RATIONALE LETTER

Re: Zoning Amendment Application for 6751, 6771 and 6793 Bell McKinnon Road – A New Health Care Zone to Accommodate Proposed New Cowichan District Hospital

BACKGROUND:

The existing Cowichan District Hospital (CDH) was opened in 1967 and has served the Cowichan Valley well providing a multitude of facilities and services. Unfortunately, with a growing population, changing technology, and increasing demands, the existing hospital can no longer meet the operational needs of the area. In 2009, a study was commissioned by Island Health to undertake a master plan for the existing CDH site to determine if that site could accommodate the Region's growing health care service needs. The study concluded that the existing site was unsuitable for redevelopment to accommodate these needs.

The Cowichan Valley Regional Hospital District (CVRHD) recognized this need, and in 2010 began budgeting for the eventual construction of a new hospital. Provincial policy requires that local hospital districts contribute 40% of the capital cost of a new hospital. As such, as of the 2015 budget year, \$22.6 million has been accrued in the hospital reserve fund for this purpose.

In 2013, the CVRHD initiated a Site Selection process in order to find the best location for a new hospital to serve the Cowichan Valley. Over the last two years, a site selection Working Group comprised of CVRD and Island Health staff, along with technical support from McElhanney Consulting Services Ltd., conducted an extensive site selection process based on a list of criteria that had been developed through public consultation coordinated by Our Cowichan Communities Health Network and subsequently by Island Health and the CVRHD (Appendix 1). Through a process of requests for Expressions of Interest from area property owners, along with a desk top site selection process conducted by McElhanney, the various sites identified were scored on the basis of the site selection criteria. DTZ Real Estate Ltd. was contracted to undertake the property negotiations with the owners of the top ranked sites. The three properties included in the Zoning applications were one of those top ranked sites (Appendix 2). It should be noted that a new hospital for the Cowichan Valley will require provincial government approval. No approvals or funding are in place at this time, however, the objective of purchasing and receiving land use approval from the Municipality of North Cowichan, is to take advantage of today's land values and ensure the most appropriate site for an eventual hospital project has been secured.

ON AND OFF SITE ASSESSMENT:

McElhanney Consulting Services Ltd. has undertaken a Preliminary Assessment Report on the proposed new hospital site (**Appendix 3**). The attached study identifies any concerns or issues on the sites selected which may impact the construction of a new hospital.

In addition, off-site servicing requirements were assessed to determine what services would need to be upgraded in order to accommodate a new hospital on this site. The Preliminary Assessment concludes that there are no significant on-site issues or concerns nor significant off-site servicing requirements identified that pose a problem to a project of this size. It should be noted that the CVRHD will pay all off-site servicing upgrades that may be required to accommodate the construction on the lands that are a part of this application.

THE OFFICIAL COMMUNITY PLAN:

Official Community Plan (OCP) Bylaw No. 3450 provides guidance in a number of ways. The lands in question lie within the Urban Containment Boundary and are designated within a Growth Area.

Policy 2.1.1.3(c) states that lands that are within the Urban Containment Boundary and abut the Agricultural Land Reserve require that there be a 30 metre buffer along that lot line. The parcels in question are of sufficient size to accommodate such a buffer along the eastern lot line as required by the OCP policy.

Policy 2.1.5.8 states that the Municipality will extend municipal services only under exceptional circumstances. This application will require that municipal sewer by extended to the proposed new hospital site. In addition, water services in the area will need to be upgraded. With regard to road access, Bell McKinnon Road is designated an Existing Collector Road while Herd Road is designated as an Existing Arterial Road. As stated in the in the section above, the CVRHD will fund all upgrades required to the road system made necessary by the new hospital. It is recognized that the costs associated with upgrading these municipal services for the new hospital will also be borne by the CVRHD.

Policy 2.3.1.5 states that the municipality will require new developments to incorporate adaptations to respond to changing climate conditions. It should be noted that it is common for the province to require new facilities such as this to be built to LEED (Leadership in Energy and Environmental Design) standard.

