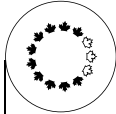


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NATIONAL CAPITAL COMMISSION
 COMMISSION DE LA CAPITALE NATIONALE

No. 2025-P307

To Board of Directors

For DECISION

Date 2025-01-23

Subject/Title

Federal real property transaction involving the transfer of a 17.2 ha parcel of the Asticou Centre lands (parcel known as the Quebec Parcel or Parcel 1, 241, Cité-des-Jeunes Boulevard, Gatineau) from Public Services and Procurement Canada (PSPC) to the Government of Quebec.

Summary

- On June 19, 2024, an agreement was formalized between PSPC, the Government of Quebec and the NCC for the sale of the Asticou Centre, a 26.1 ha site.
- A 17.2 ha section (Parcel 1) is to be transferred to the Government of Quebec for the construction of a “public health and social services establishment (hospital)”; the proposed transaction is the subject of this submission.
- The remaining 8.9 ha section of the subject lands (Parcel 2) is to be transferred to the NCC for purposes of renaturalization. It is the subject of a separate submission.
- The property transfers are to be completed before December 31, 2025.
- The agreement also includes a number of conditions designed to mitigate any adverse impacts on the conservation and integrity of Gatineau Park.

Risk Summary

- Any delay in receiving approval could impact the project schedule and the agreement between the Government of Canada and the Government of Quebec. In addition, any delay in the project could add to the construction costs of the university-affiliated hospital (CHAU, or Centre hospitalier affilié universitaire).
- Loss of a recognized heritage asset.

Recommendation

That the Board of Directors

- Approve the federal land transaction for the transfer of a section of the Centre Asticou lands, the Quebec Parcel (Parcel 1), with a surface area of 17.2 ha, to the Government of Quebec, pursuant to section 12.1 of the *National Capital Act*, subject to the following provisions:

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- That PSPC secure a right of preference (right of first refusal) in favour of the NCC for Parcel 1, should the Government of Quebec ultimately decide that the property is not needed;
 - The establishment of a permanent easement over Parcel 1 in favour of the NCC, to provide a perpetual right-of-way to NCC lands via Cité-des-Jeunes Boulevard;
 - That PSPC secure from the Government of Quebec the commitment to establish a permanent easement on Parcel 1 in favour of the existing CFPO vocational training centre and the NCC for an access road to be built by the Government of Quebec.
 - That PSPC secure from the Government of Quebec the commitment to refrain from undertaking or requesting the construction of any roadway or right-of-way to or from the hospital complex over NCC land, including Parcel 2.
- Delegate to the Vice-President, Capital Planning, the responsibility for preparing and signing the federal approval letter for the transfer of the subject lands

Submitted by:

DocuSigned by:

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Alain Miguez,

Vice-president, Capital Planning Branch

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1. Strategic Priorities

- Budget 2024 (Canada)
- PSPC 2024–2025 Departmental Plan
- Treasury Board Policy – Directive on the Management of Real Property (2024)
- PSPC Office Portfolio Optimization Plan (2024)
- Canada’s Housing Plan (2024)
- National Housing Strategy (2020)
- Directive sur la gestion des projets majeurs d’infrastructure publique – Québec (2014, in French)
- Plan for Canada’s Capital, 2017 to 2067 (NCC, 2017)
- Gatineau Park Master Plan (NCC, 2021)

2. Authority

Section 12.1 of the *National Capital Act*.

3. Context

In July 2022, the Government of Canada declared the Asticou Centre, located at 241 Cité-des-Jeunes Boulevard, in Gatineau, Quebec, encompassing lot number 2 744 144 of the Cadastre du Québec, surplus to the Department of Public Services and Procurement (PSPC) program requirements.

The Asticou Centre, a complex of recognized heritage buildings, consists of 26 single-storey buildings linked by a network of wide corridors on a 26.1 ha site. It was built between 1963 and 1968. In 1976, the Federal Crown agreed to take over the administration and control of the Asticou Centre lands. In 1977, PSPC retroactively acquired ownership of the buildings from the local school board. At that time, the Government of Quebec retained a right of preference (right of first refusal) in the property transaction process.

The Government of Quebec has recently assessed a number of properties for the construction of a health and social services facility to serve the Outaouais region’s population. The Asticou Centre has been identified by the Government of Quebec as a potentially excellent site for this facility.

In early 2024, PSPC assessed four options for the future use of the Asticou Centre:

1. Sell the entire site to the Province of Quebec to build the new hospital. This scenario would entail the demolition of existing buildings to make way for new construction.

