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Claridge presses condo bid after portrait gallery failure

Developer appeals to provincial board to boost building sizes

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The developer behind Ottawa's bid for the Portrait Gallery of Canada is seeking to back out of key details of its agreement with the city and press ahead with two massive, 27-storey downtown condominium towers.

The company is pushing ahead even though the federal government has cancelled the bidding process for the gallery. And perhaps even more contentiously, Claridge Homes appears to want to use the ground floor of what was supposed to be the portrait gallery for commercial uses -- in direct contradiction to the understanding it had with the city.

"It kind of makes you cynical, doesn't it?" said Councillor Peter Hume, who chairs council's planning committee and spearheaded the effort to get a deal with Claridge. "There was a lot of goodwill that was generated around this process. Is there any goodwill left? Are members of council going to be rightly cynical when things like this happen again? Absolutely."

Claridge declined to comment on its hearing before the Ontario Municipal Board, where the company asked to build two 27-storey condo towers, instead of the 20- and 24-storey buildings allowed by the city. The board can overturn city councils' planning decisions.

Councillor Diane Holmes, who represents the neighbourhood where the towers are being proposed, said she is appalled by the company's appeal to the OMB.

"The city really went out of its way to help the developer get a bid in because we were all so concerned about the gallery going to another city," said Ms. Holmes. "I think it's a travesty that the request was for 27 storeys when historically the height in that area has been 12."

The revelation that Claridge is applying for changes to zoning for its downtown development is the latest twist in the convoluted process of Ottawa's bid for the now-cancelled portrait gallery.

To help pay for the portrait gallery, Claridge had always wanted to build two 27-storey condominium towers. The city planning staff recommended allowing two slightly shorter towers: one of 20 storeys and the other 24. The portrait gallery was to be housed in a separate space.

City planners also proposed that if Claridge lost the portrait gallery bid, the developer would have to start over with a new proposal for the site.

But Claridge balked at that requirement and threatened to walk away from the bidding process.

"We were between a rock and a hard place," said Mr. Hume.

That's when he brought to council the proposal that Claridge be allowed to go ahead with the 20- and 24-storey towers even if it lost the portrait gallery bid. In exchange for that guarantee, council stipulated that if Claridge lost the gallery competition, it would use the gallery space for some sort of public facility, such as a museum, community centre or parkette.

Council voted in favour of Mr. Hume's proposal on April 23.

At the time, Claridge vice-president Neil Mahotra dismissed concerns that the company was only using the gallery bid as leverage to secure approval for the residential towers.

"If we were doing this just to get approval, we would have stuck to 27 storeys," Mr. Mahotra told reporters the day of the vote.

Then, on May 13 -- three days before the portrait gallery bids were due -- the company filed its appeal, and then appeared before the OMB from Oct. 21 to Oct. 24.

During those hearings, Claridge asked that it be allowed to extend both condo buildings to 27 storeys, said City of Ottawa lawyer Timothy Marc.

Claridge also applied to use the ground-floor space in what would have been the portrait gallery for various types of commercial uses, including retail and a restaurant.

Mr. Hume said that although he accepts the "reality" that zoning decisions can be appealed to the OMB, "from my perspective, there was certainly an understanding that what council approved was acceptable (to Claridge) to move forward."

Ms. Holmes and other critics have said the entire bidding process for a portrait gallery was "botched."

After cancelling plans to house the portrait gallery in the former U.S. Embassy site on Wellington Street, the Conservative government asked nine cities last November to bid on the gallery.

Proposals were due May 16, 2008. City councillors admit they were scrambling to get a deal together, and Claridge was the only company prepared to put a bid forward in such a short time.

"We wanted the portrait gallery here," said Mr. Hume. "It would have been nice if there were competing Ottawa proposals."

Ms. Holmes also complained that the quick proposal deadline provided "much less opportunity for the public to comment."

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