

August 10th, 2016

Mr. Michael Lacroix
VP Corporate Services & CFO
Collingwood General and Marine Hospital
459 Hume Street
Collingwood, ON L9Y 1W9



Dear Mr. Lacroix:

Letter of Professional Opinion

RE: Proposed Relocation of Collingwood General & Marine Hospital

urbanMetrics inc. (“urbanMetrics”) is pleased to provide this letter of professional opinion to the Collingwood General & Marine Hospital (“CGMH”, “the hospital”) related to on-going matters concerning the expansion and proposed relocation of CGMH.

This letter of professional opinion is intended to provide CGMH with a third party, arms-length opinion about the impacts of relocating the hospital from its current location at 459 Hume Street to a new greenfield site located at Poplar Sideroad, just east of Raglan Street.

1 SCOPE OF WORK

urbanMetrics has been retained by CGMH to provide a professional planning and market opinion related to the following key questions:

- i. Would the relocation of CGMH impact the planned function of the Town of Collingwood as a Primary Settlement Area?*
- ii. Would the proposed relocation of CGMH diminish the planned function of Collingwood’s Downtown Commercial Core?*
- iii. Would the use of Industrial Lands for development of a new hospital compromise the long-term economic well-being of Collingwood from a land use planning perspective?*
- iv. Would recent investments made by the Town of Collingwood on the reconstruction of Hume Street, between Hurontario Street and Reglan Street, be undermined by the relocation of the hospital?*
- v. Would future land development patterns in the vicinity be compromised by the relocation of CGMH to a new site?*
- vi. Should the local area municipality determine the location of a provincially owned and operated facility that delivers healthcare to a regional population base?*
- vii. Which option is most favourable from an economic perspective?*

2 BACKGROUND

The Collingwood General & Marine Hospital is an acute care hospital serving the needs of the South Georgian Bay Area, including the residents of: the Town of Collingwood, the Town of the Blue Mountains, the Town of Wasaga Beach and the Township of Clearview.



CGMH not only serves a large geographic area, it also supports the needs of one of Ontario's fastest growing healthcare catchment areas.

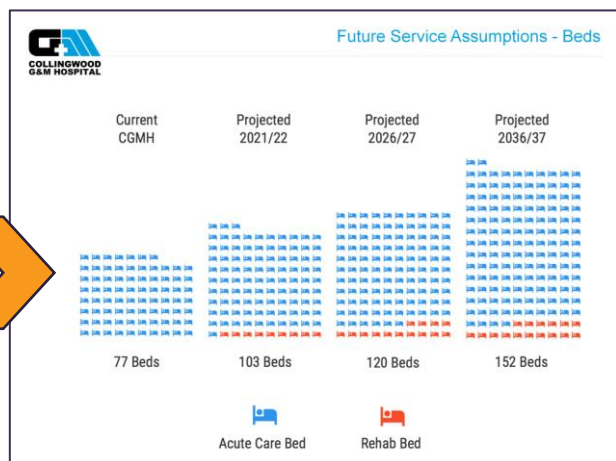
The current facility, which was originally built in the 1950s and incrementally expanded in the 1960s, 1970s, 1990s and 2000s, supports a total of 77 acute-care beds. The current hospital has 135,000 square feet and provides 386 surface parking spaces. The property is approximately 13 acres in size, including a helipad located on the west side of the property.

Based on significant, on-going population and demographic change, the delivery of healthcare in the South Georgian Bay Area is expected to experience an 84% increase in day-time visits (in-patient care) and a 64% increase in hospital admissions (overnight care) over the next 20 years. Healthcare officials have determined that future demand for services will warrant the need for significant physical expansions. Healthcare projections indicate a baseline need for upwards of 152 beds over the next two decades, which is roughly double the number of beds currently available at CGMH.

