

REPORT TO HOSPITALS AND HOUSING COMMITTEE MEETING OF WEDNESDAY, MARCH 02, 2022

SUBJECT Oak Bay Lodge Redevelopment Public Engagement Update

ISSUE SUMMARY

To provide an update on the second round of public engagement and next steps.

BACKGROUND

The Capital Regional Hospital District (CRHD) took ownership of Oak Bay Lodge (2251 Cadboro Bay Road) from Vancouver Island Health Authority (Island Health) effective August 14, 2020. On October 14, 2020 the CRHD Board approved the award of contract to Kirk & Co. Consulting Ltd. for public engagement on the Oak Bay Lodge Redevelopment project. At the June 02, 2021 Hospitals and Housing Committee, staff reported on the first stage of the public engagement process focused on seeking community feedback and ideas regarding the future development of the Oak Bay Lodge property. The first round of consultation took place between January 6 and February 4, 2021. There was significant interest from the community in this initial consultation period, with over 759 public and stakeholder interactions. We engaged the community on three healthcare service areas: primary care, senior's hub, and a public health unit. There were also comments and questions related to engagement, decision-making and project timeline, including involvement of other agencies, covenants on the property, municipal zoning, demolition and construction.

As part of the CRHD's mandate to develop and improve healthcare facilities, in partnership with Island Health, a second round of engagement was undertaken to seek feedback from the public on project design options and the priorities for the use of the site. This report provides an update on the second round of public engagement which took place between July 08 and August 06, 2021. CRHD received a total of 295 public and stakeholder interactions, including: 235 surveys, 8 emails, and 52 attendees at online open houses. A representative from Island Health Capital Planning also participated in the second round of public engagement and was available to answer questions from the community during the open houses. At the second round of public engagement the CRHD provided information about three potential development options for the property and sought input from the public and stakeholders. These options were identified through collaboration with Island Health based on a needs assessment of services for the region. A copy of the full report is attached as Appendix A.

Three options for the site were proposed to the public and stakeholders. Table 1 outlines the options and summarizes the percentage of respondents who strongly agree or agree with each option.

	% of respondents who strongly agree or agree	Proposed Services
Option 1	60%	Maximized Health Services Includes only healthcare-related services and up to 10 services identified by Island Health
Option 2	28%	Maximized Site Use with Health and Non-Healthcare Includes one-two healthcare-related services and a non-healthcare component
Option 3	57%	Senior Focused Health Services Includes one-three healthcare related services related to seniors and non-healthcare components
	Healthcare Services	Senior Focused Health Services; Primary and Community Care Public Health; Intermediate Care and Short-term Housing; Outpatient Services
		<i>Long term care, adult day program, GP offices, community health worker space, public health services, hospital to home patients, transitional care housing including mental health and substance use services, physio, brain injury/complex head pain, hospital rehabilitation services</i>
	Non-Healthcare Services	Affordable housing; Independent Seniors Housing; Commercial

Table 1

ALTERNATIVES

Alternative 1

The Hospitals and Housing Committee recommends to the Capital Regional Hospital District Board:

That the Oak Bay Lodge Redevelopment Public Engagement Update report be received for information and that staff be given the direction to proceed with exploring financing and funding options with Island Health while simultaneously proceeding with project scoping, design and procurement for general rezoning. Staff will report back with a cost to proceed and award of contracts.

Alternative 2

That the Oak Bay Lodge Redevelopment Public Engagement Update report be referred back to staff for additional information based on Hospitals and Housing Committee direction.

IMPLICATIONS

Intergovernmental Implications

Following the second round of public engagement Capital Regional District (CRD) staff presented the results of all public engagement activities to Oak Bay Council on October 12, 2021. It was clear from the discussion that this property is an important opportunity to see community needs

met within Oak Bay and regionally. The council discussion was in support of further consultation with the public as an important next step prior to a redevelopment application being submitted to Oak Bay council. Oak Bay staff also shared feedback received from the community regarding the future of the site. A summary is attached in Appendix C and where relevant and applicable will be incorporated in the next steps.

