship opportunities dedicated to members of the Algonquin Nation).

We are pleased to announce that the NCC has reached an agreement with a proponent to deliver all the requirements outlined in the RFO and ensure timely development of parcels F1, F2, F3 and F8 in the LeBreton Flats Master Concept Plan. The preferred proponent is a joint venture between Avenue 31, an established Ottawa based developer with knowledge of the local market that has successfully worked with the NCC on other projects, and Cogir, a major real estate developer based in Montréal that has worked on projects across the Canada and the United States. Cogir has delivered multiple large-scale projects, including projects in partnership with First Nations in the province of Québec.

Over the course of 2024, the NCC and Avenue 31/Cogir will negotiate terms of the lease while the proponent undertakes due diligence and advances design work. Our target to enter into a lease agreement is late 2024. Construction of roads and buildings for the Flats Phase will commence following municipal approval of the NCC's plan of subdivision, which is targeted for late 2025 and the agreement includes deadlines for the start and completion of development blocks within the Flats Phase to ensure timely completion of the project.

#### **4. Options Analysis / NCC Staff Analysis**

N/A

#### **5. Financial Details**

N/A

#### **6. Opportunities and Expected Results**

With the changing conditions of the real estate market, the project team identified an approach that would allow the NCC to continue to be focused on the "Make it Happen" guiding principle and advance the development of multiple parcels within LeBreton Flats, to continue the momentum of the Building LeBreton project.

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This agreement would result in the construction of more than 900 units in the Flats District over the course of approximately one decade, while also providing essential access to other portions of LeBreton Flats, thus unlocking its development potential, in addition to the other benefits described above.

## **7. Alignment with Government and NCC Policies**

The MCP contains seven guiding principles, and seven different strategies, designed to create benefits to diverse populations and/or to mitigate the environmental impact of the LeBreton Flats redevelopment project.

The seven guiding principles are:

- Enhance the Capital Experience
- Build Community
- Create Connections
- Value Nature
- Foster Sustainability and Innovation
- Honour the Past
- Make It Happen

The MCP Strategies include:

- Parks and Public Realm Strategy
- Mobility Strategy
- Land Use Strategy
- Built Form Strategy
- Sustainability Strategy
- Culture and Heritage Strategy
- Housing and Affordability Strategy

Together, these guiding principles and strategies ensure the NCC's alignment with both its own policies and the government's policies and are meant to address the systemic inequalities and the impact on diverse populations that could result from the redevelopment of LeBreton Flats.

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## 8. Risks and Mitigation Measures

Risk	Likelihood	Impact	Mitigation Measure
Additional increases in construction costs and interest rates could impact the timing and outcomes of the Flats Phase project.	Medium	Medium	NCC staff's financial analysis used conservative assumptions to account for potential cost variance. Some mitigation measures were also built into the agreement to ensure results are acceptable to the NCC, such as the payment of a minimum rent amount and the delivery of important public realm infrastructure, affordable housing units and other public benefits.

## 9. Public Engagement and Communications

Representatives of the Algonquin Nation, as well as the Building LeBreton Public Advisory Group, were consulted on the requirements in the Flats Phase RFO and will continue to be apprised of the project status.

The project team maintains a close dialog and collaboration with proponents in order to secure lease agreements for the development of these parcels.

## 10. Next Steps

For the NCC's Urban Design Challenge, a jury will review submissions and select the winning design in Spring 2024. An award presentation will be held in May 2024.

Planning for the next stages of archaeology work at LeBreton Flats in 2024 is underway.

On the Major Events Centre, discussions will continue with Capital Sports Development Inc.

For the Flats Phase, the NCC will enter into lease negotiations with the proponent who will also be able to begin its due diligence, including advancing design work for the development. Design for the Flats Phase will be subject to the Federal Land-Use and Design Approval process.

## 11. List of Appendices

Appendix 1 : LeBreton Flats Master Concept Plan Parcel Identification Map

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## **12. Authors of the Submission**

- Bill Leonard, Vice-President, Real Estate and Development
- Katie Paris, Director, Building LeBreton and Real Estate Transactions
- Laura Mueller, Chief, Planning and Engagement, Building LeBreton
- Jean-Philippe Lavallée, Chief, Real Estate Development, Building LeBreton and Real Estate Transactions
- Hieu Nguyen, Senior Planner, Building LeBreton
- Monica Maika, Archaeologist, Capital Planning

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## Appendix 1 : LeBreton Flats Master Concept Plan Parcel Identification Map

