

## COUNCIL REPORT

December 03, 2009

To: Mayor & Council

From: Bill Preisentanz

Re: Paterson Medical Clinic Expansion – Loan Interest

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### Recommendation:

That Council of the City of Kenora hereby extend the interest free period for repayment of loan advances associated with the addition to the Paterson Medical Centre from January 01, 2010 to no later than June 30, 2010; and

That a repayment schedule repayable by equal blended monthly payments based on a 25 year amortization period be determined by the City effective on or before July 01, 2010.

### Background:

The attached January 29<sup>th</sup> 2009 report provides the background information relating to Council's ratification of the following resolution at the February 02, 2009 Special Meeting of Council relating to financing of the Paterson Medical Centre expansion:

*That Council of the City of Kenora hereby supports the initiative by the Kenora Health Care Centre Board to expand the Paterson Medical Centre with a 13,450 square foot health services addition; and*

*That funding of the project in the amount of \$4,675,000 for the proposed expansion be approved on the following terms;*

- 1. Bylaw No. 178-2008 which increased the original loan to finance the construction of a land ambulance and family health team centre in the amount of \$6,550,000 be amended to increase the loan amount to \$7,475,000.00*
- 2. loan advances for the construction of the facility be authorized effective February 01, 2009*
- 3. loan advances provided during the initial construction of the health care facility from February 01, 2009 to December 31, 2009 be provided interest free*
- 4. a repayment schedule, repayable by equal blended monthly payments based on a 25 year amortization period be determined by the City effective January 01, 2010.*

The actual construction of the addition to the Paterson Medical Centre commenced in the Spring of 2009, however, completion of the project has been delayed until January 31, 2010 or later. Combined with the construction delay has been the challenges with coordinating lease agreements with a variety of agencies. The Sunset Country Family Health Team is the anchor tenant for the main floor of the new addition and has been negotiating with the Ministry of Health for additional floor space and additional funding. The Kenora Medical Association represents another major tenant and has not yet determined the corporate structure for lease purposes. Because of the lack of an anchor tenant on the lower floor of the new addition, there have been delays in signing leases with a number of smaller tenants. Additional time is being requested from Council to accommodate construction delays and finalizing leases.