On November 22, 2021 CRD staff met with Island Health executive, Oak Bay Mayor and staff, and a representative from MLA Rankin's office to discuss the importance of the Oak Bay Lodge redevelopment site and next steps. As a result of this discussion Island Health agreed to bring the topic forward to its Board. Island Health's Board of Directors held a special board meeting on December 13, 2021 and requested Island Health staff work with CRHD staff to explore financing and funding options to advance the Oak Bay Lodge redevelopment project that will not impact Island Health's ability to fund its other higher priority initiatives.

Island Health's recommendation is for the former Oak Bay Lodge site to be a community hub with a focus on seniors' care, including:

- Community Health Services and a new Wound Care Clinic;
- Long Term Care Housing;
- Alternative Assisted Living;
- Hospice and Respite (run by Victoria Hospice Society);
- Adult Day Program and
- Primary Care and Primary Care Network Spaces.

Island Health services are subject to Board and Ministry approval. After consultation with Oak Bay, the public and Island Health, CRHD will incorporate the feedback as well as Island Health's recommendations and future demographic regional needs as we conduct feasibility on the site with the goal of maximizing services and overall value to the community and the region.

Financial Implications

Given limited capital availability from Island Health, innovative financing and funding strategies will need to be explored in order to advance this project. Resources will be required to advance a general rezoning application including hiring consultants for the design and procurement phase of the project, as well as phase three of public engagement. Staff will report back to the Board with a cost to proceed and award of contracts in the near future. Island Health's Board and the Ministry of Health have not secured funding or given approval for a project on this site at this time, however staff feel it is important to proceed with the steps necessary to facilitate a general rezoning on the site irrespective of Island Health approvals. Staff will continue to work with Island Health as they assess available operating and capital funds relative to other priorities within the region.

Next Steps

CRHD and Island Health will work on a financing and funding model to achieve the community vision for this site, followed by business planning and approvals at the Island Health Board and Ministry of Health. CRHD staff will also begin work toward a general rezoning on the site including developing schematic design options and feasibility analysis of these options including legal, geotech, surveyor, quantity survey, architect, and development consulting. Once this initial work is complete additional work will be required to prepare the development application including a traffic study, architect, landscape, civil, structural, mechanical, building envelope, a project development agreement, and a lease.

Phase 1 Project Scoping	Timeline
Work with Island Health on financing options for the project.	TBD
Develop Business Plan in Partnership with Island Health.	TBD
Island Health and Ministry approvals.	TBD
Phase 2 Design and Procurement	
Preliminary Design Phase: Visioning and Site Plan; Technical Site Analysis; Preliminary Design Report.	Q2 - Q3 2022
Schematic Design Phase: Functional program(s) outline specifications (mechanical etc.); Class D costing; Pre-Application meeting with District of Oak Bay; CRHD approval.	Q3 2022
Design Development Phase: Public Consultation, Submission of Development Proposal to Oak Bay.	Q4 2022
Contract Documentation Phase: Contractor Build/Operate RFP; Architect Peer Review; Traffic Study; Environmental Assessment; Class B; Building Permit Application.	TBD

The schematic design options will be brought back to each organizations respective boards for approval and a third round of community engagement is recommended prior to submission of a development proposal to the District of Oak Bay.

CONCLUSION

A multi-round consultation and engagement process is complete. There was significant interest from the community throughout the process and those suggestions will be shared and incorporated into the schematic design and next steps of the project. Project scoping including working with Island Health on financing and funding options and developing a business plan are ongoing while the CRHD proceeds with preparations toward a general rezoning of the site.

RECOMMENDATION

The Hospitals and Housing Committee recommends to the Capital Regional Hospital District Board:

That the Oak Bay Lodge Redevelopment Public Engagement Update report be received for information and that staff be given the direction to proceed with exploring financing and funding options with Island Health while simultaneously proceeding with project scoping, design and procurement for general rezoning. Staff will report back with a cost to proceed and award of contracts.

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Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

ATTACHMENTS

Appendix A: Round 2 Consultation Summary Report, September 2021
Appendix B: Round 2 Community Consultation Discussion Guide
Appendix C: Summary Feedback Received From District of Oak Bay