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2. Sell or transfer the entire site to the National Capital Commission. As a precise future use remains uncertain at this time, the operations and activities of existing tenants will be able to continue.
3. Sell part of the site to the Province of Quebec and the remaining property to the NCC. This scenario would involve the demolition of existing buildings to make way for the new hospital, and the land sold to the NCC would be renaturalized.
4. Sell the entire site to the Quebec Ministry of Education. The general intended use of the buildings would remain the same, possibly with modifications.

In June 2024, PSPC decided to go with Option 3. On June 19, 2024, an agreement was reached between PSPC, the Government of Quebec and the NCC for the transfer of the Asticou Centre. The transfer involves two distinct parcels, one to be transferred to the Province and the other to the NCC. The transfer of the property title is to be formalized before December 31, 2025. The agreement also includes certain conditions that will have to be respected in order to maintain access to NCC properties and to mitigate impacts harmful to the conservation and integrity of Gatineau Park, including:

- A right of preference (right of first refusal) in favour of the NCC for Parcel 1, should the Government of Quebec ultimately decide that the property is not needed.
- The establishment of a permanent easement over Parcel 1 in favour of the NCC, to provide a perpetual right-of-way to NCC lands via Cité-des-Jeunes Boulevard.
- An undertaking by the Government of Quebec to establish a permanent easement on Parcel 1 in favour of the existing CFPO vocational training centre and the NCC for an access road to be built by the Government of Quebec.
- The Government of Quebec's acknowledgement that, in order to prevent fragmentation of surrounding protected habitats, the construction of any additional road access serving the facility will be not authorized on NCC lands, including any right-of-way on Parcel 2.

The agreement also provides that, following construction of the health facility, the Government of Quebec will, at the NCC's request, demolish the buildings on Parcel 2 at its own expense. The Government of Quebec has also agreed to participate in the creation of a working group to find a complete and definitive solution to the issues related to the 1972 and 1973 agreements and to examine the matter of the proposed highway through Gatineau Park.

The purpose and intent of this submission is the transfer of the Quebec Parcel, Parcel 1, which covers a surface area of 17.2 ha, to the Government of Quebec, for the construction of a university-affiliated hospital (CHAU). The CHAU will be a state-of-the-art hospital campus built under the provincial directive for the management of major public infrastructure projects (Directive sur la gestion des projets majeurs d'infrastructure publique – Québec) and will require an investment of \$2.5B.

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4. Options Analysis

Planning Framework

In their review of the proposal, NCC staff responsible for federal approvals (“the Regulatory Advisor”) considered the following:

- The proposal is located on federal land owned by PSPC in Gatineau Park.
- The Government of Quebec holds a right of first refusal on the sale of the land.
- All lands within Gatineau Park boundaries are part of the National Interest Land Mass (NILM), and this includes the Asticou Centre. As such, the subject lands are deemed of great long-term importance for terms of their contribution to the unique character of Canada's Capital.
- The NILM designation of the subject lands is not subject to change.
- Permitted land uses in Gatineau Park’s designated institutional areas are set forth in the Gatineau Park Master Plan (2021).
- In June 2024, the Gatineau Park Master Plan was amended to allow public health and social service institutions in a designated area within the Asticou Centre campus.
- The subject parcel is shown as an “institutional area” in the the Gatineau Park Master Plan (2021) land use designations map. This designation specifically permits “hospital” uses.
- The proposal is compatible with the Gatineau Park Master Plan (2021).
- As owner of the Asticou Centre, PSPC has determined that this property is surplus to its real property portfolio, as it is no longer required to support department programs.
- A “best efforts” process subject to review by the Federal Heritage Review Office (FHRO) was carried out by PSPC.
- As part of PSPC’s due diligence process, a comprehensive heritage resources photographic file has been completed for the property and provided to the FHRO.
- Once the transaction is completed and the property is no longer part of the federal inventory, FHRO will be contacted to remove the property from the Directory of Federal Heritage Designations.
- The real property transaction will include a right of first refusal in favour of the NCC on the sale of these lands should they no longer be required by the Government of Quebec.

5. Financial Details

Not applicable.

6. Opportunities and Expected Results

This disposal will pave the way for the construction of a 600-bed public health and social services facility in Gatineau, which will positively impact the population of the National Capital Region, and more specifically, the region’s Quebec residents.

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7. Alignment with Government and NCC Policies

PSPC Real Property Disposal Powers and Initiatives

- In response to the housing crisis, Canada's Budget 2024 included a directive mandating PSPC to reduce the Government of Canada's real property office portfolio (GC-OPRP) by 50% over the next 10 years and find ways to reuse surplus properties and assets to meet housing and other community needs, including hospitals and other infrastructure.
- By way of the Treasury Board *Directive on the Management of Real Property and Policy on Management of Real Property*, PSPC has been given the authority to dispose of surplus real property.
- In the 2024–2025 PSPC departmental plan, Minister Duclos identified "Accommodation" as the department's foremost priority, as defined and supported by the GP-OPRP initiative.

