



# Summerland Primary Health Care Centre Feasibility Study

December 7, 2022



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District of Summerland,  
13211 Henry Ave.,  
Summerland, BC,  
V0H 1Z0

Attn: Lori Mullin, Director of Community Services

**Re: Summerland Primary Health Care Centre Feasibility Study FINAL REPORT**

Dear Lori,

Please find enclosed the Final Report for the Summerland Primary Health Care Centre Feasibility Study.

The Consultant team would like to thank you for your direction and comments throughout the process of preparing the report. We are genuinely pleased to have had the opportunity to work with you.

Sincerely,

A black ink signature of Todd Dust, consisting of several overlapping loops and a long horizontal stroke.

**Todd Dust** Architect AIBC, AAA, LEED AP  
Partner

A blue ink signature of Gus Spanos, written in a cursive style with a large initial 'G' and 'S'.

**Gus Spanos**, B.Arch., Architect AIBC, MRAIC  
Senior Architect – Healthcare Sector Lead

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## 1.0 EXECUTIVE SUMMARY

In the Spring of 2021, the District of Summerland retained Thinkspace Architecture Planning and Interior Design (Thinkspace) through a public Request for Proposals (RFP) for the completion of a Feasibility Study for a Health Centre in Summerland (the “Project”).

### Program & Space Requirements

The Consultant team reviewed the preliminary space program presented in the RFP and on the basis of projected demand, it was decreased slightly from a net area of 888.7m<sup>2</sup> (9,566 sq. ft.) to a net area of 786.6m<sup>2</sup> (8,467 sq. ft.). This takes into account projected future needs up to 2025. Including a gross up factor of 1.15, the gross area indicated in the updated functional program is approximately 10,000 sq ft.

### Site Identification and Analysis

The consulting team analysed eighteen (18) sites in Summerland (see Figure 2) and then compiled a list of five shortlisted potential sites within the Project study area and one outside of it, but with fairly good accessibility and proximity to the existing Interior Health Authority Health Centre located in Summerland. Through analysis of the five sites, two further shortlisted sites were determined to have the best potential for locating a new Primary Health Care Centre in downtown Summerland described as follows:

1. **Brown Street Site** - owned by the District of Summerland that is currently being used as a parking lot located at 9600 Brown St. (Brown St. Site); and
2. **Dickson Avenue Site** - currently being redeveloped for affordable housing that could include space for a new Health Centre located at 13609 Dickson Ave. (Dickson Ave. Site).

### Site Costs

Capital, land and operating costs were estimated for both the Brown St. and Dickson Ave. sites. For the Brown St. Site, a two-storey standalone building is featured, and the land is owned by the District, whereas for Dickson Ave. a single floor space integrated into an overall development is anticipated and the land is owned by a non-profit society. As the physical structure of each site is different, it is challenging to do a direct comparison – each site has its own characteristics.

A preliminary proforma was developed for each site and the overall costs for construction, land, tenant improvements, ongoing maintenance and replacement reserve were estimated. Operating costs are estimated based on what the physicians estimate they can afford to pay. The resulting financial analysis demonstrates the gap between the potential costs and the revenues that can be generated of approximately \$5 million.

### **Business/Governance Model**

Various business and governance models were investigated, and the recommended model is similar to that of the Ponderosa Primary Care Centre model that would see:

- **Ownership:** Space to be owned (or long-term 50+ year lease) by Community Foundation of SOS (and partners) for the purpose of a Primary Health Care Centre.
- **Lease:** Lease or Sub-leases to be issued to the Summerland primary care provider group or SOS Division on behalf of the group and other health-oriented businesses as space warrants.
- **Management:** Health Centre to be managed by SOS Division of Family Practice in partnership with Summerland primary care providers.

In the case of the Dickson Ave. site, Parkdale Place Housing Society (PPHS) would act as the Developer, supported by their development consultants, Terra Social Purpose Real Estate.

### **Recommendations and Next Steps**

On the basis of the analysis conducted to date, the Dickson Avenue site is identified and recommended as the preferred site for the Summerland Primary Health Care Centre as it satisfies the functional program, is located downtown, the site is available for redevelopment, and it is the most affordable option. Further, the development partner of PPHS is identified. Securing funding for both the affordable housing project and the Health Centre would be the next step.

The project partners/stakeholders will need to continue discussions among themselves to determine various financial contributions, roles and responsibilities.

## 2.0 INTRODUCTION AND BACKGROUND

In 2019, District of Summerland Council indicated that replacement plans for the Summerland Aquatic & Fitness Centre and the consideration of a new Recreation Centre as a strategic priority.

In mid-2019, the District of Summerland began conversations with the School District and Interior Health Authority around the potential for a partnership project that could involve the redevelopment of the District's Aquatic Centre, Summerland High School Gymnasium expansion and the addition of new primary care related facilities in the community. Triggered by the need to replace the District's aquatic facility and the School District's need to expand their gymnasium, and the historical partnership for land use, the opportunity for a multi-use facility was brought forward. From a health perspective, there is a demonstrated need for increased provision of primary care services and adequate space for these services in our community. This will help attract and recruit new health care providers to Summerland and address the shortage in primary care providers and improve access to care by allowing for team-based models of care. In addition, the need for more child care space in the community have also been part of the discussions on how we can better address the needs of our community. With the potential financial and space efficiencies, along with addressing social determinants of health in the community, and by having primary care related uses integrated into a larger health and wellness complex, the idea of partnership began to move forward.

At the Union of British Columbia Municipalities convention (UBCM) in 2019 and 2020, the District of Summerland received support in principle from the Ministries of Education / Health / Municipal Affairs / State for Child Care for this collaborative proposal for a Summerland Community Recreation and Health Centre that fulfills several needs in the community.

