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Markdale hospital costs climb

**Project now more than
double its original
estimate of \$30 million**

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The cost of the proposed new Markdale hospital continues to escalate to more than double its original estimate, while pledges of support have declined by \$1 million.

The project started out more than a decade ago at \$30 million and has now ballooned to \$67 million, said Grey Bruce Health Centre president and CEO Lance Thurston.

"I think the original number was pure construction costs which is around \$50 million, but

it may escalate now that we're looking at development costs," Thurston told Southgate council on Wednesday. "That piece of land is expensive to develop. The distance to bring new services to the site and new driveways, just adds to this expense."

Dan Rose the chair of the Centre Grey Foundation tasked with raising the community share of the new build, told council that by 2005 the community had raised more than \$13 million -- \$7 million in cash and the rest in pledges, pending the start of construction. But since then the amount of pledges has dropped by more than \$1 million as some donors have died and others have withdrawn their pledges out of frustration.

"We had the initial \$7 million raised, we had the municipal com-

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People are frustrated. What we're getting isn't what we thought we would get.”

Coun. Dale Pallister

mitment and in addition to that we have a whole series of pledges pending construction,” Rose said. “We’ve had a lot of people die since that. There was a million-dollar donor die.”

Meanwhile Southgate has reaffirmed its pledge of \$400,000.

Ontario Health Minister Dr. Eric Hoskins announced in late 2014 that the province had given the project the green light. At that time the pricetag was pegged at between \$50 million and \$60 million.

Since the announcement, GBHS

and the Ministry of Health and Long-Term Care have been working through the five-step approval process, which Thurston said has been delayed by ministry officials who are trying to limit the scope of the project.

The ministry has agreed to the addition of a palliative care bed, raising the total number of inpatient beds to five. Now the negotiations, which are still stuck in stage two of the process, are focusing on getting the ministry to agree on the square footage of the project.

The new hospital will have

100,000 square feet of space, larger than the current hospital. It is to be all on one level, without a basement.

Thurston said his team has been able to convince ministry officials to include a layer below the main level with a potential for future expansion, which would be smaller than the footprint of the main building at around 50,000 square feet, but those details have yet to be finalized.

He’s optimistic this stage of negotiations will be completed soon and move to stage three, which is the detailed engineering drawings. From there it will move to selection of a general contractor followed by final approval. Construction could begin by 2018 with a completion date in 2020.

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The new hospital will be a larger modern facility with 24-hour emergency care service. Operating rooms will be replaced by a procedures room where things like colonoscopies will be carried out while operations will be done at the Owen Sound hospital. The palliative care service has been added.

There will also be up to date laboratory, diagnostic imaging services along with outpatient therapies, and ambulatory care services. Some surge capacity is being included in the new design to accommodate expansion and repurposing of space in the future.

The ministry of health is responsible only for the initial capital construction costs, which are now an estimated \$48 million. On top of that is \$3 million worth of equipment for the hospital and \$10 million in development of the hospital site, which is the responsibility of the community fundraising effort.

The land was donated by Grey County and is located next door to the county’s Grey Gable long-term care facility.

Deputy-mayor Norm Jack and Coun. Dale Pallister questioned the escalating cost of the hospital and advised hospital fundraisers to be sure to nail down the final cost of the project before going back to the public for more donations.

“We could have a \$75-million cost by the time the shovel goes into the ground, Pallister said. “People are frustrated. What we’re getting isn’t what we thought we would get.”

Thurston praised the efforts of Bruce-Grey-Owen Sound MPP Bill Walker at Queen’s Park and urged residents and council to continue to lobby the government, keeping up pressure on the health minister to move the project along.

Former Southgate mayor Brian Milne agreed with Thurston.

“Lance is doing an excellent job of working the bureaucracy and the staff at Queen’s Park,” Milne said. “It’s up to the local politicians to keep the pressure on the minister to be sure that he keeps his people pushing their staff.”

Thanks
Pearl

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