



EVOLUTION: LOCAL SHARE OF FINANCING – NEW WLMH

The local share of financing can evolve over the life of a project.

local share of financing, which is often achieved through municipal tax-base contributions and community fundraising.

What is local share of financing?

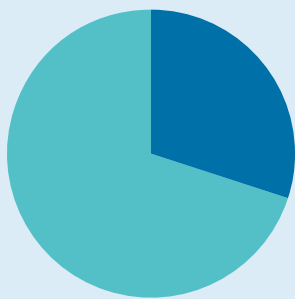
Local share of financing is a government requirement for every new hospital in Ontario. The Ministry of Health pays for 90% of construction costs. The local community served by the new hospital is required to fund the remaining 10% of construction costs and 100% of furniture, fixtures and equipment (FF&E) which will be needed in the new facility. The community’s portion is referred to as the

Local share of financing =

10% + **100%**
construction cost furniture, fixtures & equipment (FF&E)

Typically, the local share of financing is estimated at the beginning of a hospital project as being 30% of the total project budget. The exact amount required is better understood as the planning proceeds.

Stage 1

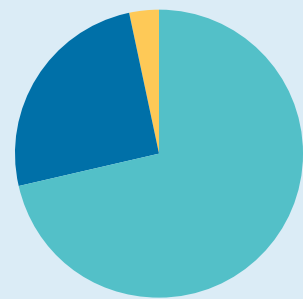


- 70% Ministry of Health
- 30% Local Share of Financing

Factors which can impact local share of financing:

- ▶ Third-party evaluation of all FF&E which can live on in the new hospital (WLMH = 40% will be transferred)
- ▶ Speed of planning and approvals (faster process = less inflation paid)
- ▶ Change to overall project cost (changes relate to 10% construction costs)

Stage 3



- 70% Ministry of Health
- 20-25% WLMH Local Share of Financing
- 5-10% Refinement through planning/cost estimate process

Did you know? All hospital equipment has a useable life expectancy before it needs to be replaced. Local share of financing typically accounts for potential equipment replacement costs needed during the first 5 years after the new hospital opens. This works to future proof the new hospital against operational challenges resulting from equipment downtime.