



NIAGARA HEALTH SYSTEM
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NEWS RELEASE

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Sale of Ontario Street Properties another milestone towards new west St. Catharines health-care complex

NIAGARA, ON - The sale of the Niagara Health System's (NHS) Ontario Street properties in St. Catharines to joint venture partners Walker Industries and Mountainview Homes for three million dollars marks another important milestone in the work to develop the system's state-of-the-art health-care complex to be located at First Street and Fourth Avenue in west St. Catharines.

The agreement with Walker/Mountainview has been structured as a long-term purchase/sale transaction to allow for two separate closings which enables the NHS to occupy the hospital facilities on Ontario Street until the new healthcare complex is constructed. The sale of the first parcel, site A, which primarily consists of the parking lot on Montebello Street, closed on January 31, 2006. The sale of the second parcel, site B, including the hospital buildings on the west side of Ontario Street and the adjacent parking lot, has an interim closing date of June 30, 2006 and a final closing date of December 20, 2010. As part of this deal, Walker / Mountainview also accepts responsibility for and the cost of future demolition of the buildings located on the Ontario Street properties.

"The proceeds from the sale of our Ontario Street properties will assist us in funding the local share of our project. This important deal moves us one step forward to delivering this important healthcare complex to residents of Niagara," said Mrs. Debbie Sevenpifer, President and CEO of the NHS.

The health-care complex includes a new community hospital to primarily serve St. Catharines and Thorold residents. The existing hospital buildings located on the Ontario Street properties will be demolished when the new facility is built. Plans for redevelopment of the St. Catharines General Site on Queenston Street will be developed in conjunction with the City of St. Catharines in consultation with the surrounding neighbourhoods.

The new healthcare complex also includes a cancer treatment centre, cardiac catheterization and tertiary mental health facility to serve residents from across Niagara

"The impact of locating these new, regional services at the new complex will benefit all Niagarans who now must travel outside of Niagara. This is a clear demonstration of our commitment to improve access to healthcare services in Niagara" said Mrs. Sevenpifer.

To determine the successful bidder in an open and transparent manner, the NHS publicly issued a Request for Expressions Of Interest (REOI) in September, 2005. The REOI was advertised locally and nationally, with a public information session held for all bidders. Applications to the REOI were evaluated by the NHS against a comprehensive set of selection principles which included process transparency, competency, due diligence, consistency with project timelines and compliance with Ministry of Health and Long-Term Care guidelines.

"We applied a very rigorous process to determine the successful purchaser and we were very pleased to award the sale of the property to the Walker /Mountainview partnership. One of the critical determinants in selecting Walker/Mountainview was its commitment to work with the City of St. Catharines, the Region of Niagara, ourselves and equally, neighbouring residents and businesses in its redevelopment of the properties," said Mrs. Sevenpifer. There will be a community meeting in the late spring to review preliminary plans for the properties.

Mayor Tim Rigby adds 'We are pleased that the partnership of Walker / Mountainview both local, and well known companies, with significant experience in residential projects will be developing this significant location in our community. We look forward to working with them in the re-development of these properties."

Mike Watt of Walker commented "We are very excited by the prospect of providing quality housing in the very core of St Catharines. We see this as a true partnership between ourselves, the NHS and the City who will be contributing to the redevelopment through the use of their brownfield incentive program. We look forward to starting our planning and community consultation work later this spring with a view to having the Montebello site ready for development by the end of this year."

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