



**AGENDA
DISTRICT OF PORT HARDY
COMMITTEE OF THE WHOLE MEETING
6:00PM TUESDAY SEPTEMBER 12, 2017
COUNCIL CHAMBERS, MUNICIPAL HALL
7360 COLUMBIA STREET**

Mayor: Hank Bood
Councillors: Pat Corbett-Labatt, Dennis Dugas, Rick Marcotte, Fred Robertson John Tidbury and Leightan Wishart

Staff: Allison McCarrick, CAO; Abbas Farahbakhsh, Director of Operational Services; Adrian Maas, Director of Financial Services; Heather Nelson-Smith, Director of Corporate Services; Leslie Driemel, Recording Secretary

<u>Page</u>		Time:
	A. CALL TO ORDER	
	B. APPROVAL OF AGENDA	
	Motion required	1. 2.
	C. DELEGATION	
	1. <u>6:00 pm</u> Presentation by Gordon Patterson re: Proposed Seniors Residence Center.	
1-14	Information package re: Senior's Residence Center Proposal.	
	2. <u>6:30 pm</u> Staff Sgt Wes Olsen, RCMP re: Quarterly report to Council.	
	D. NEW BUSINESS	
	No new business	
	E. ADJOURNMENT	
	Motion required	1. 2.
		Time:

Senior's Residence Center Port Hardy



Figure 1 artist conception of entrance

Projected Construction Cost, Operational Budget, and Income Projection For A Proposed Conversion of the Providence Place Hotel Into A Supportive Care Seniors Residential & Activity Center.

Introduction

The mortgage holders of the Providence Place Hotel have presented an opportunity for public and private interests to work together as a community to do something great. Not for the greatness in itself, but for the benefit of our seniors.

The **Providence Place** mortgage holders have agreed in principle to create a Senior Citizen Residential facility in partnership with a yet to be formed "Foundation" made up of community and the Province stakeholders. The vision is to renovate this 37,000 square foot structurally sound complex into a **Senior's Activity and Residential Place** containing up to "51" Independent/Supportive senior's double or single occupancy on two levels (51 to 75 beds).

Success of this project is dependent upon a responsible business analysis and needs assessment specific to this development to fit North Island seniors. In this regard business professionals within the Mount Waddington region have undertaken the initiative to champion this project pro bono. Key to the development moving forward is Provincial and business support. In its present form the hotel is reported to be self-sustaining. There is ample room for a semi-independent supportive housing project, all amenities, commercial leasing space, restaurant, senior's 100 place dining room, recreational room, laundry facilities, chapel, office spaces, and conference space accommodating up to 400 persons. Regulatory upgrading and renovation of the facility is necessary to an Independent/Supportive housing use and thereby eligibility for ministry funding. Island Health will have to be onboard to provide residents the basket of

services seniors may require. A building code study was completed in 2009 and the building is moreover compliant. Some upgrading has already begun such as such as fire code. It has a fabulous existing commercial kitchen facilities. Renovation funding may be required to convert and/or upgrade the kitchen appropriate for use in a senior's residential living facility.

Port Hardy's district stakeholders, various Health Authority officials, and the Ministry of Health officials have expressed interest in this project. District and Provincial predictive seniors housing shortage models overwhelmingly demonstrate a growing requirement for seniors Independent/Supportive housing on the North Island.

Background

The Providence Place

This hotel is located at the intersection of Granville Street and Rupert Street in the heart of Port Hardy. It is situated on flat level ground across the street from a park and main shopping amenities. In its present form the Providence Place contains:

- ✓ 15 - Hotel suites (3,200 sq. ft.) in a two story structure (east wing)
- ✓ 36 - Hotel suites (6,512 sq. ft.) in a two story structure (south wing)
- ✓ Banquet Room (1,360 sq. ft.)
- ✓ Lobby Area (1,008 sq. ft.)
- ✓ 1-Coffee Shop (600 sq. ft.)
- ✓ Commercial Kitchen (2,500 sq. ft.)
- ✓ 8,837 sq. ft. for the remaining main floor
- ✓ 3,296 sq. ft. for the lower level area (laundry, mechanical,, electrical, heating)
- ✓ Various washrooms facilities
- ✓ Total gross area 37,025 sq. ft.

Existing Construction (in brief)

In general terms the building is compliant in most aspects to the British Columbia building code.

The entire structure is a wood framed with wood stud wall construction on poured-in-place concrete walls/footings. There is a concrete poured -in-place basement for a portion of the building

- All exterior load bearing walls are 2x6 wood studs
- All interior load bearing walls are 2x6 wood studs
- All corridor walls and suite demising walls are assumed to be double or staggered 2x4 at 16 inch centers on 2x6 plates
- All firewalls are 8" concrete block

Main Floor

The first floor is comprised of a plywood sub-floor over joists at 16" o. c. over a basement space for a portion of the total floor area.

Second Floor

The second floor is comprised of 1 1/2 concrete topping over plywood sub floor over 2" of 10" floor joists at 16" O.C. insulation and 5/8 fire rated gyproc

Corridor Floor (Main level)

Comprised of plywood sub floor over floor joists at 16" o. c. over a basement space for a portion of the Lobby and Lounge areas.. the remaining floors are comprised of concrete slab-on-grade

Corridor Floors (Upper levels)

These floors are comprised of 1 1/2" concrete topping over plywood sub-floor over 2"x10" floor joists at 16" o. c. insulation and 1/2 " gyproc.

Exterior Walls

The exterior load bearing walls are wood studs with batt insulation, vapor barrier and 5/8 fire rated gyproc interior

Windows

Windows have single glazing in steel frames

Doors

- All doors from the corridors to the suites are solid core in wood frames
- All doors from the corridors to exit stairs are steel U.L. labeled in steel frames with closures
- All fire doors are 1 1/2 hour rated U.L. labeled steel frames
- Laundry room and storage rooms have non-rated doors

Exit/Egress Systems

- Exiting is provided by opposing stairwells and/or corridors leading directly to the exterior or direct exiting to the exterior.
- Each area has two exits available as per regulation with each fire exit leading to the exterior
- The travel distance to at least one exit is no greater than 85 feet per regulation

Structural Summary

- General observation of the wood frame structure would suggest that there has been on appreciable movement or deflection in the main supporting systems
- Ground water drainage systems are functioning adequately
- Roof has to be evaluated
- Exterior has to be evaluated

Business Description

A yet to be formed “Foundation” will assume ownership of the facility and guide all aspects of business. Property acquisition, facilities operation, and renovating of the existing structure into

The “Foundation’s” Mission Statement

- *Build a modern Seniors Care Facility in Port Hardy; providing up to 51 residences to meet the growing need for such services on the North Island.*
- *Create a nonprofit business enterprise (Society) that will present the highest level of care with a business vision to grow the facility at a pace that will keep up with demand and set the standard for Seniors Independent/Supportive housing needs*
- *Be a beacon in the North of Vancouver Island where families will know their loved ones can be close by in their senior years to continue to enjoy one another*

an Independent/Supportive Residential Facility will be based on evidenced based decisions agreed upon by the mortgage holder through a contractual arrangement. A mandate will be to create as many “self-sustaining” residential units as determined by the community in cooperation with the Province, local health authority, and North Island stakeholders. This will be accomplished through renovation of the existing structures and grounds appropriate to the needs of the seniors and community. The facility ultimately will be operated by a yet to be formed “Society” as a non-profit organization responsible to the “Foundation”. Residential mandate will be determined in collaboration with the community and various other stakeholders; the local health authority, district leadership, vested interest groups, senior’s needs, and Federal & Provincial Ministry partners

Funding sources may include but are not limited to:

- Various Provincial and Federal Grant funding
- Private subscription
- Industry sponsorship

Public and private sector business support will be garnished through act actively solicitation of legacy sponsorships with initiative such as:

Entranceway Brick:	\$500.00
Garden Bench:	\$3500.00
Residential suite:	\$25,000.00 (Private & Business Sponsorship)
Dining Hall:	\$250,000.00 (Business Sponsorship)

The Facility will be a state of the art compliment to the growing interest in Port Hardy, with landscaped grounds and recreation areas designed to create a relaxing and enjoyable living experience for our senior & family members, and beacon for the community.



Figure 2 Artist conception of residence

Goals

The primary Goal of the Society is to see a completed and operating self-sustaining Seniors Independent Residential facility by July 1, 2018, with a subset of initial goals being championed by public, private, and Government interests to the end of 2017. Once we have an agreement in principle with stakeholders:

1. Hold roundtable direction finding meetings with key stakeholders
2. Solicit for Foundation directors
3. Receive a needs assessment from the local health authority
4. Complete a preliminary design based on community needs
5. Complete a comprehensive business plan
6. Raise financial support
7. Spade into the ground



Figure 3 Proposed enveloping garden environment

Management

The “Foundation” directorship will ideally made up of experienced business specialists, and other stakeholders who will answer to a fiscal budget and oversea practices that will be

reviewed on a continual and scheduled basis by the mortgage holders. The “Foundation” would then design or choose an existing operating Society of those expert in residential facilities to manage the facility.

Financial Needs Analysis

The budgetary expenses will need to be examined and included in the financial assessment at the early stages of development and realized as available prior to official undertaking of the project. The following are some of the expenses that will be determined once the variables of the existing structure are determined through a structure analysis.

- Building
- Utilities
- Legal/acc/advisory
- Software
- Marketing/Promotion
- Technical support
- Payroll/taxes
- Maintenance
- Insurance
- Extraordinary fees

Independent Supportive Living Residences

Consideration is being given to Independent / Supportive Living residences that offer affordable seniors living on fixed income and usually one or more services to assist the resident. Possibly help with grooming, bathing, shopping, providing meals, transport to appointments, etc. Residents are independent for the most part, but may like to have, or require a Provincial provided assistance in their daily routines. Island Health may assist with outpatient care for the supportive housing residents and additionally provide enhanced home support services based on client assessed need.



Figure 4 artist conception of 100 place dining facilities

For seniors and people with disabilities who require some support, but do not need 24-hour institutional care, this type of residence offers a middle option to bridge the gap between home care and residential care by providing affordable accommodation; hospitality services such as meals, housekeeping, laundry, recreational opportunities and 24-hour response; and personal care services such as assistance with grooming, mobility and medications. Seniors directly pay or for eligible residents a portion of their after-tax income to live in these units.

Independent / Supportive Living residences may have any number of units. It may be a multi-unit complex or a home residence with a couple suites or bedrooms that are rented out on a monthly basis.

Independent Living / Supportive Living residential complexes often provide seniors with a lifestyle that can be compared with a stay in a luxury hotel. The difference is that the stay doesn't end after a few days or weeks.



Figure 5 Conceptual senior's environment

Elegant décor, fine dining and regularly planned activities make this the ideal “Senior’s Place”. Facilities will often have an in-house convenience store, library, billiards room, craft room, exercise room, lounge and rooms for private functions. They may have a guest suite that can be booked by residents for out-of-town visitors. Shuttle buses can take those residents who don’t drive to malls or on short outings.

Renovation Estimates

For renovation costing and allowing all parties to be cognizant of the magnitude of the project and the variable expense that may be generated. We are therefore only able to provide a concept of pricing based on commercial construction costs of similar Residential Care facilities, and other commercial efforts. Having said this, it is envisioned a building cost sharing formula agreement will be entered into with the Province.

Materials Construction and Design will represent a large discrepancy in averages

\$150-\$250 dollars per square foot

Construction costs are based on a variety of variables and yet to be determined needs of the building in and of itself. The maximum cost is estimated taking into account maximal variables.

- 50 residential apartments either single or double occupancy, plus 2 common areas:
= \$2,600,000

Other Expenses to Consider Include But Are Not Limited To

- Roads & service/parking lot upgrades
- Utilities upgrading,
- Consulting
- Development soft costs
- Elevator installation
- Kitchen & miscellaneous equipment
- Heating upgrades
- Furnishings
- Mortgage holder payback



Figure 6 conceptual residents

Construction, Operational, and Income Projections

Description	Cost \$	Quantity	Total \$
Building and Mortgage holder payback	1,100,000	1	1,100,000
Roads, grounds, services, parking lot	50,000	1	50,000
Development soft costs Note 1	15,000	1	15,000
Engineering Note 2	100,000	1	100,000
Consulting	100,000	1	100,000
Financing Note 3	75,000	1	75,000
Construction Management Note 4	100,000	1	100,000
Construction Hard Costs (cost/sq.) Note 5	50,000	52	2,600,000
Furnishing/Rooms/Common areas Note 6	65,000	1	65,000
Kitchen & Misc. Dining fixtures	200,000	1	200,000
Commercial Allowance for Theater Area	15,000	1	15,000
Contingency Fee	4,395,000	10%	439,500
Total Costs			4,859,500
Annual Operational Expenses			
Salaries & Wages			190,000
Non-Statutory Benefits	12%		22,800
Payroll Taxes	10%		19,000
Food Costs		Client based	547,500
Supplies			20,000
Repairs and Maintenance			10,000
Equipment			5,000
Office Expense			2,000
General Expense			5,000
Marketing			5,000
Insurance			15,000
Professional Fees			3,000
Utilities			12,000
Property Tax			11,000
Management Fee			75,000
Contingency Fee			31,080
Mortgage Interest			20,000
Total Operating Cost			993,380
Annual Income			
Independent living	2,400	50	120,000
Total Monthly Income			120,000
Total Yearly Income			1,440,000
Total Operating Expense			993,300
Total Net Yearly Income			446,700

Providence Place Projected Cost Notes

Note 1

Developmental Soft Costs \$15,000

- Upon review it is anticipated that zoning is currently in place for the proposed Development Concept, there is not projected expense included for re-zoning.
- The development Soft Costs in these projections are only intended to reflect permitting expenses and modest costs associated with organizing various permits that may be required. i.e. highways, building, city etc.

Note 2

Engineering \$100,000

- The engineering projection includes mechanical, structural, electrical, and architectural engineering
- The building for the Development is currently operating as a Hotel and multi-use building in respect to accommodation, it is anticipated the engineering requirements will be minimal, however, some updates if required may exceed projected budget

Note 3

Financing \$75,000

- Brokerage and various lending costs associated with raising \$4,869,500 vary widely, the estimate included in the project is only representative of some averaging calculations

Note 4

Construction Management \$100,000

- Construction Management costs are based on acceptable wages for a construction manager to organize trades and bring the project to completion with a 9 month build out projection

Note 5

Construction Hard Costs \$2,600,000

- Construction Hard costs are based on the expense of \$50,000 for each room renovation with 50 rooms to renovate and 2 common areas
- Construction for each area is to include
 - ✓ New bathroom
 - ✓ New kitchen cabinetry
 - ✓ Modest re-arrangement of space as applicable for each room

- ✓ Refurbished deck and patio area as applicable for each room
- ✓ New thermo pane windows,
- ✓ New paint and decor

Note 6

Furnishing/Rooms/Common Areas \$65,000

- ✓ Other than basic room amenities It is an anticipated residents will contribute personal furnishings

Gordon Patterson

Satellite View of Providence Place



Building Plan



