

REGIONAL MUNICIPALITY OF OTTAWA-CARLETON
MUNICIPALITÉ RÉGIONALE D'OTTAWA-CARLETON

REPORT
RAPPORT

Our File/N/Réf.
Your File/V/Réf.

DATE 18 June 1997

TO/DEST. Coordinator Community Services Committee

FROM/EXP. Commissioner Homes for the Aged

SUBJECT/OBJET **REPLACEMENT OF ISLAND LODGE - CAPITAL PROJECT**

DEPARTMENTAL RECOMMENDATION

That Community Services Committee recommend Council approve the Island Lodge Replacement Capital Project authority of \$16,000,000 and the selection of the RMOC owned Tallwood site for Phase One.

INTRODUCTION

The Island Lodge Replacement Project will replace the 331 bed Island Lodge with two new facilities, Phase one, a 166 bed facility on a new site and Phase Two a 165 bed facility on the existing site. The project is identified in the Regional 10 year capital plan with a Regional commitment of \$16 million dollars. The Ministry of Health has identified the project as a high priority and indicated that it meets all criteria for provincial funding. However, the province is currently developing a new capital funding plan for long term care facilities and can not commit to a funding timetable at this time. However, it is expected that capital funds will begin to flow in 1999. The Commissioner Homes for the Aged, is a member of the provincial task force developing the new capital funding model. The department is assured that the project meets the revised guidelines for provincial funding and the province is committed to fund their share of the project.

Planning for the replacement is well underway. The functional plan was submitted to the Ministry of Health in 1996.

SITE SELECTION

A selection process including evaluation of 15 properties and 4 RMOC owned sites resulted in the selection of the Tallwood site near Centrepointe in Nepean, owned by RMOC, for Phase One.

Site selection criteria were developed through consultation with the Property Services Division of the Planning and Development Approvals Department, the Home Advisory Committee, Residents' Council, Family Association and departmental staff.

The decision criteria included key areas such as access to major public transportation, proximity to hospitals and other amenities, compatibility with the surrounding neighbourhood, size of site and price. The Tallwood site met all minimum requirements and had the highest rating of all properties considered. The site is appropriately zoned and serviced.

PUBLIC CONSULTATION

The Residents' Council, Family Association, Home Advisory Committee and community partners have been consulted and strongly support the recommendations.

EXPENDITURE JUSTIFICATION

Island Lodge is 35 years old and many building systems are reaching the end of their useful service life. The facility age and configuration result in higher operating costs and the home does not meet current design guidelines and client expectations. The department has a plan to replace the home with two new facilities. Council has approved the funding pending provincial approval. The Ministry of Health is developing a new funding formula and it is anticipated it will be in place in 1999.

Based on departmental estimates there will be approximately \$1.8 million annual savings in operating costs. These savings will more than cover the provincial share of principle and interest. Once the provincial funding is secured these savings will be fully applied to the Region.

FINANCIAL STATEMENT

Approved Budget to Date	\$1,233,000
Total Paid and Committed	<u>539,752</u>
Balance Available	693,248
ADDITIONAL FUNDING REQUIRED	<u>16,000,000</u>
Balance Remaining	<u>\$16,693,248</u>

Capital Project number 912-54409.

Approved by
Garry Armstrong

FINANCE DEPARTMENT COMMENT

The Homes for the Aged Department has identified in the Region's capital forecast for several years the need to replace the Island Lodge facility. Approval of this project has always been contingent upon provincial funding support.

