

Town of Whitby Staff Report

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Report Title: Hospital Task Force Update June 2021

Report to: Council

Date of meeting: June 7, 2021

Report Number: CAO 14-21

Department(s) Responsible:

Office of the Chief Administrative Officer
Planning and Development Department

Submitted by:

Sarah Klein, Director, Strategic Initiatives

Acknowledged by M. Gaskell, Chief Administrative Officer

For additional information, contact:

Sarah Klein, Director, Strategic Initiatives

Erin Mikaluk, Manager, Communications
& Creative Services

John Taylor, Senior Manager, Zoning &
Regulation

1. Recommendation:

- 1. That Report CAO 14-21 regarding an update from the Hospital Task Force be received for information;**
- 2. That Council directs that the MTO site as recommended by the Hospital Task Force (being the lands on the southeast quadrant of Highway 407 and Lake Ridge Road) be submitted to Lakeridge Health for the purpose of having the new Durham Region Hospital sited in Whitby, and that Council no longer consider the alternate site (being the lands located on the southwest quadrant of Highway 407 and Baldwin Street) as a location for the new hospital; and,**
- 3. That the Town Clerk forward a copy of Report CAO 14-21 to the Minister of Health, the Minister of Transportation, Minister of Long-Term Care, all Durham Region MPPs, the Regional Chair, the Lakeridge Health Board Chair and the President and CEO of Lakeridge Health.**

2. Highlights:

- Lakeridge Health has announced the preliminary steps to begin the independent process to identify a potential site for a new hospital in Durham Region.
- The Hospital Task Force has been successful in receiving permission from MTO to proceed with the property at the southeast quadrant of Highway 407 and Lake Ridge Road as Whitby's preferred site. This positions Whitby well to respond to the site selection process that Lakeridge Health will be initiating in the coming months.
- Through discussions with MTO, the Hospital Task Force has become aware of excess fill levels and areas on the subject property that exhibit levels of contamination that will require removal to an off-site facility, prior to development of portions of the subject lands. The costs associated with remediation of the site are not prohibitive.

3. Background:

In 2017, Lakeridge Health initiated a Master Planning process to create a roadmap for the facilities and infrastructure improvements and expansion required to meet the future needs of the community. A new acute care and trauma hospital to address current under-serviced and future growth areas was identified as a critical component of their Master Plan. In 2018, the Ontario Government recognized the healthcare needs of the Region and messaged its support for the new hospital as part of its 2018 Budget announcement. In 2019, Infrastructure Ontario included a new Lakeridge Health hospital in their list of projects to be implemented and funds were set aside by Treasury Board.

In 2019, the Town of Whitby established a Hospital Task Force to lead the development of the business case for a new Lakeridge Health Hospital to be located in Whitby. The Task Force is comprised of various community members from across the Region and Town of Whitby staff. The members of the Task Force are as follows:

- Doug Allingham, Community member
- Suzanne Beale, Community member
- Chris Bovie, Community member
- Leo Plue, Community member
- Marion Saunders, Community member
- Sarah Klein, Director, Strategic Initiatives
- Erin Mikaluk, Manager, Communications & Creative Services
- John Taylor, Senior Manager, Zoning & Regulation

The work plan for the Task Force included a requirement to identify a preferred site for a new hospital that addresses the current gaps in service and the new growth areas in the Region of Durham in anticipation of a call for proposal for site selection to interested parties.

In 2019, Council endorsed a Whitby location on the southwest quadrant of Baldwin Street and Highway 407 as the future site of the new Lakeridge Health Acute Care hospital. Since that time, new information became available indicating that a larger site may be required in order to accommodate the size of the hospital and a long term care facility. In October 2020, Council requested that the Hospital Task Force review alternate sites for consideration.

The Task Force completed a thorough review of all available sites and recommended a preferred site on the southeast quadrant of Highway 407 and Lake Ridge Road. In February 2021, Whitby Council unanimously endorsed this property currently owned by the Ministry of Transportation of Ontario (MTO) as their preferred candidate site for the new Lakeridge Health Hospital. Since this endorsement, the Whitby Task Force has been working with MTO to conduct due diligence on the site and seek their permission to submit this site to Lakeridge Health in the process for determining the location of the new hospital.

4. Discussion:

Site Selection Process

On May 26, Lakeridge Health publically announced their preliminary steps for an independent process to identify a potential site for a new hospital.

The site selection will focus on a clear, transparent, and well-communicated process. It will be overseen by the Board of Trustees and implemented by an Independent Expert Panel that will be supported and guided by an independent Executive Lead, and a Fairness Advisor.

The Independent Expert Panel will be responsible for all aspects of the site selection process, including establishing criteria to evaluate each site that is brought forward from interested parties.

After evaluating all site proposals, the Panel will make a recommendation for the preferred site to the Board of Trustees, who will then make a recommendation to the Minister of Health.

Lakeridge Health is expected to announce additional details on the Independent Expert Panel, the selection process, and timelines. The process will include regular communications and opportunities for community input at defined milestone activities.

Site Approval

The Whitby Hospital Task Force has been working in partnership with MPP Lorne Coe to receive MTO's permission to allow the Town of Whitby to respond to an anticipated Letter of Interest or Request for Proposal from Lakeridge Health and to identify the subject lands as the Town's preferred site for an acute care hospital and trauma centre and other related ancillary facilities.