CGMH serves one of Ontario's fastest growing regions

LHIN	SubLHIN	Percent 20yr Growth in Days	Percent 20yr Growth in Admissions	Growth Rank
Central West	Woodbridge (Vaughan)	141%	101%	1
Mississauga Halton	Southeast Mississauga	120%	83%	2
Central	South West York Region	111%	76%	3
Central	Richmond Hill	110%	79%	4
Central	Central York Region	109%	79%	5
...
Central East	Durham Cluster	90%	62%	13
Central West	Brampton	85%	60%	14
North Simcoe Muskoka	Collingwood and Area	84%	64%	15
Central West	Dufferin County	84%	61%	16
North Simcoe Muskoka	Midland and Penetanguishene Area	82%	63%	17
North Simcoe Muskoka	Orillia and Area	81%	61%	18
...
North East	Algoma	32%	14%	91
South East	Belleville	31%	20%	92
Erie St. Clair	Chatham-Kent	30%	16%	93
North West	Rainy River	30%	16%	95
South East	Central Hastings	30%	18%	96
Province	Province	65%	45%	

Data Source: DAD 2013/14, Stats Can, MOP Population Projections, 2013/14-2023/24



In 2014, the hospital initiated a comprehensive master planning and master programming process designed to evaluate and improve the delivery of healthcare within the Collingwood catchment area.

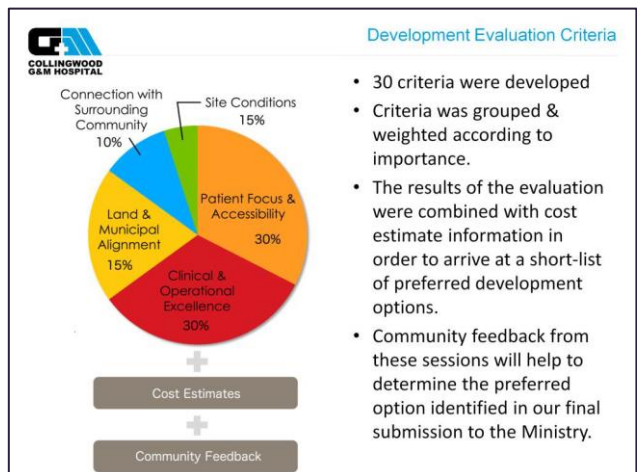
To this end, CGMH retained the services of RPG and Stantec Consulting Limited to prepare a series of potential redevelopment options that would help support and foster the creation of a robust health campus designed to meet the growing needs of the community for the next 25 to 50 years.

As part of the study, the consultants identified **three (3) potential options** to help CGMH achieve its long-term program requirements:

- Intensify the Existing Site
(±13 acres)
- Expand the Existing Site
(± 20 acres)
- Develop a New Greenfield Site
(30+ acres)



An evaluation committee comprised of senior hospital staff, two Board members and a representative from the Patient and Family Advisory Committee was tasked with evaluating various growth options based on a framework which included 30 criteria, encompassing operational, public policy, budgetary and community-based considerations. Each criteria was grouped and weighted in accordance with its relative importance from a primary healthcare perspective.



In June 2016 the hospital’s Facilities Planning Committee (FPC) recommended that the CGMH Board of Trustees consider the Greenfield Site (Option 3) as the “preferred solution” based on the outcomes of the technical evaluation. While several greenfield sites were investigated as part of the process, the option to secure a 30-acre parcel on the north side of Poplar Sideroad adjacent to Georgian College, in the Town of Collingwood, was identified as the most viable and appropriate site option to pursue.

Notwithstanding the FPC’s recommendation of a preferred greenfield solution, Collingwood’s Council has openly endorsed the redevelopment of the existing hospital site as its preferred outcome. On June 9th, 2016, the Town of Collingwood Council held a special meeting to discuss the potential relocation of CGMH. The following Collingwood Council motion was carried:

BE IT RESOLVED THAT Council herein support and authorize submission of the attached comments [from the Director of Planning & Building Services] with respect to the Town of Collingwood’s position regarding the redevelopment of CGMH and maintaining the proposed expansion on the existing site.

3 AT ISSUE

In light of Collingwood Council's recent resolution, the CGMH has asked urbanMetrics to review the materials provided by Planning Staff that support a go-forward strategy that envisions an expansion to the existing hospital building, including the development of lands currently occupied with other uses.

In preparing this letter of opinion, urbanMetrics has carefully reviewed the document briefing prepared by the Town of Collingwood's Director of Planning & Building Services, entitled, *Background Information: Collingwood's reaffirmation of support for current CGMH site*.

The professional opinion provided herein is informed by the following:

- urbanMetrics' long-standing experience in the areas of landuse and market planning in the Collingwood and South Georgian Bay Area.
- urbanMetrics' knowledge of prevailing development patterns in the Collingwood area.
- urbanMetrics' experience in corporate real estate and highest-and-best-use strategies.
- urbanmetrics' experience in other southern Ontario communities which have undergone hospital relocation or consolidation.
- A review of background materials provided by CGMH related to the relocation/expansion strategy (i.e. *Our Future Hospital*).

4 COMMENTARY & PROFESSIONAL OPINION

The following professional commentary is provided to the Collingwood General & Marine Hospital.

4.1 PRIMARY SETTLEMENT AREA DESIGNATION

Would the relocation of CGMH impact the planned function of the Town of Collingwood as a Primary Settlement Area?

The *Growth Plan for the Greater Golden Horseshoe* identifies the Town of Collingwood as one of seven *Primary Settlement Areas* within the Simcoe County Sub-Area. Collingwood Council has affirmed its position that the CGMH, in order to be consistent with provincial planning policy, cannot be relocated out of the Primary Settlement Area. Based on our professional review, both the existing hospital site (Hume Street) and the preferred site option (Poplar Sideroad) are located within the Collingwood Primary Settlement Area.

OPINION: It is our professional opinion that CGMH has given appropriate regard to provincial planning policy with respect to both the existing hospital site and the alternative locations considered within a larger pool of potential site options. The proposed Poplar Sideroad option would not contravene the Primary Settlement Area designation as per Section 6 of the *Growth Plan for the Greater Golden Horseshoe* (i.e. Consolidated/Approved, 2013, and those included in the proposed 2016 Growth Plan update).

4.2 PLANNED FUNCTION OF THE COLLINGWOOD DOWNTOWN COMMERCIAL CORE

Would the proposed relocation of CGMH diminish the planned function of Collingwood's Downtown Commercial Core?

The Town of Collingwood has openly committed itself to maintaining a strong and vibrant downtown core. The Town's Official Plan articulates a series of goals and objectives designed to ensure that the area remains a strong regional service centre. The policies related to downtown Collingwood are largely associated with the preservation of its role within the overall commercial hierarchy as well as other matters related to heritage preservation, pedestrian realm, urban design and a diversity of uses.

It is important to keep in mind however that the existing hospital site (Hume Street) is not located in the *Downtown Commercial Core* area as per the *Official Plan*. The hospital is actually located within a *Residential* designation. Nonetheless Official Plan Amendment No. 12 establishes a **Special Policy Area – Health Services** overlay for lands occupied by CGMH plus a number of other adjacent parcels, many of which are existing private residential properties.

The Town has a well-articulated position with respect to intensification and its intent to influence future growth within the Built Boundary. Planning staff have indicated that the existing hospital site, because it is located within an *intensification area*, should be planned and designed to:

- *Cumulatively attract a significant portion of population and employment growth,*
- *Provide diverse and compatible mix of land uses, including residential and employment uses, to support vibrant neighbourhoods,*
- *Provide high quality public open space, and*
- *Support transit, walking and cycling for everyday activities*

Based on our review, the lands which comprise *Special Policy Area – Health* represent an exceptional opportunity to support and achieve the intensification characteristics as outlined above. As a residential area, the existing site could be easily redeveloped for a variety of uses, including a broad mix of residential-oriented uses.

Based on our understanding of the underlying and imminent need for expanded hospital services, the capacity to expand CGMH would be constrained by the presence of long-established residential houses adjacent to the hospital site. In fact, Official Plan Policy 4.4.10.5 Development Criteria, clearly acknowledges the need for buffering and other measures to “reduce impacts” on adjacent residential uses within Special Policy Area – Health Services.

OPINION: It is our professional opinion that the lands currently occupied by CGMH could be easily redeveloped for uses other than a hospital. The underlying land use designation currently supports residential uses. Redevelopment of the lands, or repurposing of the existing hospital structure, in our opinion would not compromise Collingwood’s intent to see greater intensification, nor would it impact the vibrancy and vitality of nearby downtown Collingwood.

4.3 IMPACT OF LOCATING A HOSPITAL ON INDUSTRIAL (EMPLOYMENT) LANDS

Would the use of Industrial lands for development of a new hospital compromise the long-term economic well-being of Collingwood from a land use planning perspective?

