



## New Oakville Hospital: *Financing*

The New Oakville Hospital will be financed using the Government of Ontario’s Alternative Financing and Procurement (AFP) model.

### What is AFP?

AFP is an innovative way of financing and procuring large public infrastructure projects.

### What are the benefits of AFP?

This approach brings private-sector expertise, ingenuity and rigour to the process of managing and renewing Ontario’s public infrastructure and preserves public ownership. It works toward:

- Transferring project risks to the private sector, which commits to delivering projects on time and on budget. This minimizes cost and schedule overruns
- Better coordination between design, construction and long-term maintenance and building services
- More accountability throughout the planning construction and maintenance phases of the project
- Building infrastructure that will last for years to come.

### How is AFP being used?

Under this new model of financing, the private sector is responsible for the design, construction, financing and 30-year maintenance of the building. The hospital will pay for the project over a 30-year term, beginning after substantial completion, a bit like paying a mortgage. The hospital will remain publicly owned, publicly controlled and publicly accountable.

### How will the new hospital be funded?

Funding of the New Oakville Hospital will be shared between the provincial government, Halton Healthcare Services (HHS) and the community. HHS and the community are responsible for specific costs, which includes 100% of equipment costs and non-eligible

construction, such as parking facilities, and 10% of the eligible construction and building equipment.

Action	Provincial Government	Local Share
<b>Planning &amp; Design</b> Development of Master Program, Master Plan, Functional Program and Output Specifications	100%	0%
<b>Eligible Construction</b>	90%	10%
<b>Non-eligible Construction</b> Non-service related facilities such as cafeteria, retail space, parking facilities and other revenue generating areas	0%	100%
<b>Building Equipment &amp; Life-cycle Maintenance</b> Associated with base building equipment and installation – ie. elevators, HVAC systems and 30 year maintenance of the facility	90%	10%
<b>Clinical Equipment</b>	0%	100%

### What is the Local Share?

The local share refers to the portion of the project that is not funded by the provincial government and must be raised by HHS and the community.

Possible Funding Sources:

- Revenue generating sources at the Hospital – eg. Parking and retail outlets (\$270 million +/- 15%)
- Capital Fundraising Campaign (\$60 million +/- 15%)
- Support from local government (\$200 million +/- 15%)

Contributions from the Oakville community and the efforts of the Oakville Hospital Foundation will be a vital component of the local share plan.