



25 January 2016
File No.: 15-452

GEM Properties
6550 Tecumseh Road East
Windsor, Ontario
N8T 1E6

Re: GEM Properties Inc. – Windsor Regional Hospital
Proposal for a New Acute Care Hospital Facility

We are in receipt of your letter of 11 January 2016, requesting our review and comments on the facts presented in the 8 January 2016 issue of the Windsor Star (Mr. Brian Cross, Reporter).

We understand there were only two sites short listed by the Selection Committee for the New Acute Care Hospital Facility.

1. GEM Properties – 6550 Tecumseh Road East and
2. O’Keefe Property – County Road 42 at 9th Concession

We completed and submitted site servicing reports on behalf of both of these proponents. We were advised at the Phase 2 Site Selection Committee Meeting that Stantec Consulting would review all reports to ensure consistency with the cost estimates submitted and would liaise directly with our firm to obtain agreement on same.

The Windsor Star article states:

“The infrastructure costs directly tied to the hospital site at 42 would be less than the cost for the GEM site.”

It further states that:

“They estimated the GEM site at \$26.9 million (for improvements to Tecumseh Road and expanding Jefferson Boulevard) compared to \$22.9 million for the 42 site (four-laning and servicing County Road 42)” and

“The 42 site came in with a price of \$100,000 per acre, plus extra costs estimated at \$1.14 million, while the GEM site was asking \$136,000 an acre plus \$925,400 in extra costs.”



Our reports, per a Stantec email of 16 April 2015, were to provide servicing details and cost estimates to bring servicing (storm and sanitary sewers, watermains, electrical, gas etc.) to the front property limits and address intersection improvements and driveways at the roadway. In addition, a design brief for the stormwater management was prepared along with a cost estimate for the on-site facility. Existing infrastructure lacking sufficient capacity for the new facility was also to be addressed. Stantec indicated that they “may have to add additional costs to any site to bring services to a logical building location.”

The GEM report identified the following salient features about the site:

- Existing 250mm diameter sanitary sewer on Tecumseh Road East and 450mm diameter sanitary sewer on Catherine Street at the site’s east boundary. **Thus, sufficient capacity and depth for either alternatives, with good redundancy**
- Existing 750mm diameter feeder watermain on Tecumseh Road, 250mm diameter services main to the rear of Home Depot and 300mm diameter watermain at the terminus of Catherine Street. Fire flows and pressures some of the highest in the City. **Thus, excellent available water supply at 3 locations on the site with good redundancy.**
- 27.6kV hydro distribution with 3 different feeders from 2 stations. **Thus, excellent power available with redundancy.**
- 250mm diameter NPS gas main on Tecumseh Road East. **Thus, adequate natural gas supply.**
- Available Hawkins Drain located along the northern boundary of the site. **Sufficient detention storage will be available in the site parking areas.**
- Tecumseh Road East is a Class II E-W Arterial Road (6 lanes plus a centre turning lane) with a signalized intersection at the site’s west limit; Lauzon Parkway is a Class I N-S Arterial Road (minimum 6 lanes plus a centre turning lane) with signalized intersections at Tecumseh Road East and Catherine Street; Catherine Street, within 60m of the site at its mid-depth) is a Class I Collector Road (2 lanes) with 4 lanes at the west leg of the Lauzon Parkway signalized intersection.

Access to the site will be via the E-W Class II arterial, Tecumseh Road which links to the N-S arterial roads, Lauzon Parkway to the east and Walker Road to the west. Catherine Street is an alternative access to Lauzon Parkway. Both N-S arterial roads serve the neighbouring County municipalities via E.C. Row Expressway and Highway 401.

The O'Keefe report identified the following salient features about the site:

- Existing 1350mm diameter trunk sanitary sewer on the north side of County Road 42. **Thus sufficient capacity and depth.**
- Existing 150mm diameter watermain with inadequate available pressure and fire flows. **It is necessary to construct a new 300mm diameter watermain from the 8th Concession easterly to the site.**
- Existing 3 phase power feeder on County Road 42 east of 8th Concession fronting Municipal No. 5255. **It is unknown (Hydro One) at this preliminary stage if the feeder has capability to absorb the additional Hospital Facility load.**
- Little River watercourse is located at the southeast corner of the site and the site is high enough to construct without the importing of fill to raise the site. **Sufficient detention storage will be available in the site parking areas.**
- County Road 42 is an E-W Arterial Road within the City of Windsor (2 lanes rural cross-section). **Access to the site will be via CR 42, improved to a 4 lane urban cross-section in accordance with the May 2013 Lauzon Parkway Improvements Class EA Study. It will link to the N-S arterial roads, Lauzon Parkway, to the east and Walker Road to the west. Both N-S arterial roads serve the neighbouring County municipalities via E.C. Row Expressway and Highway 401.**

Common to both sites was the planned extension of the Lauzon Parkway to link to Highway 401.

Relative to our preliminary engineering site services costs as described, we were advised by Stantec Consulting that they were in agreement with our cost analyses. There were no external costs assessed to the GEM site, as would be expected; only an "external" stormwater management lift pump station for discharge to the shallow Hawkins Drain watercourse. The O'Keefe site external costs included the extension of almost 2 kilometres of 300mm diameter watermain and an "external" outfall sewer to Little River watercourse. The difference in these external costs was **\$580,000 more for the O'Keefe site** and it did **not** include any allowance for hydro distribution upgrades or plant extension if required.

It is to be noted that if the hospital facility is located more to the rear of either site, there would be no significant difference in costs to extend services into the sites since the GEM site has a sanitary sewer and watermain available on Catherine Street, which is comparable to the front property line of the O'Keefe site. Further, because the CR 42 trunk sanitary sewer is very deep, one would expect the tapping/connection cost to be more but not of significance when considering the overall site servicing and paving and grading cost of either site's development.

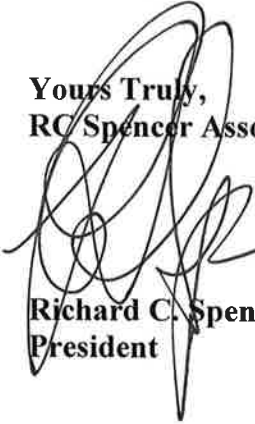
The extra costs noted in the third statement (\$1.4 million and \$925,400) are significantly more than our external services costing and should have been reviewed with our firm, the author of these required reports.

We do not concur with the second statement regarding improvement to the City /County arterial road system. Our comparison of the N-S and E-W arterial road system is consistent relative to the N-S arterial road systems for both sites. Jefferson Boulevard does not have an arterial road status and is quite limited in length i.e. E.C. Row Expressway to Tecumseh Road East and does not have a full interchange at E.C. Row Expressway.

Further, the noted Lauzon Parkway ESR provides a preliminary cost estimate of \$25.7 million for a constructed length of 8.81 km to improve to a 4 lane urban cross-section. If one does consider Jefferson Boulevard as a legitimate N-S arterial road and applying the same cost per kilometre of road as County Road 42, the preliminary cost estimate is more in the range of only \$5.1 million since the existing 2 lane section of Jefferson Boulevard is only 1.75 km in length (Queen Elizabeth intersection to Tecumseh Road East). Further, the Jefferson Boulevard right-of-way infrastructure is more up to date than the CR 42 infrastructure, with an expected reduction in cost per kilometre of road reconstruction.

We can meet at your convenience if you require clarification of the foregoing.

**Yours Truly,
RC Spencer Associates Inc.**

A large, stylized handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

**Richard C. Spencer, M.A.Sc., P.Eng.
President**