

NO: R212

COUNCIL DATE: November 8, 2021

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## REGULAR COUNCIL

TO: **Mayor & Council** DATE: **November 1, 2021**

FROM: **General Manager, Parks, Recreation & Culture** FILE: **0450-01**

SUBJECT: **New Partnering Agreement and License and Operating Agreement for  
Childcare at the Kensington Prairie Community Centre (16824 – 32 Avenue)**

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## RECOMMENDATION

The Parks, Recreation & Culture Department recommend that Council:

1. Receive this report for information; and
2. Endorse a Child Care BC New Spaces Fund grant application to develop space at the Kensington Prairie Community Centre for 50 new childcare spaces in Surrey;
3. Approve the execution by the General Manager of Parks, Recreation & Culture of a new Partnering Agreement between the City and the Association of Neighbourhood Houses of BC, subject to compliance with the public notice provisions of the *Community Charter SBC 2003, C.26* as approved by the City Solicitor, as generally described in this report; and
4. Approve the execution by the General Manager of Parks, Recreation & Culture of a new License and Operating Agreement for a 10-year term between the City and the Association of Neighbourhood Houses of BC, subject to execution of the Partnering Agreement, compliance with the public notice provisions of the *Community Charter SBC 2003, C.26* and satisfaction of the conditions precedent, all as generally described in this report.

## INTENT

The purpose of this report is to obtain Council's approval to submit a grant application to develop space for 50 new childcare spaces and enter into a new Partnering Agreement and a License and Operating Agreement with the Association of Neighbourhood Houses of BC doing business as Alexandra Neighbourhood House("ANH") to expand current operations of childcare services at the Kensington Prairie Community Centre ("KPCC") that includes the 50 new spaces.

## **BACKGROUND**

### **Current Licence and Operating Agreement**

ANH is a non-profit community services agency in Surrey and has been operating childcare at KPCC since 2010. The existing Licence and Operating Agreement between the City and ANH expires in December 2022. The current program provides 58 licensed childcare spaces and includes 12 infant and toddler spaces, 8 multi-age spaces, 18 pre-kindergarten age spaces and 20 school age spaces. The KPCC program is also one of the Province's Universal Child Care Prototype sites that utilizes a \$10-a-day fee. This program ensures that no family is paying more than \$200 per month for full day quality childcare and depending on income levels, may even be fully subsidized. The City would negotiate with the Province to ensure that the subsidy for the existing Prototype would be extended to the new childcare spaces as part of the expansion requirements.

The City and ANH are seeking to expand the existing childcare program at KPCC to offer an additional 50 licensed spaces for a total of 108 spaces. The expansion requires a new Licence and Operating Agreement with ANH.

### **Property Description**

The KPCC is located at the southeast corner of 168 Street and 32 Avenue in the North Grandview NCP area. The property includes three wood frame school buildings (main schoolhouse, annex building and gymnasium) and a playground situated on a 2.8-acre site. The main schoolhouse is included on Surrey's Heritage Register and is protected by a Heritage Designation Bylaw. The original schoolhouse was constructed in 1914 and all buildings were extensively renovated in 2009 and converted into a preschool/childcare centre.

## **DISCUSSION**

Across the province, there is a significant shortage of licensed childcare spaces. To help fill this shortage, the Province's Ministry of Children and Family Development established the Childcare BC New Spaces Fund to assist local governments in creating new, licensed childcare spaces within existing sites or in facilities under long-term user agreements with the local government.

The Province of BC has announced it is prioritizing projects that build spaces that serve infants and toddlers, offer care outside of regular business hours, are operated by a public body or non-profit organization, and benefit underserved populations, including children requiring extra supports, lower income families, single family parents, minority language families and recent immigrant and refugee families. The prioritization of partnerships between local government and non-profit sectors provides opportunities to create the most accessible and sustainable childcare while ensuring wrap-around service to families.

In addition to the childcare program operated by ANH, the City delivers 8 licensed preschool programs at KPCC that range from 2.5 – 5 hours per day. Many parents utilize these programs to supplement other part-time childcare arrangements due to the lack of full-time options available. A conversion to full day childcare would offer more than 1,500 hours of care per year, maximizing the usage at this site. Part-time preschool offerings would remain available at Redwood Park Nature Preschool and South Surrey Recreation and Arts Centre.

