

INTER-OFFICE MEMORANDUM

TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE

DATE: 2021 MARCH 09

FROM: ADMINISTRATIVE OFFICER

FILE: 02410-20

**SUBJECT: CONTRIBUTION TO THE BURNABY HOSPITAL FOUNDATION FOR
THE REDEVELOPMENT OF THE BURNABY HOSPITAL**
(ITEM NO. 6.3., REPORTS, COUNCIL 2021 MARCH 08)

Burnaby City Council, at the Open Council meeting held on 2021 March 08, received the above noted report and adopted the following recommendations contained therein:

1. THAT Council authorize the use of the Gaming Reserve, once casino revenue starts to be received by the City again, in the amount of \$5.0 million over a five year period (\$1.0 million paid annually for five years) for a contribution to the Burnaby Hospital Foundation in support for the redevelopment of the Burnaby Hospital.
2. THAT a copy of this report be sent to the Financial Management Committee.

As directed, a copy of the report is attached for your information.



Lynne Axford
Administrative Officer

EXECUTIVE COMMITTEE OF COUNCIL

*HIS WORSHIP, THE MAYOR
AND COUNCILLORS*

**SUBJECT: CONTRIBUTION TO THE BURNABY HOSPITAL FOUNDATION FOR
THE REDEVELOPMENT OF BURNABY HOSPITAL**

RECOMMENDATIONS:

1. THAT Council authorize the use of the Gaming Reserve, once casino revenue starts to be received by the City again, in the amount of \$5.0 million over a five year period (\$1.0 million paid annually for five years) for a contribution to the Burnaby Hospital Foundation, in support of the redevelopment of the Burnaby Hospital.
2. THAT a copy of the report be sent to the Financial Management Committee.

REPORT

The Executive Committee of Council, at its meeting held on 2021 March 03, received and adopted the attached report seeking Council authorization for the use of the Gaming Reserve for a contribution to the Burnaby Hospital Foundation in support of the redevelopment of Burnaby Hospital.

Respectfully submitted,

Councillor S. Dhaliwal
Chair

Mayor M. Hurley
Vice Chair

Copied to: City Manager Director Corporate Services Director Finance
--

TO: CHAIR AND MEMBERS
EXECUTIVE COMMITTEE OF COUNCIL **DATE:** 2021 February 24

FROM: MAYOR HURLEY **FILE:** 7400-01

SUBJECT: CONTRIBUTION TO THE BURNABY HOSPITAL FOUNDATION FOR
THE REDEVELOPMENT OF BURNABY HOSPITAL

PURPOSE: To provide a contribution from the Gaming Reserve to the Burnaby
Hospital Foundation for the redevelopment of Burnaby Hospital.

RECOMMENDATION:

1. **THAT** the Executive Committee of Council recommend Council authorize the use of the Gaming Reserve, once casino revenue starts to be received by the City again, in the amount of \$5.0 million over a five year period (\$1.0 million paid annually for five years) for a contribution to the Burnaby Hospital Foundation in support of the redevelopment of the Burnaby Hospital.
2. **THAT** a copy of this report be sent to the Financial Management Committee.

REPORT**1.0 INTRODUCTION**

Burnaby Hospital is a large community healthcare facility which provides care to one of the province's fastest growing municipalities and is vital to the community's well-being. The Burnaby community is proud to have a hospital that continues to wholeheartedly serve its citizens. The Burnaby Hospital's needs and services however have outgrown the infrastructure and requires support to keep up with the growth in order to continue to provide vital public healthcare services to people in the community.

In November 2019, the Provincial Government announced the \$1.3 billion Burnaby Hospital Redevelopment Project. This multi-year, two-phase project will transform almost every area of the hospital and significantly expand the services available for patients and families. The Burnaby Hospital Foundation has committed to a contribution of \$30 million towards the Burnaby Hospital Redevelopment Project and the Province will contribute the remaining \$1.27 billion.

