



TO: Ron Tripp, Acting CAO, Niagara Region **DATE:** August 25, 2020

FROM: Harry Schlange, CAO, Town of Grimsby
Mike Kirkopoulos, CAO, Town of Lincoln
Beverly Hendry, CAO, Township of West Lincoln

CC:

RE: Partnership Funding Request (\$14 million) to Support Construction of a New West Lincoln Memorial Hospital.

Ron,

Please accept this memo on behalf of the Town of Grimsby, the Town of Lincoln and the Township of West Lincoln outlining a formal request for Regional support for the rebuilding of the West Lincoln Memorial Hospital.

As you know, the municipalities of Grimsby, Lincoln and West Lincoln remain steadfastly committed to this endeavor, but as small municipalities, fiscal capacity requires the assistance and partnership support of the Niagara Region, and it is through this memo that we respectfully request the Region's commitment in order to bring this important regional asset to fruition.

Recommendations

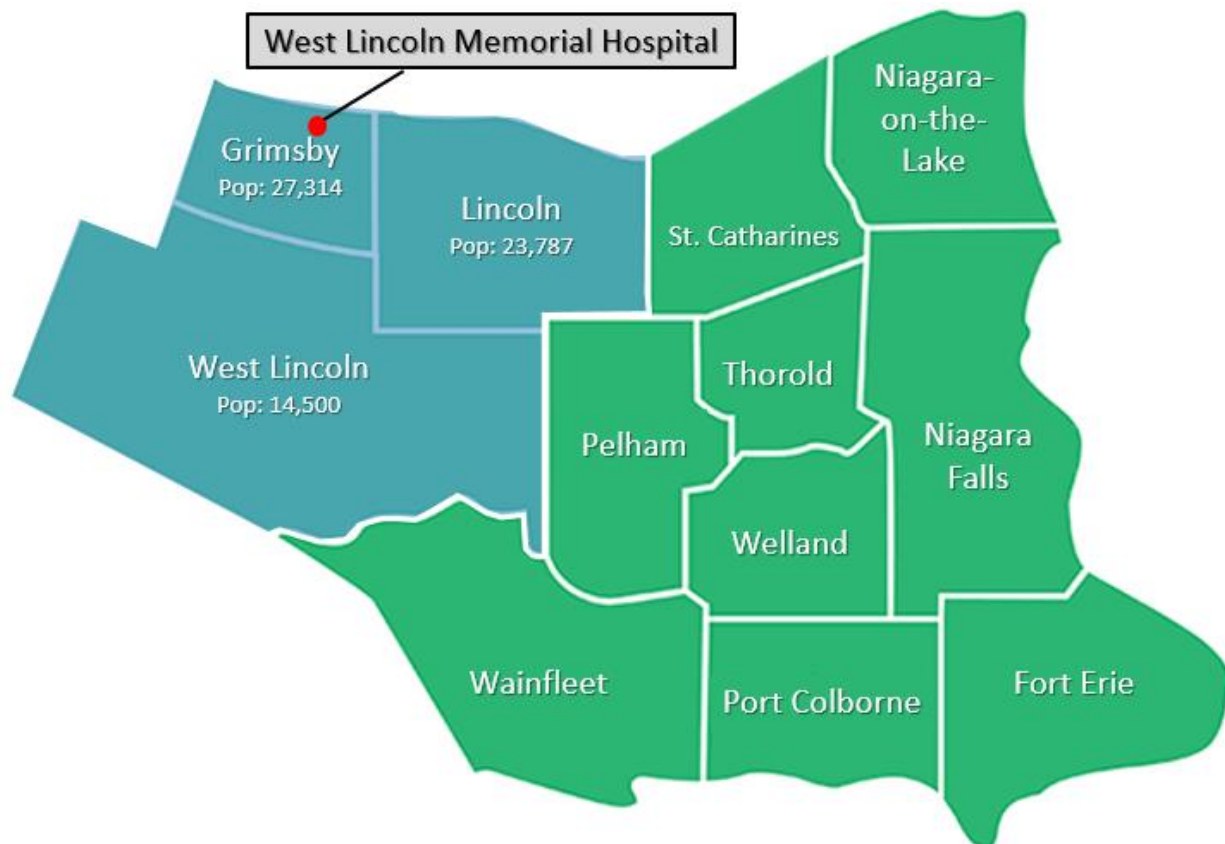
- That the Region be a partner in the local financial contribution, \$14 million, towards a significant regional asset being the new West Lincoln Memorial Hospital (WLMH) at a construction value of approximately \$200 million:
 - To provide a significant investment at this critical time due to COVID-19, in the form of stimulus;
 - To generate strong social and economic benefits including the retention of a highly skilled workforce that will foster new employment opportunities in the construction and health care sectors;
 - To promote a healthy and vibrant community across Niagara and increase the Region's involvement in the health and wellbeing of residents through supporting new hospitals in Niagara; and
 - To continue, based on past precedent, in an equitable, fair and much needed fashion, support for the development of WLMH, which will become a significant regional asset and social and economic catalyst for the entire Niagara region.

