



Staff Report

Administration – Chief Administrative Officer

Report To: Council Meeting
Meeting Date: March 6, 2023
Report Number: FAF.23.036
Title: 125 Peel Street Campus of Care Update
Prepared by: Shawn Everitt, Chief Administrative Officer

A. Recommendations

THAT Council receive Staff Report FAF23.036, entitled “125 Peel Street Campus of Care Update”;

AND THAT Council advise the community that on January 23, 2023, in a Closed Session Council meeting, staff provided a status update on the 125 Peel Street Campus of Care procurement process that included a recommendation to bring information from Closed Session to the public to ensure that transparency and openness regarding this project is re-established with the formal procurement process now being completed;

AND THAT Council acknowledge that staff were directed to bring a Staff Report directly to the March 6, 2023, Council meeting;

AND THAT Council advise the community that the formal procurement process that included the Request for Qualification (2022-24-PQ-ADM) concluded with one (1) submission being received and that lone submission being qualified by the Ministry of Long-Term Care and the Town;

AND THAT Council advise the community that the lone qualified proponent permitted to move forward with the Request for Proposal (2022-74-P-ADM) process was peopleCare Communities as the lead proponent in collaboration with SkyDev;

AND THAT Council advise the community that the formal procurement process that included the Request of Qualification (2022-24-PQ-ADM) and the Request for Proposal (2022-74-P-ADM) has been completed and cancelled without a successful proponent meeting the minimum mandatory technical scoring requirements;

AND THAT Council acknowledge that staff were directed to negotiate with the lone qualified proponent, being peopleCare Communities and SkyDev, as permitted under Section 10 - Negotiation of the Town’s Purchasing of Goods and Services Policy (POL.COR.07.05), due to the time-sensitivity of the March 2023 Ministry deadline to secure a qualified long-term care provider for the provisional allocation of one hundred and sixty (160) long-term care beds;

AND THAT Council advise the community that staff were directed to include the following key elements in the negotiations with peopleCare Communities and SkyDev:

- a) Acceptable height of five (5) stories for the labour force housing
- b) The Town be left with six (6) contiguous acres of developable land

AND THAT Council, pending the outcome of further negotiations as permitted under Section 10 - Negotiation of the Town's Purchasing of Goods and Services Policy (POL.COR.07.05), direct staff to schedule a Special Committee of the Whole meeting to allow representatives of peopleCare Communities and Skyline Skydev to present their proposed Campus of Care Project;

AND THAT Council advise the community that approval of any of the following elements shall require a formal resolution of Council:

- a) Disposition of any portion of the 125 Peel Street property
- b) Approval of a Proposed Design and Preliminary Site Plan for a Campus of Care to be located on the 125 Peel Street property.

B. Overview

This report provides information regarding the history of the 125 Peel Street Campus of Care concept and the results of the procurement process for the 125 Peel Street Campus of Care Project and the proposed next steps.

C. Background

Purchase of 125 Peel Street

In 2020, the Town was presented with the opportunity to purchase 125 Peel Street.

On February 22, 2021, [Staff Report FAF.21.040](#) recommended that Council purchase 125 Peel Street. Council subsequently approved the recommendation and purchased the property comprised of a total of 32.63 acres for \$3,450,000.

Staff Report FAF.21.040 identified the following potential uses within the background and analysis sections of the Report:

- Potential location of a range of alternate municipal uses that may be identified in future years as key strategic plans are completed
- Potential of providing area for an enhanced intersection at Grey Road 113, 10th Line and Highway 26
- Potential site for a Regional Multi-Use Community Hub that will be reviewed through the 2020 Leisure Activities Plan, and over the next 4 to 6 years, that would allow for potential construction of a facility in the next 8 to 12 years

- Potential site for the replacement water tower for the west end of the Town pending the West Side Water Storage and Distribution Study results regarding area water storage and distribution needs

Southbridge Ministerial Zoning Order (MZO) Request for Support

On June 22, 2021, Council of the Town of The Blue Mountains received a [Deputation from Southbridge Health Care LP](#) requesting Council support a request to the Province for an MZO, to facilitate the development of a one hundred and sixty (160) bed long-term care facility.