PSPC Real Property Disposal Decision

- On July 24, 2022, PSPC used its powers under section 4.2.7 of the *Directive on the Management of Real Property* to declare the Asticou Centre assets as surplus.
- The decision was based on the following considerations:
 - Current operations have been grouped together with other assets available in the federal government's inventory, improving the efficiency of the portfolio.
 - The disposal of 38,054 square metres of office space is a significant contribution to the GC-OPRP initiative.
 - Disposal of the asset supports the objectives of the 2024 Budget. The site will be redeveloped to meet the "needs of the community" by building a 600-bed hospital with services available to the entire population of the Outaouais region, as well as contributing additional green space.
 - Building maintenance and lifecycle upkeep for this asset would require significant investment over the next 10 years. Current estimates put that cost at approximately \$48M.
 - The disposal of older assets requiring significant investment contributes to the real property portfolio carbon neutrality objectives.
 - The removal of the Asticou Centre will help reduce approximately 276 tonnes of CO₂ per year (averaged over 5 years). The phase-out will contribute to the green government strategy and the overall goal of achieving net-zero emissions by 2050.

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- Tenants are being housed in more modern, carbon-neutral and accessible spaces, equipped with the technology required to provide services to Canadians.

Alignment with NCC policies

Plan for Canada’s Capital 2017–2067 (NCC, 2017)

- The Plan for Canada’s Capital identifies Gatineau Park as the location for two (2) of the 17 milestone projects proposed by Canadians for the National Capital Region.

Gatineau Park Master Plan (NCC, 2021)

- The Gatineau Park Master Plan lists “public health care and social services facilities (hospital)” as one of the uses permitted in the designated section of Gatineau Park’s institutional area.

The potential negative impacts on the environment and sustainable development have yet to be determined. The subject lands currently encompass 26 buildings and a large parking lot. A significant part of the Asticou Centre lands will be transferred to the NCC for renaturalization, a significant environmental gain.

The disposal of this asset does not involve any GBA Plus issues of concern.

8. Risks and Mitigation Measures

Risk	Likelihood	Impact	Mitigation Measure
1. Loss of a recognized heritage asset	High	Moderate	<ul style="list-style-type: none"> ● A “best efforts” report was submitted to the Federal Heritage Review Office (FHRO) in September 2024. ● The FHRO recommendations have been incorporated and followed. The FHRO will be informed of the planned timing of the demolition (part of the 100–1100 block of the building).

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<p>2. The federal government’s failure to approve the transaction could delay the project, which could in turn add to the construction of the CHAU.</p>	<p>Low</p>	<p>Moderate</p>	<ul style="list-style-type: none"> • Upon detailed analysis of the project, NCC staff has recommended its approval.
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9. Public Engagement and Communications

Duty to consult

PSPC has determined that the transfer of ownership to the Government of Quebec does not create a duty to consult.

10. Next Steps

- Subject to approval by the Board of Directors, issuance of the federal approval letter in February 2025.
- The target transfer date is December 31, 2025, at the latest.