On May 25, 2021, the Whitby Hospital Task Force received this permission through a letter from MTO's Assistant Deputy Minister and Chief Engineer. This confirmation allows the Task Force to continue planning in order to respond to the site selection process that will soon be released by Lakeridge Health. The Task Force would like to express their sincere appreciation to MPP Coe for his guidance and assistance through this process and to MTO for their collaborative approach and commitment to continue to work with the Town of Whitby on this initiative.

The Hospital Task Force commits to work collaboratively with MTO in the development of a preliminary plan for a hospital on the portion of the subject lands that preserves options for the future transitway needs.

Due to the permission received by MTO to proceed with submitting the preferred site through Lakeridge Health's site selection process, the Task Force is recommending the alternate site, located on the southwest quadrant of Baldwin Street and Highway 407 no longer be considered as a potential site for a new hospital.

Environmental Conditions

As part of the ongoing due diligence on the subject property, the Hospital Task Force has undertaken a more in depth review of the environmental conditions on the preferred site. The Hospital Task Force was provided a copy of an environmental/geotechnical report by the Ministry of Transportation (MTO) that was prepared by Peto MacCallum Ltd. Consulting in November, 2011 as part of the Highway 407 East Extension environmental assessment work. The report confirmed that the site had previously been used as an illegal repository for the dumping of construction materials and other debris. This activity has resulted in excess fill levels and areas on the subject property that exhibit levels of contamination that will require removal prior to development of portions of the subject lands.

With the approval of MTO, the Hospital Task Force requested two letters from Peto MacCallum. The first letter has been received and provides a summary of the previous work, the findings on the subject property, and the implications of the findings. The second letter will detail the additional work required, consulting fee associated with undertaking that work as well as the anticipated time frame to complete the additional study and recommended strategy. This information may be helpful in order to respond to the site selection process.

The first letter summarized the existing geo-environmental conditions of the property and concluded that there is a substantial amount of excess fill on the subject property, and that some of the fill contains contaminants that will require removal prior to the redevelopment of the property for any purposes, including a hospital or maintenance yard. The percentage of cost associated with the remediation/clean up may make it economically challenging to redevelop the property for a smaller project and the percentage of cost would be more palatable for a larger capital project such as a hospital.

Redevelopment of the site will require additional testing. As identified by Peto MacCallum, the cost to remediate the contamination on the site would likely be insignificant compared to the overall costs of the project for a hospital and MTO transit needs. Using high level cost estimates based upon similar hospital projects on other sites in the GTA, it is estimated that the cost of the remediation would be plus or minus one percent (+/-1%) of the overall cost of a 1.5 billion dollar hospital. As part of the site development, regardless of use, further soil testing and remediation plans will be required, the details of which will be refined during the planning and design processes.

Furthermore, since the Province (MTO) already owns the property, a no-cost transfer of the property, or a portion of the property, could occur between Ministries. This is a significant savings from a land acquisition perspective as private property would not have to be required, thereby mitigating any soil remediation costs that would result while enhancing the environmental benefits for the subject site.

Next Steps

The Whitby Hospital Task Force continues to believe this is the ideal site to address the needs of the Durham Region as it meets all of the identified criteria for an optimal location for the new Lakeridge Health hospital to be built, including unparalleled transportation access with close proximity to two 400-series highways and it is located in an area of significant rapid growth that will benefit the entire Region. It is ideally situated to service the healthcare needs of a growing and aging population along with addressing areas of the community currently under served with acute care facilities.

Whitby is well positioned to respond to the site selection process that will be initiated soon by Lakeridge Health.

5. Financial Considerations:

A budget of \$250,000 is included in the 2021 capital budget to fund any necessary studies as may be required for the site selection process. To date, \$5,000 of this budget has been allocated to secure the analysis from Peto MacCallum.

6. Communication and Public Engagement:

The Hospital Task Force is recommending that this Report be shared with the Minister of Health, the Minister of Transportation, Minister of Long-Term Care, MTO Staff, all Durham Region MPP's, the Regional Chair, the Lakeridge Health Board Chair and the President and CEO of Lakeridge Health.

Council will be provided a toolkit to help build local and regional support for a Central Durham location. At this point in the process, this is proposed to entail targeted outreach to local and regional leaders and community groups to help build support for this site.

7. Input from Departments/Sources:

Staff members from the Planning Department and the Communications and Creative Services Division are members of the Hospital Task Force and contribute to the mandate and actions of the Task Force.

MPP Coe has been engaged throughout this process and has been advocating to MTO on behalf of the Task Force.

8. Strategic Priorities:

The initiatives of the Hospital Task Force align with Council's Goals as a new Hospital would deliver local jobs and prosperity, continue to improve the service delivery to residents, remain the community of choice for families and become the community of choice for seniors and job creators.

The actions of the Task Force also align with the Corporate Strategic Plan as ultimately establishing a new hospital in Whitby would address Strategic Objective 3.1 by designing service delivery around current customer needs in an underserved area, as well as address the future needs of a community that is in a rapid growth phase.

This report also addresses sustainability, as the Task Force is supportive of pursuing the possibility of the Durham Central Lakeridge Health site being serviced through District Energy to increase the resiliency and reliability of services to the health precinct and consider green energy sources to reduce the environmental impact of a new hospital. Finally, the recommendations within this report support a more accessible community through the provision of increased health care services to all residents and especially seniors and those with disabilities.

9. Attachments:

n/a