In 2007 urbanMetrics undertook an *Industrial Land Strategy* for the Town of Collingwood. The purpose of the study was to determine the amount of industrial land needed to support industrial job growth in Collingwood over the next 25 years (to 2031). The land budgeting analysis contained in this report was predicated a robust, long-range employment forecast of 17,335 total jobs in Collingwood in 2031. Based on this forecast, urbanMetrics determined that the Town’s vacant industrial land supply would be large enough to accommodate future job growth, and still support a surplus position of vacant industrial land (± 92 acres) by 2031.

Subsequent to the completion of our work in 2007, an amendment to the Growth Plan for the Greater Golden Horseshoe (Amendment No. 1) was approved by the Province in 2012. This Amendment provided a more comprehensive allocation of future population and employment growth among the various municipalities within the Simcoe Sub Area, including Collingwood, Barrie, Bradford and Orillia. Schedule 7 of The Growth Plan for the Greater Golden Horseshoe, establishes a 2031 employment forecast of 13,500 jobs for the Town of Collingwood. This is nearly 4,000 jobs *less* than originally envisioned in our 2007 study. Logically, this scale of reduction in total employment would suggest that the City’s industrial land surplus as forecasted in 2007 (92 acres) should in fact be even higher by the end of the 2031 planning horizon.

Figure 3 of the Collingwood Official Plan (December 2015) identifies the ‘preferred location’ for community services and public uses such as schools, post-secondary education, hospitals, municipal government offices, recreational complexes, community centres and places of

Figure 3
DESIGNATIONS FOR COMMUNITY SERVICES/PUBLIC USES¹
 (Note¹: for public uses, which are permitted in all designations, only preferred locations are shown)

Land Use Type	Residential	Commercial	Industrial	Rural	Recreation	Environmental Protection
Schools	√	√	√			
Public Institutions of Post-Secondary Education		√	√	√		
Places of Worship	√	√	√			
Emergency Housing	√	√				
Group Homes	√	√				
Hospitals	√	√				
Fire Halls, Police and Ambulance Stations	√	√	√	√	√	
Libraries	√	√			√	
Museums		√			√	
Nursing Homes	√	√				
Senior Citizen/Retirement Homes	√	√				
Municipal Government Offices/PUC		√	√		√	
Special Care Homes	√	√				
Nursery Schools	√	√	√		√	
Day Care Centres	√	√	√		√	
Life Skills and Rehabilitation Centres	√	√	√		√	
Fraternal Organizations		√	√		√	
Community Centres	√	√	√		√	
Cemeteries				√	√	
Public Parks	√	√	√	√	√	√
Indoor Recreational Facilities		√	√		√	
Infrastructure, (including stormwater management facilities)	√	√	√	√	√	√

worship. As per the note accompanying Figure 3, public uses appear to be permitted in all designations. However, unlike other large public uses, hospitals are the only use that are not 'preferred' within the industrial area designation.

OPINION: It is our professional opinion the relocation and expansion of CGMH to lands currently designated as "industrial" would not impact Collingwood's capacity to accommodate future economic growth and job creation. CGMH is already one of Collingwood's largest employers. The expanded hospital would see a significant increase in the hospital's overall staffing complement in Collingwood. From a land-use management perspective we see no clear planning rationale for treating a healthcare facility substantively different than other comparable public-facing uses, such as post-secondary education facilities, municipal government offices and leisure /recreation facilities -- all of which appear to be perfectly acceptable within Collingwood's industrial area designation.

4.4 UNDERMINING RECENT INVESTMENTS IN HUME STREET

Would recent investments made by the Town of Collingwood on the reconstruction of Hume Street be undermined by the relocation of the hospital?

The Town of Collingwood has suggested that recent, taxpayer supported investments in the reconstruction of Hume Street would be undermined if the hospital relocated to an alternative location.

It is our understanding that \$11.6 million was recently invested by the Town to improve Hume Street between Hurontario and Pretty Creek Parkway. This includes \$2.0 million contributed directly through provincial and federal infrastructure programs and \$3.5 million in development charges collected from private development interests. While the presence of CGMH may have supported the narrative of the business case, it is important to recognize that Hume Street, and the underlying water infrastructure were already deficient and in need of urgent upgrading - regardless of the status of the hospital.

Having safe and efficient infrastructure is important for every community.

It is our opinion that any claims that would suggest that public investments in Hume Street were only undertaken as a means to safeguard the operational needs of CGMH would be misleading.

OPINION: It is our opinion that recent infrastructure improvements to Hume Street should not be used as a wedge issue to tie the hospital to the existing site. While the hospital (and its users) is certainly appreciative of the improvements along Hume Street, these upgrades were necessary in order to provide safe and efficient road infrastructure to residents and the traveling public alike.

4.5 REDEVELOPMENT POTENTIAL OF HUME STREET LANDS

Would future land development patterns in the vicinity be compromised by the relocation of CGMH to a new site?

urbanMetrics has reviewed the site conditions on and adjacent to the existing hospital site. With the exception of several piecemeal auto-oriented commercial uses, the character of the area is best described as a stable, mature residential neighbourhood.

It is our understanding that there are two possible options that could facilitate the expansion of healthcare services at the existing Hume Street location:

- Option 1: develop a new multi-level parking structure to free up land; *or*
- Option 2: expand the existing site to include several privately held commercial properties located along Hume (between Moberly Street and Raglan Street).

Based on draft estimates, expansion of healthcare services on the Hume Street site are estimated to cost somewhere in the order of \$350 to \$400 million for Option 2 and Option 1 respectively.

It has been suggested by the Town of Collingwood that relocation of the hospital could potentially trigger legal claims arising from any modifications to the *Special Policy Area –Health Services* designation. From our perspective, an easing (or removal) of the Special Policy Area overlay on these lands would provide more flexibility to land owners in the immediate area. Several large, high-profile properties next to the hospital have languished over the past 7 to 10 years. It is our opinion that the sub-optimal condition of many properties – particularly those fronting onto Hume Street – call into question the suitability, functionality and practicality of the SPA-Health Service designation.

Enabling residential development on the hospital lands, in our professional opinion, should be interpreted as welcome relief to an already constrained residential land supply in the Collingwood area – particularly in the context of infill and intensification.

Clearly the hospital lands have excellent access to the nearby downtown commercial area, and could be supported by the existing suite of recreational and community amenities such as parks, schools and churches. These lands, in our opinion, exhibit exceptionally strong locational characteristics that would support various forms of new housing, including – *potentially* - more affordable housing options for local area residents.

The Hume Street lands, in our opinion, could provide a very strong catalyst for Collingwood to achieve their broader policy goals and objectives related to compact urban form and more complete, livable communities.

POTENTIAL REDEVELOPMENT OPPORTUNITIES FOR EXISTING CGMH LANDS

- Low-rise housing
- Mid-rise housing
- High-rise housing
- Seniors housing
- Market rental housing
- Affordable (rent-geared to income) housing
- Mixed Use commercial

OPINION: It is our opinion that a relocation of the hospital from its current location would represent a net positive benefit to the Town of Collingwood. From a planning and development perspective, the location, composition and prevailing parcel fabric in the vicinity of Hume and Raglan provides an exceptional opportunity that could help alleviate residential growth pressures which currently exist in the Collingwood housing market. In light of prevailing market conditions, we would expect that there would be significant interest from the residential development community to re-imagine these lands for non-health related uses.

4.6 ROLE OF MUNICIPALITY IN THE DELIVERY OF PROVINCIAALLY MANDATED, REGIONALLY-BASED SERVICE

Should the local area municipality determine the location of a provincially owned and operated facility that delivers healthcare to a regional population base?

Across Ontario, municipalities play a strong and active role in shaping the future health of our communities. A coordinated and comprehensive approach to community planning helps to ensure that scarce financial and environmental resources are utilized efficiently.

The planning and delivery of healthcare services in Ontario falls under the jurisdiction of the Ministry of Health and Long Term Care (“MoHLTC”, “the Ministry”). In 2007 the Ministry established 14 regions across the province to plan, integrate and fund local health care services. These units are referred to as LHINs. The Town of Collingwood is part of the North Simcoe Muskoka LHIN which includes 7 separate hospitals, including CGMH.

When it comes to planning and funding future healthcare delivery, CGMH works within a collaborative network that involves both the LHIN and the MoHLTC as well as the public at large. Funding decisions for major investments – particularly new hospital facilities - are predicated on careful analysis of population growth, health trends, accessibility and the prevalence of special needs emerging within a particular community or jurisdiction. Funding decisions in the healthcare arena are closely scrutinized in terms of value for money. Ultimately, the monies that flow into healthcare are expected to flow to patient care, staffing and reduced wait times.