A Steering Committee with the partner organizations (District of Summerland, School District 67, Interior Health and SOS Division of Family Practice) as well as local physicians was initiated and a Memorandum of Understanding with the partners organizations was executed.

In June 2020, the District awarded a contract for consulting services to implement project visioning, a comprehensive consultation and engagement process and a facility needs assessment. This work was completed in January 2021.

The resulting recommendation was to separate the proposed Health Centre into a separate project from the Aquatics/Recreation facility feasibility study.

In April 2021, two RFPs were issued by the District of Summerland – one for the proposed Aquatic Centre and the second, for the proposed Health Centre. Carscadden Stokes McDonald Architects (Carscadden) were awarded the Aquatic Centre work and Thinkspace were awarded the Health

Centre work. Initially, work on the two projects proceeded together as the architectural firms assessed site requirements. The Aquatic Centre consultants concluded the best site for the new Aquatic Centre is at 8820 Jubilee Road East, which effectively eliminates this site as the potential location for the Health Centre due to site fit challenges. The following figure illustrates the original area for potential Health Centre locations in red. The boundary was expanded as noted in blue as there were few sites available in the area defined by the original red line.

**Figure 1: Summerland Health Centre Location Area Boundaries**



### 3.0 CURRENT SITUATION AND DEMAND

Currently there are twelve (12) physicians located in Summerland who are located in multiple locations and providing services independently. The physicians support a collaborative team-based approach and this, along with Interior Health, Allied Health and nursing professionals, could provide dependable tenant revenue in a new facility.

It was anticipated that there was approximately 4,000 unattached patients in Summerland as of April 2021. The current health centre and primary health providers do not have capacity to take on new patients and are limited in their ability to accommodate new provider recruits.

Summerland requires an additional four new family physicians/nurse practitioners to meet the community's current need that would, if realized, increase the number of physicians in Summerland to sixteen (16).

The 2021 census showed a population of 12,042 in Summerland, up from the 2016 population of 11,615<sup>1</sup>. This is a growth of 3.7 per cent. The Interior Health Local Health Area (LHA) Profile for Summerland 2020 indicated a "catchment" population of approximately 13,319 in 2020 to a population of approximately 13,812 in 2025 which is also a 3.7 per cent growth rate<sup>2</sup>. Utilizing Interior Health's LHA Profile, the percentage of the population with a general practitioner is approximately seventy per cent. Based on future panel size and 4.27 appointments/annum/person and a 50% exam room utilization rate, Summerland will require 24 exam rooms and twenty to twenty two (20 – 22) physicians to meet the needs of the community by 2025.

### 4.0 SUMMERLAND PRIMARY HEALTH CARE CENTRE VISION

The Project vision is to create a ten thousand to twelve thousand (10,000 – 12,000) square foot space dedicated to primary health care services in Summerland with adequate room to be the medical home for all Summerland residents. A central location is desired for up to sixteen (16) family physicians or nurse practitioners providing team-based care with nurses and allied health professionals with space to accommodate visiting specialists and Interior Health specialized services and expansion options for growth over time.

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<sup>1</sup> 2021 Census Data

<sup>2</sup> Interior Health Local Health Area Profile for Summerland



## 5.0 PROJECT STAKEHOLDERS

A large number of stakeholders were engaged throughout the Project duration including the Project Steering Committee. For clarity the following list of stakeholders has been identified along with their acronym for ease of reference throughout this document:

- District of Summerland (District)
- Thinkspace
- South Okanagan Similkameen Division of Family Practice (SOS Division) representing the group of physicians
- Interior Health Authority (IHA)
- Community Foundation of the South Okanagan Similkameen (Community Foundation SOS)
- South Okanagan Similkameen Medical Foundation (SOS Medical Foundation)
- Parkdale Place Housing Society (PPHS)
- Terra Social Purpose Real Estate Consultants – PPHS Consultants (Terra)
- Community Futures British Columbia

## 6.0 DEFINITIONS

For clarity with this Feasibility Study, the concept of a primary Health Centre (Health Centre) is a space where physicians and related health care professionals including Nurse Practitioners and other Allied Health professionals can be co-located to provide primary health care services.

The proposed primary Health Centre should not be confused with an Urgent and Primary Care Centre (UPCC). The best comparator of what the physician group is desiring in Summerland is the Ponderosa Primary Care Centre located in Penticton.

In this model, space is leased by the SOS Division of Family Practice and then sub-leased to physicians who are responsible for paying operating and lease costs. However, other governance and operating models were investigated to provide a range of options for consideration.

## 7.0 OPTIONS IDENTIFICATION

Several options were identified for review, described as follows:

### 1. Do Nothing/Status Quo

In this option, there would be no change to the current provision of health care services in Summerland. Physicians would continue to lease space individually and there would be no co-located team-based care. The key risks of the do nothing/status quo option are the lack of team based care, potential reduction in physicians to serve a growing population based on retirement/burn out, inability to attract more physicians and the potential decrease in health care services over time.

### 2. Lease Space

Significant effort was put into trying to find sufficient and suitable space that could be leased within downtown Summerland. Unfortunately, no potential leased space was found.

An updated search for leased space was conducted in November 2022 and there does not appear to be any available suitable space within downtown Summerland.

### 3. Build New

Several sites were identified to build a new building and are presented in the table following. Some of the sites are privately owned and some are owned by the District of Summerland, and one is owned by the Interior Health Authority.

Private development partners were also canvassed to determine their interest in building the Health Centre and no interested private development partners were identified.

Parkdale Place Housing Society was identified as a non-profit development partner as part of their Dickson Ave. Site.