Key Facts

- The purpose of this memo is to seek Council's support by partnering with local municipalities to meet the provincially mandated local contribution requirement of 30% of \$200 million for the new West Lincoln Memorial Hospital (WLMH); and to create a fair formula for future healthcare projects that benefit Niagara over the long-term.
- The existing WLMH is nearly 80 years old and the required annual maintenance is financially and operationally unsustainable. Without replacement Niagara will lose a significant regional health care asset integral to the health and wellbeing of Niagara residents.
- The rebuilding of the WLMH has been worked on since 1997 when the three municipalities of Grimsby, Lincoln, and West Lincoln partnered and have committed to rebuilding the hospital. In the early 2000s, the local contribution commitments were \$2.4M, \$2.5M and \$1.25M. In May, 2020, each respective Council agreed to commit to their share of the local contribution based on a similar proportional formula totaling 13% of the total project budget.
- The WLMH Foundation has committed \$20 million toward the reconstruction of the hospital (or 10% of the overall project budget).
- The West Lincoln Memorial Hospital Foundation and the Municipalities of Grimsby, Lincoln and West Lincoln have committed the funds and have been working with Hamilton Health Sciences (HHS) and the Province on Stages 2 & 3 of the rebuild project concurrently.
- Full commitment is required by HHS and the Province from the Region no later than November 15, 2020 to move fully into Stage 3 of the rebuild project with actual funds not needed until 2024. Given the fact that the funds are not required until 2024, the Region would be afforded the opportunity to plan and account for the expenditure over multiple capital budgets in order to minimize the immediate fiscal impact.
- The local share of financing is a provincial government requirement for every new hospital in Ontario. The amount required is and estimated at 30% of the project cost as follows:
 - 10% of construction costs
 - 100% of equipment, furniture and fixtures
 - 100% of parking
- The WLMH rebuild construction is targeted to commence in 2022.
- The Province has clearly demonstrated a significant provincial investment in Niagara with its commitment to move this project forward which would see a provincial investment of at least \$140 million in its Capital budget to support the rebuild with the remaining coming from the local community contribution.

Financial Considerations

The West Lincoln Memorial Hospital (WLMH) is located within the municipality of Grimsby. It services the residents of Grimsby, Lincoln, and West Lincoln, but also provides healthcare services for many Niagara region residents beyond west Niagara, particularly in obstetrics and emergency department visits.

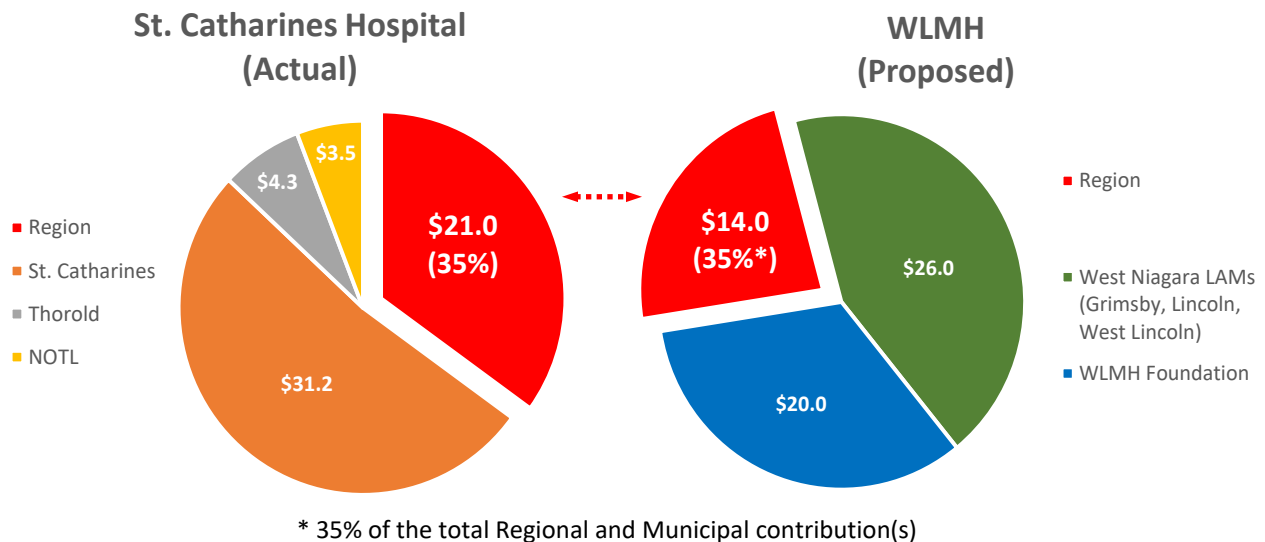


Population of Niagara region: 447,888
 Population of west Niagara municipalities: 65,601

As you can see from the pie charts below, with a commitment of \$14 million from the Region the three municipal partners remain fully committed, through a sizeable partnership contribution, which is especially significant when considering the fiscal capacity of the three small municipalities.

As such, a request is being made to the Region to commit \$14 million to provide the remaining funding commitment needed to enter Stage 3 of the hospital rebuild project. At this time only a commitment for the funds is required (prior to November 15, 2020) while the actual funding is not required to be dispersed until 2024.

This request is also in-line and equitable with the Regional contribution to the Niagara Health System – St. Catharines site on a percentage basis.



The new WLMH is expected to generate and support over 300 full-time jobs including physicians, nurses and other highly skilled medical support staff, many of whom will live and invest in the Niagara region. The rebuild would also generate over 200 full-time construction and project management related jobs for the duration of the build which would further draw upon local tradespeople and suppliers who in turn spend in and support the Niagara economy.

The taxpayers in Grimsby, Lincoln and West Lincoln collectively contribute 16.8% of the annual regional budget while constituting only 15% of the population of the region. Further, the population growth rate in west Niagara is 6% per annum, compared with the overall regional of average of 3.8% and will continue to grow significantly into the future. This population growth will also spur assessment growth to the benefit of the local municipalities and Region alike.

As smaller communities, the local residents and business of west Niagara contribute significantly to the well-being of the Niagara region while consuming proportionately fewer social services making west Niagara municipalities net-positive contributors to the Niagara Region.

In fact, it is important to consider in this circumstance that the contribution request of the Region (\$14 million) represents only 7% of the total project costs in partnership with the municipalities of Grimsby, Lincoln and West Lincoln and the WLMH Foundation which have together committed to raising \$46 million of the \$60 million required by the Province's funding formula requirements.

Analysis

The WLMH was built nearly 80 years ago in 1943. Due to its age, the facility is perpetually under repair and the costs for ongoing maintenance is unsustainable and has contributed to the demise of obstetric and maternity functions at the facility.

Despite its age and its location in West Niagara, 20% of all births in Niagara occurred at WLMH in 2018. One third of these births were to families from Niagara but who reside outside of west Niagara municipalities. The Emergency Department is also predominantly used by Niagara residents. 73% of visits are from the Grimsby, Lincoln and West Lincoln (Niagara North West catchment) and 10% from other Niagara municipalities. Collectively this accounts for approximately 83% of all emergency visits annually.

The WLMH provides an important function in maintaining healthy communities not just in west Niagara but also across the Niagara region. Based on catchment area WLMH serves, a partnership commitment from the Region of \$14 million is appropriate and justified based on past precedent.