Policy 2.5.4.5 states that the municipality will work with those responsible for health services to help ensure adequate delivery of care and improve accessibility to services. The proposed new hospital is designed to help improve delivery of health services to the Cowichan Valley for the next 50 years and beyond.

It is believed that there are no policies contained within the OCP which would preclude the Zoning Amendment applications from being given due consideration.

THE ZONING AMENDMENT:

Zoning Bylaw No. 2950 zones the properties R-1 Residential Rural which quite obviously does not include a Hospital as a permitted use.

The existing CDH is on land which is zoned PU Public Use Zone which is defined as a zone that allows for a number of public uses including offices for all levels of government, university of colleges, prisons and hospitals.

In order to provide clarity to the public on the intended land use it is proposed that a new Health Care Zone be created specifically to accommodate the new hospital and its related uses. **Appendix 4** contains the essence of what the CVRHD and Island Health would like to have included in a new Health Care Zone.

ATTACHMENTS:

Appendix 1 - Site Selection Criteria

Appendix 2 – Map Proposed New Hospital Site

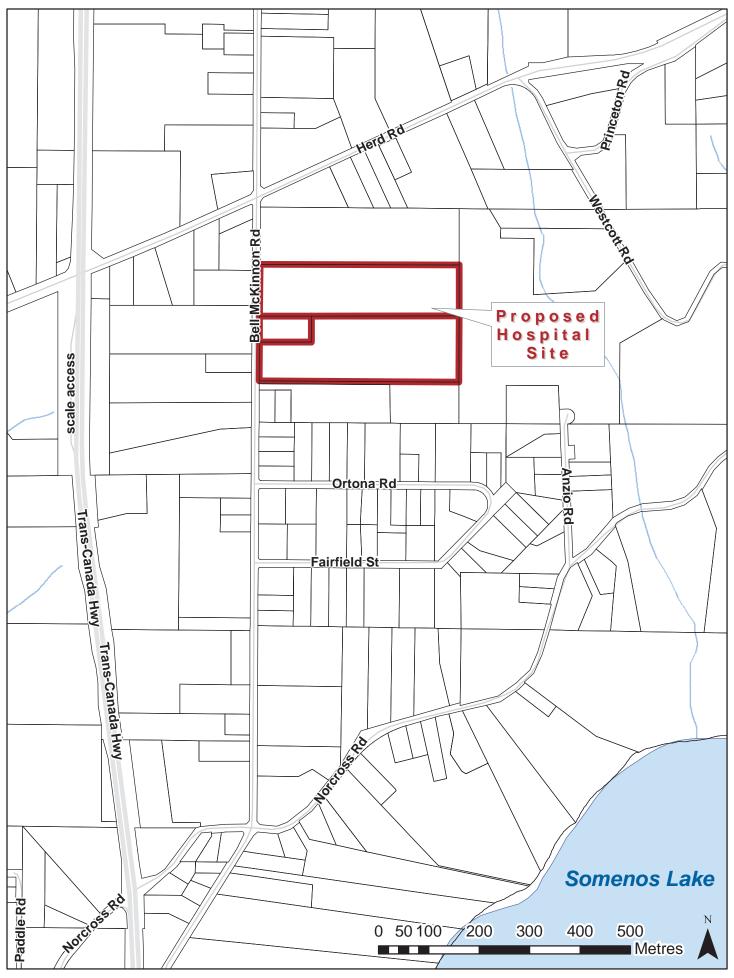
Appendix 3 – McElhanney Assessment Summary Report

Appendix 4 – Proposed New Health Care Zone

SITE SELECTION CRITERIA

- 1. Located Outside of Floodplain;
- 2. Helicopter Access;
- 3. Buildable Area;
- 4. Alignment with Local Government Plans;
- 5. Estimated Total Cost to Make Usable;
- 6. Disaster Response Capability;
- 7. Proximity to Population;
- 8. Transportation and Access Considerations;
- 9. First Nations Considerations;
- 10. Appropriate Institutional Zoning;
- 11. Other Social, Environmental, Labour, Legal and Servicing Issues; and
- 12. Proximity to Related Primary Health Care/Community Services.

APPENDIX 2





Cowichan Valley Regional Hospital District

Regional Hospital Siting Study Preliminary Assessment Report Summary New Hospital Site

Norm Olive, P.Eng. | CVRD | (250) 746-2500 Marianne Stolz | VIHA | (250) 740-2653

October 7, 2015

McElhanney Consulting Services Ltd. www.McElhanney.com

Darryl Tunnicliffe, P. Eng, Project Manager 250-748-3335 | dtunnicliffe@mcelhanney.com



McElhanney



Table of Contents

1	Introduction					
1.1	Background and Purpose1					
1.2	Topics Covered	2				
2	Site Description	3				
2.1	Charges, Liens and Interests	3				
3	Environmental Screening	5				
3.1	Environmental site Assessment	5				
	The areas of potential environmental concern identified in the ESA reports included:	5				
3.2	Overview Environmental Assessment	6				
4	Geotechnical Screening	6				
5	Servicing Requirements	7				
5.1	Access	7				
5.2	Water Supply	7				
5.3	Sewerage Disposal	8				
5.4	Drainage	8				
5.5	Power and Communications	9				
6	Site Grading	9				
7	Closure	9				

INTRODUCTION

1.1 BACKGROUND AND PURPOSE

McElhanney Consulting Services Ltd. (MCSL) was retained by the Cowichan Valley Regional Hospital District (CVRHD) to assist with identifying potential sites for a new hospital in the Cowichan Valley. This site selection process has been phased as follows:

Phase 1 - Identify Potential Sites

Potential sites were identified through two separate processes. The Expression of Interest Process (EOI) was a public offering administered by the CVRHD and the Potential Site Identification Process was a desk top study completed by McElhanney.

Phase 2 - Short List and Rank Potential Sites

Sites identified under Phase 1 were ranked for comparison based on the following criteria:

- Located outside of the 1:500 year floodplain.
- Helicopter Access
- Buildable Area (12 acres minimum)
- Alignment with Government Plans
- Estimated Total Cost to Make Useable
- Disaster Response Capability
- Proximity to Population
- Transportation & Access Considerations
- First Nations' Considerations
- Appropriate Zoning
- Proximity to Related Primary Health Care/Community Services
- Other social, environmental, labour, legal, and other servicing issues.



These sites were scored and a short list of nine preferred sites was identified. Following the shortlisting, MCSL began a due-diligence investigation starting with the two highest ranked sites. Both of these short listed sites were offered to the CVRHD through the EOI process and are located near the intersection of Herd Road and Bell McKinnon Road. During the negotiation process to purchase properties at EOI-20, the CVRD considered combining the southern lot of EOI-20 at 6793 Bell McKinnon Road with the EOI-17 property at 6771 Bell McKinnon Road. A smaller property at 6751 Bell McKinnon was also considered for purchase.

Phase 3 - Negotiation and Acquisition

The third phase of the site selection process includes negotiation and acquisition. At the time of writing this report, the CVRD has entered into an agreement to purchase the following properties (subject to conditions):

- 6751 Bell McKinnon Road
- 6771 Bell McKinnon Road, and
- 6793 Bell McKinnon Road.

The purpose of this report is to present a summary of the preliminary assessment information for the above-listed sites.

1.2 **TOPICS COVERED**

A number of topics were investigated to ascertain and confirm the suitability of this site and to allow it to be compared on an equal basis to other site(s) under consideration. This report presents information on the following topics:

- Parcel Attributes
- Environmental Screening
- Geotechnical Assessment
- Servicing Requirements
- Site Grading Requirements
- Servicing and Grading Cost Estimates



SITE DESCRIPTION

The hospital site includes three parcels as summarized in Table - 2.1.

TABLE 2.1 – PARCEL SUMMARY				
	1	2	3	
Legal Description	Lot 1, Section 7, Range 6, Somenos District, Plan 15903, except those parts in plans 18659 and 22578	Lot 1, Section 7, Range 6, Somenos District, Plan 22578	Lot B, Section 7, Range 6, Somenos district, Plan 2759, Except part in Plan 46695	
Parcel Identifier	004-560-574	003-291-863	006-365-850	
Address	6751 Bell McKinnon Road	6771 Bell McKinnon Road	6793 Bell McKinnon Road	
Current Owner	Wendy Martin, Calvin Todd Kaiser, Ramesh Kaur Parhar	Grahem Edward Blasko	Jaskarn Singh Dillon	
Parcel Size	4.64 hectares (11.46 acres)	0.53 hectares (1.3 acres)	3.8 +/- ha (9.4 ac)	

2.1 CHARGES, LIENS AND INTERESTS

A summary of the charges, liens, and interests registered against these properties as follows:

6751 Bell McKinnon Road

Nature: **EXCEPTIONS AND RESERVATIONS**

Registration Number: M76300

Registration Date and Time: (not available on title)

Registered Owner: ESQUIMALT AND NANAIMO RAILWAY COMPANY

Remarks: AFB 9.693.7434A 98096G SECTION 172(3)

Nature: MORTGAGE Registration Number: CA1200015 Registration Date and Time: 2009-07-27 09:11

Registered Owner: COAST CAPITAL SAVINGS CREDIT UNION

INCORPORATION NO. FI146

ASSIGNMENT OF RENTS Nature:

Registration Number: CA1200016 Registration Date and Time: 2009-07-27 09:11

COAST CAPITAL SAVINGS CREDIT UNION Registered Owner:

INCORPORATION NO. FI146

2231-38701-1 Page 3



6771 Bell McKinnon Road

Nature: EXCEPTIONS AND RESERVATIONS

Registration Number: M76300

Registered Owner: ESQUIMALT AND NANAIMO RAILWAY COMPANY

Remarks: INTER ALIA

AFB 9.693.7434A, 98096G, SECTION 172(3)

Nature: MORTGAGE
Registration Number: CA3475577
Registration Date and Time: 2013-11-27 08:28

Registered Owner: COMPUTERSHARE TRUST COMPANY OF CANADA

INCORPORATION NO. A0052313

6793 Bell McKinnon Road

Nature: EXCEPTIONS AND RESERVATIONS

Registration Number: M76300

Registered Owner: ESQUIMALT AND NANAIMO RAILWAY COMPANY

Remarks: AFB 9.693.7434A 72722G SEC 172(3)

FOR ACTUAL DATE AND TIME OF REGISTRATION SEE ORIGINAL GRANT FROM E&N RAILWAY COMPANY

Nature: MORTGAGE
Registration Number: CA1688245
Registration Date and Time: 2010-08-09 16:48

Registered Owner: SCOTIA MORTGAGE CORPORATION

INCORPORATION NO. A23965

This is a standard charge for a mortgaged property

In summary, no significant concerns were identified in the review of land titles for the above properties.

MicEinanney | 2231-38701-1 Page 4



ENVIRONMENTAL SCREENING

ENVIRONMENTAL SITE ASSESSMENT 3.1

A Phase 1 Environmental Site Assessment (ESA) was completed for the new hospital site properties. Assessments were carried out in accordance with CSA Standard Z768-01 to qualitatively identify the risk of actual or potential contamination of environmental media (soil, water or air) on or adjacent to the site. The ESA included the following work;

- A site reconnaissance with documented observations;
- A review of the Environmental Setting
- A review of available records including historic Aerial Photos, BC Contaminated Sites Registry, Federal Contaminated Sites Inventory, fire insurance records and public directories
- An interview of the current owners; and,
- Reporting.

The areas of potential environmental concern identified in the ESA reports included:

6751 Bell McKinnon Road

- Multiple burn piles east of barn
- o Debris pile with various materials (appliances, metals, engine parts) near barn
- A septic field for the residential house.

6771 Bell McKinnon Road

A septic field for the residential house.

6793 Bell McKinnon Road

- Fill material adjacent to barn on 6793 Bell McKinnon
- Above ground heating oil storage tank
- Outdoor chemical storage, and
- Septic field for vacant house.

In Summary, no significant concerns were identified by the ESA. A Phase II Environmental Site Assessment is recommended to address the above concerns; to be completed at the time of site development.

Page 5

McElhanney 2231-38701-1



3.2 OVERVIEW ENVIRONMENTAL ASSESSMENT

An Overview Environmental Assessment (OEA) that was completed on the subject sites. The OEA has following objectives:

- Identify sensitive species and ecosystems potentially found in the Site area;
- Minimize or avoid adverse environmental effects before they occur; and,
- Provide baseline environmental information to factor into the site selection decision making process.

The Scope of Work included field review, desk top study and reporting. The site contains one ephemeral wetland located in a depression on the eastern side of 6751 Herd Road. No direct connections to watercourses were observed for all 3 properties; including the ephemeral wetland at 6751 Herd Road.

No sensitive or protected environmental features were identified at the new hospital site and is described as having low moderate wildlife habitat values.

GEOTECHNICAL SCREENING

A Preliminary Geotechnical Assessment Report was completed for the new hospital site. The geotechnical assessment included the following work:

- Conduct a desk top study;
- Review suitability of existing geology;
- Identify potential risks; and
- Identify additional studies that may be required.

The results of the study for the Hospital Site is summarized as follows:

- The site is underlain by a thick deposit of fine to coarse grained till-like soils overlaying sedimentary bedrock to within 6 meters to more than 30 meters below the ground surface;
- The site is considered geotechnically suitable for proposed hospital development; and,
- No additional investigations are recommended prior to property acquisition by the CVRHD. However, for hospital design, additional site investigations would be required to a depth of at



least 30 meters to confirm subsurface conditions, and determine soil classification for seismic site response.

SERVICING REQUIREMENTS

5.1 **ACCESS**

This site has 230 meters of frontage along Bell McKinnon Road and is located 150m south of the intersection with Herd Road. The intersection of Herd Road and Bell McKinnon Road is located 350 meters east of the Trans-Canada Highway (TCH). The intersection between Herd Road and the Trans-Canada Highway is signalized and accommodates all traffic movements.

Road reconstruction is a typical requirement for this type of site development and associated rezoning. For the purpose of this study we have assumed the following road works:

- Upgrade Herd Road to the District of North Cowichan's 12 meter Urban Collector Standard from TCH to a point 150 meters east of Bell McKinnnon Road, a total distance of 500 meters; and,
- Upgrade Bell McKinnon Road to the District of North Cowichan's 12 meter Urban Collector Standard from Herd Road south for a distance of 380 meters.

No impediments to helicopter access have been identified.

5.2 **WATER SUPPLY**

This site is served by a municipal water system that is owned and operated by the District of North Cowichan. Watermains run along the frontage on both Herd Road and Bell McKinnon Road.

A water network analysis completed for the new hospital site based on the following assumed minimum water supply requirements:

- Peak Hour consumption of 12 L/s with a minimum line pressure of 450 kPa (65 psi);
- Fire Flow plus Peak Hour consumption of 162 L/s with a minimum line pressure of 140 kPa (20psi)
- Sprinkler Flow Rate of 60 L/s with a minimum line pressure of 275 kPa (40 psi)

2231-38701-1 Page 7



Water system upgrades required to meet these criteria are summarized as follows;

- Install 2104 meters of 300 mm diameter watermain from Bell McKinnon Reservoir south along Bell McKinnon Road to Sprott Road;
- Install 593 meters of 250 mm diameter watermain along Bell McKinnon Road from Sprott Road to Herd Road;
- Provide an additional 820,200 litres of storage capacity to the Bell McKinnon Reservoir.

5.3 SEWERAGE DISPOSAL

This site is not served by a municipal sewerage system and an off-site sewer main extension will be required to connect into the existing system at the intersection of Drinkwater Road and the TCH.

A sewer network analysis was conducted for the new hospital site referencing an assumed peak sewerage loading rate of 10 L/s. Sewerage system upgrades required to provide this service are listed below;

- Install 560 meters of 300 mm diameter sewermain from the intersection of Drinkwater Road and the TCH to the intersection of Bell McKinnon Road and Norcross Road:
- Install 290 meters of 250 mm diameter sewermain along Bell McKinnon Road to a point north of Norcross Road; and,
- Install 970 meters of 200 mm diameter sewermain along Bell McKinnon Road from a point north of Norcross Road to Herd Road.

5.4 **DRAINAGE**

The subject area drains south towards Somenos Lake through a system of roadside ditches. On-site drainage works will be required to collect and attenuate runoff to pre-development conditions. In addition, certain ditch improvements will be required to improve the capacity of that system to handle the 10-Year flow from this site and to provide flood protection for the 100-Year event. A site review of the existing structures did not identify any downstream impediments that would be a concern for off-site drainage. A more comprehensive analysis will be required at the time of design and any works will have to be approved by government agencies including the Municipality of North Cowichan and the



provincial Ministry of Transportation and Infrastructure. A downstream drainage analysis is required to better define the scope of these works.

5.5 POWER AND COMMUNICATIONS

The subject site is serviced by overhead three phase hydro power lines that run along Bell McKinnon Road. We have consulted with BC Hydro who have confirmed that two services of 25 kV capacity can be supplied to the new hospital site. The subject site is also serviced by overhead telephone lines that include a fibre optic service to the intersection of Herd Road and Bell McKinnon Road which can provide the required capacity for a hospital.

6 SITE GRADING

This existing site grades in a westerly direction to Bell McKinnon Road at an average slope of ±4%. We have assumed that the ultimate development of a hospital and associated parking will require a 10 acre site that is graded with cross-slopes that meet the design criteria. The total estimated cut to fill volume required to provide these grades is 45,000 cubic meters.

7 CLOSURE

We trust this report provides the information required to advance site selection at this time.

Yours truly,

McElhanney Consulting Services Ltd.

Prepared by

Darryl Tunnicliffe, P.Eng

Project Manager

Chris Pogson, P.Eng.

Division Manager, Engineering

PROPOSED NEW HEALTH CARE ZONE

Permitted Uses:
In the zone, the following uses are permitted and all other uses are prohibited except as otherwise noted in this Bylaw.
 Hospital and related uses; Care Facilities; Hospital related commercial uses including but not limited to gift shop, confectionary store, coffee shop, pharmacy; Medical related education and training facilities; and Helipad.
Minimum Lot Size:
A lot shall have an area of not less than
Minimum Lot Frontage:
A lot shall have a frontage of not less than
Lot Coverage:
A lot shall not be covered by buildings and accessory buildings to a greater extent than forty percent (40%) of the total area of the lot.
Setbacks:
Except as otherwise noted in this bylaw, the following minimum setback requirements shall apply:
 Front yard Rear yard Side yard 9.0 metres.
Height of Buildings:

No building shall exceed a height of 40.0 m.

Usable Open Space:

Usable open space shall be provided for a care facility at 10.0 m2 per unit.

Off-Street Parking and Loading:

Off-street parking and loading shall be provided and maintained in accordance with the requirements of this bylaw.

Landscaping and Screening:

Landscaping and screening requirements shall be met as follows:

- 1. Where a lot adjoins a residential zone, a landscaped area of at least 7.5 m in width shall be provided along the inside of all affected property lines.
- 2. Where a lot adjoins a street, a landscaped area of at least 7.5 m in width extending along the entire frontage of the property on the street shall be provided inside the property lines.