

**REPORT TO CAPITAL REGIONAL HOSPITAL DISTRICT BOARD
MEETING OF WEDNESDAY, OCTOBER 29, 2025**

SUBJECT **Capital Regional Hospital District 2026-2035 10-Year Capital Plan**

ISSUE SUMMARY

Approval of the Capital Regional Hospital District (CRHD) 2026-2035 10-Year Capital Plan.

BACKGROUND

The 2026-2035 CRHD Capital Plan (Appendix A) is derived from Island Health's healthcare capital priorities. It outlines the CRHD's ongoing commitments and anticipated new expenditures, which impact future CRHD requisitions and property tax adjustments.

To prepare for annual updates to the capital plan, CRHD staff monitor ongoing capital contributions and collaborate with Island Health on new projects, adjusting the previous year's plan based on emerging patient-focused priorities. Staff have worked with Island Health to try to make the capital plan more realistic and have more incremental adjustments year over year. The 2026-2035 ten-year capital plan totals \$1.063 billion with CRHDs share being \$350 million (M). Island Health's share of the capital plan and CRHDs corresponding share has been reduced (forecasted total capital project costs over the next 10 years) from the current \$1.360 billion to \$927M, a reduction of \$433M dollars. The CRHD's share over the next 10 years has been reduced from \$412.4M to \$281.4M. The CRHD portion of the capital plan has remained unchanged except for the removal of 950 Kings Road as Island health has indicated that a new development is not viable on the site for the foreseeable future.

Below are key changes (over \$10M) to the 2026-2035 Major Capital Projects when compared to the 2025 Capital Plan:

New Projects:

- Victoria General Hospital (VGH) Expansion; \$100M, CRHD share \$30M has been added to the capital plan.
- Saanich Peninsula Hospital (SPH) Core Renovation; \$15M, CRHD share \$4.5M.
- Royal Jubilee Hospital (RJH) Third Floor Renovations; \$20M, CRHD share \$6M.
- SPH Energy Centre Updates; \$25M, CRHD share \$7.5M.

Project Cost Increases:

- VGH Pediatric Intensive Care Unit; increase of \$35M, CRHD share \$10.5M.
- VGH Energy Centre Replacement; increase of \$24.6M, CRHD share \$7.4M.
- RJH VASC/CARD Hybrid Operating Room; increase of \$19.6M, CRHD share \$5.9M.

Projects removed from the capital plan:

- Children and Women's Health Centre; \$200M has been removed, CRHD share \$60M.
- RJH New Space Patient and Health Program Areas; \$150M has been removed, CRHD share \$45M.

- Child and Youth Family Services Redevelopment; \$100M has been removed, CRHD share \$30M.
- Food Service Production Kitchen Replacement; \$100M has been removed, CRHD share \$30M.
- SPH Energy System Replacement; \$30M, CRHD share \$9M has been removed.
- Pembroke Mental Health Substance Use Centre; \$22M, CRHD share \$6.6M has been removed.
- RJH Hospice Replacement; \$20M, CRHD share \$6M has been removed.
- VGH Emergency Department Imaging CT and Xray Expansion; \$10M, CRHD share \$3M has been removed.
- RJH ABSU unit; \$10M, CRHD share \$3M has been removed.

ALTERNATIVES

Alternative 1

That the Capital Regional Hospital District 2026-2035 10-Year Capital Plan be approved as submitted.

Alternative 2

That this report be referred back to staff for additional information based on Capital Regional Hospital District Board direction.

IMPLICATIONS

The CRHD 10-Year Capital Plan outlines the CRHD's ongoing financial support for Major Capital Projects, Minor Capital Projects, and healthcare equipment. In partnership with Island Health, the CRHD typically contributes 30% of the funding for Major Capital Projects. From 2026 to 2035, the CRHD's estimated contribution to Island Health's "planned" or "possible" projects is \$281.4M, reflecting a reduction of \$131.0M compared to the 2025 Capital Plan as approved by the Board on October 30, 2024. This decrease is a result of Island Health's reprioritization of regional projects.

All project cost estimates are subject to change due to scope refinements, economic fluctuations, and Island Health's annual prioritization process. All projects must receive approval from both Island Health and the CRHD.

Appendix B presents the current and projected debt servicing costs associated with the 2026–2035 Capital Plan, while Appendix C provides a summary of the potential tax requisition impact noting if the 10-Year Capital Plan materializes as Island Health plans, the total CRHD requisition would peak in 2035 at \$33.3M or \$169.12 per household (vs \$18.5M & \$93.95 respectively in 2026).

CONCLUSION

Staff continue to collaborate with Island Health to refine capital plans that best meet the region's needs. The capital plan is structured by health facility and year, with recommended funding identified for each project. Each project will undergo review in its designated year and is subject to prioritization and Board approval. The CRHD 2026 Provisional Budget reflects the financial implications of the 2026-2035 10-Year Capital Plan.

RECOMMENDATION

That the Capital Regional Hospital District 2026-2035 10-Year Capital Plan be approved as submitted.

Submitted by:	Michael Barnes, MPP, Senior Manager, Health and Capital Planning Strategies
Concurrence:	Kevin Lorette, P. Eng., MBA, General Manager, Housing, Planning and Protective Services
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer & General Manager, Finance & Technology
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

ATTACHMENTS

Appendix A: 2026-2035 CRHD 10-Year Capital Plan
Appendix B: 2026-2035 Capital Plan Debt Servicing Graph
Appendix C: Debt Servicing Impact of 10-Year Capital Plan (2026-2035)