



File Number PAR-DIR0014-2005

February 28, 2005

Mr. Doug Cross
Academic Athletic Community Partnership
1682 Jardins des Sapins
Orléans Ontario
K1C 8E1

Dear Mr. Cross

Re: AACP Provision of Sports & Recreational Services to the City of Ottawa

This is in response to your letter of January 6th. We have looked very closely at all the elements of this submission prior to responding, and I apologize for the delay.

First, I want to reiterate the City's commitment to the AACP as outlined in the letter from Mayor Bob Chiarelli (dated October 2nd, 2004). Although staff do not normally comment on submissions until they are complete, I have supplied comments below, as well as outlined the areas that require further clarification by AACP.

The City is committed to evaluating the AACP proposal under the Ottawa Option of our public-private partnership contingent on the necessary documentation and letters of commitment from the other levels of Government have been received. This commitment was outlined in our letter to you dated July 8th, 2004. Over the past two years a series of meetings have occurred and City staff have provided guidance and suggestions as to how to move this significant 30 million dollar project forward.

The City proposed purchasing \$800K of recreation services to assist AACP with building its business case. The AACP proposal identified a series of other funding partners including the Federal Government (\$10 million), the Province of Ontario (\$10 million), private sector partner (\$10 million), as well as a commitment from the Ottawa Carleton District School Board (OCDSB) to act as host site. These elements form part of the information needed before the City can proceed with a more detailed evaluation.

I recognize AACP's request for the City to partner on an application for a funding stream from other levels of government. To this end we have conducted a due diligence review of all potential programs that the City would be eligible for as a partner with AACP. The findings of this work are summarized as follows:

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The Canadian Strategic Infrastructure Fund is the primary vehicle for municipal applications. One program is limited to communities under 250,000 populations. For cities our size, there is a minimum project size of \$75 million. In all cases, the municipality is expected to contribute an amount equal to that of the other governments. As such, we will not be in a position to apply to the government as a proponent, and will need to continue to proceed as we have done.

As I indicated in the opening paragraph, here are some additional comments related to AACCP's Provision of Sports & Recreational Services to the City of Ottawa to assist in completing the proposal:

- The proposal refers to a "Purchase of Service Agreement" between the AACCP and the City, which is a very different type of partnership than a P3. Could you please confirm that the AACCP continues to approach this project as a P3?
- Under the 3rd bullet of the proposal, please clarify whether this is part of the initial \$800,000 purchased time or whether it is in addition to the purchased time (the City does not purchase or subsidize hours for indoor soccer or indoor track, therefore the City's purchase of \$800,000 of services would go only towards gymnasium and ice pad rentals).
- Please define market rates for ice rinks, gymnasiums, indoor soccer and indoor track and field, prime and non-prime rates
- Please specify whether the project will include an indoor track given the construction of the Louis Riel Dome
- The City is aware that a new International Hockey School in Embrun is being planned. Please address this new development in your updated proposal to the City.

City Contribution as Partner with AACCP

- AACCP would be responsible for the re-zoning as well as undertaking due diligence regarding any possible environmental contaminants.
- The City does not have policies as stated on Development charges, realty or business taxes. Waiving of such charges would be part of the negotiations.
- It is the proponent's responsibility to secure funding and towards that end, the City provided a letter of support from the Mayor in order to facilitate the securing of funds from the Federal and Provincial governments.

I hope my comments related to your most recent submission are helpful in understanding the elements that the City would consider as part of an acceptable proposal.

Sincerely,

Aaron Burry
Director
Parks and Recreation
cc: Councillor Kreling
Councillor Bloess