
Subject: Long-Term Care Home Redevelopment Project Update: Preliminary Master Plans

Report to: Committee of the Whole

Report date: Thursday, July 4, 2019

Recommendations

1. That this report **BE RECEIVED** for information and
2. That the long-term care redevelopment project **BE REFERRED** for consideration as part of the 2020 budget process.

Key Facts

- Three long-term care (LTC) homes operated by Niagara Region must be redeveloped¹ to meet Ministry of Health and Long-Term Care (MOHLTC) structural compliance standards and building code standards².
- Significant work and direction has occurred to date and this report seeks to share with Council the results of preliminary planning efforts and the status of the long-term care home redevelopment project.
- The completed preliminary master plan sets a vision for the future use and campus design and provides clear direction for the siting of the long-term care home.
- The long-term care homes operated by the Region are three of 17 long-term care homes in Niagara identified by the Ministry of Health and Long-Term Care in 2014 as needing to be redeveloped.
- The approach to the Niagara Region redevelopment project was informed by an Alternative Service Delivery review and recommendations by Deloitte.
- The redevelopment process, applications, reporting and building requirements are largely directed by the province.

¹ The Enhanced Long-Term Care Home Renewal Strategy (announced in October 2014) supports redevelopment of more than 30,000 existing LTC beds in over 300 LTC homes to current design standards by 2025. Homes structurally classified as “B” beds (beds that substantially exceed structural standards of the 1972 Nursing Homes Act Regulation) and “C” beds (beds that meet structural standards of the 1972 Nursing Homes Act Regulation) are part of the LTC Home Renewal Strategy. Redevelopment is the process of renovating or re-building existing LTC homes to meet “new” bed structural classification (beds that comply with the 2015 Long-Term Care Home Design Manual).

² LTC Redevelopment Projects incorporating only existing beds must be completed by December 31, 2024. LTC Redevelopment Projects incorporating existing and new beds must be completed by December 31, 2022.

Financial Considerations

The total capital budget for the project is estimated at approximately \$175 million, \$15.63 million of which has been initiated as part of the 2016 capital budget. The project will be financed through development charges and the issuance of debentures through capital markets. Upon construction completion, the annual construction subsidy received from the MOHLTC will be used to offset future associated debt charges. The total project budget will be refined based on further verification of site plans and home size and submitted for approval as part of the 2020 capital budget. The current capital budget estimate for the project is preliminary and is based on available information at this time. As the project team works through program development and there is more certainty around the hub components of the build, including what partner agencies will be involved and their respective space requirements, a more refined budget estimate will be developed.

Some programmatic elements that have been included in the proposed project scope, and have increased the budget estimate, include the provision for a 10 bed Hospice unit at the Gilmore Lodge site, the addition of 13 new Long Term Care beds at Linhaven and larger community/wellness areas at both homes to accommodate community programs and partner agencies.

The above estimate does not include any costs for servicing or constructing the other proposed private developments being contemplated on the campus. There is potential for additional revenue to the Region through the sale or lease of development opportunities on the two campuses.

The MOHLTC will offset a part of this capital investment through a construction funding subsidy that is paid on a per bed per diem for twenty-five years, and will commence upon admission of the first LTC home resident. This amount is currently estimated to be between \$18.03 and \$18.78 per bed per day based on the most recent financing policy announcements. The total anticipated funding from the MOHLTC is expected to be \$66,575,450 over twenty-five years for both sites.

During the 2019 budget process, the total capital cost was estimated at \$130M with the net debt servicing costs resulting in a levy impact of approx. \$3.6M (1% on the levy), the revised ask of \$175M will result in a levy impact of approx. \$5.9M (1.62% on the levy). This ask will be coming forward as part of the 2020 budget. Two options for funding are a tax levy increase as per the table 1 below or deferral of other capital asks.

Budget pressures have been outlined by staff in the following table as presented to Budget Review Committee but updated for the above revised estimate, to illustrate the potential levy impact estimated for the 2020 budget. Any items being referred to the 2020 budget process should be considered along with the following items:

Table 1

| | Levy Amount | Levy Impact % |
|---|-------------------|---------------|
| Suicide Prevention Initiative PHD 8-2019 | 200,000 | 0.05% |
| Niagara Airports CAO 04-2019 | 2,240,000 | 0.61% |
| Waterfront Investment Program – Base funding | 1,000,000 | 0.27% |
| Smarter Niagara Incentive Program – Base funding | 600,000 | 0.16% |
| Brock LINC request for funding | 1,500,000 | 0.41% |
| Niagara Regional Transit - phase in cost | 6,213,050 | 1.70% |
| NRPS 2019 position hiring deferral | 705,996 | 0.19% |
| Long-Term Care Home Redevelopment capital funding | 5,899,355 | 1.62% |
| EMS Central Hub capital funding | 390,064 | 0.11% |
| Total new initiatives | 18,748,465 | 5.12% |

Analysis

In the winter of 2018, the Regional Municipality of Niagara (Niagara Region) retained MMMC Architects and SvN Planners to provide planning and architectural direction for the redevelopment of two long-term care homes in St. Catharines and Fort Erie. In support of the project, the Region has identified two properties for redevelopment: 403 Ontario Street, the site of the existing Linhaven long-term care home in St. Catharines, and 200 Garrison Road, the former site of the County Fair Mill in Fort Erie which will be the future location of Gilmore Lodge.