To: Executive Committee of Council
From: Director Finance
Re: Contribution to the Burnaby Hospital Foundation
for the Redevelopment of Burnaby Hospital
2020 March 03 Page 2

At its meeting on 2020 November 4, subsequent to a delegation from the Burnaby Hospital Foundation's Chief Executive Officer seeking financial support of \$5 million (one million paid annually for five years) towards the Burnaby Hospital Foundation's portion of the Redevelopment Project, the Executive Committee of Council referred the delegations request to staff. This report discusses the Burnaby Hospital Redevelopment Project, the Burnaby Hospital Foundation's role and an opportunity for the City to contribute gaming revenue to the respective initiative.

2.0 POLICY SECTION

The proposed recommendation to support the Burnaby Hospital Redevelopment Project aligns with the following goals and sub-goals of the *Corporate Strategic Plan*:

Goal

- A Connected Community
 - Partnership –
Work collaboratively with businesses, educational institutions, associations, other communities and governments
- A Healthy Community
 - Healthy life –
Encourages opportunities for healthy living and well-being
 - Healthy environment –
Enhance our environmental health, resilience and sustainability

3.0 BACKGROUND

3.1 Burnaby Hospital

Operated by the Fraser Health Authority (FHA), Burnaby Hospital is one of the largest hospitals outside the City of Vancouver, serving the communities of Burnaby and East Vancouver. Built in 1952, it provides a full range of primary and secondary acute care services as well as a number of specialized services such as 24/7 emergency care, general and internal medicine, general surgery, orthopedics, gynecology, urology, obstetrics, neonatal intensive care, palliative care, adult psychiatry, and other outpatient clinics.

Now the third largest city in the Province, Burnaby's growing and aging population presents challenges for Burnaby Hospital including limited capacity and the ability to provide a modern environment that supports the need to serve more people. The number of patients requiring hospital care is expected to increase almost 60% by 2036. The last major upgrades at the hospital occurred more than 40 years ago with the latest expansion taking place in 1978.

To: *Executive Committee of Council*
From: *Director Finance*
Re: *Contribution to the Burnaby Hospital Foundation
for the Redevelopment of Burnaby Hospital*
2020 March 03 Page 3

The difficulty in providing healthcare to the communities growing demographic within the limited hospital space has been magnified by the COVID-19 pandemic, resulting in further strain on the province's healthcare institutions and exacerbating the pre-existing capacity and spacing issues in the hospital. These factors necessitate the urgent need for the hospital's redevelopment to alleviate the rising challenges faced by the institution including the lack of space to expand much-needed services such as emergency and surgery, specialized patient care services, nursing units and waiting areas.

3.2 *Burnaby Hospital Redevelopment Project*

The two-phase redevelopment project, totalling \$1.3 billion, will impact every part of the existing hospital campus and will be one of the province's largest health care investments ever. Phase 1 of the project will include a new six-story inpatient/outpatient tower, a new energy centre to replace the aging power plant and create more electrical capacity to support the hospital's growth, as well upgrades to the existing buildings on the healthcare campus. Phase 1 construction is expected to begin in 2021 and complete in 2024 and upgrades to existing buildings are expected to be complete by mid-2025. Detailed business planning for Phase 2 will begin later this year. Attachment 1 provides additional details on improvements planned to the Burnaby Hospital in Phase 1 and 2 of the redevelopment project.

Phase 1 of the redevelopment project is estimated to cost approximately \$547 million and will be funded by the Province, Fraser Health, and the Burnaby Hospital Foundation. Phase 2 is currently undergoing detailed design.

3.3 *Burnaby Hospital Foundation (BHF)*

Hospitals in British Columbia are not fully funded by the Provincial Government. The BHF is a not-for-profit fundraising organization that strives to bridge the gap between what the BC government provides and what the community needs. Their purpose is to fund, facilitate and promote high quality patient care through the provision of financial support for development, education and research at Burnaby Hospital. The BHF relies on donations as their primary funding source which comes in various forms including cash, gifts, legacies and endowments. Donations generally fund approximately 50% of the cost of Burnaby Hospital's new and upgraded equipment and technology. The organization needs to continuously secure financial resources to ensure efficient and effective delivery of healthcare needs to the serviced community.

When the Provincial government announced the \$1.3 billion Burnaby Hospital Redevelopment Project, this cost took into account a contribution of \$30 million from the BHF, specifically towards Phase 1 of the project. No further commitment has been made by the BHF for Phase 2 of the project at this time.

To: Executive Committee of Council
From: Director Finance
Re: Contribution to the Burnaby Hospital Foundation
for the Redevelopment of Burnaby Hospital
2020 March 03 Page 4

The *Proud History, Bright Future Campaign* was launched in February 2020 by the BHF to raise money for their campaign goal to support Phase 1 of the project. The campaign has held several fundraising events to help meet their goal including the BHF Bright Future 50/50 Lottery and their annual gala. Further, the BHF has seen contributions from long-time Burnaby residents and locally-based developers like the Beedie family who have donated \$8.0 million to Phase 1 of the project. As of November 2020, the Burnaby Hospital Foundation has raised \$12 million for the campaign. The BHF has requested donations from numerous corporations, including 10 significant asks that are currently under consideration. Several businesses have declined support due to the negative financial impacts of the COVID-19 pandemic; however, a record number of smaller corporate donations have been received through the BHF's recent annual fundraising gala. The Burnaby Hospital Foundation has requested that the City contribute \$5 million, to be paid in \$1.0 million installments annually over five years, towards their \$30 million fundraising goal specifically for the hospital redevelopment project.

4.0 GAMING RESERVE

Through the Host Financial Assistance Agreement with the Province of BC, the City receives 10% of the net Provincial proceeds from the Grand Villa (Gateway Casino). The eligibility criteria for use of casino gaming grants to the City include operating expenditures and/or capital projects that serve to protect or improve Burnaby's environment, including beautification, heritage, public safety, international relations, arts and culture or other projects or programs at the discretion of Council.

The accumulated casino gaming grants are set aside in a gaming reserve and any expenditures are approved by Council and allocated through the budget process. The Gaming Reserve funds projects that would otherwise require an increase in property taxes such as the redevelopment of the Laurel Street Works Yard and safety and security enhancements throughout the City. The current balance of the Gaming Reserve as at 2020 December 31 is \$82.4 million however a majority of the funds have been allocated to capital and operating projects as identified in the current five year financial plan.

Annually, the City receives approximately \$11.5 million as a casino gaming grant. However, in 2020, due to the closure of the casino because of the COVID-19 pandemic, the City only received \$2.2 million. For 2021, it is optimistically anticipated that the casino will resume operations by the third quarter of the year which would result in approximately \$6.5 million of gaming revenue to the City. Gaming revenue is then expected to increase each year thereafter.

5.0 BURNABY HOSPITAL FOUNDATION REQUEST

The BHF has requested that the City of Burnaby contribute a total of \$5 million, to be paid out in \$1.0 million installments annually for 5 years, towards the hospital redevelopment project.

To: *Executive Committee of Council*
From: *Director Finance*
Re: *Contribution to the Burnaby Hospital Foundation
for the Redevelopment of Burnaby Hospital*
2020 March 03 Page 5

The Burnaby Hospital is an essential community healthcare facility and imperative for a growing community. The City of Burnaby's contribution would greatly impact the BHF in attaining its goal of raising \$30 million towards the hospital redevelopment. Should Council approve the \$5 million contribution, 100% of the funds would be put towards the redevelopment, with none being allocated towards the administration of the fundraising campaign as with traditional donations.

At this time, no further commitment has been made to the Province by the BHF nor is a further commitment anticipated to be made towards Phase 2 of the hospital redevelopment project.

Upon Council's approval, the contribution to the BHF for the Burnaby Hospital Redevelopment Project would be funded from future gaming revenue once casino gaming grants start to be received by the City again. If no casino grants are received in 2021, then the contribution would not commence until 2022 or future years, only when casino revenue starts to be received by the City again. As a result, the contribution would not be funded through property taxes. The 2021 – 2025 Financial Plan would be updated during the annual budget process to include the contribution from the Gaming Reserve to the BHF.

The BHF has communicated that the naming rights for the Burnaby Hospital's Emergency Building would be provided to the City in recognition of its contribution.

6.0 RECOMMENDATION

It is requested that the Financial Management Committee recommend Council authorize the use of the Gaming Reserve in the amount of \$5.0 million (\$1.0 million paid annually over a five year period) for a contribution to the Burnaby Hospital Foundation in support of the redevelopment of the Burnaby Hospital as outlined in this report.



Mike Hurley
MAYOR

Burnaby Hospital Redevelopment Project

On 2019 September 3, the Provincial government announced that Burnaby Hospital will undergo a \$1.3 billion redevelopment with major facility upgrades and two new patient care towers. When the redevelopment is complete, the hospital campus will also have two new patient care towers and a cancer treatment centre.

PHASE I - NEW PATIENT TOWER (6 Floors)

Cost: Approximately \$547M

Construction Timeline: 2021 - 2024

Completion of Phase One: 2025

➤ Expanding Emergency Care:

- Currently the second busiest Emergency Room (ER) in Fraser Health.
- 83,000 ER visits per year; current space designed for 54,000 visits.
- In the next 15 years, the need for ER care in Burnaby is expected to grow by another 35%.
- Phase One will add 5,000 square feet of new space.
- New treatment bays will have walls instead of curtains for privacy and increased separation from other patients.

➤ Growing Surgical Services:

- Objective to reduce wait times.
- 15,000 surgeries and minor procedures take place each year.
- Specialized services such as joint replacement and sinus surgery are provided for patients living in communities across Fraser Health.
- Surgery team currently uses the equivalent to seven operating rooms and two procedure rooms.
- Redevelopment will expand south to Kincaid Street and will include nine operating rooms:
 - Four brand-new larger rooms; and,
 - Five procedure rooms.

➤ Maternity Centre:

- Over the next 15 years, there is an expected 15 per cent growth in the number of babies born at Burnaby Hospital.
- New Maternity Centre will bring all of the hospital's maternity and newborn services together in one place to streamline and improve care for families:
 - Maternity clinic, inpatient services, Neonatal Intensive Care Unit will be on one floor with easy access to the operating room.
- Provide single room maternity care.
- Neonatal Intensive Care Unit team cares for the most vulnerable babies who are born at Burnaby or transferred from other hospitals.
- The new unit will have single rooms for more privacy and comfort.

➤ **New Mental Health Unit:**

- New 30-bed Mental Health and Substance Use Unit.
- Currently only 16 per cent of the 25 beds are located in single rooms.
- New unit will have comfortable single rooms with private bathrooms.
- Special features include:
 - Sensory intervention room equipped with tools to help patients calm themselves;
 - Safe outdoor patio for fresh air; and,
 - Separate activity rooms to accommodate different groups and ages of patients for recreation.

PHASE II - REGIONAL CANCER CENTRE AND PATIENT TOWERS

Cost: Approximately \$800M

Construction Timeline: 2024-2027

Completion of Phase Two: 2027

➤ **BC Cancer Centre:**

- 52 exam rooms;
- 36 chemotherapy chairs;
- Positron Emission Tomography (PET) - Computer Tomography (CT); and,
- CT and Magnetic Resonance Imaging (MRI) simulator suites.

➤ **Towers** (*2 over top of Cancer Centre*):

- 160 single room beds; and,
- New home for Medical Imaging department.

➤ **Overall Upgrades:**

- Total campus becomes 398 beds;
- Increased parking capacity - 365 new parking stalls; and,
- New UBC conference room space.