

**STAFF REPORT TO THE PLANNING, TRANSPORTATION & PROTECTIVE SERVICES COMMITTEE
MEETING OF SEPTEMBER 7, 2011**

SUBJECT: **\$250,000 Capital Funding Request for Jeneece Place**

PURPOSE/ISSUE:

To consider a request by the Queen Alexandra Foundation for Children (QAF) in the amount of \$250,000 to assist in the construction of Jeneece Place in View Royal.

BACKGROUND:

Jeneece Place will provide a safe and welcome refuge for families with children receiving medical care either at the Victoria General Hospital (VGH), the QAF or in local pediatric specialists' offices. It is inspired by the efforts of Jeneece Edroff, a local youth diagnosed with neurofibromatosis, a disease that causes tumors to grow from almost every nerve root from her spine. While undergoing multiple surgeries at BC Children's Hospital in Vancouver, Jeneece and her family often stayed at Ronald McDonald House. Having a home-like facility available during these medical procedures motivated Jeneece and her family to pursue a similar 'house' in Greater Victoria for families in need of a place to stay while loved ones receive medical services in Victoria (an information brochure is attached).

PROJECT DETAILS:

Jeneece Place is a ten bedroom (10,500 sq. ft.) short-stay home QAF is constructing on the grounds of the Victoria General Hospital. The Foundation has secured the land through a sixty-year 'License of Occupation' from the Vancouver Island Health Authority (VIHA), approved by the Ministry of Health as a 'hospital facility' under Section 48 of the *Hospitals Act*.

The total capital budget for Jeneece Place is \$3,371,257. The construction industry has donated over \$575,000 in gifts-in-kind and reduced fees leaving a total remain construction cost of \$2,794,116. Donors have contributed \$2,400,472 toward these construction costs and a capital shortfall of \$393,644 remains. The Capital Regional Hospital District (CRHD) has been requested to consider a capital contribution of \$250,000 toward this shortfall. QAF has committed to raising the additional capital funds required through further community donations and is also obligated to securing all ongoing operating funding.

ALTERNATIVES:

1. Approve the full capital funding request of \$250,000.
2. Approve capital funding at \$203,258.
3. Do not approve the funding request.

FINANCIAL IMPLICATIONS:

Alternative #1 - Approve the full capital funding request of \$250,000.

- This request can be accommodated within the CRHD's 2011 budget through the remaining \$203,258 in net proceed from the sale of Mount. St. Mary's property and \$46,742 from the CRHD Non-Traditional Projects budget.

Alternative #2 - Approve capital funding at \$203,258.

- This request can be accommodated within the CRHD's 2011 budget through the remaining \$203,258 in net proceed from the sale of Mount. St. Mary's property.

Alternative #3 - Do not approve the funding request.

- No financial implications to the CRHD.

PROJECT RISK IMPLICATIONS:

QAF has undertaken the following practices in order to mitigate financial risks as much as possible:

- Use of specialized consultants in fields such as: project and construction management; cost estimation; environmental assessment (hazardous materials); geotechnical; and, community care licensing and building code compliance.
- Appropriate budget contingencies to accommodate: a) modifications to building design resulting from Municipal review and neighborhood input; b) cost escalation resulting from schedule delays; and, c) emergent factors during construction.
- Obtaining firm commitments from all other funders and an unallocated Foundation capital reserve as a short term 'contingency of last resort' if required.

STRATEGIC IMPLICATIONS:

While priority for accommodation will be given to families who travel long distances to receive care in Victoria, Jeneece Place will also benefit families from the Capital Region.

This project is classified as a CRHD 'non-traditional' facility as it supports the provision of healthcare services but is neither acute care nor in a VIHA facility. Under *Alternative #1*, \$953,258 would remain in the 2011 Non-Traditional Projects budget for other capital funding demands including a pending \$900,000 request from the Capital Mental Health Association for McCauley Lodge replacement, and the outstanding acquisition and development costs associated with the Mount View (Carey Road, Saanich) project.

(Note: CRHD staff is currently developing for CRHD Board consideration a comprehensive policy related to funding of such 'non-traditional' projects.)

SUMMARY/CONCLUSIONS:

QAF has incorporated sound practices to identify and mitigate risk factors associated with this project. Any approved funding from the CRHD is one-time only, and can be accommodated within the CRHD budget.

RECOMMENDATION:

That the Planning & Protective Services Committee recommends to the CRHD Board:

1. Approval of the Queen Alexandra Foundation for Children's request for a \$250,000 Non-Traditional Project contribution to assist in the construction of Jeneece Place in View Royal.

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COMMENTS: