



The Regional Municipality of Durham

Committee of the Whole Revised Agenda

Wednesday, September 13, 2023, 9:30 a.m.

Regional Council Chambers

Regional Headquarters Building

605 Rossland Road East, Whitby

If this information is required in an accessible format, please contact 1-800-372-1102 ext. 2097.

Note: This meeting will be held in a hybrid meeting format with electronic and in-person participation. Committee meetings may be [viewed via live streaming](#).

	Pages
1. Roll Call	
2. Declarations of Interest	
3. Statutory Public Meetings	
There are no statutory public meetings	
4. Presentations	
*4.1 Elaine Baxter-Trahair, Chief Administrative Officer, Stella Danos-Papconstantinou, Commissioner of Social Services, and Jason Hunt, Regional Solicitor/Director of Legal Services	3
Re: Housing Initiatives Across Durham Region	
*4.2 Dr. Marina Morgenshtern, PhD, MSW, Director & Professor, Trent University Durham GTA, and Dalon P. Taylor, Professor, Laurier University and Trent University	
Re: Welcome Week 2023: Newcomer Experiences in the Region of Durham	
To be Rescheduled to a Later Date	
5. Delegations	
There are no delegations	
6. Correspondence	
7. Reports	
7.1 Report #2023-COW-32	24

Proposed 2025 Durham Region Strategic Plan Governance Structure
and Advisory Group

7.2 Report #2023-COW-33 40
Update on Noise Attenuation for Backyards along Regional Road
Corridors

7.3 Report #2023-COW-34 50
Construction Progress and Request for Additional Financing for the
Proposed Seaton 200-Bed Long-Term Care Home at 1500 Alexander
Knox Road, in the City of Pickering

8. Confidential Matters

There are no confidential matters to be considered

9. Adjournment

Notice regarding collection, use and disclosure of personal information:

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Regional Council or Committees, including home address, phone numbers and
email addresses, will become part of the public record. This also includes oral
submissions at meetings. If you have any questions about the collection of
information, please contact the Regional Clerk/Director of Legislative Services.



Housing Initiatives Across Durham Region

Presentation to Committee of the Whole
September 13, 2023

Elaine Baxter-Trahair, Chief Administrative Officer
Stella Danos-Papaconstantinou, Commissioner, Social Services
Jason Hunt, Regional Solicitor & Director, Legal Services

A Vision for Housing in Durham Region

- Under the [Master Housing Strategy](#), the Region is committed to exploring all opportunities to support the delivery of affordable, suitable and sustainable housing for all people in Durham



Revitalization of the Regionally owned **Durham Regional Local Housing Corporation (DRLHC)** portfolio, including the development of an evidence-based strategy for managing the DRLHC portfolio that addresses maintenance, revitalization, regeneration (redevelopment) and disposal across the portfolio.



Support for the preservation and modernization of **community housing**, including opportunities for more flexible partnerships and support for capital needs.



Review of **public surplus lands** and their potential social and community benefits.



Review and modernization of the homelessness and emergency shelter system to reduce **chronic homelessness to zero**.



New **partnerships and incentives** for the provision of affordable, community, supportive and transitional housing, including the development of a **Regional Community Improvement Plan (CIP)**.

Community Needs



In 2023, 331 individuals are experiencing homelessness, compared to 134 in 2017.

67%

A significant increase in people experiencing unsheltered homelessness over the past year.



More people are experiencing homelessness across Durham Region.

Low-Income

Durham Region has an estimated 45,800 residents (6.6%) living with low income, defined as \$26,570 after tax for an individual and \$53,1403 for a family of four.

Social Assistance

As of January 2023, the number of Ontario Works (OW) recipients in Durham was 12,835. The number of Ontario Disability Support Programs (ODSP) recipients was 19,952.



Since 2018, the current combined maximum amount for basic needs and shelter for a single OW recipient is **\$733/month**.

Average rent in Durham Region for a one-bedroom apartment: **\$1731/month**.

Two-bedroom apartment: **\$2123/month**.

People experiencing homelessness have varied, complex needs and require multifaceted supports including mental and physical health, food security, newcomer supports, child care, employment, social supports etc.



In 2021, 54% of people experiencing homelessness in Durham had high acuity or high needs. This increased to 64% in 2022.

“We don’t get to approve who buys the house across the street from us, and we don’t get to choose our neighbours” Barbara Hall, Ontario Human Rights Commission (OHRC)

- Planning does not include decisions about types of people
- Until 1950s, deed could restrict sale based on race or religion
- Today, planning must be practiced “in a manner that is consistent with the Ontario Human Rights Code and the Canadian Charter of Rights and Freedoms” (Planning Act, Provincial Policy Statement)
- “The device of zoning by reference to the relationship of occupants rather than the use of the building is one which is ultra vires of the municipality” (Supreme Court of Canada)

Ontario Human Rights Code & Housing

- The Code prohibits discrimination in housing
 - race, religion, sexual orientation, family status, disability or receipt of public assistance
- Constitutional - primacy over provincial / municipal powers
- Councillors bound by the Code and can be found in violation

“Opposition to housing projects based on stereotypes or prejudice towards the people who will live in them can be a violation of people’s rights to be free from discrimination in housing – which means it can be against the law.”

Ontario Human Rights Commission

Housing Initiatives in Durham Region

- Over 650 units of affordable housing projects are under development:

Beaverton Supportive Housing

Ritson Road School

- redevelopment of former school site (Oshawa)

Durham Region Local Housing Corporation

- redevelopment of two sites (Oshawa)

At Home Incentive Program (AHIP) sites

- two sites (Oshawa, Whitby)

- new call for applications to be released in fall 2023

Federally and Provincially funded housing projects

- In addition, the Region continues to partner and invest in existing Community Housing stock and in transitional housing opportunities (e.g., 1635 Dundas)
- Engagement on the 2024-2034 At Home in Durham Housing Plan to commence soon



Project update: Beaverton Supportive Housing

Beaverton Supportive Housing

Current status:

- All modules have been assembled on site
- Project completion expected November-December 2023
- Contract with a 24/7 Operator is in progress

Summary of engagement:

- Regular meetings continue with the Beaverton Community Liaison Committee
 - The Committee will meet with the Operator to help identify how the community can support site operations
- Meeting held on August 31, 2023, with Lakeview Manor Resident Family Council to discuss their concerns and how they can help support the project
- Working with the Community Liaison Committee, tours of the building will take place by invitation prior to residents moving in (a virtual tour will be made available)



Ritson School Project

Durham.ca/RitsonSchool



Project update: Ritson School



Ritson School

Current status:

- Phase 2 Environmental Site Assessment is in progress
- Preliminary structural assessment is complete
 - Major structural modifications and repairs are required due to the building's age and deterioration
- Feasibility analysis is underway, completion expected late fall 2023-early winter 2024

Engagement plan:

- Workshops with Regional staff, community members and business owners took place over June-August 2023
- Community Needs Assessment survey open June 14-August 15, 2023
- Opportunities for additional feedback, including Regionally-hosted informal community conversations in fall 2023-winter 2024



Ritson School

Next steps:

- Short videos highlighting community needs to be released in fall 2023
- On-site programming to be determined
- Conceptual site master plan options to be developed
- Report to Regional Council expected in spring 2024



Malaga Road
Redevelopment
Area

Valencia Rd

Oxford St

Cordova
Park

Cordova Rd

Cordova
Valley
Park

Malaga Rd

Oshawa
Creek



Project update: Durham Region Local Housing Corporation (DRLHC) Sites



DRLHC Sites

Current status:

- Two DRLHC properties identified for redevelopment: Malaga Road and Christine Crescent, Oshawa

Engagement plan:

- Project team and vision introduced to residents and to the surrounding community on August 28, 2023
- [Project website](#) and e-mail is active and has received inquiries
- Postcards sharing information about the redevelopment have been mailed to the neighbouring community

Next steps:

- Further develop a community engagement plan
- Begin formal design and development process with the community



Project update: 1635 Dundas

1635 Dundas

Council direction:

- The priority is to ensure the facility is ready to provide low-barrier shelter services to approximately 45 individuals to transition indoors this fall, while the community consultation and engagement process is underway
- The first steps include deep cleaning and disinfection of equipment and fixtures, painting rooms and other spaces, completing floor repairs, installing fencing and implementing community planning measures
- Ongoing community engagement and consultation will help shape a longer-term vision for the facility which will lead to a comprehensive renovation/retrofit plan

Current status:

- Repair work and building code upgrades are ongoing
 - Community and partner feedback will inform the overall plan for the building

Engagement Plan

Phase	Period	Activities
1	August-September 2023	a) Use a variety of communications to share project information with the community, including: news releases, project website, social media, newspaper ads, posters and in-person postcards b) Host an in-person engagement session (August 30) to seek input on future use c) Launch a digital survey (August 30-September 27) on <u>the project website</u> to seek input on future use
2	October-November 2023	a) Use a variety of communications to share project information with the community, including: news releases, project website, newspaper ads and social media b) Host a Town Hall (October 3) to present a summary of community feedback to community members c) Share summary of community feedback on <u>the project website</u> d) Establish a Community Advisory Committee: <ul style="list-style-type: none"> Interested parties will receive Terms of Reference and other engagement opportunities during the week of October 2; first meeting to be held in October
3	January 2024	a) Present longer-term vision to Regional Council in conjunction with annual budget process
4	2024-2026	a) Create opportunities for ongoing dialogue with community



Communications

Date	Activity
August 3	Launched project website: yourdurham.ca/helpaddresshomelessness
August 4-6	Staff canvassed neighbourhood – postcards distributed
August 10-16	Social media posts
August 23-29	Metroland ads (Whitby this Week)
August 24	Staff canvassed neighbourhood – postcards distributed Signs next to community flyers
August 25	Reminder email to Council
August 28-29	Metroland digital takeover (Whitby this week)
August 29-30	Social media posts
September 1-27	Digital and print communications promoting digital survey
September 12- October 3	Digital and print communications promoting engagement session

In-Person Engagement Session

Summary:

- August 30, 5:00 p.m. to 7:30 p.m. at the Centennial Building, Whitby
- Venue reached capacity, resulting in a line outside the building
 - Future sessions will be held at facilities with additional capacity
- Strong opinions were voiced at the engagement session
- Some residents' behaviour was inappropriate
 - De-escalation led to many productive conversations
- Drop-in format resulted in hundreds of individual pieces of feedback
 - Format will be adjusted according to the objectives of the engagement

Next steps

- Ongoing opportunities for engagement through the virtual survey open on [the project website](#)
- Town Hall to be hosted by the Region on October 3, 2023
- Community Advisory Committee to be announced in early October and a meeting scheduled for mid-to-late October

Key System Needs

- Lack of a daytime program for the homeless population and individuals at risk of homelessness
- Members of the 2SLGBTQI+ community, particularly those who are victims of human trafficking, encounter limited viable options when they face the challenge of homelessness
- Homeless individuals are being discharged from hospitals without adequate post-hospital care due to the limited availability of shelter beds
- Seniors who have specific needs and have self-identified as homeless are unable to find suitable shelter beds due to a lack of availability
- Victims of human trafficking, refugees and asylum seekers are currently being supported in hotels/motels rather than shelters, as there is a shortage of shelter beds



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@RegionofDurham





The Regional Municipality of Durham Report

To: Committee of the Whole
From: Chief Administrative Officer
Report: #2023-COW-32
Date: September 13, 2023

Subject:

Proposed 2025 Durham Region Strategic Plan Governance Structure and Advisory Group

Recommendations:

That the Committee of the Whole recommends to Regional Council:

- A) That the proposed 2025 Durham Region Strategic Plan Governance Structure detailed in report 2023-COW-32 be endorsed;
 - B) That an Advisory Group be established to support the development of the 2025 Durham Region Strategic Plan;
 - C) That the Durham Region Strategic Plan Advisory Group Terms of Reference, as proposed in Attachment #1 to report 2023-COW-32, be adopted; and
 - D) That the Durham Region Strategic Plan Advisory Group membership, as proposed in Section 5.1 to report 2023-COW-32, be endorsed.
-

Report:

1. Purpose

- 1.1 The purpose of this report is to seek approval from Committee of the Whole (COW) to:
 - a. Approve the proposed 2025 Durham Region Strategic Plan Governance Structure;
 - b. Establish a 2025 Durham Region Strategic Plan Advisory Group;
 - c. Approve the Durham Region Strategic Plan Advisory Group Terms of Reference, as proposed in Attachment #1;

- d. Approve the Durham Region Strategic Plan Advisory Group membership, as proposed in Section 5.1.

2. Background

- 2.1 Durham Region’s Strategic Plan is the guiding document that outlines how we deliver service excellence through leadership, collaboration, innovation and environmental stewardship.
- 2.2 The current Durham Region Strategic Plan is approaching its end in December 2024. Planning is underway to initiate the development of the next 2025 Durham Region Strategic Plan.
- 2.3 The Strategic Plan will guide the direction of our work over the next few years. It will outline how we will continue to deliver award-winning programs and services and act as a compass to advance our work to achieve the futures we want to create.

3. Previous Reports and Decisions

- 3.1 There are no previous reports or decisions on this matter.

4. 2025 Durham Region Strategic Plan Governance Structure

- 4.1 To support the 2025 Strategic Plan development process and planning, Figure 1 illustrates the proposed governance structure, which includes the Strategic Plan Advisory Group as a key component.

Figure 1: 2025 Durham Region Strategic Plan Governance Structure



5. 2025 Durham Region Strategic Plan Advisory Group Proposed Membership

5.1 The 2025 Durham Region Strategic Plan Advisory Group proposed membership includes:

- a. Marilyn Crawford, Regional Councillor (Ajax)
- b. Wilma Wotten, Regional Councillor (Scugog)
- c. Elaine Baxter-Trahair, Chief Administrative Officer
- d. Brian Bridgeman, Commissioner, Planning, Economic Development and Tourism
- e. Dr. Robert Kyle, Medical Officer of Health, Health Department

6. Relationship to Strategic Plan

6.1 This report supports the development of the 2025 Durham Region Strategic Plan.

7. Next Steps

7.1 If approved, staff liaisons will schedule the inaugural meeting with the Durham Region Strategic Plan Advisory Group in the Fall 2023 to review and advise on the plan development, as highlighted in Attachment #2.

7.2 For additional information, contact: Andrea Smith, Manager, Corporate Initiatives (Acting), at 905-668-7711, extension 2155.

7.3 Attachments

Attachment #1: 2025 Durham Region Strategic Plan Advisory Group Terms of Reference Draft (September 2023)

Attachment #2: 2025 Durham Region Strategic Plan: Proposed Timeline and Governance Structure

Prepared by: Andrea Smith, Manager, Corporate Initiatives (Acting), at 905-668-7711, extension 2155.

Approved by: Sandra Austin, Executive Director, Strategic Initiatives, 905-668-7711, extension 2449.

Respectfully submitted,

Recommended for Presentation to Committee

Original signed by

Elaine C. Baxter-Trahair
Chief Administrative Officer



2025 Durham Region Strategic Plan Advisory Group Terms of Reference

September 2023

1. **Context and Introduction**

- 1.1 Durham Region's Strategic Plan is the guiding document that outlines how we deliver service excellence through leadership, collaboration, innovation and environmental stewardship.
- 1.2 The current Durham Region Strategic Plan is approaching its end in December 2024. Planning is underway to initiate the development of the next 2025 Durham Region Strategic Plan.
- 1.3 The Strategic Plan will guide the direction of our work over the next few years. It will outline how we will continue to deliver award-winning programs and services and act as a compass to advance our work to achieve the futures we want to create.

2. **Goal**

- 2.1 The Durham Region Strategic Plan Advisory Group will champion the development of the 2025 Durham Region Strategic Plan and advise Regional staff on the direction and scope of the plan.

3. **Mandate**

- 3.1 The 2025 Durham Region Strategic Plan Advisory Group will act in an advisory role on behalf of Regional Council to support the development of the 2025 Strategic Plan, in collaboration with Regional staff.
- 3.2 The 2025 Durham Region Strategic Plan Advisory Group is a volunteer Advisory Group established by Regional Council in accordance with these Terms of Reference.
- 3.3 The Advisory Group is a key component within the overarching 2025 Strategic Plan governance structure, as illustrated in Figure 1.

4. **Scope of Activities**

- 4.1 The scope of activities that the 2025 Durham Region Strategic Plan Advisory Group may undertake include, but are not limited to:

- provide advice, feedback and guidance to Regional staff on the development of the 2025 Durham Region Strategic Plan, including strategic direction and scope of the plan;
- attend and participate in planning workshops and discussions;
- support and enable successful development of the Durham Region Strategic Plan by engaging and influencing relevant partners and networks.

5. **Composition**

5.1 The 2025 Durham Region Strategic Plan Advisory Group will be composed of five members as follows:

- The Chief Administrative Officer (CAO) of the Region (Chair)
- 2 Regional Councillors
- 2 Department Heads

5.2 The term of membership shall correspond with the project timelines required to develop the 2025 Durham Region Strategic Plan, commencing in the fall 2023 until the launch of the plan in early 2025.

6. **Membership Selection**

6.1 All members of the 2025 Durham Region Strategic Plan Advisory Group shall be appointed by Regional Council.

7. **Officers**

7.1 The Region's CAO will chair the Durham Region Strategic Plan Advisory Group meetings.

8. **Support Services**

8.1 Staff liaisons from the Office of the CAO shall be appointed by the Chair to support the activities of the 2025 Durham Region Strategic Plan Advisory Group. The staff liaisons will provide administrative support to the Advisory Group.

8.2 The staff liaisons shall keep the Region's Commissioners, Strategic Plan Steering Committee and Senior Leadership Team apprised of the advice and direction of the Durham Region Strategic Plan Advisory Group.

9. **Meeting Schedule**

- 9.1 The 2025 Durham Region Strategic Plan Advisory Group will establish a quarterly meeting schedule at its inaugural meeting (Fall 2023), taking into account the business needs and schedule of Regional Committees/Council.
- 9.2 Quorum shall be at least one Regional Councillor and one Regional staff member.

10. **Agendas & Minutes**

- 10.1 The Durham Region Strategic Plan Advisory Group agendas will be prepared by the staff liaisons, along with the Chair, with input from other members, and will be circulated to all Advisory Group members at least five days before the meeting.
- 10.2 The minutes of each Durham Region Strategic Plan Advisory Group meeting will be included in the agenda for the following meeting and approved by the members.

11. **Rules of Procedure**

- 11.1 The Advisory Group may follow the rules of procedure set out in Regional Council's Procedure By-law for the conduct of business at its meetings, with necessary modifications as deemed appropriate by the Chair.
- 11.2 The Durham Region Strategic Plan Advisory Group will seek to achieve consensus on decisions. Recommendations are "carried" if supported by a majority. Only resolutions as they appear in the adopted Minutes may be considered as officially representing the position of the Durham Region Strategic Plan Advisory Group.

Figure 1. 2025 Durham Region Strategic Plan Governance Structure





Attachment #2

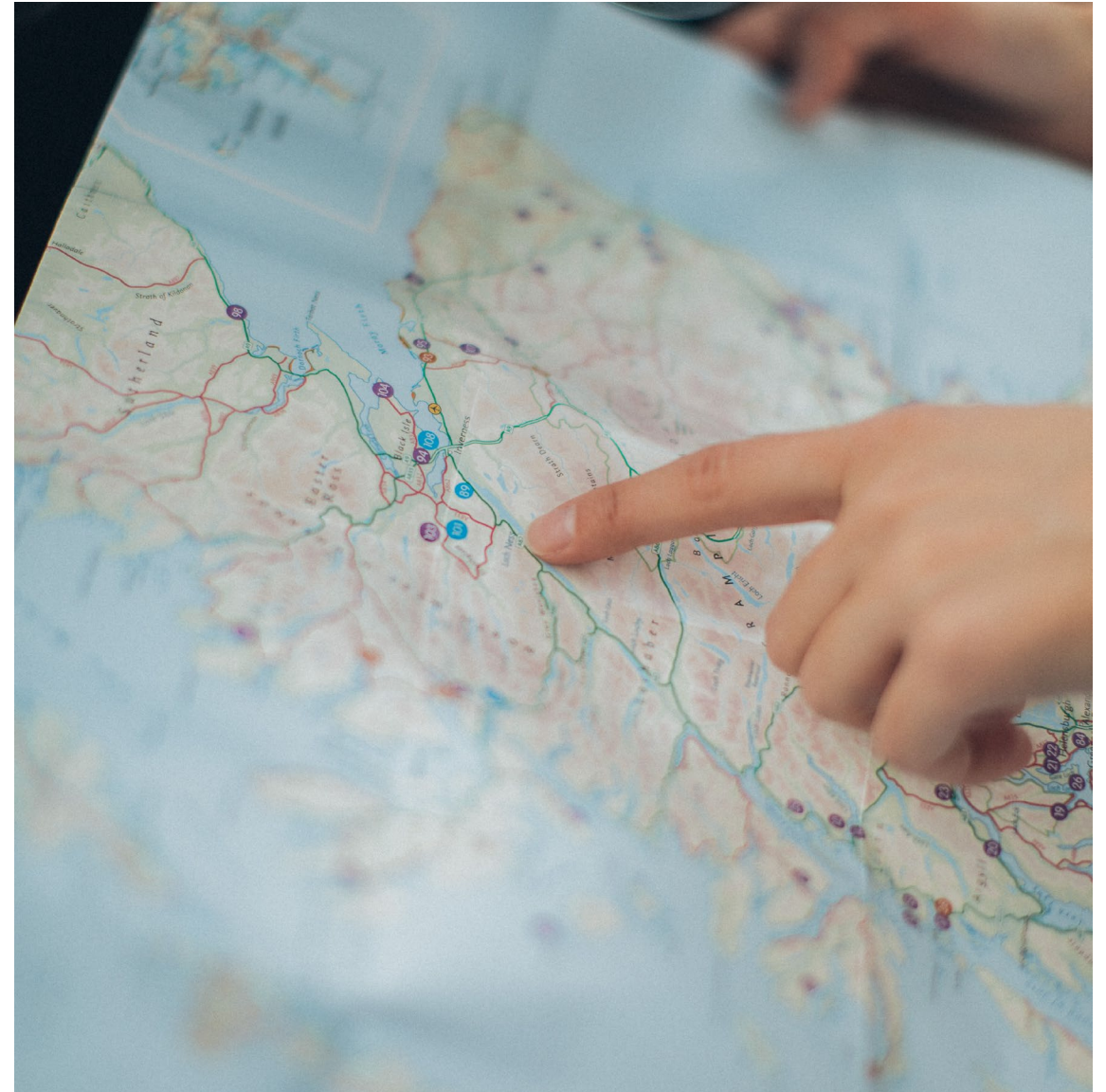


2025 Durham Region Strategic Plan

Proposed Timeline and Governance Structure

Purpose

- To share the proposed 2025 Durham Region Strategic Plan development timeline.
- To share the proposed governance structure to oversee the development of the 2025 Durham Region Strategic Plan.





Background

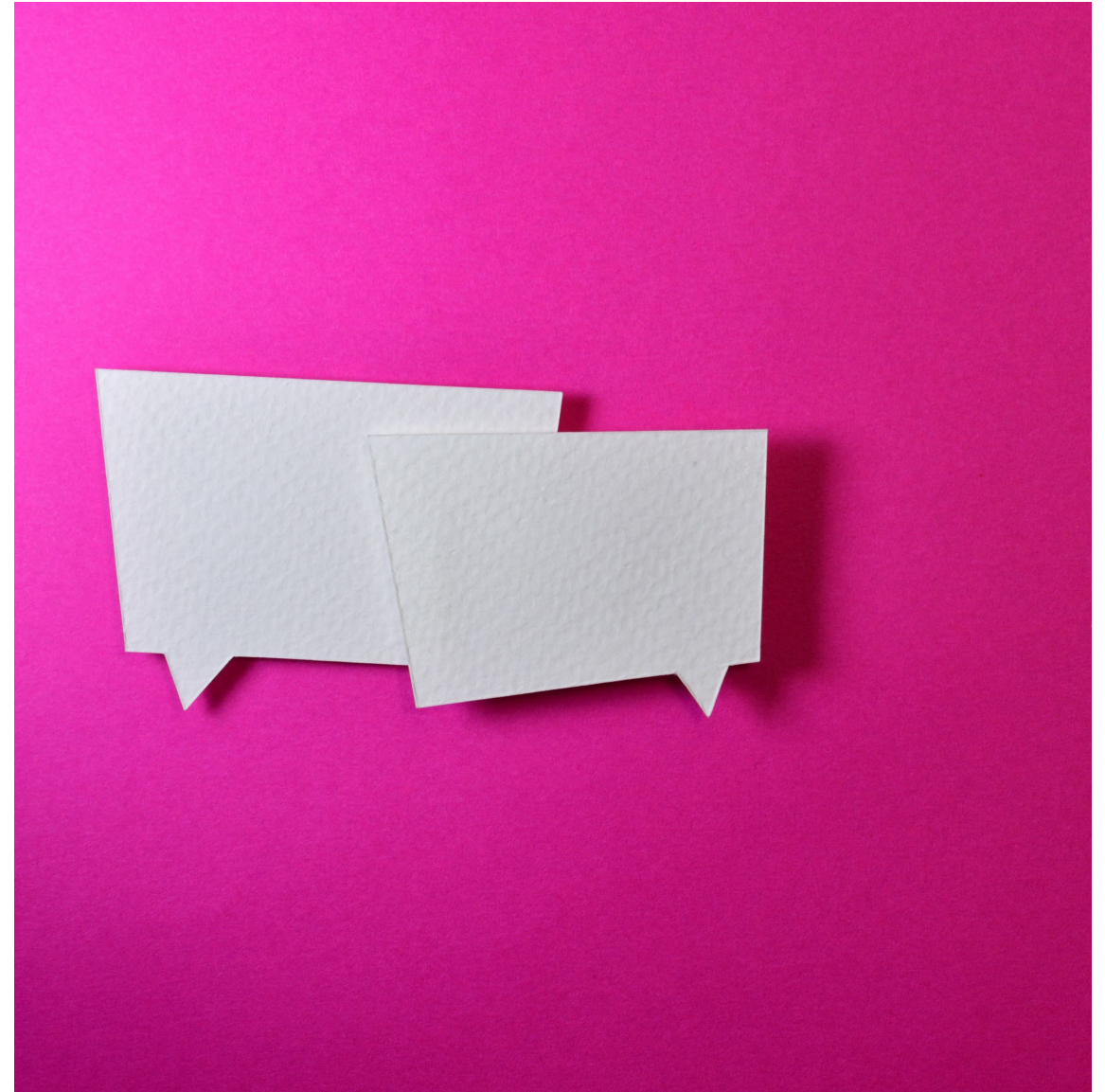
- Durham Region's Strategic Plan is the guiding document that outlines how we deliver service excellence through leadership, collaboration, innovation and environmental stewardship.
- The current Durham Region Strategic Plan is approaching its end in December 2024.
- Planning is underway to initiate the development of the next 2025 Durham Region Strategic Plan.
- The Durham Region Strategic Plan will guide the direction of our work over the next few years. It will outline how we will continue to deliver award-winning programs and services and act as a compass to advance our work to achieve the futures we want to create.

Strategy Making!

A conversation we are going to have...

about what kinds of futures we want to create...

and how we think we can get there together...



Approach to Strategy Development



Data-Informed Insights



Innovative Thinking



Meaningful Engagement



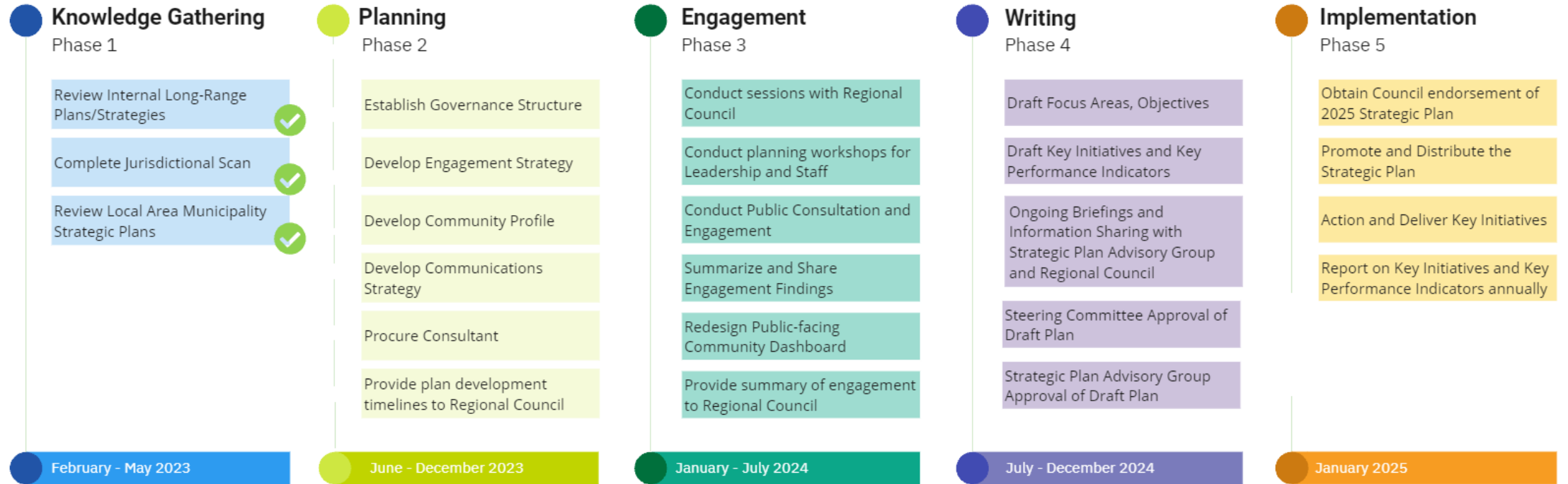
Community-Oriented Scope



Transparent Decision-Making



2025 Durham Region Strategic Plan Proposed Timeline





2025 Durham Region Strategic Plan Proposed Governance Structure





Thank You!

Andrea Smith, Manager
Corporate Initiatives (Acting)

Sandra Austin, Executive
Director Strategic Initiatives

durham.ca

@RegionofDurham



If this information is required in an accessible format, please contact 1-800-372-1102 ext. 3540.



The Regional Municipality of Durham Report

To: Committee of the Whole
From: Acting Commissioner of Works and Commissioner of Finance
Report: #2023-COW-33
Date: September 13, 2023

Subject:

Update on Noise Attenuation for Backyards along Regional Road Corridors

Recommendations:

That the Committee of the Whole recommends to Regional Council:

- A) That the Regional Municipality of Durham maintain current policies related to noise attenuation along Regional road corridors and therefore forego further detailed studies that would be necessary for examining the assumption of privately or Local Area Municipality owned noise barriers and the retrofitting of backyards without noise barriers;
 - B) That Regional Municipality of Durham staff explore with Local Area Municipalities opportunities to improve the quality of developer installed noise barriers by proposing the adoption of higher minimum standards; and
 - C) That Regional Municipality of Durham staff discuss opportunities with Local Area Municipalities to clarify noise barrier ownership and maintenance/replacement responsibility by exploring the possibility of requiring that ownership and/or maintenance responsibility clauses be placed on title for new residential units with noise barriers on their property.
-

Report:

1. Purpose

- 1.1 The purpose of this report is to provide an update on preliminary staff

investigations related to potential changes to the Regional Municipality of Durham's (Region) noise attenuation guidelines and policies for the installation and maintenance of noise attenuation barriers ('noise barriers') along residential backyards, on or adjacent to Regional road corridors. A noise barrier is a wall, berm, wall/berm combination or similar structure used for noise control.

2. Background

- 2.1 In February 2023, Works Committee received [Report #2023-W-8](#) 'Outline of Noise Attenuation Guidelines and Policies for Regional Road Corridors' for information and recommended that it be forwarded to Regional Council for information. At that time, an amendment to the original motion, "That staff report back on what it would cost to retrofit all of the rear lot properties, and what the process would look like" was defeated.
- 2.2 On March 8, 2023, during budget deliberations at Works Committee, further discussion ensued about noise barriers. The following motion "That the Works Committee recommends to Regional Council a complete cost report and policy to implement the permanent maintenance of noise attenuation fences [noise barriers] along all Regional roads" was referred back to staff for a report to be brought at their first opportunity. The report was to detail a new Regional program for the installation of noise barriers along all residential backyards that abut Regional road corridors and meet noise level warrants, including replacements of existing privacy fences, contrary to current Regional practice wherein noise barriers are considered as part of road widening projects only.
- 2.3 The remainder of this report outlines:
 - the range of issues that need to be considered as part of any decision by the Region to change Regional policy regarding construction and ownership of noise barriers along Regional roads;
 - a process and estimated high level study costs to determine the cost of retrofitting Regional roads to provide new noise barriers at locations where warranted and feasible to construct but are not expected to be provided in the next 10 years as part of a Regional road expansion project, including lifecycle costs for future maintenance and replacements;
 - the process for determining the lifecycle cost for ongoing maintenance, including future required replacements, should the Region assume

ownership of existing privately owned and Local Area Municipality (LAM) owned noise barriers along Regional roads; and

- a cursory partial scan of Greater Toronto Area (GTA) municipalities' policies and experience with noise barriers.

3. Considerations to be examined with any contemplated change in Regional policy regarding construction and ownership of noise barriers along Regional roads

- 3.1 Financial resources and spending priorities:** Increased Regional participation in construction and ownership of noise barriers will create incremental permanent costs to be funded by property taxpayers. Regional Council has already identified priorities requiring increased tax levy for paramedic services, transit, housing and homelessness supports and police. The 2024 Business Plans and Property Tax Supported Budget Guideline Report (2023-F-22) provides additional background on Council's priorities and fiscal pressures facing the Region in 2024.
- 3.2 Equity for Durham Region residents:** Should the Region modify the existing noise barrier policy to implement installation of Regionally funded noise barriers in areas where no road widening is occurring, questions around equity for Durham Region residents could be raised with taxpayer funds being used to benefit a small portion of residents with private backyards next to Regional arterial roads.
- 3.3 Equal treatment for residents exposed to traffic noise from Regional roads and LAM owned roads:** If all Durham Region residents with backyards impacted by road traffic noise are to be treated equally, there should be consideration of a joint Region/LAM policy to be applied across all arterial roads, whether a Regional road or a LAM road. If the Region adopts a retrofit policy for Regional roads without the LAMs across the Region adopting equal policies for their arterial roads, there will be unequal treatment and possible pressure for increased cost participation for noise mitigation on LAM arterial roads.
- 3.4 The effectiveness of any Regional cost-shared program to create new noise barriers:** Should the Region decide to expand their role in funding or partially funding new noise barriers where none exist today, or replacement noise barriers, experience across the GTA municipalities suggests that implementation using cost-sharing is extremely problematic. Some jurisdictions have adopted 'local improvement' policies (Ontario Regulation 119/03) which apply when residents request retrofit or replacement noise barriers. While this addresses

equity issues by sharing costs with benefitting residents, experience shows that very few noise barriers are constructed in this manner because local improvement enabling petitions rarely garner the required minimum two-thirds support. This is because benefitting residents may not have resources to pay their share, even when financed by an additional charge on their property tax bill, or having purchased adjacent to an arterial road, may not prioritize mitigation of outdoor noise levels.

- 3.5 **Ownership of existing noise barriers and ownership of existing backyard privacy fences:** If the Region assumes ownership of existing private or LAM owned barriers, this is a transfer of responsibility from the benefitting property owners or the LAM taxpayers to all Regional taxpayers. This is also true if the Region retrofits existing backyard fences to Regionally owned noise barriers. Residents with private backyard fences and no warrant for noise barriers (feasibility or distance to patio area) might ask the Region to assume ownership of their fences.
- 3.6 **Other measures to reduce noise levels:** Regional investment to improve pavement condition and electrify Regional fleets, primarily the Durham Region Transit (DRT) bus fleet, may provide greater community noise reduction benefit than making the same investment in noise barriers to reduce outdoor noise levels in backyards. The Region's average pavement condition index (PCI) is 52 compared to the target of 65. Smoother pavements generate less tire noise, and this benefit increases as traffic volumes grow. Electric vehicles have no tailpipe noise emissions and have been shown to have reduced overall noise impact than diesel fueled vehicles in urban lower speed environments. Furthermore, additional investment in Durham Vision Zero initiatives to reduce vehicle speeds will also contribute to reductions in traffic noise.
- 3.7 **Effectiveness of noise barriers to address residents' noise complaints:** Well constructed and maintained noise barriers effectively reduce average daytime noise levels by six dBA or more. They are not effective though at reducing intermittent impact from truck engine braking, motorcycle and car aftermarket tuned mufflers, and sirens. Many residents who have purchased adjacent to an arterial road and seek noise barriers have expectations that may not be met.
- 3.8 **Design standards and ownership of noise barriers constructed in new developments:** If the Region assumes ownership of all new noise barriers being created by developers constructing housing with backyards adjacent to Regional roads, the Region will require that they be constructed to costlier Regional standards compared to if they were a privately owned noise barrier. These added

costs will increase the noise barrier life but will also increase upfront new house prices. One consideration is to seek that all noise barriers, regardless of ownership, be constructed to a higher standard, protecting all owners from the need for earlier replacement. Therefore, it is recommended that Region staff explore with LAMs opportunities to improve the quality of developer installed noise barriers by proposing adoption of higher minimum standards.

3.9 Ownership clauses provided on title for newly constructed noise barriers:

There appears to be no standard requirement under Provincial policy or LAM practices requiring that residents be notified on title when a noise barrier is constructed on their property. Noise barriers are expensive assets that require maintenance and ultimate replacement. An individual backyard noise barrier benefits the homeowner and also benefits adjoining residents, so cannot be removed without violating the overall subdivision noise attenuation design. Providing clarity in the form of an ownership notice on title would ensure property owners are informed of the ownership of the noise barrier and reduce pressure on the Region and LAMs to assume ownership. Therefore, it is recommended that Region staff discuss opportunities with LAMs to clarify noise barrier ownership and maintenance/replacement responsibility by exploring the possibility of requiring that ownership clauses be placed on title for new residential units with noise barriers on their property.

4. Process to determine costs of Region assuming responsibility for construction and ownership of noise barriers along Regional roads

4.1 Constructing noise barriers where none exist but noise levels are high: To develop and cost a Regional program for constructing and owning new noise barriers on a retrofit basis when Regional roads abut residential backyards, a comprehensive study would be required. A specialist noise consultant would need to be hired to inventory all Regional roads and document segments abutting backyards, complete a preliminary noise modelling analysis to determine if any benefit could be provided by the addition of noise barriers, determine feasibility of installation of noise barriers, and estimate the cost to install and maintain (life cycle cost) new noise barriers within the existing right-of-way. Such a study would take approximately 12 months to complete, require dedicated staff resources and significant cost.

4.2 Constructing noise barriers to replace private or LAM owned noise barriers that are in disrepair: To develop and cost a Region program for assuming ownership of existing privately owned and LAM owned noise barriers abutting Regional roads, a study would be required. A specialist noise consultant would

need to be hired to inventory all noise barriers abutting Regional roads, determine ownership and feasibility of reconstructing the barrier within the right-of-way or acquiring the property at the location of the existing noise barrier, determine the remaining useful life of the existing barrier and any maintenance requirements, complete a preliminary noise modelling analysis to determine the benefit provided by the existing noise barrier, and determine details of replacement barriers if the existing noise barrier is required to be modified or replaced, either due to condition or to provide appropriate noise mitigation. Where maintenance, replacement or modification of existing noise barriers is identified, a planned year of construction and an estimated cost to complete the work would be established. Such a study would take approximately 12-18 months to complete, require a high level of staff resources and be at a very significant cost.

- 4.3 **Assuming ownership of developer constructed noise barriers:** All noise barriers require maintenance and eventual replacement. If the Region chose to consider assuming ownership of developer-constructed noise barriers, a study would be required to determine expected noise barrier inventory growth, maintenance, and replacement costs over time. This study could be a component of the retrofit (Item 4.1) and replacement (item 4.2) study effort. It would also require Works Department and Planning and Economic Development staff resources.
- 4.4 As outlined above, significant costs (estimated cost of \$200,000-400,000) and work effort (minimum of 12-18 months) are required to complete the various studies needed to develop a cost estimate and inform any potential changes to the Region's current noise attenuation guidelines and policies for the installation and maintenance of noise attenuation barriers on or adjacent to Regional roads. Given the costs and work effort, staff is looking to confirm next steps before proceeding to undertake this work. Should Regional Council direct staff to proceed with these investigative studies, funds will need to be included in the 2024 Business Plans and Budget for these studies.

5. **GTA municipalities' policies and experience with noise barriers**

- 5.1 Regional staff have undertaken a partial scan of municipalities across the GTA, along with the Region of Waterloo, to determine practices for implementation of noise barriers, including funding and ownership.
- 5.2 New residential development pays for installation of warranted noise barriers, and in most cases, the noise barriers are owned by the benefitting resident. Few

municipalities have switched to having noise barriers constructed within the road right-of-way and ownership by the municipality. Where the municipality owns the facility, it is required to be constructed to a more durable standard and in one case require a 55 per cent (of construction cost) cash contribution to a capital replacement reserve. Durham LAMs have many locations where developer constructed noise barriers are located in landscape strips or on 0.3 m (1 foot) reserves and in some cases are being maintained and replaced by the LAM.

- 5.3 Where new noise barriers are required as part of a road expansion capital project, they are funded as a part of the project with the same Development Charge (DC) / tax levy split as the road project and are owned by the municipality. Maintenance and replacement costs are funded by the Works operations and capital program budgets. This is consistent with current Durham Region practice.
- 5.4 Along arterial roads where no noise wall exists or where a privately owned noise wall is in disrepair and needs replacing, residents typically approach the municipality and request a noise barrier be constructed. Many GTA municipalities have adopted 'local improvement' policies (Ontario Regulation 119/03) which they apply when residents request retrofit or replacement noise barriers. Some municipalities offer 50/50 cost sharing or 75/25 cost sharing between the municipality and the benefitting residents. Implementation rates for cost shared projects are universally low, often because some residents are unwilling to fund their portion of the costs and therefore the required minimum two-thirds support petition from benefitting residents cannot be obtained.
- 5.5 At least one GTA municipality is considering a shift to 100 per cent municipal funding of retrofit noise barriers replacing privacy fencing. Some GTA municipalities pay 100 per cent for replacement of private noise barriers. Some municipalities construct these barriers on private property and leave ownership and future maintenance with the residents. Others are locating the retrofit/replacement noise barriers within the right-of-way where they are then owned by the municipality.
- 5.6 Generally, the Region is less involved in ownership, maintenance and replacement of noise barriers than some GTA municipalities, particularly in Peel Region. Durham LAMs vary greatly, with some heavily involved and others having no ownership or maintenance involvement.

6. Previous Reports and Decisions

- 6.1 On July 9, 2003, Regional Council approved [Report #2003-W-104](#) which proposed guidelines for the installation and maintenance of noise attenuation barriers on a site-specific basis and based on specific criteria.
- 6.2 On November 25, 2009, Regional Council approved [Report #2009-J-46](#) wherein Regional Council confirmed that given the Region has never maintained or replaced rear lot fencing including noise barriers along Regional road corridors, and that the responsibilities associated with maintaining fencing along Regional road corridors would be new to the Region and would require both significant financial and staffing resources, the Region's core maintenance responsibilities continue to exclude maintenance and replacement of rear lot fencing along Regional road corridors.
- 6.3 On June 27, 2012, Regional Council approved [Report #2012-W-83](#) which included a policy and guidelines for the installation and maintenance of noise attenuation barriers associated with Regional road expansion projects.
- 6.4 On March 1, 2023, Regional Council adopted the February 8, 2023 Works Committee Meeting Minutes including a Motion to receive for information [Report #2023-W-8](#) 'Outline of Noise Attenuation Guidelines and Policies for Regional Road Corridors', which outlined four cases for noise barrier construction:
 - a. New residential development, where noise barriers are constructed by the developer and owned by the homeowner;
 - b. Regional road expansion, where noise barriers are constructed and owned by the Region as a part of capital program road projects involving addition of additional through traffic lanes;
 - c. Retrofit of privacy fences to noise barriers, where the Region does not facilitate or fund construction of noise barriers, and residents individually decide how they want to fence their yards and reduce traffic noise levels on their patios; and
 - d. Replacement of private and LAM owned noise barriers, where the Region does not facilitate or fund maintenance or construction of noise barriers.

7. Relationship to Strategic Plan

7.1 This report aligns with/addresses the following strategic goals and priorities in the Durham Region Strategic Plan:

a. Goal 2: Community Vitality

2.2 Enhance community safety and well-being.

b. Goal 5: Service Excellence

5.1 Optimize resources and partnerships to deliver exceptional quality services and value.

5.3 Demonstrate commitment to continuous quality improvement and communicating results.

8. Conclusion

8.1 It is recommended that the Regional Municipality of Durham's current noise attenuation guidelines and policies for the installation and maintenance of noise barriers on or adjacent to Regional road rights-of-way continue to be followed. Current policy does not involve the Regional Municipality of Durham in facilitating or funding retrofit of privacy fences to noise barriers or replacement of privately owned or Local Area Municipality owned noise barriers adjacent to Regional roads.

8.2 Regional staff do not recommend undertaking further studies to determine program details and costs for Regional participation in construction of retrofit or replacement noise barriers. There are complex issues of equity, equal consideration of noise exposure for residents adjacent to Regional and Local Area Municipality roads, and consideration of no predictable success for local improvement cost shared options. In addition, if the Regional Municipality of Durham assumes greater responsibility for noise barriers, this creates ongoing additional municipal tax burden and need for program staff resources. Greater community noise reduction benefit may be achieved with additional Regional investment on pavement condition improvement, electrifying Regional fleets, primarily Durham Region Transit buses, and Durham Vision Zero initiatives to reduce vehicle speeds. Given the anticipated very high cost to taxpayers if the Regional Municipality of Durham was to assume responsibility for retrofit, replacement and developer constructed noise barriers, undertaking further detailed studies to develop a greater understanding of costs and assessing

needs is not recommended.

- 8.3 Regional staff recommend working with Local Area Municipalities to explore modifications to existing minimum design standards for noise barriers to increase durability of new construction.
- 8.4 Regional staff recommend discussing opportunities with Local Area Municipalities to clarify noise barrier ownership and maintenance/replacement responsibility by exploring the possibility of requiring that ownership clauses be placed on title for new residential units with noise barriers on their property.
- 8.5 This report has been reviewed by Legal Services – Office of the CAO and the Planning and Economic Development Department.
- 8.6 For additional information, please contact James Garland, Senior Project Manager, Transportation Design, Works Department, at 905-668-7711 extension 3439, or Paul Gee, Manager, Transportation Infrastructure, Works Department, at 905-668-7711 extension 3441.

Respectfully submitted,

Original signed by:

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Acting Commissioner of Works

Original signed by:

Nancy Taylor, BBA, CPA, CA
Commissioner of Finance

Recommended for Presentation to Committee

Original signed by:

Elaine C. Baxter-Trahair
Chief Administrative Officer

If this information is required in an accessible format, please contact 1-800-372-1102 ext. 3540.



The Regional Municipality of Durham Report

To: Committee of the Whole
From: Commissioner of Finance, Acting Commissioner of Works, and
Commissioner of Social Services
Report: #2023-COW-34
Date: September 13, 2023

Subject:

Construction Progress and Request for Additional Financing for the Proposed Seaton 200-Bed Long-Term Care Home at 1550 Alexander Knox Road, in the City of Pickering

Recommendations:

That the Committee of the Whole recommends to the Regional Council:

- A) That the previously approved project budget for the Seaton Long-Term Care Home at 1550 Alexander Knox Road, in the City of Pickering, be increased by \$36,225,478 over the approved budget of \$126,025,000 for a revised project budget of \$162,250,478;
 - B) That the additional capital costs of \$36,225,478 be financed through additional debenture financing;
 - C) That the other sources of financing at the discretion of the Commissioner of Finance be applied to reduce the amount of debenture financing if possible, based on circumstances at the time debentures are required to be issued; and
 - D) That the Commissioner of Finance and Chief Administrative Officer be authorized to execute any contracts and waive any Regional policy requirements to facilitate an expedited construction approach to maintain eligibility for the construction funding subsidy supplement from the Province as previously reported with actions summarized at significant milestones to Regional Council.
-

Report:**1. Purpose**

- 1.1 The purpose of this report is to provide an update on the project and to seek Regional Municipality of Durham (Region) Council approval for additional financing to advance the construction of the 200-bed long-term care facility in the City of Pickering (Pickering).

2. Background

- 2.1 In response to the window of interest opened by the Ministry of Long-Term Care (MLTC) in 2019 to create 15,000 new long-term care beds in Ontario within the subsequent five-year period, the Region applied for a new 200-bed long-term care home in Pickering (Seaton) as a Regional site was available, and Durham Region has a priority need for long-term care beds.
- 2.2 On March 18, 2021, the Minister of Long-Term Care advised the Region that the MLTC will allocate 200 long-term care beds to the Region's Pickering Project.
- 2.3 In November 2021, Regional Council approved [Report #2021-COW-30](#), directing staff to continue to advocate for additional funding from the Province, advance the development of the business case, and report back to Council.
- 2.4 At the August 2022 Association of Municipalities of Ontario (AMO) conference, a Regional delegation met with the Minister of Long-Term Care to advocate for additional funding for the project.
- 2.5 On November 25, 2022, the MLTC announced a time-limited Construction Funding Subsidy (CFS) Top-Up funding for projects receiving the Approval to Construct from the MLTC by August 31, 2023.
- 2.6 On August 31, 2023, the Region received MLTC's Approval to Construct the long-term care facility and, thereby, a requirement to qualify for the CFS Top-Up funding.

3. Previous Reports and Decisions

- 3.1 In June 2019, Regional Council approved [Report #2019-SS-7](#), authorizing the Regional Chair and Regional Clerk to sign the application for submission to the MLTC, indicating the Region's endorsement of the application to build a new 200-bed Long-Term Care Home in North Pickering and its acceptance of the terms and

- conditions as outlined in the Long-Term Care Home Development and Redevelopment Application Declaration and Application Form.
- 3.2 In April 2021, Regional Council received [Report #2021-INFO-37](#), advising Regional Council of the allocation of 200 long-term care beds to the Region, subject to the approval by the MLTC of the project and meeting all conditions and requirements as set out in the Long-Term Care Homes Act 2007, with respect to licensing and operation of the beds and other conditions to be stipulated by the MLTC.
 - 3.3 In June 2021, Regional Council approved [Report #2021-COW-17](#), authorizing staff to advance the preliminary work outlined in the report to inform the business case related to the Seaton Long-Term Care Home at an estimated cost of \$280,000 with financing to be provided at the discretion of the Commissioner of Finance.
 - 3.4 In November 2021, Regional Council approved [Report #2021-COW-30](#), which provided updated project cost estimates for the Seaton Long-Term Care Home facility construction and directed staff to continue to advocate for additional funding from the Province, advance the development of the business case, and report back to Council in advance of the execution of the Development Agreement with the Province.
 - 3.5 In December 2022, the Regional Council approved [Report #2022-COW-32](#), which identified a project cost estimate of \$126,025,000 for the Seaton Long-Term Care Home facility construction and directed staff to proceed with the retention of architectural design and contract administration services, with financing to be provided at the discretion of the Commissioner of Finance. Further, the Commissioner of Finance and Chief Administrative Officer (CAO) were authorized to execute any contracts and waive any Regional policy requirements to facilitate an expedited fast-track construction management approach, with actions summarized at significant milestones to Regional Council.
 - 3.6 In March 2023, Regional Council approved the Region's 2023 Business Plans and Budget ([Report #2023-F-9](#)), which included approval of the Seaton Long-term Care Home capital project and associated financing of \$126,025,000.
- 4. Updated Construction Cost Estimate**
- 4.1 Buttcon Limited (Buttcon) was awarded the Construction Management contract in early May 2023.

- 4.2 On July 28, 2023, the Region received Buttcon's draft 'Class C' estimated construction cost of \$179,030,936 based on the Architect's 100 per cent complete Design Development (DD) documents dated June 29, 2023. The estimated construction cost was significantly higher than the approved estimate. The project team undertook a Value Engineering (VE) exercise to reach a consensus on significant cost reductions. After adjustments to accurately reflect the 100 per cent DD documents, Buttcon's final 'Class C' Estimate listed the construction cost at \$173,517,264, which included an escalation allowance to January 2024, a post-contract construction contingency and a design contingency allowance. These costs did not include soft costs (design, permits, etc.), furniture, fixtures and equipment and the non-rebated HST.
- 4.3 Concurrent with the VE process, as due diligence, the Region engaged Turner and Townsend Canada Inc. (TT) to produce a 'Class C' Cost Report based on the Architect's 100 per cent complete Design Development documents dated June 29, 2023. The TT August 25, 2023, draft 'Class C' Cost Report estimated construction cost at \$167,611,110, which includes a design allowance, escalation allowance to Quarter 1, 2024 and post-contract construction contingency.
- 4.4 After the comprehensive VE process, Buttcon's 'Class C' construction estimate was reduced to \$144,764,228, reflecting the least expensive Zero Greenhouse Gas (GHG) building that satisfies the Regional pathway to Net Zero and an acceptable level of resident care. Similarly, this estimate does not include soft costs (design, permits, etc.), furniture, fixtures and equipment and the non-refundable HST. With these items included, the total estimated project cost is \$162,250,478.
- 4.5 Project-specific factors influencing the difference/variance between the approved cost estimate and the 'Class C' estimate are as follows:

FACTOR	COST VARIANCE
Required Structural Design in response to Site and Building Design	\$9.2 M
The real cost of Zero GHG – Energy efficiency upgrades	\$8.0 M
City of Pickering Sustainability Requirements	\$1.0 M

FACTOR	COST VARIANCE
Design Assumptions vs. Design Actual	\$3.0 M
The Site topography – Storm Drainage	\$7.0 M
Oversized Elements due to fast-track approach	\$2.0 M
General Requirements and Fees	\$6.0 M
Total	\$36.2 M

- 4.6 Tendering for the project is expected to be completed by the first quarter of 2024. Each tender package will be competitively bid as directed by the MLTC to ensure the best market value is received for work packages released to the industry. As noted in [Report #2022-COW-32](#) dated December 14, 2022, the final costs to construct are unknown as this type of Construction Management procurement is staged, and several factors influence costing as subsequent tenders are closed.
- 4.7 The industry is reporting significant construction cost escalation between the time of application to MLTC and receipt of Approval to Construct. This is due to various factors affecting the construction industry, such as supply chain disruptions resulting in limited availability of materials and equipment, skilled labour shortages and market volatility.

5. Construction Funding Subsidy Enhancements and Top-Ups Available for Capital

5.1 Development Grants

- a. Total Development Grants from the Province are estimated at \$10,275,200. The Development Grant includes a one-time planning grant provided by the MLTC in the amount of \$250,000 and a development grant of \$51,376 per bed (total of \$10,025,200).

5.2 Construction Funding Subsidy

- a. The MLTC currently provides construction funding subsidy at a rate of \$23.78 per bed per day for a 25-year period. The Region would expect to receive an annual subsidy of approximately \$1,735,940 per year over the 25-year period. This funding would be applied to the repayment and debt

servicing costs of approximately \$24.0 million in debenture capital financing.

5.3 Construction Funding Subsidy Supplement (CFS-S)

- a. On November 25, 2022, the Ontario government announced that it would be implementing a fixed, time-limited construction funding subsidy supplement to support the cost of developing or redeveloping a long-term care home. This additional funding will help fast-track the construction of new long-term care beds, receiving MLTC Approval to Construct before the August 31, 2023, deadline, recognizing the shift in the economic environment since the release of the Long-Term Care Home Capital Development Funding Policy, 2020.
- b. Under this program, the Province offered up to an additional \$35 per bed per day for a 25-year period based on specific construction timelines being met. The Region expects to receive an additional \$2,555,000 per year over the 25-year period. This incremental funding will be applied to the repayment and debt servicing costs of approximately \$35.4 million in debenture capital financing.
- c. Eligible not-for-profit operators, including the Region, can also request to convert up to \$15 per bed per day of the \$35 per day per bed CFS Top-Up to a CFS Construction Grant. Any amount converted to a CFS Construction Grant is discounted to net present value and would be deducted from the \$35 per day per bed CFS supplement. The CFS Construction Grant may be used for eligible construction costs, land and development charges, and indirect costs such as building permits, architect and professional fees, financing and site surveys. It is in the better interest of the Region to maintain the option of the payment over 25 years, as noted in b.

6. Eligibility and Requirement for CFS Top-up

6.1 The eligibility period for the CFS supplement (top-up) is between April 1, 2022, and August 31, 2023.

- a. The Development Agreement between the Region and the MLTC was executed on June 22, 2023.

- b. The Region received MLTC’s Approval to Construct on August 31, 2023, the first major milestone to receiving the CFS Top-Up.
- c. Completing the construction and a successful outcome of the MLTC Pre-Occupancy Inspection is the second major milestone to receiving the CFS Top-Up.

7. Project Financing

7.1 The following table summarizes the current provincial funding for the new long-term care home and the estimated amount to be funded by the Region, including the associated estimated annual debt repayment and debt servicing costs.

	Capital	Estimated Annual Debt Servicing Cost
Total Estimated Capital Cost (excluding land)	162,250,478	
Provincial Funding		
Development Grant	10,025,200	
Planning Grant	250,000	
Debenture (repaid through Provincial Construction Per Diem)	24,000,000	1,735,940
Debenture (repaid through Provincial Construction Funding Subsidy Supplement)	35,350,000	2,555,000
Subtotal Provincial Funding	69,625,200	4,290,940
Regional Funding		
Regional Financing - 2021 sources - at the discretion of the Commissioner of Finance (2021-COW-17)	280,000	
Regional Financing - 2022 sources - at the discretion of the Commissioner of Finance (2022-COW-32)	9,900,000	
Regional Financing - 2023 sources - at the discretion of the Commissioner of Finance (2023 BM Memo)	250,000	
Capital Project Reserve Contribution	10,591,154	
Development Charges	650,646	
Debenture (repaid through Regional Tax Levy)	34,728,000	3,373,999 *
Additional Debenture Financing (repaid through Regional Tax Levy)	36,225,478	3,519,486 *
Subtotal Regional Funding	92,625,278	6,893,485
Total Financing	162,250,478	11,184,425

* a portion of this debt servicing costs may be eligible for funding from Development Charges

7.2 A final financing strategy will be determined at the discretion of the Commissioner of Finance to reduce the amount of debt to be funded by Regional taxpayers based on available resources at the time of required debt issuance.

8. Operating Costs

8.1 Preliminary annual operating costs are estimated at between \$50.0 million and \$55.0 million, with provincial and residents per diem funding covering approximately 55 per cent of these costs. The balance of the net operating costs, estimated at between \$22.5 million and \$24.8 million, will be funded from annual property taxes, which approximates an increase in the levy of between three per

cent and four per cent. This increase would be phased in over the two years leading up to the operation of the facility.

- 8.2 The energy efficiency measures included in the proposed facility design will marginally reduce exposure to energy price volatility and reduce the future carbon tax obligations related to the operation of this facility.

9. Construction Update

- 9.1 All deliverables and milestones identified in Section 8 of [Report #2022-COW-32](#) have been achieved. The Region has also met the construction readiness requirement of August 31, 2023, by significantly accelerating the procurement, fast-tracking the design and early works tendering process. Bonding and Insurance Certificates will be submitted to the MLTC before construction starts.
- 9.2 The construction start date will be slightly delayed due to the VE process, which consumed the month of August. The Construction Documents (drawings and specifications), which have been in progress, will require revision to incorporate the VE cost savings.
- 9.3 The accelerated construction schedule required quick decision-making to remain on schedule. Dedicated staff from Works, Social Services, Finance and Legal have met the demands of this aggressive fast-track approach. Resourcing impacts must be considered and addressed to manage the accelerated process for this project. Staff at Pickering have been fully engaged and are available to expedite all approvals necessary to meet the accelerated schedule.

10. Premiums to Accelerate Project Work

- 10.1 Soft costs have been adjusted based on actual fees, resulting in a slight overall reduction in the soft costs and additional fees resulting from the need to redesign to incorporate the VE cost savings.
- 10.2 The construction managers (CM) fee has increased proportionately to the increase in construction cost. The increased CM fee is included in the VE updated construction cost estimate.
- 10.3 Given the delay due to the VE process, the tender process is expected to be completed by the first quarter of 2024. The updated VE construction estimates include escalation costs to the first quarter of 2024 as a contingency.

11. Risks and Uncertainties

- 11.1 Ongoing risks revolve around cost uncertainties due to the need to redesign to incorporate VE cost savings. Staff will work to mitigate the impacts of this different type of contract delivery. Until the full project tenders for all components are received, there will be uncertainty in the final project costs. Staff will report at significant milestones to keep Regional Council apprised.
- 11.2 The operating impact once the facility opens is estimated, and the cost of borrowing will be known at the time of debenture issuance in the capital markets. There are reports that are required when debt is issued to keep Regional Council informed.
- 11.3 This Zero GHG building will have no GHG emissions from operations; however, since it is only 25 per cent more efficient than the OBC SB-10, it falls short of the Durham Standard for energy efficiency in new buildings.
- 11.4 Future upgrades will be required to retrofit the building to meet the Region's target of Net Zero by 2045.

12. Relationship to Strategic Plan

- 12.1 This report aligns with/addresses the following strategic goals and priorities in the Durham Region Strategic Plan:
- a. Goal #2 – Community Vitality
 - Support a high quality of life for all through human services delivery.
 - b. Goal #5 – Service Excellence
 - Optimize resources and partnerships to deliver exceptional quality services and value.
 - Collaborate for a seamless service experience.
 - Drive organizational success through innovation, and skilled workforce, and modernized services.

13. Conclusion

- 13.1 As noted within the Recommendations, Regional staff are seeking approval for a \$36,225,478 increase in the project budget, which incorporates the Value Engineering construction budget of \$144,764,228, resulting in the new total project budget of \$162,250,478.
- 13.2 The Construction Funding Subsidy Top-Up supplement is integral to allowing the project to proceed. There will be operating cost impacts of three to four per cent increase on the tax levy to service the additional 200 long-term care beds and related debt servicing requirements. There will also be short-term resourcing challenges to accomplish the accelerated commencement of construction. The capital Construction Funding Subsidy is critical to achieving the much-needed additional long-term care beds in Durham Region.

Respectfully submitted,

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Commissioner of Finance

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