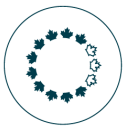
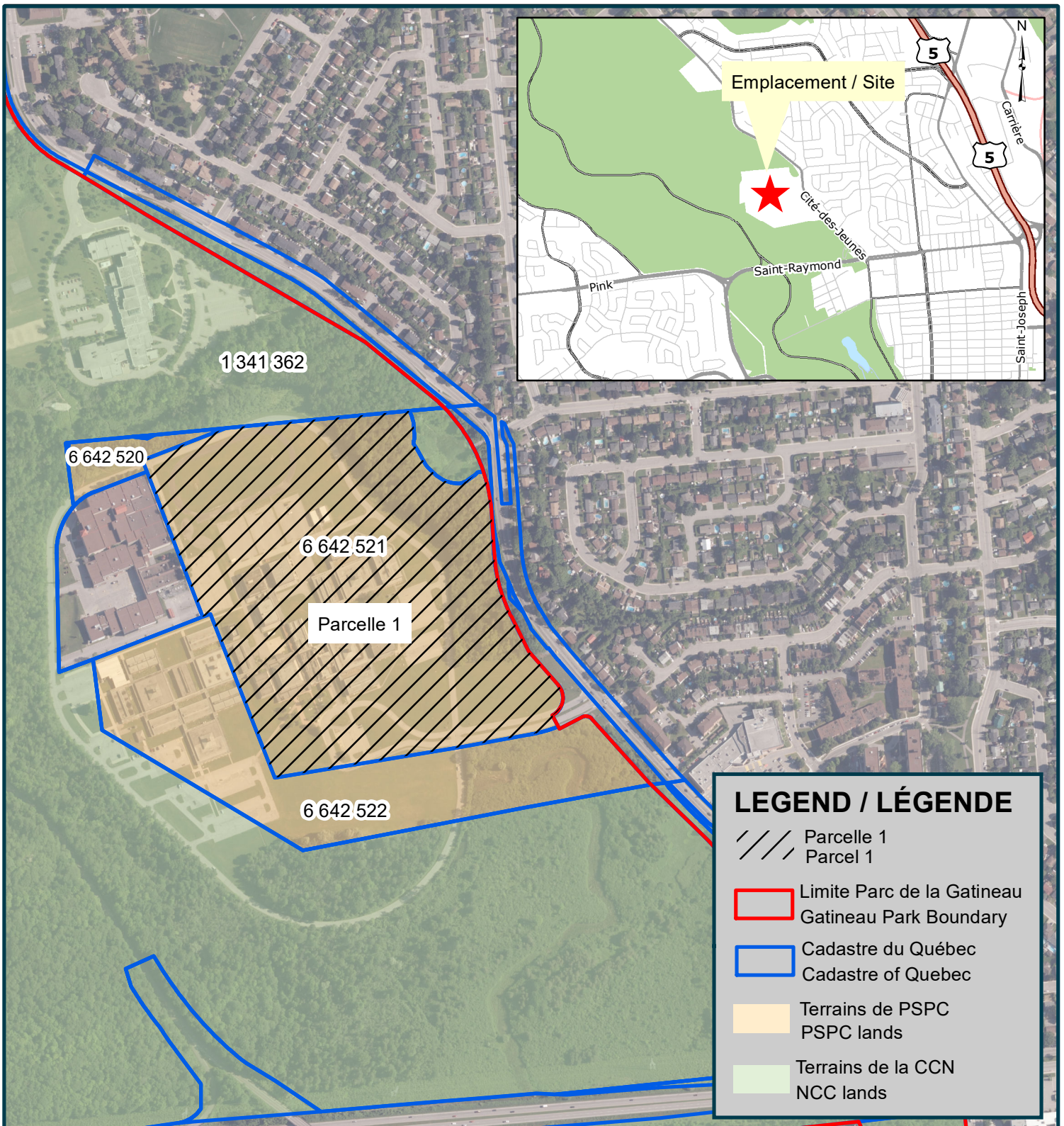
11. List of Appendices

- Appendix A: Location map for the Quebec Parcel – Parcel 1
- Appendix B: Survey Plan for the Quebec Parcel – Parcel 1, for disposal

12. Authors of the Submission

- Alain Miguelez, Vice-President, Capital Planning Branch (CP)
- Isabel Barrios, Director, Federal Approvals, Heritage and Archaeology Programs (CP)
- Kate-Issima Francin, Chief, Federal Land Use Approvals and Transactions (CP)
- Gaëlle Grangien, Senior Planner, Federal Land Use Approvals Transactions (CP)

Annexe A/Appendix A - Carte de localisation/Location Map



COMMISSION DE LA CAPITALE NATIONALE
NATIONAL CAPITAL COMMISSION

Canada

Subject - Objet

Land Disposal - Centre Asticou Parcel 1
Aliénation de terrain - Centre Asticou Parcelle 1

Submitted by - Soumis par

A. Miguelez, Vice-President / Vice-président

Branch - Direction

CP / AC

Date

2024-10-07




Scale - Échelle
1:7,000

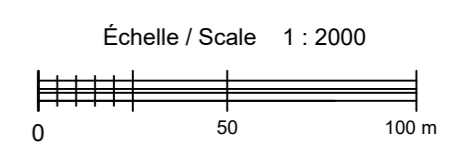
Parcel - Parcelle



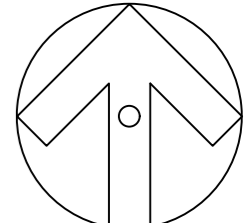


LÉGENDE / LEGEND

Limite de propriété de SPAC / PSPC ownership boundary	
Vente d'un terrain au Gouvernement du Québec / Sale of land to the Government of Quebec	
Droit de passage / Right of way	



Parcelle 1 /
Parcel 1
6 642 521
S: 171 921,7 m²

Rev.	Description	Date
Seal	Seal	North
		Nord

Projet

**Site Centre Asticou
241, boulevard de la
Cité-des-Jeunes,
Gatineau, Qc**

**Transaction avec le
Gouvernement du
Québec /
Transaction with the
Government of Quebec**

Dessiné par Date	I.F.-Lafrance 2024-10-03	Drawn By
Examiné par Date	Abéné Rissikatou 2024-10-03	Reviewed By
No. du dessin Drawing no.	PRs-24-0109	Rev #: