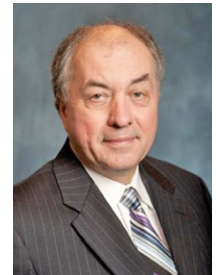


LANSDOWNE:

A SUCCESS STORY OF REDEVELOPMENT IN THE HEART OF OTTAWA



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THROUGH A PUBLIC-PRIVATE PARTNERSHIP WITH OTTAWA SPORTS AND ENTERTAINMENT GROUP (OSEG), THE TRANSFORMATION OF LANSDOWNE, A COMMUNITY AND CULTURAL LANDMARK IN OTTAWA, IS A SUCCESS STORY OF REDEVELOPMENT AND INNOVATIVE PLACE MAKING.

Lansdowne has a proud heritage, having capably served Ottawa and the surrounding region as a major sports, exhibition and entertainment facility for the past 150 years. However, in recent years, this historic landmark site had fallen into disrepair and its aged facilities were no longer able to satisfy community needs and the expectations of residents.

The site is approximately 40 acres in size, located easterly and southerly along the Queen Elizabeth Driveway (QED), a scenic federal parkway that links major attractions along the Rideau Canal, which has been designated a UNESCO World Heritage Site. The western boundary is Bank Street (a main street commercial corridor leading to Parliament Hill) and the northerly boundary is Holmwood Avenue (a residential street). Lansdowne is positioned as a central focal area connecting the surrounding inner city neighbourhoods of Old Ottawa South, the Glebe and Old Ottawa East that developed around Lansdowne at the turn of the 20th century.

The important work of restoring this community and cultural landmark began in April 2009, when the Ottawa City Council directed staff to negotiate a partnership agreement with OSEG for the redevelopment and revitalization of Lansdowne. In October 2012, City Council approved the Lansdowne Partnership Plan (LPP) Implementation with OSEG to redevelop Lansdowne and transform it into a unique, urban destination, respecting the site's important cultural and heritage significance as a public place. This initiative was led by the City Manager, Kent Kirkpatrick, and involved numerous departments across the corporation.

The new Lansdowne is a jewel at the heart of the city. More than a sport and entertainment venue, Lansdowne's residential, shopping, entertainment and park space attracts visitors for multiple activities. Transportation is a key element to the success of the site and a comprehensive transportation plan has been implemented to ensure that sustainable and active transportation options such as cycling, walking and transit are an integral part of the planning for everyday activities and major events.

This approximately \$450 million, 40-acre transformation is comprised of three synergistic components:

- a revitalized urban park component beside the Rideau Canal;
- a renovated stadium and arena for sports, entertainment and cultural events; and
- a mixed-use urban village made up of 360,000 square feet of net retail space, 100,000 square feet of commercial office space, and 280 residential units (two condominium towers and 49 stacked townhouses), including an underground parking garage (1,370 vehicles).

A key objective for the redevelopment was to provide for the site in its larger urban fabric to be positioned as a unique and iconic place for the city and to integrate the site into its immediate urban context to become a focal point for the surrounding community that recaptures the essence of what Lansdowne was in the past, but within the framework of an urban place for the 21st century.

The City's contribution to the revitalization was approximately \$210 million: \$167 million for refurbishment of the stadium and arena plus the City's share of the parking garage, and \$44 million for the park. It was built over an aggressive 24-month period. Construction began in October 2012, the stadium and parking garage were completed in spring 2014, the mixed-use development began opening in fall 2014, and the urban park opened in the summer of 2014. The entire site will begin full operations in the spring of 2015.

The components of the Lansdowne Partnership Plan are as follows:



THE LOCATION OF LANSDOWNE, AS WELL AS THE PREVIOUS IMPROVEMENTS PRIOR TO REDEVELOPMENT.

THE REDEVELOPED LANSDOWNE PARK



URBAN PARK (which includes the Aberdeen Square, Aberdeen Pavilion and Horticulture Building)

The 18-acre, intricately designed urban park includes expanses of lawn, courtyards, a heritage orchard, a farmers’ market square, an outdoor skating rink, a water feature, a children’s play area and two significant public art installations – the beacon and art screen. Overall, the new Lansdowne will feature three times more green space and four times more trees than the old site and new programmable space for community use. City staff will operate and be responsible for the ongoing programming and management of the urban park.

The Aberdeen Square, which is the outdoor space adjacent to the Aberdeen Pavilion, is the site of the Ottawa Farmers’ Market (OFM). The Market is operated by the OFM Board, while City staff act as regular contacts with the Board on operational, maintenance and event coordination issues.