On June 29, 2021, Southbridge Health Care LP provided the Town with an update on the MZO request and advised that the previous request for support with an MZO was no longer required due to external circumstances beyond their control.

The purpose of the request for support with an MZO was to allow Southbridge Health Care LP to start to facilitate a seniors care campus in Thornbury by laying out the land uses and zoning on privately owned lands.

The following statement was made in a Press Release issued by the Town:

“As with all initiatives, sometimes challenges arise,” states Mayor Alar Soever. “At the Council meeting on June 28, 2021, Council was unanimous in supporting, in principle, the request of Southbridge with the Minister's Zoning Order. I hope that any hurdles can be overcome on this initiative and the addition of much needed long term care beds can progress with success for our community.”

How the Town Became Involved in a Proposed Campus of Care Project

The Province identified a significant need for additional long-term care beds throughout Ontario and the Town responded to an opportunity to consider the use of Town owned land as a potential site for meeting the community's long-term care needs.

The Town's shift to including a Community Campus of Care as a potential use for a portion of the 125 Peel Street property is a direct result of responding to a community need and providing a benefit for families within our community.

The following excerpts were contained in a Provincial Press Release issued on January 28, 2022, entitled “Innovative partnership with the Town will protect our progress by bringing much-needed beds to the area”:

“Our government has a plan to fix long-term care and a key part of that plan is building modern, safe, and comfortable homes for our seniors,” said Paul Calandra, Minister of Long-Term Care. “This home is made possible through an innovative partnership with the Town of The Blue Mountains and when it is completed it will be a place for 160 local seniors to call home, near their family and friends.”

The new 160-bed long-term care home is proposed to be part of a community campus of care focused on healthy seniors' living, which includes commercial space, multi-residential space, seniors' housing, and attainable housing for staff working to support the campus of care. The Town of The Blue Mountains is expected to issue a Request for Proposals (RFP) for proponents interested in developing and operating the different components of the campus, including the long-term care home, on municipally-owned land in 2022. Construction is expected to start by summer 2024 and the home is expected to open by the end of 2026.

Typically, those wishing to operate long-term care homes submit applications through the call-for-applications process. In this case, working with The Blue Mountains, the Ministry is allocating the 160 beds prior to the Town identifying a licensee. Once the Town selects an operator for the proposed home, the ministry will review the project in the same manner as all other applications.

History of the 125 Peel Street Campus of Care Project

A detailed [125 Peel Street Campus of Care webpage](#) is available on the Town website that includes a subscription feature that allows members of the public to subscribe to receive email notifications when updates are made to the webpage.

The Following Staff Reports have been brought forward to Council since shifting the potential uses of 125 Peel Street to include a potential Campus of Care Project.

Meeting Date	Type of Meeting	Report or Presentation
September 20, 2021	Council	FAF.21.171 - Approval of Funds to Complete Property Studies on 125 Peel Street
January 17, 2022	Council	FAF.22.016 - Disposition of Portions of 125 Peel Street
February 7, 2022	Public Meeting	Recording of Meeting - regarding Declaring a Portion of 125 Peel Street as Surplus
March 1, 2022	Committee of the Whole	FAF.22.047 - Follow Up to Public Meeting for the Potential Disposition of Portions of 125 Peel Street
March 2, 2022	Committee of the Whole	Follow Up to Public Meeting for the Potential Disposition of Portions of 125 Peel Street

Meeting Date	Type of Meeting	Report or Presentation
March 2, 2022	Council (Special Meeting)	<p>Campus of Care Project Vision and Key Elements</p> <p>Meeting Agenda</p> <p>SHS Presentation Slide Deck</p> <p>Recording of Meeting</p> <p>Post-Meeting Minute and Motions Passed</p>
March 14, 2022	Council	<p>Further Discussion of the Campus of Care Project</p> <p>Meeting Agenda</p> <p>SHS Consulting Follow-up and Response to Public Comments</p> <p>Recording of Meeting</p> <p>Meeting Minutes</p>
March 15, 2022	Council (Special Meeting)	<p>Further Discussion of the Campus of Care Project</p> <p>Meeting Agenda</p> <p>FAF.22.034 Community Campus of Care - Single Source Engineering Services</p> <p>Recording of Meeting</p>
March 29, 2022	Committee of the Whole	<p>FAF.22.069 - 125 Peel St. - Declare Lands Surplus and a Process to Sell the Lands</p>
April 11, 2022	Council	<p>FAF.22.084 - Options for 125 Peel Street Community Campus of Care Task Force Structure</p>
April 29, 2022	MZO Application	<p>Submitted to the Ministry of Municipal Affairs and Housing and outlined the proposed use of the lands at 125 Peel Street</p>

