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March 26, 2026

File 0400-20

The Honourable Josie Osborne  
Minister of Health  
PO Box 9050, Stn Prov Govt  
Victoria, BC V8W 9E2  
By email: [HLTH.Minister@gov.bc.ca](mailto:HLTH.Minister@gov.bc.ca)

Dear Minister Osborne:

**RE: REDEVELOPMENT OF THE FORMER OAK BAY LODGE SITE**

On behalf of the Capital Regional Hospital District (CRHD) Board, I am writing to reaffirm the Board's strong commitment to advancing the redevelopment of the former Oak Bay Lodge site and to request the Province's support in enabling this important project to move forward.

The Oak Bay Lodge property was transferred to the CRHD in 2020 with a covenant requiring that the site be used for the public good. Since that time, the CRHD has undertaken significant work to explore redevelopment options, including community consultation, collaboration with regional partners, and most recently, a joint economic feasibility study completed with Island Health. The findings of that study identified a publicly owned, publicly funded campus of care model as the most viable path forward for the site.

There is strong regional support for this initiative. Island Health, the Municipality of Oak Bay, and community partners including Kiwanis Pavilion and Victoria Hospice have all expressed interest in participating in a campus of care at this location, and residents have organized and are committed to fundraising for longitudinal care. This integrated model would help address growing demand for seniors' care and community-based health services in the capital region.

While partners have indicated their willingness to contribute capital resources and existing operating dollars, the redevelopment of the Oak Bay Lodge site will require incremental operating funding from the Province to proceed. Without this additional operating capacity, it will be difficult to fully realize the opportunity presented by this site to expand much-needed health services in our region.

The Board is committed to advancing the project and is now initiating a request for expressions of interest; while this will help us understand opportunities for additional collaboration and economies of scale, our clear preference remains a **publicly owned and publicly delivered model**. The CRHD believes that redevelopment of the Oak Bay Lodge site can be successfully delivered through a publicly funded approach and would prefer to avoid a public-private partnership procurement model.

Given the urgent and growing need for long-term care and hospice capacity in the capital region, we respectfully request:

- (1) That the Ministry of Health work with Island Health and the CRHD to identify the incremental operating funding required to enable this project to proceed. For clarity: we are seeking commitment to incremental operating funding at time of completion, not immediately.
- (2) That the Ministry of Health commit to designating the building or site as a health facility, to allow the Hospital District to meet the statutory requirement for funding even with a mix of potential partners.

The CRHD Board remains prepared to lead the project and contribute its share of capital funding toward a health facility project at this location. We believe this project represents a cost-effective opportunity to leverage existing partnerships and infrastructure needs. We welcome the opportunity to meet with you and your officials to discuss how we can collaboratively advance redevelopment of the Oak Bay Lodge site and deliver a campus of care that will serve our community for generations.

Thank you for your consideration and for your ongoing commitment to strengthening health services for British Columbians.

Sincerely,



Kevin Murdoch, Chair  
Capital Regional Hospital District Board

cc: The Honourable Bowinn Ma, Minister of Infrastructure  
The Honourable Brenda Bailey, Minister of Finance  
Leah Hollins, Board Chair, Island Health  
Kathy MacNeil, President and Chief Executive Officer, Island Health  
Kevin Murdoch, Mayor and Council, District of Oak Bay  
Capital Regional District (CRD) Board  
Ted Robbins, Chief Administrative Officer, CRD  
Kevin Lorette, General Manager, Housing, Planning and Protective Services, CRD