

The Corporation of the City of Kawartha Lakes
Council Report

Report Number CS2018-06

Date: April 24, 2018
Time: 2:00 p.m.
Place: Council Chambers

Ward Community Identifier: Ward 2

Title: Coboconk Medical Centre New Facility Cost Estimate

Author and Title: Craig Shanks, Director of Community Services

Recommendation(s):

That Report CS2018-006, **Coboconk Medical Centre New Facility Cost Estimate**, be received;

Department Head:_____

Financial/Legal/HR/Other:_____

Chief Administrative Officer:_____

Background:

At the Council Meeting of February 13, 2018, Council adopted the following resolution:

CR2018-075

RESOLVED THAT Report CS2018-004, **Coboconk Medical Centre Update**, be received; and

That Council direct staff to investigate the cost of erecting a permanent facility for the provision of Medical Services in Coboconk; and

That Council direct staff to investigate the development of a Grant Program for the purposes of supporting the provision of Medical Services throughout the City; and

That current leases for medical practices be renewed on a year to year basis until such time that council has opportunity to consider a possible grant program.

This report addresses that direction.

Rationale:

As reported in late 2016 the Coboconk Medical Centre facility was facing significant structural issues. At the February 13, 2018 Council Meeting an award was made to demolish six (6) City owned structures, one of which was the Coboconk Medical Centre. This contract has been awarded and the facility is slated for demolition this calendar year.

A temporary facility has been provided in order for medical services to continue in the community and as per the February 13, 2018 (Appendix A) report the lease to provide that facility for this service has been extended for the balance of 2018. Costs associated with the supply of the temporary facility have been included in the 2018 Operating Budget, therefore a status quo service level is continuing for the remainder of the year.

Staff have also recommended that the City should no longer be in the service of providing commercial space for the purpose of leasing to medical practitioners for their business. As a result of this, Council chose to investigate the possibility to assist with this service through the development of a Grant Program through the February 13, 2018 (Appendix A) report. This investigation is underway and discussions with various agencies has taken place and will continue and a future staff report will outline this possibility for Council consideration.

Previously, in 2016, Council was presented with a very rough estimate for the construction of a new Coboconk Medical Centre for inclusion in the Capital Budget. At the time the decision was made to provide this service through the existing temporary facility. Staff have gathered information and can provide the following information regarding the potential construction of a new facility for the 2019 calendar year.

These costs range from \$1,277,710.00 (3,500 square feet) to \$912,130.00 (2,600 square feet) based on a model of either a same size facility or reduced size facility (Appendix B). These costs include the construction for both the medical and dental services space as well as a small fit-up cost for those services. It also includes the development of the parking area for the facility and any permit, consulting and development charges associated with the facility while also providing a contingency fund. The cost to furnish the spaces, any land acquisition, non-standard site-works and HST costs are not included.

As per the February 13, 2018 Report notice has been given to all the medical practitioners, as directed by Council, that 2019 will see fair market rent values or cost neutral rental rates charged per lease agreement.

Other Alternatives Considered:

N/A

Financial/Operation Impacts:

Funding for the temporary facility has been supported through the 2018 Operating Budget. There is no further impact to the budget based on the information within this report.

If Council were to proceed with the construction of a new Coboconk Medical Centre the Ten (10) Year Asset Management Plan would need to be adjusted to reflect this new project and there would be an impact on the 2019 City Capital Budget. There may also be a need to budget some operational dollars for 2019 for temporary facility purposes based on the outcomes of Council decisions and the timing required to implement. This would be based on a rental agreement charging full market value or cost neutral rental rates to ensure the City was working within the Municipal Act and not seen as “bonusing” a commercial venture.

Relationship of Recommendation(s) To The 2016-2019 Strategic Plan:

This report speaks to the City's Strategic Plan in two important aspects:

- It supports the Goal of An Exceptional Quality of Life by supporting a key priority of Access to Community and Human/Health Services.

- It supports a key enabler of the Strategic Plan to have Well Managed and Maintained Assets that will make possible Efficient Infrastructure and Asset Management.

Review of Accessibility Implications of Any Development or Policy:

N/A

Servicing Implications:

N/A

Consultations:

Building and Property

Realty Services

Attachments:

Appendix A – Staff Report CS2018-004



CS2018-004CoboconkMedicalCentre.docx

Appendix B – Cost Analysis for Coboconk Medical Centre Construction



CS2018-006
Appendix B.xlsx

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Department Head: Craig Shanks

Department File: