

**STAFF REPORT TO THE PLANNING & PROTECTIVE SERVICES COMMITTEE
MEETING OF WEDNESDAY, OCTOBER 24, 2007**

SUBJECT: CRD Bylaw No. 351, "Capital Regional Hospital District Capital Bylaw No. 142, 2007"
Redevelopment of the Emergency Department at Victoria General Hospital

PURPOSE/ISSUE:

To request approval for \$7.52 million (M) representing the Capital Regional Hospital District's (CRHD) 40% share of capital funding to redevelop the Emergency Department at Victoria General Hospital (VGH). The total estimated project cost is \$18.8 M.

BACKGROUND:

The VGH is one of two major hospitals serving the Capital Regional District. In addition to providing general acute care, VGH provides the Region's maternity, pediatric and rehabilitation services. VGH is also the designated major trauma centre for Vancouver Island.

The existing 500 square meter Emergency Department (ED) at VGH has received only minor renovations since the hospital was constructed 25 years ago. As emergency care has evolved and the CRD's population has increased, a number of functional deficiencies¹ in the ED have been identified that can only be resolved by a major capital project.

When opened in 1982, the VGH Emergency Department was designed to receive 10,000 patient visits per year. That number has increased by 260% to 36,000 visits per year. In addition to the increased patient load, the following deficiencies have been identified:

- | | | |
|---|--|---|
| <ul style="list-style-type: none">• Patient and staff safety• Confidentiality issues• Congestion at triage area• General congestion• Infection control issues | <ul style="list-style-type: none">• Inadequate space for:<ul style="list-style-type: none">– Pediatrics, Trauma– Families– Staff, Physicians– Support personnel (Ambulance, Police) | <ul style="list-style-type: none">– Equipment & supplies storage– Emergency care services– Bathrooms & shelter for ambulatory drop-offs |
|---|--|---|

In April 2002, VIHA requested approval of the construction of a new emergency department at the north end of the VGH concourse at an estimated project cost of \$14.9 M. Due to funding restrictions at the Provincial level, this project did not proceed.

In June 2006 the CRHD approved \$0.120 M in planning funding for an alternate version of the project, involving renovation within the current ED and expansion southward. The original pre-planning capital cost estimate for the "alternate southward" version of the project was \$7.5 M which was approved by the Board in June 2006. However, after comprehensive consultation and architectural design review, it was estimated that the total project cost for the southward expansion would cost approximately \$16.1 M.

¹ A functional deficiency is typically a lack of space or outdated configuration of space to meet current care standards or increased patient load. Technical deficiencies are typically building-code related. Health facilities commonly become functionally deficient before they become technically deficient.

Detailed planning investigation of the southern site revealed several significant design and construction site challenges resulting in a significant risk factor that would likely add to project costs and construction and operational complexities. VIHA has since rejected the southward expansion option.

VIHA's revised proposal is a return to the 2002 option; that is, to construct a new ED at the northern end of the VGH concourse, adjacent and attached to the existing hospital. The northward expansion is a better solution for improving the emergency department for the following reasons:

- The northern site will permit the design of an entirely new ED without having to adapt the existing ED to a new design.
- The construction on the northern expansion will not intrude on the delivery of emergency care. This will benefit patients and staff who otherwise would have had to deliver and receive care adjacent to a construction zone.
- The northward expansion involves redesign of the entrance roadway making the ED much more visible to users of the emergency department as they enter the VGH site.
- It provides immediate proximity to the helipad for receiving major trauma cases.
- It provides for the potential of immediate adjacency to medical imaging.

The new ED development will provide the VGH with a new Emergent/Urgent Care and Fast Track facility. The Emergent/Urgent Care area will support a dedicated negative pressure isolation suite, a pediatric area including a pediatric negative pressure room, procedure rooms and a two-bed Trauma suite. The ED will also house a two-room isolation-capable decontamination suite.

The gross area of the new north end Emergency Department is 1460 square meters. This represents an increase of nearly three times the size of the current ED. However, it is slightly less than both the space estimate required by the Functional Program and the south end option. Because of the slope of the site, the north end development also provides additional usable space at the first floor (basement) level. As well, the building is designed to take a third floor, allowing for future hospital expansion at relatively low cost. The north end expansion would also provide an additional 500 square meters of available space within the existing hospital for future development due to the relocation of the existing ED to the north side.

The estimated capital cost is \$18.8 M with completion estimated by fall 2009. VIHA is ready to begin this project and is requesting the Capital Regional Hospital District (CRHD) to contribute its 40% share of the capital funds in the amount of \$7.52 M.

Attached to this report are copies of the schematic design report executive summary (7a), total project cost estimate (7b), space comparison summary (7c), site plan (7d), location plan (7e), level 2 plan (7f), level 1 plan (7g), north elevations plan (7h) and west elevations plan (7i).

ALTERNATIVES:

1. Approve expansion with the original project cost

This entails approving the VGH ED redevelopment project that was included in the 2007/08 Capital Plan at a total project cost of \$16.1 M with CRHD contributing up to 40% of its share (\$6.44 M). This is not a realistic option as it ignores some of the legitimate costs of development. This will create a funding shortfall for VIHA and they may be forced to fund this project at the expense of other much needed capital projects. This would delay the project even further.

Approximate capital cost: \$16.1M

2. Approve expansion at north end with increased project cost

The cost of the north site option is almost \$2.7 M more than the previous south end estimate due to additional site work and construction costs. However, approximately half of this difference is due to construction inflation which would equally affect the south end's price. Furthermore, the significant

risk factor associated with the south end has the potential to add substantial cost to the final product. The CRHD share for the north end alternative would be \$7.52 M.

Approximate capital cost: \$18.8M

FINANCIAL IMPLICATIONS:

The estimated cost, CRHD share and annual charges are summarized in Table One:

Table 1 : Preliminary Cost Estimate

	Total Cost	CRHD 40% Share	Annual charge against 2007 assessed residential value (\$477,646)	Annual charge per \$100,000 of assessed residential value
Alternative 1 - Estimated Cost	\$16.1 M	\$6.44 M	\$4.41	\$0.92
Alternative 2 - Estimated Cost	\$18.8 M	\$7.52 M	\$5.15	\$1.08

Alternative 1: A \$6.44 M approval could be funded from a capital borrowing bylaw for 15 years equating to a \$4.41 annual charge against the 2007 assessed residential value of \$477,646 or an annual charge of \$0.92 per \$100,000 of assessed residential value.

Alternative 2: A \$7.52 M approval could be funded from a capital borrowing bylaw for 15 years equating to a \$5.15 annual charge against the 2007 assessed residential value of \$477,646 or an annual charge of \$1.08 per \$100,000 of assessed residential value.

The estimated project budget of \$18.8 M is based upon a detailed schematic design report completed in September 2007. In the event that the Board approves this project, the \$7.52 M contribution is capped thereby shielding the District from further capital cost increases. Capital funding for any further increase would be the responsibility of VIHA.

SUMMARY/CONCLUSIONS:

VIHA is proceeding with a much needed capital project to redevelop the Emergency Department at Victoria General Hospital. This project will alleviate patient congestion, infection control and staff safety issues that are an increasing problem in the current VGH Emergency Department. This is the best alternative as construction could proceed without disrupting the existing emergency service at the south end of the hospital. Other factors such as better visibility and access for people arriving at VGH for emergent care, no construction phasing, adjacency to the Medical Imaging, along with a future opportunity to expand the building with a second floor development, makes this the most viable alternative. Alternative Two (Expansion at North End), is therefore the preferred alternative.

The total budget for this project is \$18.8 M and VIHA is requesting the CRHD provide its 40% share (\$7.52 M). Project completion is planned for fall 2009.

RECOMMENDATION:

That the Committee recommends the Capital Regional Hospital District Board:

1. Approve the redevelopment of the VGH Emergency Department for a total cost of \$18.8 M with the CRHD 40% share of \$7.52 M.
2. Approve CRD Bylaw No. 351, "Capital Regional Hospital District Capital Bylaw No. 142, 2007" for a maximum of \$7,520,000, for the CRHD's 40% share of the redevelopment of the Victoria General Hospital Emergency Department.

Rajat Sharma, Manager
Health Facilities Planning Division
Report Writer

Robert Lapham, General Manager
Planning and Protective Services

Kelly Daniels, C.A.O. Concurrence

COMMENTS: