Committee Report

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<th>To:</th>
<th>Warden McQueen and Members of Grey County Council</th>
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<tr>
<td>Committee Date:</td>
<td>February 13, 2020</td>
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<tr>
<td>Subject / Report No:</td>
<td>PDR-CW-12-20</td>
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<tr>
<td>Title:</td>
<td>Markdale Hospital Land Transfer</td>
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<td>Lower Tier(s) Affected:</td>
<td>Municipality of Grey Highlands</td>
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Recommendation

1. That Report PDR-CW-12-20 Hospital Land Transfer be received; and

2. That the principles of the land transfer agreement are hereby endorsed in principle and that staff be directed to finalize the agreement and present it to Council for consideration along with a by-law to authorize the Warden and Clerk to sign the final land transfer agreement.

Executive Summary

In 2005, the County committed to transferring the land around Grey Gables to Grey Bruce Health Services in order to construct the new hospital in Markdale. The concept and siting of the facility has changed from what was originally conceived. The province is expected to provide final approvals of the detailed project plan soon. Staff have been working with Grey Bruce Health Services to develop the required land transfer agreement. This report provides an overview of the principles that would be contained in the land transfer agreement. With Council endorsement of this report, staff will work with Grey Bruce Health Services to finalize the land transfer agreement and bring it forward for Council’s consideration.

Background and Discussion

On September 6, 2005, Council enacted and passed By-law 4245-05 (see link in the Attachments section) being a by-law to authorize capital grants totaling $1,000,000 for...
the new Markdale Hospital. The by-law includes a commitment to transfer lands directly adjacent to the Grey Gables Long-Term Care facility to Grey Bruce Health Services for the construction of the new Markdale Hospital (see Figure 1 below showing the current Grey Gables property). Previous concept plans indicated that a total of 12 acres was required for the new hospital.

Following further site review and discussions with the province, the concept plan was changed. The proposed Markdale Hospital will now be located behind the Grey Gables site (see Figure 2 below for an excerpt of the latest site plan for the new hospital) and requires additional property to allow for any future expansion or renovation of the facility.

Figure 1: Grey Gables Property

In February 2015, Council approved a motion supporting the transfer of the lands in principle and directing staff to conduct a property appraisal to determine the value of the lands to be transferred and to prepare a land transfer agreement.

A property appraisal determined that the value of the lands to be transferred, once required site remediation was accounted for, is $220,000 (see Property Appraisal). Subtracting the value of the lands from the $1,000,000 contribution results in a capital contribution of $780,000 minus fees associated with the survey and the appraisal.
Grey Bruce Health Services does not anticipate any further changes to the latest site plan shown in Figure 2 below. The lands to be retained by the County are outlined in the thick black line in Figure 2. The remaining lands would be transferred to Grey Bruce Health Services, including the existing entrance ways to the north and south of Grey Gables.

Figure 2: Excerpt of Markdale Hospital Site Plan

Principles of the Land Transfer Agreement

The land transfer agreement will enable the hospital project to proceed and also have regard for the County’s interests as discussed in 2015 and outlined in Report PDR-CS-07-15. The proposed key principles to be included in the land transfer agreement are:

- Clauses regarding easements over the shared entrances and how future maintenance costs will be shared including a cost sharing agreement that will be included as a schedule to the land transfer agreement.

- Clauses to indicate that should Grey Bruce Health Services not proceed with the construction of the Markdale Hospital, Grey Bruce Health Services agrees to transfer the lands back to the County at no cost.
• All costs attributable to the construction of the Markdale Hospital will be the responsibility of Grey Bruce Health Services.

• Any removal of material from the property, contaminated or otherwise, shall be removed and treated at the expense of Grey Bruce Health Services.

• Financial arrangements including the County’s contribution towards the new Markdale Hospital as previously committed by Council minus the appraised value of the lands which works out to be $780,000 minus the costs of the appraisal and the survey of the Property. These funds have been placed in a reserve and will be transferred to GBHS upon the latter of the date of latest building permit or the date on which GBHS receives all necessary approvals under the Public Hospital Act to commence construction.

• The 2005 by-law indicated that the funds and the lands would be transferred to the Centre Grey Hospital Services Foundation. A schedule will be included in the agreement to appoint Grey Bruce Health Services as the Foundation’s agent in respect of the lands and the funds to be transferred from the County.

• A schedule that will provide the County with an option to repurchase property for $2 if the land is required for a new Grey Gables facility.

Easements and Entrances

The land transfer agreement will include details about the easements to be granted to the County. Should Committee of the Whole support in principle the details to be included in the land transfer agreement, County staff will work with GBHS to finalize the agreement and bring it forward to Council for consideration.

The lands to be transferred to GBHS include the existing north and south entrances (as shown in purple on ‘Figure 3 – Proposed Easements’) as these need to be upgraded and capital funding is only available for property that the GBHS owns. Easements would be applied to the entrance lands in favour of the County in order to allow for access and servicing to Grey Gables. While the initial upgrades to these entrances will be at the cost of Grey Bruce Health Services, the Land Transfer Agreement will indicate that any future maintenance costs associated with the shared entrances will be shared on a 60%/40% basis with Grey Bruce Health Services paying 60% and the County paying 40%.

The easements identified in blue on Figure 3 would be provided in favour of the Municipality of Grey Highlands which provides the opportunity for a future pedestrian connection to Queen Street as well as a watermain connection from Queen Street out to Toronto Street/Highway 10.
The proposed easement highlighted in green identifies the location of the sanitary sewer easement.

The area highlighted in yellow on Figure 3 is the existing overhead hydro line easement.

The easement identified in red on Figure 3 is a proposed storm easement that would be provided to Grey County. The proposed storm easement identifies lands where there is an existing culvert that provides an outlet for storm water from the Grey Gables facility. Grey Bruce Health Services is also proposing to construct a drainage swale within the proposed easement lands that would better direct the storm water from the existing culvert to the rear portion of the site into an existing wet area.

Consideration for Grey Gables Redevelopment

Council approved a motion in late 2019 to apply to the Province for an additional 62 beds for Grey Gables which would allow for the construction of a new 128 bed facility. If
the application is approved by the Province, staff wanted to ensure that there was sufficient lands being retained to accommodate the new facility. The County engaged the services of Glos and Associates Inc. (Glos) who are architects with experience in designing long-term care facilities. Glos prepared a draft site plan which shows that a new 128 bed facility could be constructed on the proposed lands to be retained by the County (see Figure 4 – Proposed Site Plan for Potential New Grey Gables).

Figure 4: Proposed Site Plan for Potential New Grey Gables

Glos did indicate that, depending upon the municipal parking requirements, additional land for overflow parking may be required. Most of the additional parking can be accommodated on the proposed retained lands, however some additional lands may be required not only for parking but also for managing stormwater from the proposed new facility. County staff had initial discussions with Grey Bruce Health Services regarding
these matters and there is a willingness to explore options for shared parking or storm water management facilities if required. As an additional safeguard, the land transfer agreement will provide an option for the County to acquire some of the lands back from GBHS that GBHS may no longer require for the construction and operation of the new Hospital. The lands to be optioned are located directly south of the existing southern entrance which would also contain the proposed drainage easement lands.

Legal and Legislated Requirements

*Planning Act*

*Municipal Act*

*This transaction is exempt from Grey County’s Sale of Land Procedure G-GEN-003-001 as per section 4 h) which states “Real property sold to any municipality, local board, school board, conservation authority, a corporation that operates a public hospital or the Crown in right of Ontario or Canada and its agencies.”*

Financial and Resource Implications

Council previously committed to contributing a total of $1,000,000 towards the construction of the new Markdale Hospital which included lands to be transferred for the new build. The net value of the lands have been appraised at $220,000 and therefore the actual capital contribution from the County would be $780,000 minus the fees associated with the survey and the appraisal. Funds have been set aside in a reserve since 2006 anticipating the capital contribution towards the hospital and therefore there are sufficient funds in the reserve to cover off the capital contribution. Payments will not be processed until such terms to be outlined in the land transfer agreement have been met.

Relevant Consultation

☒ Internal (Clerks Department, Finance Department, Long Term Care Department, Agreement Staff, Legal)

☒ External (Grey Bruce Health Services, Municipality of Grey Highlands)

Appendices and Attachments

[By Law 4245-05 Centre Grey Health Services - Capital Grant for Hospital Building Fund](#)

[PDR-CS-07-15 – Markdale Hospital Report](#)

[Markdale Hospital Site Plan – November 2019](#)