Having independently reviewed the CGMH evaluation of options, we would conclude that the evaluation team, supported by the consultants, have executed a fair and balanced evaluation process. The site evaluation framework has given significant weighting to municipal policy alignment, community connections and site conditions. Together these three elements alone represented 40% of the evaluation process.

CGMH provides vital healthcare services to a large service delivery area stretching well-beyond the municipal boundaries of Collingwood. A regional health mandate requires a site of regional significance and prominence. The greenfield option located on Poplar Sideroad provides an exceptional opportunity to ensure that existing and future residents within the hospital’s catchment area have easy, convenient access to high quality medical services.

OPINION: While municipal land use policy is an important mechanism to manage growth and compatibility issues, we strongly believe that municipalities need to ensure that appropriate locational options are universally available to all land uses, including healthcare service providers. As land economists we see no inherent value in policies that enshrine one, and only one, location as a suitable site for a specific land use. In the case of Collingwood, current land use policies dictate that healthcare providers should only locate within the SPA-Health Area. Planning policies, in our opinion, should not hold users captive, particularly if other, better lands are available that could help advance the broader public interest. The net effect of any municipal decision to *require* the hospital to remain in place at the existing Hume Street location carries with it the potential for unnecessary public expenditures and increased likelihood of over-valued land expectations due to policy-imposed supply constraints.

4.7 ECONOMIC BENEFITS

Which option is most favourable from an economic perspective?

Having reviewed the three options under consideration, it is our opinion that the Greenfield Site option located at Popular Sideroad represents the most favourable option from an economic planning (and business) perspective. Our rationale is based on the following facts:

- (1) **Cost of Lands:** It is our understanding that a 30-acre parcel adjacent to Georgian College will be donated to CGMH by private interests, at no cost to taxpayers.
- (2) **Certainty & Control:** With 30-acres of land to work with, the CGMH will have greater flexibility in terms of creating an integrated campus of care that will support measured, incremental, long-term growth and expansion beyond the next 20 years (2036+).
- (3) **Unlocking the Value of Existing Lands:** The current site represents an excellent redevelopment opportunity. Given its size (13 acres) and its underlying designation (residential), we believe that this site has the potential to be monetized and repurposed to the benefit of the entire community. Monies from the sale/transfer/disposition of the Hume lands could be redeployed back into the local healthcare system.
- (4) **Maximizing Healthcare Dollars:** The greenfield option is large enough to support conventional surface parking. Multi-level parking structures, such as the one required to support the existing site (option 1) represents an unnecessary inefficiency in the delivery of healthcare not only from a capital and operating perspective, but also from a patient/visitor perspective.
- (5) **Operational Efficiency & Continuity:** The greenfield option will alleviate operational pressures that are likely to emerge under a renovation/expansion scenario. Pursuing a greenfield site will allow facility planners to optimize their healthcare delivery program without compromising or disrupting the quality of patient-care during the build-out stages.
- (6) **Delivering Employment to Employment Lands:** The greenfield lands are located in one of Collingwood's employment areas. As Collingwood's largest employer (450

employees and 375 volunteers, and *growing*), a major regional healthcare facility would be an excellent fit in terms of building the critical mass of users necessary to support long-term investments in key services such as public transit, road and regional highway infrastructure.

- (7) **Regional Profile:** The greenfield site on Poplar Sideroad provides exceptional access to a regional base of hospital users (patients/visitors) and employees (doctors, nurses, administrators and operational staff). It is our understanding that Poplar Sideroad is currently one of the preferred corridor alignment options for the future Collingwood South By-pass. In this regard, regional access and exposure would be further enhanced, thus reinforcing and advancing the appropriateness of this option even further.

OPINION: Having reviewed the available expansion options for CGMH, we strongly believe relocating the hospital to Poplar Sideroad represents a better, more efficient option from an economic/business case perspective.

5 CONCLUDING REMARKS

We trust that the range of opinions and commentary expressed in this report are in-line with the scope of work requested. We look forward to discussing our findings with you in the days ahead. If you have any questions or comments please do not hesitate to contact me.

Yours truly,
urbanMetrics inc.



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