



**Municipality of Port Hope**  
56 Queen Street  
Port Hope, ON  
L1A 3Z9

**REPORT TO:** Community Development Committee

**FROM:** Tom Dodds, Director, Community Development

**SUBJECT:** Southbridge Health Care Amending Agreement – 65 Ward Street

**DATE:** November 16, 2021

---

**RECOMMENDATION:**

That a By-law be prepared for presentation to Council to execute a second amending agreement between the Municipality of Port Hope and Southbridge Health Care for the development of a long-term healthcare facility at 65 Ward Street.

**BACKGROUND:**

On September 17, 2019, Council executed By-law 69/2019 authorizing execution of an agreement between the Municipality of Port Hope and Southbridge Health Care (“Southbridge”) for the development of a long-term healthcare facility in Port Hope at 65 Ward Street. The agreement was predicated on the Municipality’s prior intention to designate Southbridge’s 65 Ward Street property pursuant to the *Ontario Heritage Act* (OHA) to protect this heritage site.

The agreement states the Municipality will withdraw the “Notice of Intention to Designate” for the Southbridge property at 65 Ward Street, only after all required municipal planning and development processes and approvals have been undertaken and secured. The intent was to ensure, to the extent possible, that the development of the long-term care facility would actually proceed if heritage protection was lifted.

As part of this Agreement, Southbridge consented to obtain, at its sole cost, all approvals and to satisfy all conditions as set out in the Agreement (**Attachment A**) and obtain from the Municipality all permits and approvals required to demolish any buildings on the Subject Lands site, for the construction of a new long-term care facility, prior to Port Hope’s withdrawal of the OHA Notice of Intention to Designate by the Municipality.

Upon Southbridge’s fulfillment of the Agreement’s terms and conditions, the matter will return to Council, at which point Council shall direct to withdraw the Notice of Intention to Designate (NOID).

Originally, the Port Hope project was planned for a 160 long-term care bed facility incorporating 97 beds from Hope Street Terrace and 60 beds from Regency Long-Term

Care Home, with three additional beds requested from the Ministry. On November 20, 2020, the Ministry announced that an additional 35 new long-term care beds were being awarded to Southbridge for the Port Hope project.

On December 15, 2020, the Municipality and Southbridge signed an amending agreement:

- To extend the agreement's termination date to December 31, 2021.
- To recognize that the Ministry of Long-Term Care has approved an increase in the number of beds beyond 160 beds as described in the original agreement; and,
- To address other legal administrative matters associated with amending the agreement.

At that time Southbridge explained that need for an extension was due to a longer than planned Ministry of Long-Term Care (the "Ministry") approval process, in part due to the COVID-19 pandemic and the fact they were planning and constructing a number Long Term Care (LTC) facilities across Ontario. Southbridge currently has four LTC facilities under construction and five in the planning stages, including Port Hope's.

Over the course of the winter and spring of 2021, Southbridge commenced their focused planning, design, and engineering work in Port Hope. They reached the conclusion that the combination of additional beds approved by the Ministry, and the size and configuration of their property at 65 Wards St., made the original proposed four-story design and development LTC project unfeasible. This past June Southbridge submitted planning applications for a 7-storey LTC facility, including an application for Zoning bylaw amendment (ZBA) approval, a planning matter that had not been fully considered or accommodated in the preparation of the original agreement.

Since then, Southbridge planning applications have been deemed complete by Council; they have held a public Open House for the proposed LTC facility; and attended the municipal statutory public meeting held earlier this month. Southbridge is currently completing some outstanding information requirements requested by the Municipality and are reviewing the public comments received to date. It is expected that staff will be making a recommendation on the project for Council's consideration early next year.

Southbridge has made best efforts to comply with the various approval processes. The unanticipated ZBA approval, impacts of a protracted pandemic and the challenges in obtaining provincial approvals while managing nine LTC development projects has contributed to the need for an amendment of the term of the agreement.

The proposed amending agreement (**Attachment B**) has been prepared with the support of legal counsel and has been signed by Southbridge.

The amended agreement includes these key additional changes.

***Amendment of Recitals:***

- The existing last recital of the Original Agreement was deleted and replaced with:
  - A specific reference to the requirement of a zoning bylaw amendment;

- An additional phrase stating that: *“nothing in this Agreement shall fetter or be deemed to fetter the discretion of the Council of the Municipality with respect to its consideration of any application regarding the Project that requires a decision from Council”*

#### **Amendment to Termination Date**

- Changed from December 31, 2021 to May 31, 2022

#### **Amendment to Paragraph 2 of Original Agreement**

- The phrase *“heritage permits, zoning bylaw amendment approvals,”* has been added in the sixth line of the Paragraph 2 after the phrase *“building permits”*.

#### **Amendment to Section 3 of Original Agreement**

- The following phrase has been added:  
*“obtained final zoning approval for the Project on the Subject Lands for which no appeal has been submitted within the permitted appeal period or for which all appeals have been exhausted;”*

It is found in the fourth line of the Section 3 after the phrase “Subject Lands”

#### **Considerations:**

The change in the proposed design of the building from four to seven storey triggered zoning bylaw amendment requirement, something which had not been taken into consideration in the preparation of the original agreement or first amending agreement, and therefore needed to be recognized in this second amending agreement.

The approval process for a zoning bylaw amendment creates the opportunity for the decision of Council to be appealed to OLT, either by a qualified third party should Council approve application, or the Applicant (Southbridge) should Council deny the application. In this event the changes proposed in this amending agreement allow for the termination date agreement to be extended beyond May 31, 2021 with the agreement of both parties should the ZBA be appealed.

#### **RESOURCE IMPLICATIONS:**

There are minor legal costs to amend the agreement. The expanded number of beds for this facility will result in additional municipal revenue from permits, development charges, and municipal tax revenue, if the proposed ZBA is approved.

#### **CONCLUSION:**

The Municipality has been in constant contact with Southbridge representatives since the execution of the original agreement in 2019 regarding their progress in advancing Ministry approvals challenges created by the COVID-19 pandemic, particularly for long term care operations. The 35 additional LTC beds for Port Hope will be a benefit to the community and consistent with the Municipality’s Strategic Plan priorities.

Respectfully submitted,  
Tom Dodds, Director, Community Development

Attachment A: 2019 MPH - Southbridge Agreement re 65 Ward Street  
Attachment B: Second Amending Agreement signed by Southbridge