The Aberdeen Pavilion is the focal point of the urban park and was designed by architect Moses Edey in 1898. It is recognized as a nationally significant heritage resource, is protected under a heritage easement agreement by the Province, and is a designated heritage building by the City of Ottawa. The Pavilion is particularly impressive because of its immense column-free interior space and its juxtaposition of a simple structural interior and an elaborate ornamental façade. The building will accommodate a winter farmers’ market for the OFM and be available for multiple community programming activities and events such as concerts, receptions, craft shows, and activities associated with stadium events. City staff will be responsible for programming and event scheduling.

The Horticulture Building is a century-old (1914) ‘prairie-style’ exhibition hall with a heritage designation. It was moved 150 metres to its new location on the east side of Aberdeen Square. A large part of the facility is an open hall for public events that is operated by the City’s programming staff, while three pockets of space comprising a rentable area of 2,350 square feet are currently being marketed for commercial or retail purposes. Office space for the City’s recreation staff has been provided on the second floor of the building.

STADIUM AND CIVIC CENTRE (TD Place)

A major component of the revitalization program is the enhancement of the stadium and arena. New, fully-accessible and iconic south grandstands that rise out of the natural landscape corridor along the Rideau Canal were constructed, the north grandstands were refurbished, and existing facilities were upgraded with multi-function program spaces and state-of-the-art technology. The Canadian Football League (CFL) REDBLACKS and the North American Soccer League (NASL) Ottawa Fury FC played their first seasons at the refurbished stadium in the summer of 2014 and the Ontario Hockey League (OHL) Ottawa 67’s began playing in the TD Place Arena in the fall of 2014.

The City continues to own Lansdowne, but OSEG is leasing the facilities for 30 years at a nominal fee. OSEG is responsible for operating and maintaining the asset as per a lifecycle plan to avoid its degradation over that period.

MIXED-USE DEVELOPMENT – RETAIL, RESIDENTIAL AND COMMERCIAL

The overall mix of retail tenancies support the goal of realizing the ‘Urban Village,’ as developed in the Council-approved retail strategy. This strategy ensures a dynamic and unique retail experience that complements and is part of the Bank Street commercial corridor. The retail development is approximately 360,000 square feet, with 360 parking spaces dedicated to short-term retail parking.

The City retains ownership, but entered into a long-term lease (50 years, with two 10-year options) with Lansdowne Retail Limited Partnership for the retail lands (approximately 10 acres) and parking within the parking garage. The land lease for the initial term is for a nominal amount. The market value of the

RESIDENTIAL /OFFICE AIR RIGHTS.



lease was calculated based on its underlying value as per the zoning for 360,000 square feet of retail with related covenants. This value was included as part of the City's contribution to the partnership equity. The City is entitled to share financial returns on the income generation of the retail component through a 'closed financial system' beginning in the 30th year and the City is entitled to 50% of the net revenue produced by the retail element.

Under the business terms of the partnership plan with OSEG, the City retains the air rights above the retail and parking garage. The sale of the air rights for the residential development and the lease of the office were used to partially fund the capital contribution from the City for the stadium refurbishment.

The City completed a two-stage process, which included a Request for Expressions of Interest (REOI) and a Request for Offers (RFO) for the air rights element. This resulted in three offers for the residential air rights, with the winning net bid of \$11.37M awarded to Minto Communities Inc. for 280 residential units based on a per dwelling unit density. As well, the bid also included 280 parking stalls and a podium to create the air rights for \$19.14M, totalling \$30.5M, and one bid for the lease of office air rights (50 years plus renewal options) to Minto Properties Inc. for approximately 100,000 square feet.

PARKING FACILITIES

The single-level, below-grade parking garage provides 1,370 parking spaces and is approximately 450,000 square feet.

The City was responsible for funding 640 spaces as part of the partnership agreement. In addition to the below-grade parking, there are approximately 40 surface-parking spaces provided within the mixed-use area. This area has been designed and developed as a pedestrian priority zone where restricted vehicular use of the public realm corridors is permitted. The surface parking is being operated as short-term parking for convenience drop-off and pick-up and to accommodate taxis and accessible bus service.

Implementing the LPP required significant due diligence to obtain the necessary approvals and will require ongoing compliance monitoring. The following is a summary of some of the legislative challenges.

Planning – zoning, site plan, and heritage approvals

The integrated project team (City and OSEG) achieved the various planning approvals that were required for the overall redevelopment following Council direction in June 2010 for staff to initiate the required planning approvals processes. This included a rezoning to allow for the commercial and residential components of the redevelopment, site plan approval through a two-stage site plan approval process, and heritage approvals for the relocation of the Horticulture Building and amendments to the Ontario Heritage Trust (OHT) Easement. Final approval of the zoning changes by the Ontario Municipal Board was given in the spring of 2011; final heritage approvals were obtained from Council for the relocation of the Horticulture Building in early summer 2011 and from the OHT under the OHT Heritage Easement provisions in the fall of 2012; and the first-stage approval of the site plan was given by Council in November 2010, with the stage-2 site plan approval being given by staff under delegated approval authority in January 2012.

The overall revitalization plans, on which the planning approvals were based, were developed through an ongoing design review process involving two independent Council-appointed design review panels. Through the formal planning approvals process, numerous design documents were established that set out the guidelines, principles and directions for the design and overall development program and included a number of detailed technical studies. A number of key studies were centered on the development of a comprehensive transportation strategy focused on sustainable transportation. Also, in the winter of 2011, the City held an international design competition for the design of the Urban Park.

Heritage designations

As part of the process in securing approval from the OHT for the redevelopment, a new heritage easement was established which recognizes the significant improvements made at Lansdowne. It continues the protection that was provided under the initial easement for the Aberdeen Pavilion and added the relocated Horticulture Building as a protected building under the easement. The new easement also defined new and enhanced

view corridors that were established for these buildings. City Council also re-designated the Horticulture Building in the summer of 2014 after its relocation to reinstate the municipal heritage designation that was temporarily removed to allow for the relocation and adaptive re-use.

In addition to, and as part of, the municipal planning approvals, federal and provincial approvals were also required for storm water management (federal approvals being required due to the site draining into the Rideau Canal), and provincial approvals were required for environmental remediation of the site, which was considered a brownfields property. To achieve this approval, the City worked with the Ministry of Environment (MOE) to establish a process for addressing the impacted soil and environmental considerations at the site. Contaminated material was removed from the northern portion of the site where part of the parking garage is located, with much of this soil being used to establish a berm feature to define the eastern side of the stadium. This achieved a key design objective for a stadium in a park. Through this process, the City secured the required Record of Site Condition (RSC) for the project.

Environmental sustainability

Lansdowne's redevelopment program has completed a submission for LEED ND Gold certification through a combination of energy efficiency measures, the conservation of building materials and resources, improved indoor environmental quality, water conservation and quality efforts, the reduction of heat and light pollution, reliance on alternative non-fuel dependent transportation methods, the conservation and adaptive re-use of existing buildings, historic structures, and the use of green rooftops.

Legal agreements

Significant due diligence was required to complete the project agreement between the City and OSEG. It sets out the financial and other fundamental elements of the relationship between the parties for the project and provides a framework for the development-specific agreements, including the stadium and retail leases and multiple reciprocal agreements between the components to achieve synergy as one redeveloped site.

Litigation

There was a delay with the project as a result of litigation launched by two local community groups called Friends of Lansdowne Inc. and the Lansdowne Conservancy. There were also appeals to the zoning change approved by Council and to the Council approval to de-designate the Horticulture Building to allow for its relocation.

Financial model

The Lansdowne Partnership Plan (LPP) is based on a 'closed financial system' that captures capital costs and contributions, which have been agreed upon by both partners, and cash flows



THE EY CENTRE EXPOSITION HALL

from operations to provide the basis for future distributions to the City and to OSEG. The closed financial system includes some, but not all, of the physical components of the Lansdowne redevelopment such as the Urban Park. The first draw on revenues in the closed system is a set contribution into a reserve fund that is to be used for lifecycle renewals to ensure that the assets, when returned back to the City following the expiration of the various leases, will be in good condition so as to avoid a repeat of the deterioration of the assets that had occurred prior to the redevelopment.

It should also be noted that, to accommodate the redevelopment of Lansdowne, City Council approved a Request for Proposal process in 2010 to replace the Exposition Facility at Lansdowne Park. This process resulted in an enhanced, new one-storey exposition hall called the EY Centre that opened in 2012. It is 218,000 square feet (150,000 square feet of exhibition space and 68,000 square feet of service and common areas) and was built by Shenkman Corporation near the MacDonald-Cartier Airport. This project is outside of the Lansdowne Partnership Plan, but was necessary due to the redevelopment of Lansdowne.

SUMMARY

The revitalized Lansdowne completes the vision of transforming this historic site through a public/private partnership into a unique and dynamic public place, with all of the lands, except the residential air rights, remaining in public ownership.

It is an example of how Ottawa is applying 'smart growth,' 'sustainable' and 'place-making' principles by incorporating active recreation, mixed uses, and new green space, as well as innovative design and development to create a place that is a showpiece for the City, attracting both visitors and residents from across the city and region to experience the place and participate in the activities that are accommodated. The redevelopment re-establishes the historic function of Lansdowne, but within the framework of a 21st century urban place. 🌈