



Planning and Land Use Committee Report

For the Meeting on August 21, 2014

Date: August 7, 2014 **From:** Jim Handy, Senior Planner - Development Agreements

Subject: Proposed Amendment to Master Development Agreement for 1952 Bay Street (Royal Jubilee Hospital)

Executive Summary

The purpose of this report is to present Council with information, analysis and recommendations regarding a request from Island Health to extend the deadline for submission of a comprehensive Master Plan for the Royal Jubilee Hospital Campus and to allow the replacement of the existing hospital boiler plant. The proposal would require an amendment to Section 16 of the Master Development Agreement (MDA) for the Royal Jubilee Hospital.

It should be noted that, in addition to outlining a deadline of June 29, 2011, for the submission of a comprehensive Master Plan, the MDA identifies a range of issues that should be addressed in that Plan to the satisfaction of the Director of Sustainable Planning and Community Development. The MDA also states that, with the exception of the Patient Care Centre (which is now complete and operating), a power plant addition, links from the Diagnostic and Treatment Centre to the Patient Care Centre and various surface parking lot works, no further development on the land can take place until City Council have approved the Master Plan.

A Draft Plan was submitted to the City prior to the June 29, 2011, deadline and work continued on this document into 2012. In October 2012, staff provided Council with a memo providing an update on the status of the Master Plan explaining that Island Health were working towards a final draft of the Plan and that, upon completion, the document would be subject to further review from both City staff and the community. The latest iteration of the draft document was submitted in November 2013 and does not fully satisfy the obligations of the MDA. In a letter to staff dated July 31, 2014, Island Health have requested that the submission deadline for the comprehensive Master Plan be extended to June 30, 2015, in order to respond to the issues raised by staff.

Staff will continue to work with Island Health and will meet with their representatives to resolve outstanding issues in the preparation of this Plan.

Recommendations

1. That Council direct staff to prepare an amendment to Section 16 of the Master Development Agreement for the Royal Jubilee Campus, to the satisfaction of the Director of Sustainable Planning and Community Development and the City Solicitor, that:
 - a. extends the deadline for submission of a comprehensive Master Plan for the Campus to June 30, 2015; and
 - b. allows the construction of a replacement boiler plant prior to City Council approval of the comprehensive Master Plan for the Campus, subject to obtaining all necessary permits from the City.

2. That Council direct the Mayor and Corporate Administrator to execute the amendment to the Master Development Agreement and other instruments to effect its registration in the Land Title Office.

Respectfully submitted,


Jim Handy
Senior Planner - Development Agreements
Development Services Division


Deb Day, Director
Sustainable Planning and
Community Development Department

Report accepted and recommended by the City Manager:


Jason Johnson

Date:

August 12, 2014

JH/ljm

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1.0 Purpose

The purpose of this report is to present Council with information, analysis and recommendations regarding a request from Island Health to extend the deadline for submission of a comprehensive Master Plan for the Royal Jubilee Hospital Campus and to allow the replacement of the existing hospital boiler plant.

2.0 Background

In January 2008, Council approved a comprehensive rezoning proposal creating the CD-11 Zone, RJH District, and, in conjunction with the rezoning process, Island Health entered into a Master Development Agreement (MDA) with the City. Section 16 of the MDA requires that Island Health undertake the development of a comprehensive Master Plan for the Royal Jubilee Hospital Campus, at their sole cost, and present that Master Plan to the City by June 29, 2011. This deadline has passed and Island Health are in default of this obligation. The MDA requires that the comprehensive Master Plan address (but not be limited to) the following issues, to the satisfaction of the Director of Sustainable Planning and Community Development:

- use and density
- site planning
- building massing
- landscaping
- site open space
- tree protection
- Bowker Creek
- parking
- Transportation Demand Management (TDM)
- access to and from the land
- site servicing
- storm water management
- heritage issues.

It should be noted that, under the terms of the MDA, Island Health have agreed that they shall undertake no further development at the Royal Jubilee Hospital, other than the Patient Care Centre (which is now complete and operating), a power plant addition, links from the Diagnostic and Treatment Centre to the Patient Care Centre, various surface parking lot works and that they shall not construct any new buildings until the comprehensive Master Plan has been approved by City Council.

A Draft Master Plan was submitted to the City prior to the June 29, 2011, deadline and work continued on this document into 2012. In October 2012, staff provided Council with a memo providing an update on the status of the Master Plan explaining that Island Health were working towards a final draft of the Plan and that, upon completion, the document would be subject to further review from both City staff and the community. The latest iteration of the draft document was submitted in November 2013 and staff have provided feedback to Island Health requesting that further work be undertaken in relation to parking, heritage issues and general Plan content. This is discussed further in Section 4 of this report. In order to address the issues raised by staff, Island Health have submitted a letter to the City dated June 31, 2014 (attached), requesting that the deadline for submission of a comprehensive Master Plan be extended to June 30, 2015. This deadline extension requires a revision to Section 16 of the MDA.

3.0 Issues

The key issues related to this request are:

- proposed new date for submission of a Master Plan
- proposed replacement boiler
- primary outstanding issues.

4.0 Analysis

4.1 Proposed New Date for Submission of a Master Plan

This deadline extension is required to accommodate meetings with staff and further work on the Plan to ensure that a satisfactory comprehensive Master Plan is submitted in accordance with requirements outlined in the MDA. Since Island Health are still actively pursuing the establishment of the Master Plan, staff recommend that Council approve the deadline extension until June 30, 2015, as requested by the applicant.

4.2 Proposed Replacement Boiler

Under the terms of the MDA, with the exception of specific developments identified in this report, no further development of the site can take place until the comprehensive Master Plan has been approved by City Council. Island Health have confirmed that the existing hospital boiler plant needs to be replaced at the earliest opportunity. This is critical hospital infrastructure and staff recommend that Council support an amendment to the MDA that allows construction of the replacement boiler commence prior to approval of the Master Plan.

4.3 Primary Outstanding Issues

As identified in the letter from Island Health, the issue of on-site parking is providing the greatest challenge. The latest iteration of the Draft Master Plan indicates a shortfall of between 235 and 670 parking stalls based on projected future Campus floor space requirements and assumed parking demand. Further work on this issue is required to provide a clear understanding of parking demand as it relates to:

- the future growth of the Campus
- options for providing on-site parking to satisfy that demand
- the effectiveness of Transportation Demand Measures in offsetting parking demand
- minimizing any impact on the community as a result of visitors to the hospital and hospital staff parking in the adjacent residential areas.

The other major outstanding issue is related to heritage. The Draft Master Plan proposes the demolition of Begbie Hall. This building is located adjacent to Richmond Road in the southwest corner of the Campus and is a Heritage-Registered Property; however, this is not correctly acknowledged in the Plan and a compelling argument has not been made for the demolition of this building. Staff have advised Island Health that the Plan should correctly reference and acknowledge the heritage status of the building and, as a guiding principle, identify that the building (and all other heritage resources on-site) be retained and rehabilitated where necessary.

5.0 Conclusions

The proposed deadline extension for the submission of a comprehensive Master Plan for the Royal Jubilee Hospital Campus is required so that Island Health can respond to issues raised by staff. The boiler plant is critical hospital infrastructure and needs to be replaced at the earliest opportunity. Staff will continue to assist Island Health in their preparation of a comprehensive Master Plan and recommend that Council support the requested deadline extension and amendments to the MDA.

6.0 Recommendations

6.1 Recommendations

1. That Council direct staff to prepare an amendment to Section 16 of the Master Development Agreement for the Royal Jubilee Campus, to the satisfaction of the Director of Sustainable Planning and Community Development and the City Solicitor, that:
 - a. extends the deadline for submission of a comprehensive Master Plan for the Campus to June 30, 2015; and
 - b. allows the construction of a replacement boiler plant prior to City Council approval of the comprehensive Master Plan for the Campus, subject to obtaining all necessary permits from the City.
2. That Council direct the Mayor and Corporate Administrator to execute the amendment to the Master Development Agreement and other instruments to effect its registration in the Land Title Office.

6.2 Alternate Recommendation

That Council decline the request to amend the Master Development Agreement for the Royal Jubilee Hospital Campus.

7.0 List of Attachments

- Letter from Island Health dated July 31, 2014
- Section 16.0 of the Master Development Agreement for the Royal Jubilee Hospital Campus
- Aerial map.

Excellent care, for everyone,
everywhere, every time.



July 31, 2014

Ref# 15820

Attention: Alison Meyer, Assistant Director, Development Services
The City of Victoria
1 Centennial Square
Victoria BC V8W 1P6



Dear Ms. Meyer:

Re: Royal Jubilee Hospital Master Campus Plan
Master Development Agreement - Timelines and Update

Please accept this letter as an update on the current progress and projected timeline for the completion and submission of the Royal Jubilee Hospital Master Campus Plan.

BACKGROUND

In January 2008 the Vancouver Island Health Authority (now Island Health) entered into a Master Development Agreement (MDA) with the City of Victoria. Subsequently, the Royal Jubilee Hospital site was rezoned to accommodate the addition of the Patient Care Centre (PCC). The MDA outlined key requirements for Island Health to address in consideration of the development of the PCC. The PCC was completed in 2010 and has significantly improved the delivery of health care services to Vancouver Islanders. The Royal Jubilee Hospital site continues to provide a broad range of services to residents and remains a major employment center in the City of Victoria and south Vancouver Island.

Amongst several requirements detailed in the MDA, Island Health agreed to:

1. "....undertake the development of a comprehensive master plan for the Land, at VIHA's sole cost, and to present that comprehensive master plan to the City within thirty (30) months of the date that Council for the City gives final adoption to the Rezoning Bylaw....".
2. "....provide for a reasonable degree of consultation with the City and the residents of the surrounding neighborhood, to the satisfaction of the City's Director of Planning and Development."
3. "....address (but is not to be limited to) the following issues to the satisfaction of the City's Director of Planning and Development:

.../2

Executive Offices

Located at 2101 Richmond Road | Victoria, BC V8R 1J8 Canada
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viha.ca

- use and density;
 - site planning;
 - building massing;
 - landscaping;
 - site open space;
 - tree protection;
 - Bowker Creek;
 - parking;
 - transportation demand management;
 - access to and from the Land;
 - off-site servicing and improvements;
 - site servicing;
 - storm water management; and
 - Heritage issues.”
4. “....undertake no further development on the Land, other than the Patient Care Centre, power plant addition, links from the Diagnostic and Treatment Centre to the Patient Care Centre and various surface parking lot works, and that, for certainty, it shall not construct any new buildings, until completion of the comprehensive master plan in accordance with this Master Development Agreement, and until Council for the City has approved that comprehensive master plan and considered that plan for inclusion in the City's Official Community Plan or other City policies and regulations.”

The MDA also required the implementation of a Transportation Demand Management Program at the Royal Jubilee Hospital.

OVERVIEW OF PROGRESS OF MASTER CAMPUS PLAN

Upon adoption of the **CD-11 ZONE, RJH DISTRICT** Zoning Bylaw in January 2008, Island Health proceeded with the preparation of the Master Campus Plan (MCP) with the intent to submit within the prescribed timeframe of mid-2010.

Since 2008, significant effort and cost has been allocated to this project by Island Health, including extensive consultation and engagement with the local community. The City of Victoria and the District of Saanich (who share municipal boundaries on the property) have both provided input and interim review of the MCP.

From the feedback we have received, City of Victoria Staff generally supports the current plan as laid out in our December 2013 submission. The remaining key planning issues to resolve include:

- a) Current parking shortfall based on the new projected build out and density;
- b) Transportation Demand Management objectives and metrics; and
- c) Future plans for the existing Heritage Buildings of Begbie Hall and the Memorial Pavilion.

We would like to address these concerns as quickly as possible in order to complete the MCP and be ready to meet future demands as opportunities arise over the next decades. Given that the projected time period of 30 months to complete the MCP has expired, we are requesting additional time to complete the MCP and make every effort to address the City of Victoria's concerns.

Addressing Parking Shortfall and Transportation Demand Management

During the development of the MCP, Island Health retained the services of Boulevard Transportation Group to prepare a parking demand study for the campus that would determine a reasonable ratio of parking to gross development area of buildings. This study assessed the impacts of the new PCC tower to ascertain any demand change for parking on site due to the construction of the facility. The PCC was created to replace and consolidate in one building inpatient beds from the obsolete South, East and Centre Blocks and other parts of the site. Changes in numbers of employees, staff and visitors as a result of the PCC were not considered significant enough to change demand. It is also noted that due to limited available areas for parking on site this continues to be a significant challenge operationally for the hospital in meeting day-to-day parking needs of staff, visitors and patients.

As part of its obligations to the MDA, Island Health has continued to provide regular reports on the progress of the Transportation Demand Management Program which has had some success with a broad range of programs adopted by Island Health over the past few years (Attachment 1). However the program still has challenges in fully meeting the requirements outlined in the MDA and providing adequate justification to the City's satisfaction on an appropriate parking supply rate to address future growth.

As a specialized tertiary care site, RJH requires a large, highly skilled staff. Many staff members are shift workers that reside across the Capital Region, and many work up to 12 hour shifts across all times of the day and night. Adding extra hours to these long shifts to commute on public transit is very challenging. Transit infrastructure leading to the RJH site is increasing, but it still does not fully meet the needs of staff in a way that will significantly decrease vehicle use.

We are subsequently challenged with either increasing the MCP total parking supply or Island Health committing to increasing investments in transportation demand management. In our last iteration of the Master Campus Plan submitted to City Staff, we had achieved a significant reduction in parking shortfall from previous drafts. This was due in part to a change in development area requirements that reduced the parking demand ratio outcome, as well as integration of parking structures with the building footprint above grade.

Capital budgets for new structures must be approved by the Ministry of Health, and in the current challenging fiscal environment parking structures cannot be prioritized ahead of facilities to support patient care. Additionally the geotechnical conditions of the site are found to be largely comprised of shallow bedrock ranging from 1-2 metres below grade, and make the incorporation of underground parking very difficult and cost prohibitive.

As parking shortfall appears to be the main challenge City Staff have with the current draft of the MCP, we are requesting more time to work with the City to find a proposed solution that works for all parties.

Emerging Boiler Plant Issue

Island Health also has an imminent need to replace the aging boiler plant on the RJH site. The existing plant is 60 years old, and three boilers must be replaced as soon as possible. This is a significant risk to the ongoing operation of the RJH campus. Replacing the boilers will require an extension to the existing plant footprint.

Under the Master Development Agreement Island Health cannot undertake any further development on site until the Master Campus Plan is complete. We are requesting that the MDA be amended to allow Island Health to request a building permit to replace the RJH boiler plant. Island Health will then follow the regular city planning procedures to get approval to move forward with the boiler plant upgrade in parallel to completing the Master Campus Plan.

The new boilers will not add any additional staff members to the site, and will not increase the amount of patients visiting the hospital. The plant addition will also not affect parking on site. Further, we are committed to working with the City of Victoria planning team to resolve the outstanding issues and complete the Master Campus Plan within the new proposed deadline.

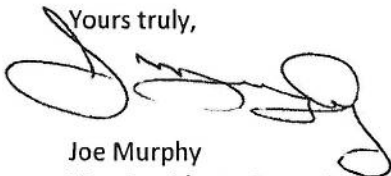
NEXT STEPS

As part of our response to City staff comments, and determining next steps for the MCP, we are requesting:

1. A clear Terms of Reference from City Staff on acceptable information and materials to address the parking shortfall and Transportation Demand Management requirements. In order to fully understand the City's position on this we need direction on what studies or actions should be undertaken to achieve approval of the MCP.
2. Approval from Council to extend the deadline for submission to June 30, 2015, to address the City of Victoria's additional feedback on the latest draft.
3. Approval from the City of Victoria to allow Island Health to proceed with requesting a building permit to upgrade the aging boilers on the RJH site.

We continue to be committed to providing a Master Campus Plan that will guide future growth on the Royal Jubilee Hospital site with as much certainty as possible. We believe that we have prepared a detailed document that addresses the majority of concerns within our current understanding of the future requirements of the health care services available on this site. We look to the City of Victoria to assist us in providing formal written direction that will reasonably ensure that this document will meet the intent of the MDA.

Yours truly,



Joe Murphy
Vice President, Operations and Support Services

cc: Grant Hollett, Corporate Director, Planning and Community Engagement, Island Health
Chris Sullivan, Director, Capital Planning, Island Health

- (b) participation at joint meetings; and
- (c) mechanisms for addressing neighbourhood concerns related to construction or hospital operations, as those activities impact the surrounding neighbourhood, including but not limited to a means of contacting a VIHA representative twenty-four (24) hours per day, seven (7) days per week.

15.2 Prior to the issuance of a structure permit for the Patient Care Centre, VIHA shall provide to the Director of Planning and Development a copy of the Good Neighbour Agreement, executed by VIHA, in terms that are satisfactory to the Director, acting reasonably.

16.0 DEVELOPMENT OF MASTER PLAN

16.1 VIHA covenants and agrees to undertake the development of a comprehensive master plan for the Land, at VIHA's sole cost, and to present that comprehensive master plan to the City within thirty (30) months of the date that Council for the City gives final adoption to the Rezoning Bylaw. VIHA shall retain the services of a competent professionals, such as professional architects, planners and landscape architects, to assist in preparation of the comprehensive master plan.

16.2 In preparing the comprehensive master plan, VIHA shall provide for a reasonable degree of consultation with the City and the residents of the surrounding neighbourhood, to the satisfaction of the City's Director of Planning and Development.

16.3 The comprehensive planning study must address (but is not to be limited to) the following issues to the satisfaction of the City's Director of Planning and Development:

- (a) use and density;
- (b) site planning;
- (c) building massing;
- (d) landscaping;
- (e) site open space;
- (f) tree protection;
- (g) Bowker Creek;
- (h) parking;

- (i) transportation demand management;
- (j) access to and from the Land;
- (k) off-site servicing and improvements;
- (l) site servicing;
- (m) storm water management; and
- (n) heritage issues.

16.4 VIHA covenants and agrees that it shall undertake no further development on the Land, other than the Patient Care Centre, power plant addition, links from the Diagnostic and Treatment Centre to the Patient Care Centre and various surface parking lot works, and that, for certainty, it shall not construct any new buildings, until completion of the comprehensive master plan in accordance with this Master Development Agreement, and until Council for the City has approved that comprehensive master plan and considered that plan for inclusion in the City's Official Community Plan or other City policies and regulations.

17.0 LEED® GOLD CERTIFICATION

- 17.1 VIHA covenants and agrees that the Patient Care Centre shall be designed and constructed so as to achieve LEED® Gold Certification from the Canada Green Building Council.
- 17.2 VIHA covenants and agrees to provide the City with evidence of registration of the Patient Care Centre for certification with the Canada Green Building Council prior to the issuance of a Building Permit for the Patient Care Centre.
- 17.3 VIHA further covenants and agrees to provide the City with evidence of LEED® Gold Certification of the Patient Care Centre upon receipt of that certification from the Canada Green Building Council.

In the event that VIHA fails to provide the City with the certification required under section 17.3 within eighteen (18) months after the issuance of an occupancy permit for the Patient Care Centre, VIHA shall make such improvements or modifications to the Patient Care Centre as are necessary to achieve LEED® Gold Certification, provided that VIHA shall not be required to expend any more on such improvements or modifications than it is lawfully entitled to receive from Project Co by way of contractual penalties imposed due to Project Co's failure to achieve LEED® Gold Certification. In that respect, VIHA covenants that its contract with Project Co shall require Project Co to pay VIHA the amount of ONE HUNDRED THOUSAND (\$100,000.00) DOLLARS for each LEED® credit less than thirty-nine (39) achieved, to a maximum payment amount



Royal Jubilee Hospital Lands

