



City Hall Office
Councillor's Row
110 Laurier Avenue W
Ottawa, ON
City Hall | K1P 1J1
(613) 580-2424 x17017
CapitalWard@ottawa.ca

Bureau de l'Hôtel de Ville
Rang du conseiller
110 Avenue Laurier O
Ottawa, ON
Hôtel de Ville | K1P 1J1
(613) 580-2424 x17017
CapitalWard@ottawa.ca

For Immediate Release

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**CAPITAL WARD COUNCILLOR'S STATEMENT: LANSDOWNE ANNUAL REPORT AND COVID-19
IMPACTS UPDATE**

The report released late last night by the city is troubling. In the report, city staff recommend dramatic changes to the structure of the Lansdowne Park Partnership between the city and Ottawa Sports and Entertainment Group (OSEG), with promises of dire consequences should council not approve this proposal.

This report was released later than it should have been in order to be considered at next week's Finance and Economic Development Committee meeting. It was constructed without any input from city council or the public.

As the local councillor, I was not given the opportunity to review or comment on the report in advance, and I was briefed just two hours before it was released.

Auditor General Reports

The timing of this report is also very concerning given that the city's outgoing Auditor General has indicated relevant information exists in his report on the Lansdowne Waterfall scheme and a separate audit follow up on management's oversight of the contract. The waterfall report would be released at Audit Committee on November 24, just one day before full Council is set to decide on this item, leaving no time to incorporate those recommendations. The AG has confirmed to my office that it would be advisable for council to have all relevant information in front of it considering the annual report and COVID-19 impacts update released yesterday.

Business Case and Options Analysis

The COVID-19 pandemic has taken a toll on OSEG's business, as it has with so many businesses in our community. The city report purports to represent the best way to help OSEG continue without any business case or consideration of other options for the public or councillors.

Finding a way to help manage this asset during the pandemic is eminently reasonable. However, while OSEG seeks to find a way to continue during the short- and medium-term, the proposed changes to the Lansdowne Park Partnership impose long-term changes to the Lansdowne deal.

There is no way to guarantee that the proposal will keep OSEG solvent for more than a year, and no contingencies for what happens should we find ourselves in this exact same situation in the near future.



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Outstanding Questions Remain

The Lansdowne development has not been as profitable for OSEG as was expected, and even before the pandemic, the city and OSEG were looking for ways to bring more people to the park to help increase revenues for OSEG (Lansdowne 2.0).

Questions remain on how the measures in the report will evolve:

- What is the cost to the city of removing the participation rent and maintaining base rents at current levels?
- What risk exists to the city by removing the city's provision to terminate the retail lease without cause?
- If lifecycle funds are used prematurely and then OSEG decides to leave in the short term, would the city be left with the cost?
- Does the 10-year extension agreement allow for a continued 8% annual return on equity and minimum equity to OSEG? Does it further deteriorate the assets the city is supposed to inherit?
- Will the \$1 annual rent continue for OSEG use of the stadium?
- What will happen with the seven-year 'guarantee' of the football team staying in Ottawa, given we are only one year away from that milestone?

I am concerned about a short-sighted stop-gap measure created out of panic and without sufficient reflection, which could turn into a long-term liability for Ottawa.

The city finds itself in this distressing predicament despite the assumption that P3s allow for risk transfer away from public entities. The City of Ottawa is now purporting that it is forced to renegotiate and take on more risk in order to avoid the P3 partner leaving.

Public Meeting

We will be hosting an emergency public meeting on this issue on Tuesday, November 10 at 6:00 pm.

The public can register here:

<https://us02web.zoom.us/j/87325833314?pwd=eINnUzhUd1NlcmpUVU5FdTM5R0duZz09>