

Communication Update

To: Mayor and Members of City Council

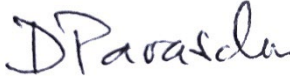
Committee Date: June 11, 2026

Subject/Report No.: Macassa Lodge Redevelopment - Project Update

Ward(s) Affected: Ward #7

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Public Works

Signature:



The purpose of this Communication Update is to advise Council.

Summary

The purpose of this communication is to notify council of a significant project challenge encountered during the Macassa Lodge Redevelopment construction project – specifically the serious impact of the widespread settlement of the slab on grade.

Background

In late 2024, construction started for the new 64 bed B-Wing at Macassa Lodge at 701 Upper Sherman Avenue. The approximate 65,000 square-foot addition will expand the existing facility to 290 beds, adding 20 new beds and redeveloping 44 existing ones.

Facility enhancements will feature:

- An expanded parking lot off Upper Sherman Ave.
- New landscape elements, including trees, benches and walkways
- Renovations to the E-Wing dining and lounge areas, as well as improved exterior patio spaces.
- New corridors connecting the B-Wing to E and C-Wings for improved accessibility.
- A sustainable, energy efficient building envelope with high-performance systems.

- Rooftop Solar PV panels to generate renewable energy and reduce greenhouse gas emissions.
- Bright, natural wood interiors designed for comfort and durability, maximizing natural light in resident rooms and common areas.
- Flooring and painting throughout resident home areas.
- Upgraded flooring, painting and furniture in the main lobby.
- Installation of high-efficiency domestic water boilers for sustainable energy use.

The project budget of approximately \$61.6M is funded through a combination of provincial support from the Ministry of Long-Term Care, by development charges and through City capital funding. In November 2025, the City of Hamilton, with support from the Ministry of Long-Term Care, held a groundbreaking event at Macassa Lodge to mark the significant construction milestone. Once completed the renewed facility will provide an energy-efficient and state-of-the-art building, that will help to ease wait times and allow more residents to receive care close to home.

The project team includes City Corporate Facilities staff providing oversight, Salter Pilon Architects Inc., the Prime Design Consultant responsible for the design of the facility, and the Construction Manager, Pomerleau Construction Inc., overseeing the construction. The original project schedule anticipated construction completion in the Fall of 2026.

Details – Slab on Grade Settlement

During routine structural inspections of the ongoing construction at Macassa Lodge, the project team was first alerted to indications of slab on grade settlement in December 2025. Since then, the City has been actively working with the Construction Manager, Pomerleau, and the Prime Design Consultant, Salter Pilon Architecture, to assess, monitor, and investigate the issue.

The slab settlement area is approximately 28,000 square feet, with different settlement depths observed from approximately ½ to over 3 inches. Currently movement appears to be slowing, although localized settlement activity continues to be monitored.

Due to both the rare nature and severity of the issue, and under advisement of the project Prime Design Consultant (Salter Pilon), three (3) geotechnical consultants (and subs/surveyors) were retained to assess the situation, including providing comments on contributing factors and options to correct the issue moving forward. While each consultant used different language and emphasis, the overall findings were generally consistent. Key contributing factors for the settlement include water infiltration and saturation beneath portions of the slab, as well as areas of loose fill and soft subgrade conditions resulting in differential support beneath portions of the slab.

The project team reviewed four corrective action options ranging from slab replacement to structural slab alternatives and slab lifting methodologies. Following technical review and consultation with project stakeholders, the City is proceeding with the removal and replacement of the slab and affected subbase areas. This option was determined to present the lowest long-term project risk, with structural performance and reliability of the building as top considerations.

Corrective action scope of work includes:

- Full removal of the existing slab and rebar.
- Testing and investigation of the existing subbase to determine if it is suitable for reuse or if removal and replacement is required.
- Review of all underground services to confirm nothing has been compromised.
- Design and construction of the new slab, in alignment with the original design intent.

As a result of the required corrective work described above, the previously anticipated construction completion timeline of Fall 2026 is no longer achievable.

Details – Estimated Project Impacts

Schedule:

- Original forecast: Fall 2026 construction completion
- Updated estimate: Fall 2027 construction completion

Cost:

- \$1.2M-\$1.5M order of magnitude estimate for the construction cost of the corrective action required (removal and replacement of the slab and affected subbase areas).

Operational Impact:

- No operational impacts to residents or staff at Macassa Lodge during the extended project schedule.

Updated schedule impacts and associated costs will continue to be refined in consultation with the Construction Manager and Design Consultant. Contractual delay related claims are also anticipated as part of the overall resolution process. The total approved project budget is sufficient to absorb the anticipated additional costs.

Next Steps

Consultation will continue with the Ministry of Long-Term Care, the Prime Design Consultant, and the Construction Manager to finalize corrective action implementation and further refine project schedule and cost impacts. In parallel, the affected areas will continue to be monitored throughout the remediation activities. The City project team is actively consulting with Legal Services and, where external responsibility is confirmed, the City will determine cost recovery options. In addition, the project team will document lessons learned and apply them to ensure high standards of accountability in the delivery of capital projects. Accountability is a critical priority for the City in managing projects. Salter Pilon, Pomerleau and City staff will continue working in close partnership to complete the project to the highest standards and manage cost impacts responsibly within the updated schedule outlook.

The City remains committed to delivering the Macassa Lodge redevelopment project while ensuring the long-term integrity, safety and performance of the facility. Despite the current slab on grade remediation work, significant progress continues to be made on the Macassa Lodge B-Wing Redevelopment project. The project represents a major investment in long-term care infrastructure within the City of Hamilton and will provide modernized resident accommodations, improved accessibility, enhanced resident care environments, and additional long-term care capacity for the community.

If you have any questions respecting this communication update, please contact Amanda Pavao, Senior Project Manager, Strategic Planning & Large Capital, at Amanda.Pavao@hamilton.ca or Jerry Rossi, Project Manager, Design & Construction, at Jerry.Rossi@hamilton.ca.

Appendices and Schedules Attached

N/A