Meeting Date	Type of Meeting	Report or Presentation
May 10, 2022	Committee of the Whole	FAF.22.096 - 125 Peel Street Campus of Care Update 1
July 6, 2022	Request for Qualification (2022-24-PQ-ADM)	Procurement document released in order to pre-qualify prospective proponents based on the criteria eligibility for the Campus of Care development opportunity
September 1, 2022	Request for Qualification (2022-24-PQ-ADM)	Procurement period closed to receive applications for pre-qualification
September 19, 2022	Received Email Confirmation from the Ministry of Long-Term Care	Ministry of Long-Term Care and Town pre-qualified the proponent allowing staff to move forward with the Request for Proposal process
October 6, 2022	Request for Proposal (2022-74-P-ADM)	Procurement document released in order to receive proposals for the development of a Campus of Care
November 1, 2022	Committee of the Whole	FAF.22.150 125 Peel Street Community Campus of Care Update
November 25, 2022	Community Infrastructure and Housing Accelerator (CIHA) application	Public Notice Draft CIHA
December 1, 2022	Council	PDS.22.140 - 125 Peel Street Campus of Care - Municipal Request to Minister of Municipal Affairs and Housing for Community Infrastructure and Housing Accelerator (CIHA) Order
December 15, 2022	Council	Reaffirming Council support for the Community Campus of Care and the pursuance of a CIHA Order to permit the development Council Resolution Encouraging transparency, accountability, and public participation Council Resolution
December 16, 2022	Request for Proposal (2022-74-P-ADM)	Procurement period to receive proposals closed

Meeting Date	Type of Meeting	Report or Presentation
January 23, 2023	Council (Closed Session)	Council was advised that the formal Procurement Process resulted in one (1) submission being received and that it did not meet the minimum technical scoring requirements and therefore no proponent was successful (Note: no financial submission was considered or viewed through this process)
January 23, 2023	Council (Closed Session)	Council directed staff to proceed with negotiations with the lone qualified proponent as permitted under Section 10 - Negotiations of the Town's Purchasing of Goods and Services Policy POL.COR.07.05
January 23, 2023	Council (Closed Session)	Council directed staff to amend the original key elements of the Campus of Care in order to further negotiations with the lone qualified proponent

Key Elements of the Campus of Care

At the March 2, 2022, Special Council Meeting, Council received a presentation from SHS Consulting to confirm the direction and vision of the project. During the meeting, Council discussed the list of components to be included within the Request for Proposal document that would be issued to facilitate a competitive bid process to secure a developer to design and construct the Campus of Care.

The following key elements were approved by Council:

- Long-Term Care facility for at least 160 beds with a maximum height of 6 storeys
- Labour force housing with a maximum height of 6 storeys
- Daycare space
- Retirement home
- A variety of housing forms and unit types that include demonstrated innovation in the delivery of both attainable and market housing supply
- 10 contiguous acres of developable land on the site reserved for future municipal facilities and retained in Town ownership
- Naturalized stream corridor
- Setbacks and road widenings as may be required by the Ministry of Transportation, County of Grey and Town of The Blue Mountains

- Onsite active transportation facilities
- High-quality urban design in accordance with the Town's Community Design Guidelines
- A cohesive architectural theme that compliments the built form within the Thornbury community
- Environmental sustainability including green building components

The proposal submitted by peopleCare Communities was not successful in reaching the minimum mandatory technical score required. The staff evaluation team maintained a keen focus on ensuring the proposal was effectively reviewed and scored while also ensuring conformity with the key elements set by Council. As the proposal did not meet all the key elements, the resulting technical score did not meet the minimum threshold. However, staff believe that the proposal was strong enough to warrant further consideration through a negotiation process and that the time sensitivity regarding the allocation of long-term care beds provided the basis for using Section 10 - Negotiation of the Town's [Purchasing of Goods and Services Policy \(POL.COR.07.05\)](#).

At the January 23, 2023, Closed Session Council meeting, Council directed staff to amend the original key elements of the Campus of Care as follows:

- Relating specifically to the Labour force and Rental Housing, that reduction of a maximum or no more than six (6) stories be amended to a maximum of five (5) stories
- Relating to the Long-Term Care Facility, the maximum height be up to three (3) stories
- Relating the Town's retaining of developable land, a reduction from the original ten (10) acres of developable lands to be retained by the town for future municipal facilities to six (6) acres of developable lands to be retained by the town for future municipal facilities
- Clarification to be provided in a future submission on the provision of daycare including the number of spaces, hours, and days of operation
- Clarification of the maximum residential units, including clear identification of housing types and number of beds per unit
- Clarification of specific project phasing, including whether the project should be one phase, and the timing of phases (if any)

The following elements, previously identified in the March 2, 2022 list, remain key aspects of the Town's review and consideration. However, as the formal procurement process that included both the Request for Qualification and Request for Proposal is now cancelled, these key elements no longer carry the status of "Preferred" or "Mandatory":

- Naturalized stream corridor

- Setbacks and road widenings as may be required by the Ministry of Transportation, County of Grey and Town of The Blue Mountains
- Onsite active transportation facilities
- High-quality urban design in accordance with the Town's Community Design Guidelines
- A cohesive architectural theme that compliments the built form within the Thornbury community
- Environmental sustainability including green building components.

D. Analysis

Town's Involvement in the Next Steps and Potential Campus of Care Operations

The Town will have no involvement in any potential long-term care operations on 125 Peel Street or Campus of Care development. The Town's involvement, outside of approving the key elements and design, will be to dispose of the land required for the project.

Neighboring municipalities, as well as several other municipalities in the region, have seen the development of Long-Term Care Facilities. These developments range in size and complexity, however, most if not all Long-Term Facilities that have been developed over the past ten (10) years have neither been on municipally owned land nor had the elements associated with labour force housing, daycare, and other forms of housing stock that make for a true Campus of Care.

However, Tillsonburg is currently working with peopleCare Communities and has agreed to sell 5.7 acres of municipally owned property, previously owned by the Thames Valley District School Board. This property is proposed to host a one hundred and sixty (160) bed Long-Term Care Facility, one hundred and fifty (150) retirement home beds, and sixty-nine (69) seniors apartments. More information is included in the [Norfolk and Tilsonburg News Article](#).

Also, the press release announcing the allocation of one hundred and sixty (160) long-term care beds for The Blue Mountains' proposed Campus of Care was issued on January 25, 2022, and the allocation of one hundred and sixty (160) long-term care beds to peopleCare Communities for Tillsonburg was in January 2022 as well. Staff suggest that, based on research to date, the similarities with the Tillsonburg project include the provision of long-term care beds, retirement home, and apartments.

Negotiation Process

As per Council direction, staff are currently undertaking negotiations with peopleCare Communities and Skyline Skydev regarding the proposed development of a Campus of Care so it can be brought forward to a future open session of Council.

Staff are preemptively recommending that a Special Committee of the Whole meeting be considered as a future step in bringing this project from a confidential negotiation process to a

formal open session. This proposed step would only be considered if Council deems the negotiations to be successful.

If the negotiations are unsuccessful, staff would bring forth a report providing formal notice that the selection and award of the Campus of Care Project was unsuccessful.

Ministry of Long-Term Care Deadline for Securing a Long-Term Care Provider

In the January 28, 2022, [Provincial Press Release](#) announcing the provisional allocation of one hundred and sixty (160) long-term care beds in the Town of The Blue Mountains, the Ministry noted that construction is expected to start by the summer of 2024 and the home is expected to open by end of 2026.

The Ministry of Long-Term Care provided the Town with an original deadline of December 31, 2022, for the Town to identify a qualified long-term care provider.

Throughout the procurement process, the Town has continued dialogue with Ministry of Long-Term Care staff. As of the fourth quarter of 2022, the Ministry of Long-Term Care extended the December 31, 2022, deadline to March 31, 2023.

Staff are currently working with Ministry of Long-Term Care staff to determine the length of an additional extension that may be required to provide adequate time to review a proposed Campus of Care design, deal with the required land transaction, funding agreements, etc. if the negotiation process is successful.

Status of the Community Housing Infrastructure Accelerator (CHIA) Order

Staff are continuing to work with the Ministry of Municipal Affairs and Housing (MMAH) regarding the Town's December 2022 request for a (CHIA) order for the development of a Campus of Care at 125 Peel Street.

At the time of drafting this report, Town staff can confirm that a meeting with Town staff and the MMAH took place on February 23, 2023, to review additional details of the CHIA request. Staff are expecting to receive follow up from the MMAH in the near future.

Servicing of 125 Peel Street

Town utility services for the Campus of Care Project will connect to Town infrastructure at a couple of different locations. Water servicing be combined with the previous Substandard Watermain Project of Alice Street, Peel Street, and Baring Street. The watermain supply will be along Peel Street from the Thornbury Water Plant. The Peel Street North Reconstruction Project will ensure watermain sizing to accommodate the Campus of Care Project. Sanitary servicing will be along Peel Street and connect into the existing sanitary system on the north side of Arthur Street. Stormwater servicing will be from the Campus of Care to the Little Beaver River which is located on Alice Street.

Peel Street and Alice Street will have the expansion of a trail system which will tie in several Town destinations. The trail system will connect to the Georgian Trail on the north side of Arthur Street. As part of the Peel Street North Project, the trail system will be extended from the Georgian Trail to Arthur Street along Peel Street. The trail system will extend to the Town's Recreation Complex along Peel Street. Destinations that will be accessed from Alice Street will be Moreau Park, the future Beaver Parkette, and the Beaver Valley Community Center. There will also be access to shopping along Arthur Street from the Beaver Parkette.

Engineering Costs

Engineering Purchase Order of \$459,865

E. Strategic Priorities

1. Communication and Engagement

We will enhance communications and engagement between Town Staff, Town residents and stakeholders

2. Organizational Excellence

We will continually seek out ways to improve the internal organization of Town Staff and the management of Town assets.

3. Community

We will protect and enhance the community feel and the character of the Town, while ensuring the responsible use of resources and restoration of nature.

4. Quality of Life

We will foster a high quality of life for full-time and part-time residents of all ages and stages, while welcoming visitors.

F. Environmental Impacts

Every effort will be made to limit the impacts on the natural environment.

G. Financial Impacts

The purchase of the 32.68 acres of land that make up 125 Peel Street for \$3,450,000 has been financed through the following finding sources:

- \$1,250,000 from Parkland Dedication
- \$2,150,000 Long-Term Debit

The Town has utilized a total of 577.5 hours on the Campus of Care Project and 437.5 hours on the development of the MZO and CHIA submissions from March 2021 to February 23, 2022, at the time of drafting this report **(a total of 1,015 staff hours)**.

The following external costs to date specifically relating to the Campus of Care Project:

Studies for Preparation of Potential Land Development

Study	Cost
Property Constraint Analysis	\$4,579
Stage 1 and 2 Archaeological Analysis	\$14,130
Property Survey	\$12,150
Pre-Development of Land Analysis	\$57,055
Letter of Authorization	\$5,128
TOTAL	\$93,042

Campus of Care Procurement Process

Process	Cost
Development Management Services	\$49,735
Fairness Advisor	\$5,866
External Legal Counsel	\$22,968
Appraisals	\$2,340
TOTAL	\$80,909

To date, a combined total of \$173,951 has been spent on the Campus of Care Project and has been funded by Development Charges.

H. In Consultation With

Council

I. Public Engagement

The topic of this Staff Report has been subject to a Public Meeting which took place on February 7, 2022, relating specifically to declaring lands as being surplus and the potential sale and disposition of Town owned land.

Any comments regarding this report should be submitted to Shawn Everitt, Chief Administrative Officer, cao@thebluемountains.ca.

J. Attached

None

Respectfully submitted,

Shawn Everitt
Chief Administrative Officer

For more information, please contact:

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Report Approval Details

Document Title:	FAF.23.036 125 Peel Street Campus of Care Update.docx
Attachments:	
Final Approval Date:	Feb 24, 2023

This report and all of its attachments were approved and signed as outlined below:

Shawn Everitt - Feb 24, 2023 - 3:39 PM