**Figure 2: Potential Development Sites**

CIVIC ADDRESS	EXISTING USE	LAND SIZE - Acreage	LAND SIZE - m <sup>2</sup>	OWNED BY	ZONING
13604 Victoria Rd N	Strip Mall	1.68	6,798.72	Privately Owned	CB1
13229 Henry Ave	2 storey restaurant/ 1 storey hair salon	0.37	1,497.34	Privately Owned	CB1
9700 Brown St	Residential	1.46	5,908.41	Privately Owned	I - Institutional
13601 Victoria RD N	Credit Union	0.60	2,428.11	Privately Owned	CB1
9507 Main St	Shell Gas	0.35	1,416.40	Privately Owned	CB1
13205 Rosedale Ave	Funeral Home	0.33	1,335.46	Privately Owned	CB1
9710 Brown St	Senior Drop in Centre	0.55	2,225.77	Privately Owned	CD7
13009 Rosedale Ave	Dental/Med	0.29	1,173.59	Privately Owned	CB1
13609 Dickson Ave	Residential - Single Storey	1.54	6,232.16	Privately Owned	RMD
9511 Wharton St	Empty/Parking	0.20	809.37	Municipal	CD7
8820 Jubilee Rd	Summerland Arena and Curling Club	3.78	15,297.12	Municipal	I - Institutional
12815 Atkinson Ave	Interior Health Authority	5.48	22,176.77	Instiutional	I - Institutional
8709 Jubilee Rd	Previous RCMP Station	1.24	5,018.10	Privately Owned	RHD
8911 Jubilee Rd	Packing House	7.59	30,715.64	Privately Owned	CM
12809 Kelly Ave	New Residential Building	1.70	6,879.66	Privately Owned	MX1
9600 Brown St	Parking Lot (Badminton Club)	0.44	1,780.62	Municipal	I - Institutional
9450 Prairie Valley	Badminton Club	0.21	849.84	Unknown	I - Institutional
10108 Jubilee Rd W	Shoppers Drug Mart	1.15	4,653.89	Privately Owned	CB1
LEGEND:					
	Rentable space or site is too small				
	Owner not interested				
	Site is occupied				
	Planning Department ruled out				

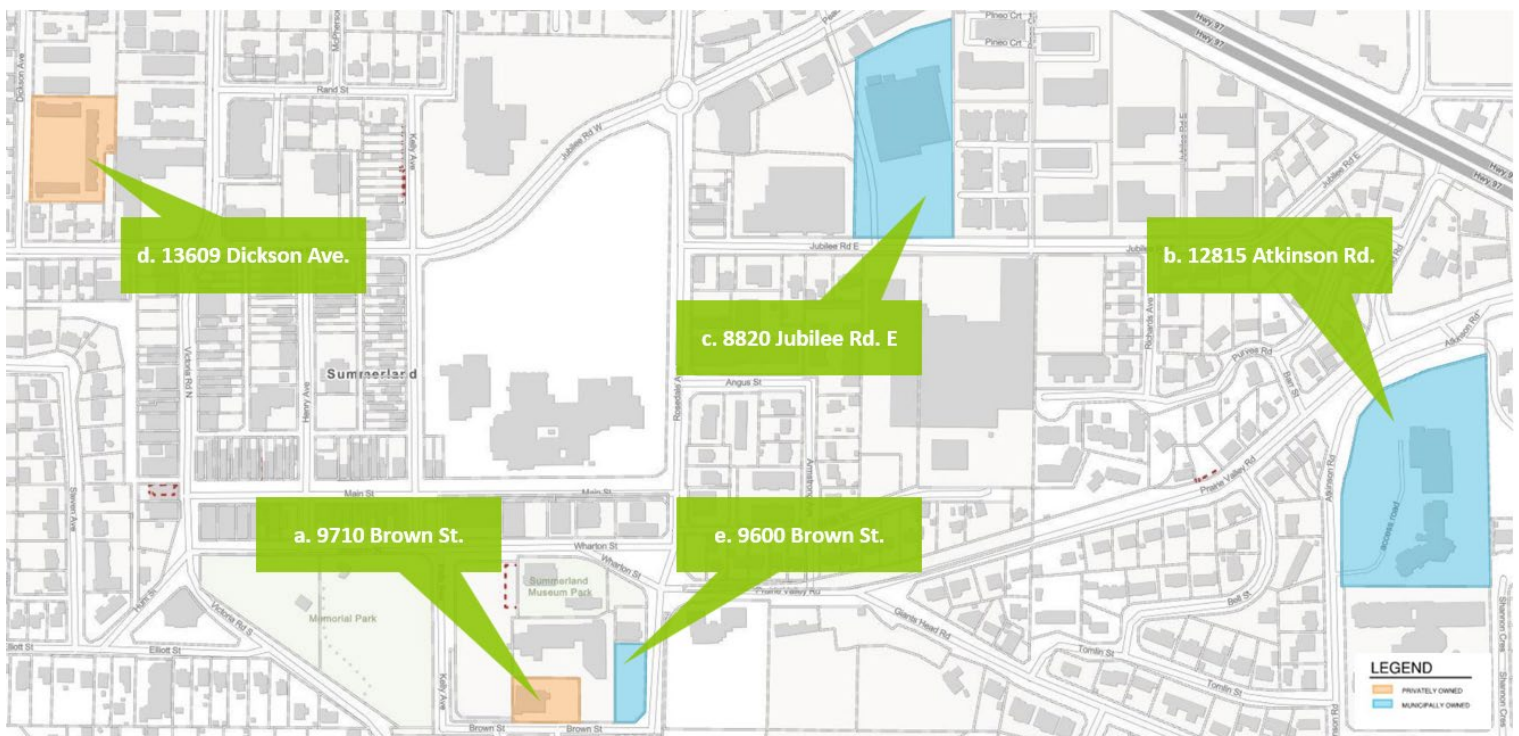
Five sites were identified for further review and are described in more detail in the following section.

## 8.0 SITE OPTIONS CONSIDERED

Five potential new build sites were identified by Thinkspace after exhaustive searching within the defined area boundaries stated for the Project and are noted as follows:

- a) 9710 Brown St. – Existing Seniors Centre site
- b) 12815 Atkinson Rd. – Interior Health Authority land
- c) 8820 Jubilee Rd. E – District owned vacant land (arena parking lot)
- d) 9600 Brown St. – District owned vacant land (public parking lot)
- e) 13609 Dickson Ave. – Development partnership with PPHS

**Figure 3: Potential Health Centre Sites in Summerland**



Project consultants were not able to identify any available space for lease within the defined study area boundaries and therefore, there are no leased space options provided as part of this Feasibility Study.

Figure 4: 9710 Brown St. – Existing Seniors Centre site



Pros:

- Within downtown core
- Site is correct zoning – CD7 Comprehensive Development

Cons:

- Site is privately owned
- Site is occupied
- Cost for demolition of existing building
- Include Seniors drop-in in new construction
- Site improvements

**Figure 5: 12815 Atkinson Rd.- Interior Health Authority land**



Pros:

- Possible healthcare campus
- Adequate site size
- Close to existing lab and x-ray services
- Site is large enough to permit single storey building. However, the site slopes so might require a two-storey building

Cons:

- Site is outside downtown core
- Pedestrian access is not as ideal as being downtown
- May require rezoning
- Zoning is Institutional
- Owner interest not confirmed

Figure 6: 8820 Jubilee Rd. E – District owned vacant land



Pros:

- Within downtown core
- Owned by the District

Cons:

- Health Centre will possibly need to be split between two floors
- Zoning is Institutional so site would need to be rezoned
- Site development

Figure 7: 9600 Brown St. – District owned vacant land



Pros:

- Within downtown core
- Owned by the District
- The site is empty
- Possible partnership opportunities

Cons:

- Requires rezoning
- Very constrained site to make everything work
- Covered non secure parking – potential security issues
- Health Centre will need to be split between two floors
- Zoning is Institutional so site would need to be rezoned



**Figure 8: 13609 Dickson Ave. – Development partnership with PPHS**



Pros:

- Close to downtown core
- Owner is interested in including the Health Centre in their development
- Site is large enough to permit single floor Health Centre
- Tenant improvement main floor commercial space
- Part of larger development, low-income housing with commercial space on main level

Cons:

- Funding is not yet secured for the redevelopment project from BC Housing
- Will accommodate limited future growth and no expansion space available

## 9.0 PREFERRED DEVELOPMENT SITES

Through detailed discussion with the Project stakeholders and meetings with the Steering Committee and District Council, two preferred site options emerged based on their suitability for meeting the project criteria of being located within the downtown area and providing enough space to meet the functional program requirements.

**Option A** – New Primary Health Care Centre on Brown Street Site (Brown St. Site)

**Option B** – New Primary Health Care Centre at Existing Building on Dickson Avenue (Dickson Ave. Site)

Each of these sites features differing characteristics in their ownership structures and ability to accommodate the functional program requirements. The Brown St. Site would be a stand-alone building and at Dickson Ave. would be incorporated as part of the overall affordable housing redevelopment being pursued by the PPHS. Further details and layouts of each site are discussed in the following sections.

### 9.1 District Owned Site – Brown Street Site

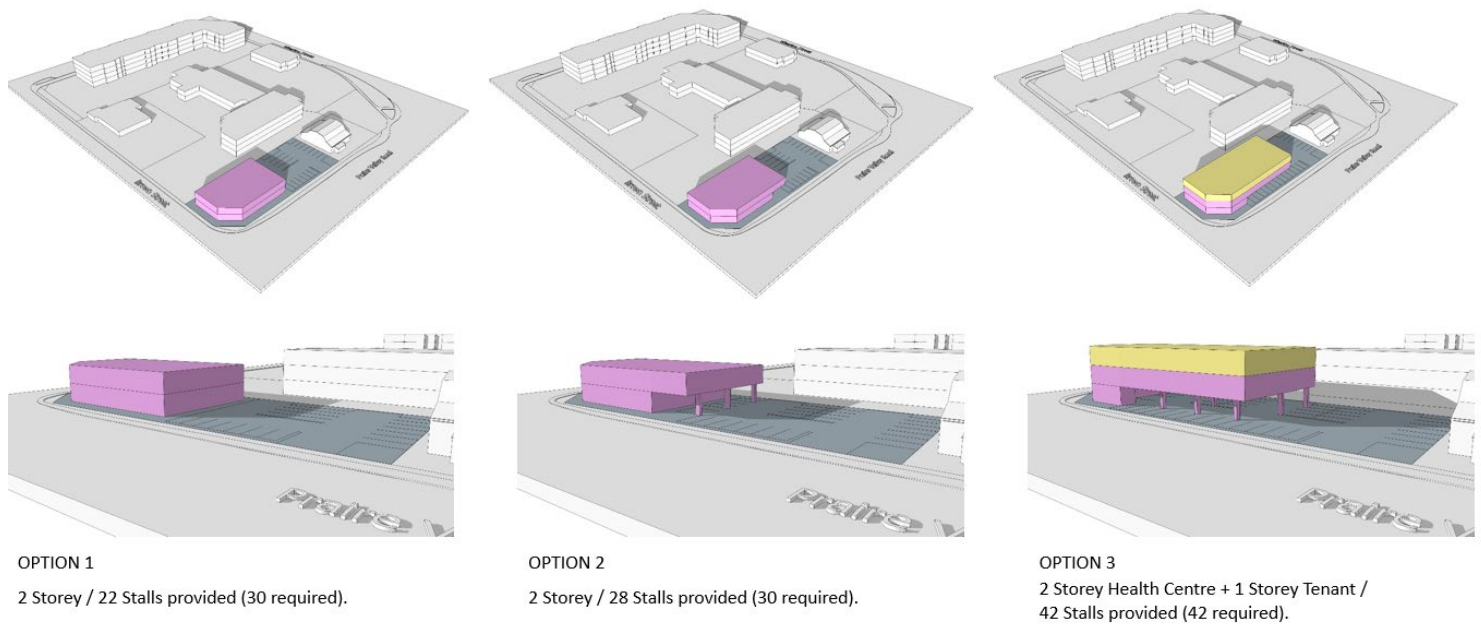
The Brown St. Site owned by the District of Summerland is located at 9600 Brown Street in the Southeast corner/intersection of Brown St. and Prairie Valley Road (see Figure 9 following). It is currently a vacant site being utilized as a parking lot. The Brown St. Site is fairly constrained in size and accessibility as it is a fairly narrow site and not easily accessible. The Brown St. Site is located downtown and is in close proximity to other community services including the Summerland Museum, Badminton Centre, Parkdale Place Lodge and the current seniors drop in centre (also one of the potential sites considered).

Figure 9: Brown Street Site Location



Three development options for the Brown St. Site were examined as presented below:

**Figure 10: Brown St. Site Development Options**



*Note: All Options require rezoning from Institutional to CD7*

**Option 1** presents a two-storey building with 22 parking stalls. In this option, 30 parking stalls are required by the current zoning so a relaxation or variance of the requirement would be needed.

**Option 2** presents a two-storey building with 28 surface parking stalls. As thirty (30) are required, a slight relaxation or variance would be required.

**Option 3** incorporates an additional floor for a two-storey health centre with one floor of rentable area. 42 surface parking stalls are required and provided in this configuration of the site.

For the test fit of the functional program, Option 1 is selected and presented in the following section.

Figure 11: Brown St. Site Main Floor Test Fit



Figure 12: Brown St. Site Second Floor Test Fit



Second Floor

## 9.2 Development Partnership - Dickson Avenue Site

The Parkdale Place Housing Society (PPHS) acquired the former Legion Village property located at 13609 Dickson Avenue in Summerland. They are proposing to construct a four (4) storey affordable housing project on this site. The affordable housing redevelopment project includes three floors of residential units above grade and the potential for a 10,000 sq ft Health Centre at grade with 125 surface parking stalls (93 residential, 9 visitor and 23 for the Health Centre).

PPHS submitted an application to the District of Summerland proposing amendments to the Official Community Plan (OCP) and Zoning Bylaws to facilitate this project. This involves:

- Changing the OCP designation from Medium Density Residential to High Density Residential.
- Changing the zoning from Medium Density Residential (RMD) to High Density Residential (RHD) with site specific regulations that would allow a health care facility and/or day care facility and specific parking requirements

**Figure 13: Dickson Avenue Site Location in Summerland**

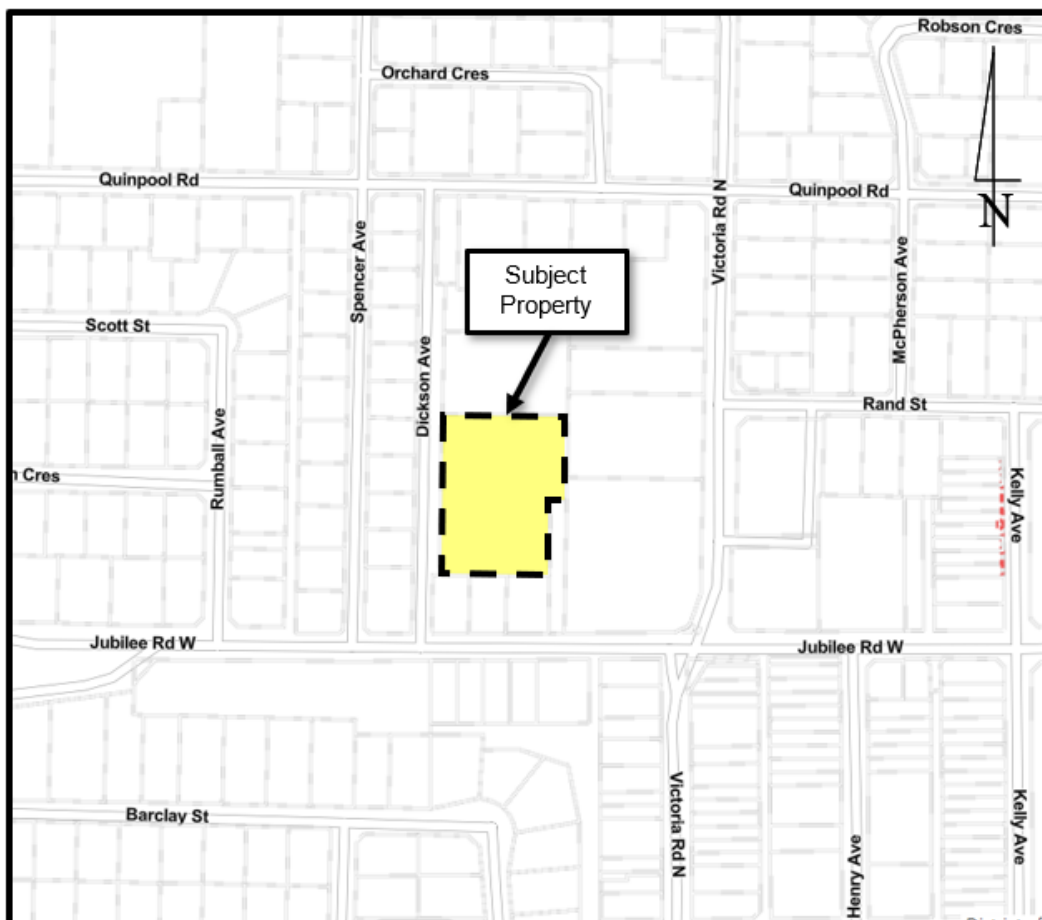


Figure 14: Dickson Avenue Rendering and Layout

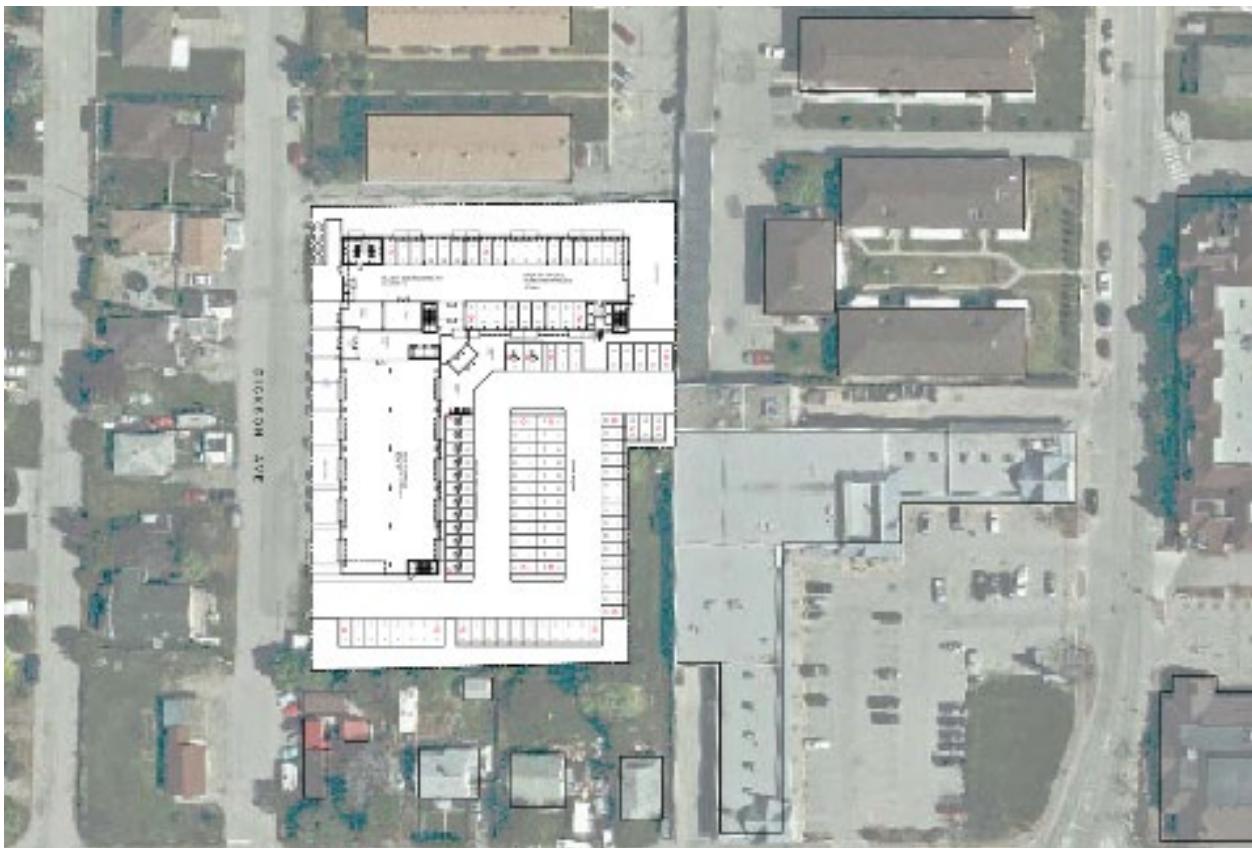




Figure 15: Dickson Avenue Site Test Fit



### 9.3 Multiple Criteria Options (MCA) Analysis

An MCA can be used to compare options on the basis of several criteria. An MCA was undertaken to compare both the Brown St. Site and the Dickson Ave. Site, and the results are summarized in the following table:

**Figure 16: MCA Analysis Results**

Criteria	Brown Street Site	Dickson Avenue Site
Spatial Fit on Property	✓✓✓	✓✓✓
Downtown Location	✓✓✓	✓✓✓
Site Availability	✓✓	✓✓
Financial Viability/Cost	X	✓
Funding Certainty	X	✓
Developer Capacity & Experience	Not applicable as developer unknown at this time	✓✓✓

**Notes:**

- ✓ Partially effective in satisfying the requirements
- ✓✓ Substantially effective in satisfying the requirements
- ✓✓✓ Provides a highly efficient and effective delivery solution
- X Fails to satisfy the basic requirements of the Project

### 9.4 Recommended Site

On the basis of the analysis conducted to date, the Dickson Avenue site is identified and recommended as the preferred site for the Summerland Primary Health Centre as it satisfies the functional program, is located downtown, the site is available for redevelopment and it is the most affordable option. Further, the development partner of PPHS is identified. Securing funding for both the affordable housing project and the Health Centre would be the next step.

## 10.0 GOVERNANCE AND OPERATING MODELS

For the purposes of this Feasibility Study, the following governance and operating models were assessed:

### 1. Primary Health Centre – Ponderosa Clinic, Penticton, BC

In this model, leased space was secured for a Primary Health Clinic in Penticton. The building is owned by a third party, SOS Division has responsibility for operating the clinic and physicians contribute to lease and operating costs as part of their overhead operating costs. Team based care is provided along with Allied Health and nurse practitioners.

### 2. Community Health Centre – Bowen Island

The Bowen Island Community Health Centre is owned and operated by the Bowen Island Health Centre Foundation — a registered charity with no direct link to the Municipality. Private donations will pay for the building's construction and equipment. Funding for ongoing operations comes primarily from the provincial Ministry of Health and MSP Services. In this model, the Foundation raised \$5 million and received a \$1 million contribution from the Ministry of Health for a \$6 million capital cost. The approximate size of the building is 10,000 sq ft and provides dental services in addition to primary health services.

The Bowen Island Community Health Centre is operated and governed according to the Community Health Centre (CHC) model, in keeping with the expansion of the CHC model across British Columbia by the BC Ministry of Health as a key part of the province's renewed primary care strategy.

### 3. Private Integrated Health Centre/Clinics

Private health centres/clinics provide integrated multi-discipline health services. In this model, physicians and other health practitioners form a company, partnership or joint venture or joint venture agreement to work together through a business relationship. Fees are generated through fees for services and Medical Service Plan payments. Space is typically leased, although can be owned. Quite often these models are utilized for a broad range of services (i.e., chiropractic, physical therapy, massage therapy).

Utilizing the results of the MCA, the proposed operating model for the Summerland Primary Health Centre at the Dickson Avenue site is summarized as follows:

**Figure 17: Proposed Operating Model for Summerland Health Centre**

Role	Description
Developer	Parkdale Place Housing Society with Terra Social Purpose Real Estate Development Consultants
Ownership	Space to be owned (or long-term 50+ year lease) by Community Foundation of SOS (and partners) for the purpose of a Health Centre.
Lease	Lease or Sub-leases to be issued to the Summerland primary care provider group or SOS Division on behalf of the group and other health-oriented businesses as space warrants.
Management	Health Centre to be managed by SOS Division of Family Practice in partnership with Summerland primary care providers.

A proposed operating Model for the Brown Street Site was not developed as it is not clear which entity would take on each of these roles if that site were to be pursued.

## 11.0 FINANCIAL INFORMATION

An initial high level cost comparison (order of magnitude/Class D) was undertaken for the five development sites that were identified and is presented in the following table. A range of capital costs between almost ten and twelve million (\$9.9 - \$12.2 million) was estimated based on a two-storey building with elevator, stairs, lobby and circulation space that would meet the functional program developed.

**Figure 18: Estimated range of costs**

		9710 Brown Street (Senior's Centre)	12815 Atkinson Road (Interior Health Site)	8820 Jubilee Road (Colocated with Recreation Centre)	9600 Brown Street (Parking Lot Site)	13609 Dickson Avenue (PPHS Site)
<b>Base Building (Clinic)</b>	Includes: -2 storey building -Elevator -2 Egress Stairs -Lobby -Circulation Space	\$ 4,100,000	\$ 4,100,000	\$ 4,100,000	\$ 4,100,000	\$ 3,380,599
<b>Tenant Improvement (Clinic)</b>	Includes: -Fitout	\$ 3,500,000	\$ 3,500,000	\$ 3,500,000	\$ 3,500,000	\$ 3,802,198
<b>Site Development</b>	Includes: -Asphalt Parking -Site Lighting -Storm Drainage -Landscaping (minor) -Soil removal where applicable	\$ 500,000	\$ 600,000	\$ 500,000	\$ 500,000	-
<b>Demolition of Existing Building</b>		\$ 60,000	-	-	-	-
<b>Base Building (Offset loss of Existing Building)</b>	Includes: -cost of providing base building for current annexed building use.	\$ 900,000	-	-	-	-
<b>Tenant Improvement (Offset Existing Building)</b>	Includes: -cost of providing TI for current annexed building use.	\$ 1,000,000	-	-	-	-
<b>Soft Costs</b>	Includes: -Equipment (Clinic Only) -Design Construction costs.	\$ 2,100,000	\$ 1,820,000	\$ 1,800,000	\$ 1,800,000	\$ 1,009,286
<b>TOTAL</b>		<b>\$ 12,160,000</b>	<b>\$ 10,020,000</b>	<b>\$ 9,900,000</b>	<b>\$ 9,900,000</b>	<b>\$ 8,192,083</b>

The assumptions made for these four sites are noted as follows:

- Base building area of 10,000 sq ft and estimated capital cost of \$410 per sq ft of hard construction costs;
- Tenant improvement cost allowance of \$3,500,000 or \$350 per sq ft.
- Site development costs of \$50 per sq ft (\$60 per sq ft for the Atkinson Road site).
- For 9710 Brown St. (Seniors' Centre Site) there are additional costs related to the demolition and offset of the existing building.
- Soft costs are estimated at twenty (20) per cent

Based on the two sites identified for further analysis, preliminary Class C cost estimates were run for both the Brown St. and Dickson Ave. sites and are included here for comparison purposes. As noted previously, the sites are not directly comparable as one is a stand-alone building on a site owned by the District and the other is integrated into an overall development on land owned by a non-profit housing society. Assumptions that have been made are provided on the page following:

**Figure 19: Proforma Comparison**

	<b>Brown St.</b>	<b>Dickson Ave.</b>
Building construction (hard costs)	\$ 5,200,973 (LTA)	\$ 2,500,000 (Terra)
Building construction (soft costs)	\$ 1,100,081 (LTA)	\$ 580,550 (Terra)
Land Costs	Excluded (owned by DoS)	\$ 348,273 (Terra)
Tenant Improvements	\$ 4,915,091 (LTA)	\$ 3,802,197 (LTA)
Tenant Improvements (soft costs)	\$ 1,027,254 (LTA)	\$ 1,009,268 (LTA)
<b>TOTAL (Excluding GST)</b>	<b>\$12,243,399</b>	<b>\$ 8,240,288</b>

## 11.1 Budget Assumptions:

### **Costs - Excluded Items (LTA)**

The following items are **specifically excluded** from this conceptual estimate:

- Land and Associated Taxes and Legal Fees.
- Leasing Costs.
- Public Private Partnership (P3) Procurement Costs.
- Financing Costs (if applicable).
- Development Permit and Rezoning Costs.
- Development Cost Charges.
- Course of Construction Insurance.
- Project Delays due to Supply Chain Issues and Civil Orders relating to the Covid-19 Pandemic.
- Future Unknown Effects on Materials Pricing due to International Trade, Disputes
- Embargos and Tariffs.
- Off-site Infrastructure and Utility Upgrades.
- District of Summerland Bond Costs.
- Special Foundations and/or Ground Improvement Work.
- Portering and Relocation Costs.
- Temporary Accommodation.
- Items listed as Excluded in the detailed Backup.
- Cost Escalation past Allowance Included.
- GST

## 11.2 Potential Revenues

Revenues would be generated through the lease to the physicians through the SOS Division of Family Practice. Currently, the physicians pay approximately seventeen (\$17) per sq ft in costs. At this rate of revenue, neither the Brown Street Site or Dickson Avenue site would be feasible and other revenue sources would need to be identified. A proforma analysis has been conducted for the Dickson Ave. site utilizing \$25 per sq ft in revenue and \$7 a sq ft in Common Area Costs. Even with these increased revenues, a funding shortfall exists. Revenue from physicians are estimated to support project costs up to \$2.8 million. This could be higher if other users such as a pharmacist are identified.

At the time of writing this Feasibility Study, a new physician payment model was announced by the Province of British Columbia with sign up starting in January 2023. Details on the new payment model can be found at this [website](#). Increased operating funding through this new fee schedule may increase the amount of revenue available from the physicians.

Family doctors who are eligible and interested may start to register in January 2023 through Health Insurance BC. Family doctors will start benefiting from this payment model agreement in February 2023. The goals are to:<sup>3</sup>

- promote patient access and attachment throughout B.C. to community full-service family practices;
- support the integration of family practices within a system of primary care, inclusive of patient medical homes, primary care networks, health authority specialized services and acute care; and
- provide a stable payment mechanism that is attractive to a large proportion of family physicians who provide community full-service family medicine and those who seek to provide such services.

The new model is part of the refresh of the primary-care strategy to help increase and improve access to health-care services for patients. The model will provide:

- full-service practice clinics (patient medical home) with funding for team-based care for family doctors working with nurse practitioners and supported by nurses and medical office assistants.
- implementation of a provincial rostering system for patients – family practices will maintain and report on who they are caring for and will be part of a provincial attachment process to be introduced in 2023.

As well, full-service family clinics will be linked at the local community level as part of a primary care network with:

- additional access to allied health workers providing services, such as mental-health and/or substance-use therapy for mild to moderate health-care issues, maternity care and clinical social work.
- funded and co-ordinated locum family physician and nurse practitioner programs to support family physician and nurse practitioner vacation, sick time, professional training and maternity/paternity leaves, and better ensures continuity of patient access.
- increased role clarity, co-ordination and support of episodic care through urgent primary care centres, walk-in clinics and provincial virtual care services.
- support and collaboration on recruitment, professional development and quality improvement initiatives.
- full engagement in local planning and service co-ordination with other service partners including health authorities, First Nation and Metis communities, municipalities, community-based service providers, community groups.

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<sup>3</sup> All content on this page copied directly from <https://news.gov.bc.ca/releases/2022HLTH0212-001619>

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## 12.0 POTENTIAL PROJECT FUNDERS

With the Dickson Avenue site, potential project funders include:

- Provincial Government – Ministry of Health through Interior Health Authority, BC Housing
- Private (ex key prominent/named funder) and Community Foundations
- Municipal Exemptions
- Professional Associations
- Community Foundation of the South Okanagan Similkameen
- Community Futures
- South Okanagan Similkameen Medical Foundation
- Community members

## 13.0 RECOMMENDATIONS AND NEXT STEPS

For the District of Summerland's consideration, the consultants on this Feasibility Study recommend the following "Next Steps":

1. Receive and review the completed Summerland Health Centre Feasibility Study, Test Fits and Cost Estimates for both the Brown Street and Dickson Avenue sites.
2. Acknowledge the Preferred Site Option of Dickson Avenue.

The Consultant team recommends the District to review recommendations in this report and acknowledge the Dickson Avenue redevelopment by the PPHS as the preferred option.

3. Consider firming up intent of the partners to advance the Dickson Avenue Redevelopment.

In order to advance the Primary Health Care Centre location within the Dickson Avenue site with BC Housing, the PPHS requires an expression of interest between the potential project partners. To date, the physicians through the SOS Divisions, a local pharmacist, the Community Foundation SOS and the SOS Medical Foundation have demonstrated interest in pursuing this location of the primary Health Centre as part of the Dickson Avenue affordable housing project.

4. Consider ways the District can support the new affordable housing development (which may eventually host the Primary Health Care Centre at Dickson Avenue).
5. Continue to use advocacy to raise awareness and support with senior levels of government and the public.