
**STAFF REPORT TO THE PLANNING & PROTECTIVE SERVICES COMMITTEE
MEETING OF WEDNESDAY, FEBRUARY 22, 2006**

SUBJECT:

Due diligence on a prospective property in Saanich, BC for a long-term care facility development

PURPOSE/PROBLEM:

Approval for additional funding of \$6,500 to complete due diligence work on the subject property.

HISTORY/BACKGROUND:

At its October 19, 2005 meeting, the Health Facilities Planning Committee received a report from staff regarding the need to replace the existing complex care facilities at Central Care Home and Mount Edwards Court. The preferred location is in Saanich, identified in the October report, and the Capital Regional Hospital District is undertaking due diligence on the property prior to submitting an offer to purchase to the property owner.

The Health Facilities Planning Committee has previously approved the expenditure of \$50,000 from the Section 20(3) budget to undertake the necessary site investigations and real estate appraisals. This work is underway however, due to additional costs of soil and environmental investigations, an additional \$6,500 is needed to complete the real estate appraisal component of the due diligence process.

In the event that the property is acquired and sold for care home use, the cost of the due diligence process would be included in the sale price and recovered to the District.

ALTERNATIVES:

Decline commissioning a real estate appraisal and prepare an offer to purchase based on the limited information available on this property. This is not recommended given the relatively small cost of an appraisal compared to the value of the property.

FINANCIAL IMPLICATIONS:

Sufficient funding is available in the Section 20(3) budget to accommodate this request.

SUMMARY/CONCLUSIONS:

Due diligence on the subject property is nearly complete with the final stage being the real estate appraisal component. The cost of soils and environmental investigations exceeded initial expectations and additional funding of \$6,500 is requested to complete the due diligence work prior to preparing an offer to purchase.

RECOMMENDATION:

That the Committee approve an additional \$6,500 from the Section 20(3) budget to complete the real estate appraisal component of the due diligence process prior to preparing an offer to purchase a property in Saanich, BC for a future long-term care facility development.

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COMMENTS: