
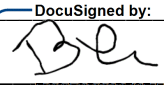


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 NATIONAL CAPITAL COMMISSION COMMISSION DE LA CAPITALE NATIONALE		No.	2022-LB01-1
		To	Board of Directors
For	INFORMATION	Date	2022-06-23
Subject/Title			
Building LeBreton Project Update – Flats Phase Launch			
Summary			
The next development offering for the Building LeBreton Project, the Flats Phase, will be released to the market before the end of June.			
Risk Summary			
Market conditions and business terms will influence the number of potential proponents interested to participate in the Flats Phase.			
Recommendation			
N/A			

Submitted by:

Bill Leonard, Acting Vice President, Real Estate
and Development Branch (RED)

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Name  2022-Jun-15
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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.
- **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

Building on the momentum of the sale of the Library Parcel – first development phase as part of the Building LeBreton project – the National Capital Commission (NCC) is preparing to launch the next phase, called the Flats Phase. The objective established for the Flats Phase is to deliver the land offering under a land-lease partnership model. This model will involve seeking a developer proponent that will build the required local infrastructure and deliver on the targets outlined in the LeBreton Flats Master Concept Plan (MCP) through a development to be built on NCC land under a ground lease model.

A developer partner will be sought through a Request for Offer to Lease process marketed through a brokerage firm, Colliers International. The offering will include the following parcels, which are identified as part of the Early Phase parcels in the MCP (see Appendix A for Parcel Identification map):

- Base offering: Parcels F1 and F8 (0.78 ha)
- Optional parcels: Parcel F2 (0.37 ha) and/or F3 (0.48 ha)

The Flats Phase parcels are an ideal candidate for the next phase because there are no major constraints preventing development on this site, with contaminated soils having been remediated. The Flats Phase can connect to the existing urban fabric, including the Capital pathway and other existing public realm, creating essential access into the Flats to enable development and creation of public realm in this area.

Objectives determined for this phase are as follows:

1. Ensure that MCP implementation is continuously underway, with market offerings and/or construction of development phases delivering a mix of uses and types of units;
2. Innovate in development approaches through a long-term land-lease model; and
3. Implement the MCP including the targets, infrastructure, and public realm, either through bundled requirements or by obtaining the funds needed for the NCC to deliver projects.

For the Flats Phase, the project team will seek to augment the social, environmental, and economic outcomes through both the lease negotiation process as well as the NCC's federal approvals process. Therefore, the Request for Offer will seek commitments from potential proponents to the base targets in the MCP. After determining that proposals meet the mandatory criteria, including alignment with the MCP strategies and targets, proposals will be assessed based on the financial proposal, including: the number of parcels the proponent wishes to develop; the lease term and structure, including the amount of lease prepayment; and mechanisms for rent escalations.

4. Options Analysis

Proceeding with the next development phase of the Building LeBreton project is aligned with the project guiding principle "Make it Happen" and will build on the momentum of the Library Parcel phase.

5. Financial Details

N/A

6. Opportunities and Expected Results

The Request for Offer is an opportunity to offer key federal lands for development and generate long-term public benefits. Offering the Flats Phase under a long-term land lease will enable the NCC to maintain control and influence over future land uses and ensure long-term public ownership of the lands. It will also keep the momentum built with the sale of the Library Parcel, and further anchor our vision for LeBreton.

7. Risks and Mitigation Measures

Risk	Likelihood	Impact	Mitigation
Timeline and potential financial impacts of the Covid-19 pandemic.	Medium	Medium	The phased implementation approach allows for flexibility to respond to changing contexts. Ongoing market analysis will support an approach that allows the NCC to leverage land value to achieve benefits, i.e. creation of public realm, without relying on external funding sources.
Market dynamics can change significantly over the course of implementation, affecting the financial viability of the plan.	Medium	Medium	By keeping control over the implementation and phasing plan, the NCC has the ability to react to and mitigate variations in the market outlook. Ongoing monitoring of market dynamics will be done throughout implementation.

8. Consultations and Communications

The Building LeBreton Public Advisory Group provided input on the Flats Phase approach and continues to be consulted on project next steps.

Consultations with the Algonquin Nation are ongoing and showing positive momentum.

9. Next Steps

Date	Step
Early May 2022	Launch of Request for Offers to Lease
Fall 2022	Proposal evaluation
Late 2022 to late 2023	Negotiations and due diligence
Early 2024	Target for lease signing
2024	Federal and municipal approvals
Late 2024	Construction readiness for the Flats Phase

10. List of Appendices

Appendix A: Parcel Identification Map

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Submission

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Appendix A: Parcel Identification Map