The community demand for licensed care has grown since 2010 when KPCC opened and the conversion of part-time preschool to full-time childcare supports the maximum use of space while meeting the greatest needs of working families. The proposed expanded services at KPCC will ensure that all families have access to wrap around services prior to kindergarten including extra physical and behavioural supports, parent education, subsidy supports and flexible and affordable childcare options.

### **The Partnering Agreement**

The Partnering Agreement authorizes the City to provide assistance to ANH provided that notice is given (both in accordance with section 24 and 94 of the Community Charter respectively). The proposed Partnering Agreement with ANHBC includes the following potential types of assistance:

- a) A contribution by the City of the childcare and adjacent outdoor activity area for use by ANH throughout the 10-year term for a nominal rate (\$1.00 annually);
- b) A contribution by the City of furnishings and equipment related to the childcare and outdoor activity area;
- c) Maintenance by the City of janitorial services specific to childcare, based on proportionate use;
- d) Maintenance by the City of the parking areas, pedestrian pathways, and landscaping at KPCC, based on proportionate use; and

If the Partnering Agreement is approved by Council, public notice of the City's intention to provide assistance under the Partnering Agreement (and of a proposed property disposition) must be provided in accordance with sections 24 and 26 of the Community Charter.

### **The License and Operating Agreement**

The Provincial child-care capital funding grant program requires organizations to enter into a minimum of a 10 to 15-year commitment. To meet eligibility, the City and ANH have agreed to terminate the existing operating agreement (set to expire at the end of 2022) and enter into a new 10-year Operating Agreement. The License and Operating Agreement will include all of the buildings within KPCC (15,055 ft<sup>2</sup>) and an outdoor activity area. The License and Operating Agreement outlines the terms and conditions associated with the use of KPCC for a nominal rate (\$1.00 annually) and will ensure that the childcare facility continues to be operated in a manner that is acceptable to the City. The City would maintain program space for weekend and evening use where appropriate.

The estimated value being contributed by the City for this License and Operating Agreement was calculated by examining comparable rents in the Surrey area resulting in a base building rate of \$22 per ft.<sup>2</sup> (15,055 ft.<sup>2</sup> x \$22.00/ft.<sup>2</sup> = \$331,210/annum). This annual rent for 10-years, discounted at two percent (2%), equates to a total value of \$ 3,185,000, which is the estimated total value being contributed by the City to this project.

The License and Operating Agreement is for a term of 10-years and is subject to the following conditions precedents:

1. City Solicitor approval; and
2. Compliance with the notice provisions of the *Community Charter, SBC 2003, c. 26*

### **Legal Services Review**

This report has been reviewed by Legal Services and they have no concerns.

### **SUSTAINABILITY CONSIDERATIONS**

The Partnering Agreement and License and Operating Agreement will support the objectives of the City's Sustainability Charter 2.0. In particular, the Partnering and Operating Agreements relate to the Sustainability Charter 2.0 themes of Health and Wellness, Infrastructure, Education and Culture, and Inclusion. Specifically, this project supports the following Desired Outcomes ("DO") and Strategic Directions (SD):

- Health and Wellness – Health Services and Programs – SD5: Support access to high-quality childcare services and facilities;
- Health and Wellness – Wellness and Recreation – SD7: Actively support capacity-building in neighbourhoods and communities to encourage connections;
- Infrastructure – All Infrastructure – DO2: Infrastructure systems provide safe, reliable affordable services;
- Education and Culture - Learning DO3: Meaningful and accessible early childhood learning opportunities are in place for children and families; and
- Inclusion - Age Friendly Community DO17: Families have access to affordable and quality local childcare.

### **CONCLUSION**

Based on the above discussion, it is recommended that Council endorse the City's Child Care BC New Spaces Fund grant application to develop space at the Kensington Prairie Community Centre for 50 new childcare spaces in Surrey and approve the recommended Agreements to allow ANH to operate and expand its licensed childcare program at KPCC as generally described in this report.

Laurie Cavan  
General Manager,  
Parks, Recreation & Culture