In addition to the redevelopment of the homes themselves, Niagara Region is thinking holistically about how these services and care providers may better be integrated with the surrounding communities and how site redevelopment can contribute to complete communities and opportunities for residents to age in place.

The aim of the master planning exercise is to determine what types of complementary services and supports will benefit the long-term care home residents, staff, families and the broader community, as well as identify appropriate forms of development and open spaces which will occupy portions of the sites not occupied by the long-term care homes.

Consultation with stakeholders and members of the community was instrumental in developing a more intimate understanding of the needs and operational requirements of long-term care homes, as well as the types of services, which will help to support the community on the whole. What emerged is an aspirational vision for both sites that will provide long-term care homes set within new, complete communities.

In support of work on this project to date Niagara Region Council previously approved the following:

1. Proceeding with the design principles of a campus or hub style development for LTC home redevelopment, consistent with best practice.
2. Approved site selection criteria, which included criteria for economic development.
3. Approved the three geographic zone approach which focused the siting of LTC facilities on drive times to population and current and future needs expressed through the ratio of beds to population over the age of 75.
4. Directed staff to consider the consolidation of LTC homes to ensure maximization of provincial funding, further supported through an Alternative Services Delivery review.
5. Approved the purchase of the property located at 200 Garrison Road in Fort Erie.
6. Directed staff to develop business case(s) for redevelopment of the LTC beds.
7. Directed staff to submit an application for redevelopment to the MOHLTC with a preferred facility size between 128 to 160 beds at 200 Garrison Road, Fort Erie and a preferred facility size with a range of 160 to 280 beds at 403 Ontario Street, St. Catharines, (further to the consolidation of beds required for redevelopment).
8. Authorized staff to submit an application to the MOHLTC for additional beds at the two proposed sites if required to ensure Resident Home Areas are the optimal size of 32 bed units (to offset overhead, optimize efficiencies and maximize provincial per diem funding).
9. Approved staff to undertake preliminary master development site plan activities for 403 Ontario Street, St. Catharines and 200 Garrison Road, Fort Erie.
10. Directed staff to continue to explore optimal redevelopment opportunities to support a strategic long-range redevelopment plan for all long-term care homes and seniors services in Niagara Region. This direction included continuing to look for additional redevelopment campus sites, engaging with potential community partners and developers to support delivering high quality seniors services in Niagara.
11. Directed staff to report back regarding:
 - The results of the applications to the MOHLTC.
 - The completion of the preliminary design of the LTC facilities.
 - Final determination of bed allocation for the proposed redevelopment.
 - The development of preliminary master plans for the sites.

Key Factors in Determining the Locations and Bed Allocation of the new LTC homes

The approach to the Niagara Region redevelopment project was informed by an Alternate Services Delivery review and recommendations by Deloitte, the consultant retained for this review. A key recommendation was that future homes should be built on a campus style development, with at least 128 beds and in 32 bed unit increments to maximize the value of MOHLTC operating funding. Niagara Region has submitted redevelopment applications to the MOHTLC in line with these recommendations

The MOHLTC makes the final determination on all decisions regarding LTC home location and LTC home bed numbers. The MOHLTC considers a number of factors in determining if a transfer, increase or consolidation of beds would serve the public interest. A key component of this decision is the needs test through which the MOHLTC Minister determines whether a LTC home should be in an area as well as the appropriate number of beds within the LTC home. In making the decision, the Minister considers LTC bed capacity that exists, other facilities or services that are available, the current and predictable continuing demand for LTC beds, funds available for LTC homes in Ontario and other considerations.

In Niagara the MOHLTC needs test is influenced by the redevelopment plans of other LTC operators. There are 33 LTC homes across Niagara. Seventeen of these homes (including three Niagara Region operated homes) must be redeveloped. Most operators have not shared their redevelopment plans at this time. Given this level of uncertainty, the LTC redevelopment landscape in Niagara is very fluid and as such the Region's planning has been flexible to accommodate known market changes³.

Niagara-on-the-Lake is anticipating an influx of up to 120 beds and Fort Erie is anticipating an exit of 68 beds. Both these movements have informed the redevelopment application to the province, in terms of location and the recommended number of beds per site.

Gilmore Lodge Application – 160 beds

With the announced 120 additional beds in Niagara-on-the-Lake, and the commitment to build new homes with at least 128 beds, staff are recommending a consolidation of beds from Niagara Region's Upper Canada Lodge home (80 beds) and Gilmore Lodge (80 beds) to build a 160 bed home in Fort Erie. This will mitigate the anticipated loss of beds in Fort Erie from the announced exit of another operator.