WLMH is a “community” hospital which serves many Niagara residents and a new hospital would broaden its ability to serve many more residents including providing more dedicated and much needed senior care.

There currently is a gap within the Regional Community Services, Public Health and Acute Care system which can be filled through greater involvement and commitment from the Region in the local Niagara Health Team.

Relationship to Council Strategic Priorities

The request by Grimsby, Lincoln and West Lincoln to have Regional funding committed to the rebuilding of the WLMH will allow Niagara Region to advance two of Regional Council's Strategic Priorities: Supporting Businesses and Economic Growth and promoting a Healthy and Vibrant Community.

Supporting Businesses and Economic Growth

The WLMH currently supports more than 300 full-time staff and physicians, most of whom live in Niagara and support the regional economy. The rebuilding project would employ another 200+ full-time construction and project management related jobs for the multi-year duration of the project, many of which will be local tradespeople and suppliers who also, support the regional economy.

The Town of Lincoln is currently investigating the possibility of purchasing the Beamsville District Secondary School site as a new location for a community hub. This site will include Town Hall, but also many community services with a natural corridor connection between the new hospital, as the goal is to include medical services out of the new hub in Beamsville.

The WLMH supports a strong family medicine program and with the continuous growth in West Lincoln, the Township has a newly defined strategic goal of “Community Health and Safety” which includes a physician recruitment strategy to increase the number of family physicians, who may be located within the College Street Secondary Plan area,

and contribute to an even stronger impact to the health and well-being of the many Niagara residents.

The Hospital, operated by Hamilton Health Sciences would also be connected to McMaster University and could also be connected to local post-secondary institutions such as Brock University, Mohawk College and Niagara College and could induce other long-term economic impacts for the Niagara region through education, research and teaching programs.

Healthy and Vibrant Community

The existing WLMH has provided integral care to the residents of Niagara for nearly 80 years. The WLMH team is a fully functioning, dedicated medical community: family doctors, nurses, hospital staff, administrators, midwives and all those working in other settings such as hospice, long-term care, and clinics, are working together to the best of their abilities to ensure collectively, they provide superb service to the communities they serve.

By committing funding support for a new replacement hospital and partnering with lower-tier municipalities, the Region will enhance community wellbeing by assisting in the provision of a hospital that will serve many existing and future residents of Niagara – many of whom consider proximity to health care as a key determinant of where they live.

Strategically, the Region would be supporting long-term economic growth and a healthy and vibrant community not just for west Niagara residents but for all Niagara residents.

Summary

The WLMH is nearly 80 years old and the annual maintenance costs to keep the hospital operational are not sustainable. Key functions of the hospital that serve many residents of Niagara, such as obstetrics and delivery are already no longer available due to the condition of the facility.

The Province has committed to rebuilding the WLMH as it is integral to the Region's ability to provide health care to its residents. A key requirement of the Province's commitment is the need for 30% of the capital funds to be raised locally.

This memo is being submitted as a request to the Region to provide a partnership funding commitment of \$14 million to this critical project and important regional asset.

Financial commitment is needed no later than November 15, 2020, while the release of funds is not required until 2024.

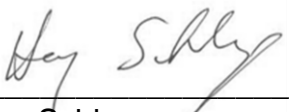
By committing the necessary capital to this project, the Region will be advancing its strategic directives of creating healthy and vibrant communities and to providing economic stimulus which will lead to major economic growth, the creation and

sustenance of many long-term, full-time, highly skilled jobs and prosperity in Niagara more generally.

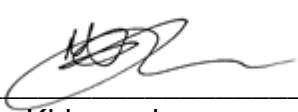
A Regional commitment of \$14 million is also consistent with and advances the Region's intention for the consideration of healthy communities within its revised budget guidelines.

By supporting the lower-tier municipalities of west Niagara the Region further encourages the unification and alignment of Niagara's twelve constituent municipalities and contributes to community building and the collective prosperity of the 447,888 residents who call Niagara their home.

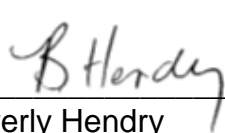
Submitted by:



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CAO, Township of
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Appendix A – Building A New West Lincoln Memorial Hospital Infographic.

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