

IO project pipeline includes new hospital spends

by Don Wall Nov 17, 2017

Six new major hospital projects have made their first appearance on Infrastructure Ontario's (IO) Market Update outlining infrastructure spending into the future, a development construction stakeholders are hailing not only for the market stimulation they represent but also the balance the new social spending brings to the province's portfolio.



Infrastructure Ontario has listed 11 GO Regional Express Rail projects on its 2017 project pipeline. The province and Metrolinx launched their GO Rail Network Electrification Transit Project Assessment Process in June. - Photo: METROLINX HYDRAIL SYMPOSIUM

Over \$9 billion has been targeted for spending on new hospitals or redevelopment projects in the Moosonee area, Niagara, Windsor, Hamilton and Mississauga, with the Mississauga and Windsor projects identified as billion-dollar builds and Hamilton and Niagara projects costed at over \$500 million.

The social spending for those five projects was announced in the 2017 Ontario budget. A sixth hospital, for Kingston, targeted within the range of \$200 million and \$500 million, was not mentioned in the spring budget.

The annual Market Update, referred to as the project pipeline, covers projects that will use the alternative financing and procurement (AFP) model.

The spate of new hospital spending, though on projects still at least three years from launching, represents a shift away from the dominance of transit projects in IO's portfolio the last two years.

"Based on this Market Update it seems to be full speed ahead,"

Andy Manahan
RCCAO

"That is really good news because you know those projects (hospitals) were coming to an end, but we knew there is still a lot of work to be done," said Clive Thurston, president of the Ontario General Contractors Association (OGCA). He also cited more spending on courts and on the rehabilitation of the government's Macdonald Block in Toronto.

"They diversify the workforce opportunities," Thurston said. "If it is all horizontal it is one type of workforce. If it is all vertical it is another type of workforce, so we are finally seeing a good balance here. It is a positive thing, because it means people can keep working."

The AFP pipeline includes 15 social infrastructure projects and 17 civil infrastructure projects, with a total capital cost of \$15.8 billion.

The Market Update categorized projects under social infrastructure, including health care facilities, court, justice and detention facilities and other social projects; LRT projects with Metrolinx (Finch West, Hurontario and Hamilton); 11 GO Regional Express Rail (RER) jobs with Metrolinx; additional civil projects including two highways and the Port Credit Mobility Hub; real estate traditional delivery projects; and some 600 smaller capital repair projects to be undertaken using traditional delivery.

The update was accompanied by a letter from IO CEO Ehren Cory, who summarized the expenditures. IO sent written statements in response to a request for comments. The IO spokesperson acknowledged the new direction in social spending, saying, "The new pipeline of social infrastructure projects increases the renewal and modernization of public services in hospital, court and detention facilities."

Andy Manahan, executive director of the **Residential and Civil Construction Alliance of Ontario**, commented that the update indicates the province remains fully committed to its overall infrastructure spend. He noted what he said was a new initiative at the municipal level, an indication that IO would be working with the City of Toronto on its George Street Revitalization project for potential AFP delivery.

"Based on this Market Update it seems to be full speed ahead," said Manahan. "The RER project is a long-term project and it will be great for the construction sector."

He said he approves of IO's commitment to doing so many projects as AFPs because it means higher-quality work.

"Some of these projects, they do have a maintenance component, I like that in general because it means typically the building quality will be better because that will keep your long-term maintenance down," he said.

He also noted there was mention of additional parking near Metrolinx transit stations, which he said contradicts statements contained in a published article in which a Metrolinx executive said the operator was moving away from parking structures on land adjacent to transit terminals.

"There seems to be some tension," he said. "Metrolinx recognized the value of doing transit-oriented development around GO stations because it is valuable land and the province wants to see more mixed use, so there seems to be something at cross purposes here."

Thurston said his association was involved in extensive discussions on the potential bundling of OPP station builds in a second phase a couple of years ago so he is happy to see those projects in the pipeline. The OGCA has been told the OPP projects will again be bundled.

Where does Hamilton's LRT lie after IO gives it TBD status?

HAMILTON, ONT. — TBD. That's the current status of the timing of the release of the Request for Proposals for procurement of Hamilton's \$1-billion LRT project, as identified in Infrastructure Ontario's recent Market Update of alternative financing and procurement projects including joint builds it plans with Metrolinx.

The official status identified by Metrolinx this summer, before Hamilton City Council passed a resolution requesting that its own Hamilton Street Railway (HSR) be referenced as the future operator and maintenance provider of the LRT service, was that the RFP would be issued in late summer.

That request, and an earlier decision to extend the line to Eastgate Square to the east, prompted the new designation, a spokesperson from Metrolinx said in a recent statement.

"Metrolinx remains committed to ensuring the project continues to progress and remains on schedule for major construction beginning in 2019," the Nov. 14 statement indicated.

"Procurement timelines have shifted since the decision to extend to Eastgate, and with the recent ask by Hamilton City Council to ask Metrolinx to have HSR operate and maintain the Hamilton LRT. Future procurement timelines will be confirmed after a decision on operations and maintenance is made."