³ On July 13, 2016 the Ministry of Health and Long-Term Care hosted a news release at Pleasant Manor (operated by the Ontario Conference of Mennonite Brethren Churches) in Niagara-on-the-Lake to announce that the LTC facility was approved for redevelopment. The home currently has 41 beds and has been approved to redevelop up to 160 beds.

Conmed Health Care Group has applied to the MOHLTC to consolidate a number of their properties including Crescent Park Lodge, the 68 bed site in Fort Erie. The intent is to move the 68 beds to the site currently occupied by Oakwood Park Lodge in Niagara Falls (off McLeod Road, near the QEW).

Linhaven Application – 261 beds⁴

A key recommendation influencing the application for Linhaven was that future LTC homes should be built in 32 bed unit increments. In support of this recommendation Council directed staff to apply for additional beds for the Linhaven project to achieve 32 bed units. The application was approved. The MOHLTC has awarded Niagara Region 13 additional LTC beds and has progressed Linhaven into Phase II of the redevelopment process to develop a 261 bed LTC home. With the addition of the 13 new beds the project must be completed and ready for occupancy on or before December 31, 2022.

Proposed Master Plan

Through a holistic master plan and site design exercise, the consultant team has developed two proposed master plans to support Niagara Region's vision of a long-term care home and campus in Fort Erie and St. Catharines (Appendix A, *Region of Niagara Long-Term Care Master Plans*). Each campus will provide outreach, wellness and long-term care services for an aging population, attract new investment and provide housing for families and long-time community members alike.

Master plan development for the two sites has followed the process below:

1. Site analysis and identification of opportunities and constraints.
2. Review of the planning and regulatory context.
3. Coordination of technical studies - transportation, geotechnical, servicing.
4. Completion of a market trend analysis.
5. Facilitating stakeholder and public engagement.
6. Consultation with existing LTC staff, residents and families.
7. Consultations with municipal planning staff.

Key Outcomes of Analysis

Gilmore Lodge Site

- Proximity to Lake Erie is a great asset and provides opportunities for attractive views.
- Master plans must consider the existing leases on the site.

⁴ The 261 beds includes seven 32 bed units and two specialty programs (Convalescent Care Program-20 beds; Behavioural Support Unit-17 beds).

- There is sufficient servicing and transportation capacity for the proposed master plans.
- Land values do not support underground parking for private development.
- Market trends study:
 - Moderate viability for residential
 - Moderate viability for private retirement housing
 - Minimal / moderate viability for private retirement housing and
 - Minimal / moderate viability for medical services.
- Public Feedback:
 - Good outdoor spaces for residents and staff
 - Accessibility for all modes of mobility
 - Efficient and safe parking for all users including staff
 - Additional housing
 - Low to mid-rise built form
 - Integrated space for visitors
 - Complementary uses for aging in place
 - Flexible amenity space
 - Great views of the surroundings for LTC residents and
 - Celebrate the history via place making.

Linhaven Site

- The site's proximity to Martindale Pond is a great advantage but also requires careful consideration regarding development setback and consideration of environmental impacts.
- The large site provides opportunities for higher density development in the interior with a transition to adjacent low-rise neighbourhoods.
- There is sufficient servicing and transportation capacity for the proposed master plans.
- Market trends study:
 - High viability for residential including higher density development
 - Higher viability for private retirement housing
 - High viability for medical services and
 - Minimal viability for retail space.
- Land values can support underground parking for private development.
- Public Feedback:
 - Prioritize LTC residents on the site
 - Good outdoor spaces for residents and staff
 - Increased transit access and active transportation to pond
 - Minimize noise / traffic impact
 - Better layout for LTC
 - Keep as much green space as possible
 - More mix of complimentary programs on site and
 - Flexible amenity space.

Next Steps in the Redevelopment Project

1. Complete preliminary drawings for the Linhaven and Gilmore Lodge LTC homes.
2. Use the master plans as a basis to amend site zoning by-laws and to reduce delay for development partners. Ensure future zoning provides maximum flexibility while maintaining the overall master plan objectives.
3. Use the master plans to attract development partners and communicate vision.
4. Leverage LTC investments to make sites attractive for development partners.
5. Initiate conversations to explore opportunities for complementary housing on non-LTC lands.

Alternatives Reviewed

Not applicable.

Relationship to Council Strategic Priorities

Not applicable.

Other Pertinent Reports

- RRIT 17-2013 LTC Homes Review – Efficiency Study Recommendations
- RRIT 03-2013 Long-Term Care Redevelopment - Update
- RRIT 05-2014 Long-Term Care Redevelopment - Next Steps
- CAO 05-2015 Update on Alternative Service Delivery Reviews
- CAO 04-2016 Long-Term Care Home Redevelopment
- CAO 10-2016 Long-Term Care Home ASD Report
- CSD 9-2017 A Matter of Property Acquisition for LTCH Redevelopment
- CSD 50-2017 Initiation of Capital Funds – LTCH Redevelopment
- CLC 21-2018 Financing Plan for Niagara Region LTCH Redevelopment
- CSD 15-2018 Long-Term Care Home Redevelopment

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Appendix A

Region of Niagara Long-Term Care Master Plans