

Development Overview & Land Value

Summary

Ottawa Sports and Entertainment Group (OSEG) will be responsible for the construction of the retail component, the residential component, the office component and the hotel. It is reasonable to expect that the contracts will be awarded to construction companies affiliated to the owners of OSEG, as they are well experienced developers.

The Memorandum of Understanding (MOU) does not require that any of the construction contracts be publicly tendered.

OSEG is not proposing to put any equity into the retail component (except for parking). All of their equity is being used to fund the purchase of the sports teams and to cover its potential losses of up to \$6.0M.

The City of Ottawa will be subsidizing for-profit development through free land currently used as major leisure space to the likely detriment of local businesses. The City is proposing to use property taxes from the Lansdowne development to pay for the stadium redevelopment. This allocation of property taxes to service specific debt is unprecedented. There has been no calculation of the anticipated loss of property taxes from existing businesses.

Land Value

OSEG has indicated that approximately 20% of the site will be retail. Given that the site is 37 acres, this is approximately 7.4 acres.

The City of Ottawa has indicated that it would pay approximately \$26M to purchase the Bay/Slater/Lyon/Albert block for a new library. The proposed library site is 1.7 acres. If land prices at Lansdowne are comparable to downtown Ottawa, then 7.4 acres would cost approximately \$113M.

Friends of Lansdowne, an advocacy group, have estimated the entire park is valued at \$140M. If this is the case, the 7.4 acres devoted to retail would be valued at \$28M. Land zoned for mixed use, however, is more valuable than land zoned for parkland, so the true value of the land is somewhere between \$28 and \$113M. If Ottawa were to sell even a portion of this land to the highest bidder, it could cover a significant chunk of the \$130M required to construct a new stadium.

Get involved in the debate

Make your voice known online at lansdowne.econsultation.ca by Oct 11th, or come to City hall on November 12th and present your views to Council.