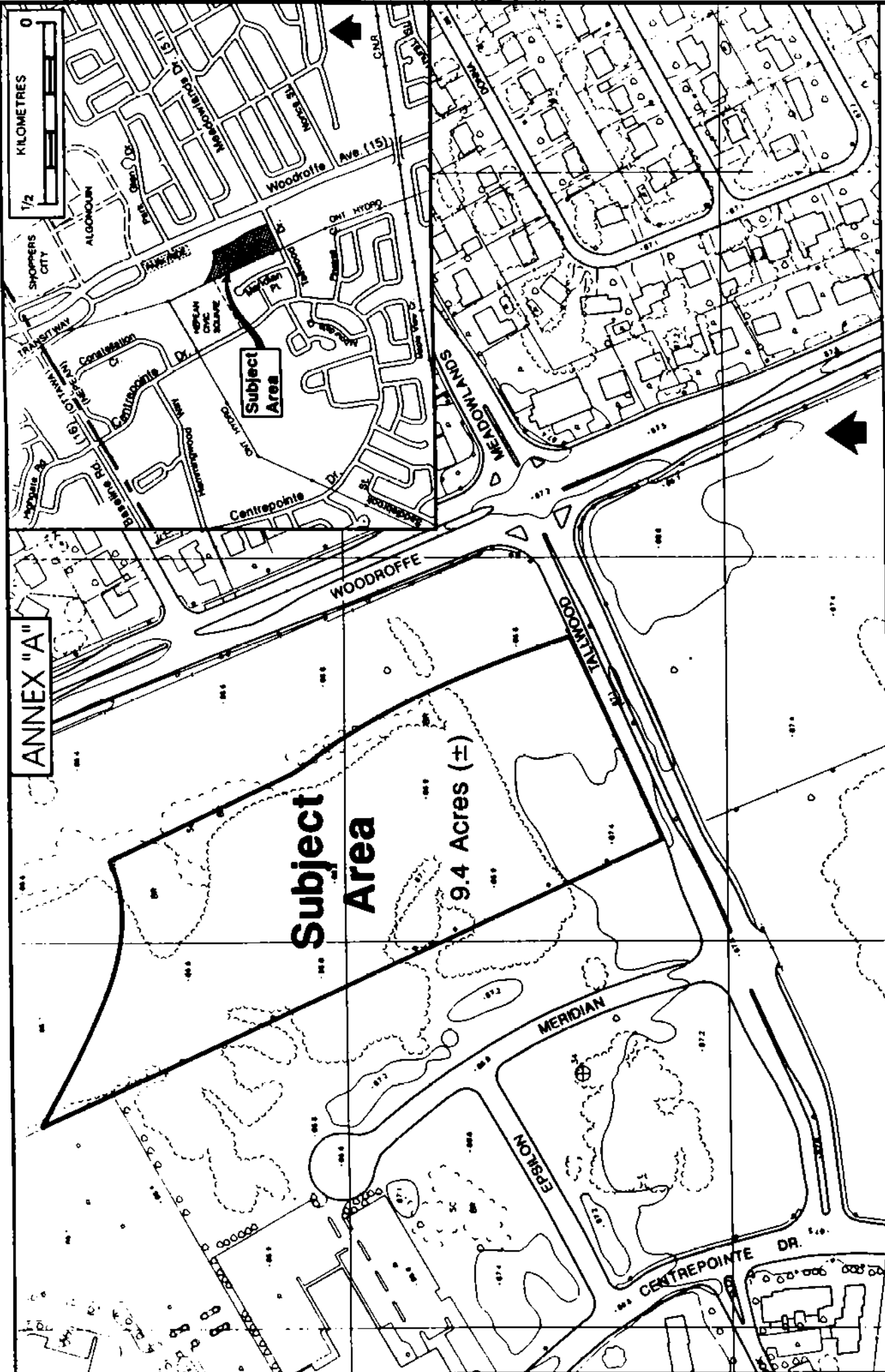
The 1997 Capital Budget & 10 Year Forecast identifies in 1998 an authority requirement of \$16.2 million for the construction of a 166 bed facility outside of Porters Island. In 1999, an additional \$16.2 million of authority is identified for the renovation or reconstruction of Bradford House on Porter Island. The Region's 50% funding share of each phase of the project is projected to be debt financed.

The Department is requesting that the authority requirements associated with the first phase of the project (\$16.0 million) be advanced into 1997. The department is assured that the project meets the revised guidelines for provincial funding and the province is committed to fund their share of the project. However, without a firm funding commitment from the province, the establishment of the project authority for this phase of the project will require 100% Regional debt financing until such time as written confirmation is obtained from the province.

Once both phases of the project are complete, the Department has projected that annual savings of \$1.8 million could be achieved through reduced operating expenditures. Assuming that the Regional debt financing requirement is issued for a 20 year term at 7.25%, the annual principal and interest repayments would be approximately \$1.5 million.

Approval of the additional debenture authority for this project would not exceed the Region's debt capacity limit as calculated in accordance with Regulation 799/94.

Approved by J. C. LeBelle



OTTAWA-CARLETON
 PLANNING AND DEVELOPMENT APPROVALS DEPARTMENT
 BRANCH ACQUISITION SERVICES

Project: ISLAND LODGE REPLACEMENT (PHASE I)	
TALLWOOD SITE	
SCALE	N.T.S.
PROJECT	DATE
	JUNE, 1997