



**Subject: Formal response to Niagara Health regarding the future of the Port Colborne Site**

**To: Council**

**From: Office of the Chief Administrative Officer**

Report Number: 2025-150

Meeting Date: July 8, 2025

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### **Recommendation:**

That Chief Administrative Officer Report 2025-150 be received; and

That the letter addressed to Niagara Health regarding the City's response to Letter Dated June 2, 2025 – *Decision Requested: Partnering for the Future of Healthcare in South Niagara (December 3, 2024)*, attached hereto as Appendix B, be approved; and

That the Chief Administrative Officer and Mayor be directed to send the letter, attached hereto as Appendix B, to Niagara Health.

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### **Purpose:**

On June 2, 2025, President and CEO of Niagara Health, Lynn Guerriero sent a letter to Mayor Steele and Council (Appendix A) formally requesting that the City of Port Colborne make a decision by September 12, 2025, regarding two key matters: the \$6.2-million contribution toward the local share commitment for the new South Niagara Hospital, and the City's potential interest in purchasing Niagara Health's Port Colborne Site for municipal use once the property is vacated.

Appendix B of this report is a proposed response to Niagara Health's letter from early June.

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### **Background:**

Niagara Health is working toward a three-hospital system, which will ultimately include facilities in St. Catharines, Niagara Falls, and Welland. A new hospital, known as the

South Niagara Hospital, is under construction in Niagara Falls and is expected to open in 2028.

When the South Niagara Hospital opens, Niagara Health will vacate its site in Port Colborne and will stop delivering healthcare services at the Port Colborne Urgent Care Centre currently located within the facility – expected in 2028. It could take Niagara Health up to a year to fully vacate the Port Colborne Site.

To prepare for this shift, on December 3, 2024, Council considered a proposal regarding a partnership between the City of Port Colborne, Niagara Health and Lockview Medical Group that would strengthen access to primary care in Port Colborne, while also contributing a \$6.2-million local share to support the purchase of furniture, fixtures, and equipment at the South Niagara Hospital.

The proposal was multi-phased and interconnected:

The first phase would see the City of Port Colborne temporarily lease vacant space within the west wing of the Port Colborne Site from Niagara Health and then sub-lease it to the Lockview Medical Group.

The Lockview Medical Group would complete a small renovation and then build out a comprehensive primary care clinic, attracting new family physicians to Port Colborne, and offering expanded primary care services, as soon as this year.

Once Niagara Health transitions out of the Port Colborne Site in 2028, Niagara Health has agreed to transfer ownership of the site to the City for a nominal fee of \$2, in return for the \$6.2-million local share request supporting the South Niagara Hospital (if the final phase can be achieved).

Finally, in order to fund the \$6.2-million local share without a heavy burden on Port Colborne taxpayers, staff proposed that a developer be sought through a public process to develop the Niagara Health site in Port Colborne. This could include new multi-residential units, an all-new expanded medical clinic, and/or additional health and wellness offerings for the community.

From the beginning, the proposal was built on these four interdependent components that were always intended to function together as a package. A key part of the proposal was ensuring the property would serve a revenue-generating purpose to help fulfil the City's \$6.2-million local share commitment to Niagara Health, without requiring long-term municipal ownership.

At the December 3, 2024 meeting, Council requested staff undertake a public engagement campaign to gather feedback from the community regarding the proposal, the local share contribution, and the future of Niagara Health's Port Colborne Site. The

initial phase of this public engagement took place between January 29 and April 30, 2025.

On March 25, 2025, Council received a mid-point results review, which provided a view into the results that had been received through the survey and engagement activities up to March 10, 2025. Also at that meeting, Council approved the establishment of a Healthcare Advisory Committee. Residents were invited to apply to the committee and applications were considered by Council in early May. Residents Sydney McDowell, Dr. Philip McGarry, Carmen Tamas, Matt Lallouet, and Tina Triano were appointed to the Committee, which held its first meeting on June 12, 2025.

The Committee's mandate is to develop a clear path forward to address local health needs and ensure access to quality services are timely and equitable. The group brings together a mix of residents to ensure a broad range of voices and perspectives are included.

In the meantime, on June 2, 2025, President and CEO of Niagara Health Lynn Guerriero sent a letter to Mayor Steele and Council (Appendix A) formally requesting that the City of Port Colborne make a decision by September 12, 2025, regarding two key matters brought forward at the December 3 meeting. Specifically, Niagara Health has requested a decision regarding the \$6.2-million contribution toward the local share commitment for the new South Niagara Hospital, and the City's potential interest in purchasing Niagara Health's Port Colborne Site for municipal use once the property is vacated in 2028.

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## **Discussion:**

Appendix B of this report includes a proposed response to the June 2, 2025 letter from Niagara Health President and CEO Lynn Guerriero. The draft response notes that while the City understands Niagara Health's need for clarity as the new hospital prepares to open, we consider the proposed timeline unrealistic and overly aggressive. The letter urges Niagara Health to reflect on the long-standing community investment in local healthcare, particularly the citizen-donated land and funds that built the original hospital, and to respect Council's formally stated position to keep the Urgent Care Centre open.

The draft letter highlights broader concerns around healthcare system complexity and local service gaps, especially for vulnerable populations. Public engagement has shown that residents feel underserved, and the potential closure of the Urgent Care Centre would exacerbate the issue. While Niagara Health appears focused on a regional model with centres of excellence, local healthcare providers and the province have both signaled the need to bolster primary care. With the province expected to seek

applications for primary care funding this fall, the draft letter argues that now is not the time to rush decisions that could impact essential services.

The draft letter calls for a more collaborative, respectful process, noting that the current land at the Port Colborne Site is already considered part of the local share. A new, community-informed healthcare services strategy is underway and will be presented to Council later this year, with Niagara Health participating in upcoming discussions. In light of this, Port Colborne's draft response suggests deferring any final decisions until there is more clarity around primary care funding and local service planning. It also notes that the City remains open to continued dialogue and partnership in the months ahead.

With that said, results from the City's recent public engagement campaign showed that many residents supported the City purchasing the Port Colborne Site from Niagara Health for \$2, in exchange for the \$6.2-million local share for the South Niagara Hospital. Many respondents supported the idea of pursuing some type of development on the property in order to fund the \$6.2-million local share, including 86% of respondents supporting the idea of a housing development with a medical centre. However, almost half of survey respondents did not engage in this question at all, indicating more information and engagement is needed in this area.

The original proposal never contemplated the City owning the property for a long period of time. It had always included a caveat that the property would need to have some type of revenue generating function in order to fund the \$6.2-million local share to Niagara Health. That said, the City would not be in a position to be able to transparently determine a potential developer within the next three months – this process would take 18 to 24 months, if not years, and would include additional phases of public engagement as well.

Council could consider purchasing the property without a developer in place; however, this approach carries several risks. These include potential unknowns related to the site, such as environmental contamination, the possible presence of Indigenous artifacts given the nature of neighbouring lands, high future operating costs, and uncertainties related to zoning, timing, and site design. Proceeding without a development partner may limit the City's ability to fully assess or mitigate these challenges in advance.

Port Colborne Council is also aware that the Town of Fort Erie is facing a similar situation as it considers its path forward on the South Niagara Hospital file. While Fort Erie was one of the first municipalities to commit to the local share – pledging \$3 million toward the project in 2013 – its Council recently reconsidered that position. On June 23, 2025, Fort Erie Town Council voted to temporarily withhold its previously committed funding and to explore alternative options for reallocating those funds toward other local healthcare initiatives.

This report highlights that, at this time, the City of Port Colborne has not committed to any local share contribution. The City remains firmly committed to advocating to keep the Urgent Care Centre open and continues to advocate for sustainable, long-term healthcare solutions. It also looks forward to upcoming developments in provincial primary care funding and the potential improvements such investments could bring to local health services.

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### **Internal Consultations:**

City staff from Corporate Communications, Corporate Services, Development and Government Relations, and the Office of the Mayor and CAO have been working collaboratively on this file.

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### **Financial Implications:**

This report does not create any contractual financial obligations.

However, the \$6.2-million local share remains an ask of Niagara Health, as does the opportunity to purchase the Niagara Health Port Colborne Site back from the hospital network for a nominal amount of \$2.

These asks/options may or may not remain available to the City of Port Colborne going forward.

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### **Public Engagement:**

The public engagement that has recently concluded has served as a strong base for continuing the conversation on healthcare in Port Colborne. This report serves as a summary of Council's position to respond back to the most recent ask from Niagara Health.

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### **Strategic Plan Alignment:**

The initiative contained within this report supports the following pillar(s) of the strategic plan:

- Welcoming, Livable, Healthy Community
- Economic Prosperity
- Increased Housing Options
- Sustainable and Resilient Infrastructure

**Conclusion:**

In summary, this report recommends a formal response to Niagara Health that reflects Council's current position: the City of Port Colborne has not committed to the \$6.2-million local share at this time and remains firmly committed to keeping the Urgent Care Centre open.

The City continues to take a thoughtful, community-informed approach to healthcare planning, including the work now underway by the newly established Healthcare Advisory Committee. Given the complexity of this file and the evolving landscape of provincial primary care funding, the City believes it would be premature to make a final decision. Port Colborne remains open to continued dialogue and partnership with Niagara Health to ensure any path forward is collaborative, transparent, and in the best interest of local residents.

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**Appendices:**

- a. Letter from Lynn Guerriero, President and CEO of Niagara Health dated June 2, 2025 – *Decision Requested: Partnering for the Future of Healthcare in South Niagara (December 3, 2024)*
- b. Proposed response from Mayor Steele and Council to Niagara Health regarding their letter dated June 2, 2025 *Decision Requested: Partnering for the Future of Healthcare in South Niagara (December 3, 2024)*

Respectfully submitted,

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### **Report Approval:**

All reports reviewed and approved by the Department Director and also the City Treasurer when relevant. Final review and approval by the Chief Administrative Officer.