

NO: R118

COUNCIL DATE: June 24, 2024

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## REGULAR COUNCIL

TO: **Mayor & Council** DATE: **June 19, 2024**

FROM: **General Manager, Parks, Recreation & Culture** FILE: **0550-20**

SUBJECT: **Partnering Agreement and License and Operating Agreement No. 1220-040-2024-028 with the Association of Neighbourhood Houses BC for Childcare at Strawberry Hill Hall**

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## RECOMMENDATION

The Parks, Recreation & Culture Department recommend that Council:

1. Receive this report for information;
2. Award Contract 1220-040-2024-028 to the Association of Neighbourhood Houses BC (“Alexandra Neighbourhood House”) to operate the childcare at the rebuilt Strawberry Hill Hall located at 12152 75 Avenue;
3. Approve the execution by the General Manager of Parks, Recreation & Culture of a Partnering Agreement between the City and Alexandra Neighbourhood House, 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 execution by the General Manager of Parks, Recreation & Culture of a License and Operating Agreement for an initial three-year term, with one additional optional two-year term between the City and Alexandra Neighbourhood House, subject to the execution of the Partnering Agreement and compliance with the public notice provisions of the *Community Charter, SBC 2003, C.26*, all as generally described in this report.

## INTENT

The purpose of this report is to obtain Council’s approval to enter into a Partnering Agreement and a License and Operating Agreement with Alexandra Neighbourhood House to operate childcare services at Strawberry Hill Hall.

## **BACKGROUND**

In 2019, the City received \$425,000 funding through the ChildCareBC New Spaces program to renovate Strawberry Hill Hall for expanded childcare services (Corporate Report No. Ro20: 2020 attached as Appendix "I"). In 2021, the Strawberry Hill Hall was undergoing renovations when a fire caused extensive damage to the building. The building was reconstructed and is expected to be complete in August 2024. The renovations will provide provision for 23 new licensed childcare spaces for children ages 3 to 5 within a ±200 m<sup>2</sup> area and an adjacent outdoor play area at R.A. Nicholson Park.

## **DISCUSSION**

On April 18, 2024, a Request for Quotations 1220-040-2024-028 (the "RFQ") was issued to identify an operator able to provide a full range of inclusive, accessible, and affordable childcare services. Seven submissions were received and evaluated by the City as follows:

1. Alexandra Neighbourhood House
2. Creating Smiles Educational Society
3. Gateway Community Childcare Society
4. Progressive Intercultural Community Services Society
5. Saltair Child Care Society
6. WY Early Learning Association
7. YMCA BC

## **EVALUATION**

The submissions were evaluated based on the following criteria:

- Experience related to childcare planning and set up;
- Financial viability;
- Experience operating childcare services; and
- A review of the organization's reputation and resources.

The evaluation process identified that Alexandra Neighbourhood House was identified as the recommended contractor based on their extensive experience and depth of resources.

### **The Partnering Agreement**

The Partnering Agreement authorizes the City to provide "assistance" to Alexandra Neighbourhood House provided that notice is given (both in accordance with section 24 and 94 of the *Community Charter* respectively). The proposed Partnering Agreement with Alexandra Neighbourhood House includes the following potential types of assistance: A contribution by the City of the Licence Area for use by Alexandra Neighbourhood House throughout the term; and non-exclusive access to common areas on site.

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

The License and Operating Agreement will govern the terms and conditions associated with the use of the Licence Area and will also ensure that the childcare facility is operated in a manner that is acceptable to the City. The License and Operating Agreement is for a term of

three years, with a further two-year renewal option and is subject to City Solicitor approval and compliance with the notice provisions of the *Community Charter, SBC 2003, c. 26*. Further details regarding the Licence and Operating Agreement are in the attached Appendix "II".

### **Legal Services Review**

This report has been reviewed by Legal Services.

### **CONCLUSION**

Based on the above discussion, it is recommended that Council approve the award of contract and execution of a partnering and a licence and operating agreement with Alexandra Neighbourhood House to provide childcare services at Strawberry Hill Hall as generally described in this report.

Laurie Cavan,  
General Manager,  
Parks, Recreation & Culture

Appendix "I": Corporate Report No. Ro20: 2020

Appendix "II": Alexandra Neighbourhood House Licence & Operating Agreement (Additional Information)



## CORPORATE REPORT

NO: R020

COUNCIL DATE: February 10, 2020

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### REGULAR COUNCIL

TO: Mayor & Council DATE: February 6, 2020

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

SUBJECT: Update on Childcare Space Expansion and the Capital Application to the  
Province of British Columbia for Funding in Surrey

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### RECOMMENDATION

The Parks, Recreation & Culture Department and Planning & Development Department recommends that Council:

1. Receive this report for information;
2. Approve the City sites proposed for facility expansion for childcare provision as generally described in this report; and
3. Direct staff to forward a copy of this report to the Province of British Columbia (the "Province") to strengthen the City's advocacy to the Province to advance licenced childcare space development in Surrey.

### INTENT

The purpose of this report is to provide information to Council on the steps taken to date to engage the Province to access Provincial funding for childcare space expansion at identified City facilities.

### BACKGROUND

#### Surrey Community Childcare Task Force

The Surrey Community Childcare Task Force (the "Task Force") is a multi-sector Task Force working to advance the development and access to affordable, high-quality and accessible childcare spaces in Surrey. The Task Force was created in 2016 and has worked closely with community partners and staff from both the Provincial Office of Early Years and the Ministry of Children and Family Development ("MCFD"). Its co-chairs are Daljit Gill-Badesha, Manager of Healthy Communities in the Parks, Recreation & Culture Department and Gerard Bremault, Chief Executive Officer of the Centre for Child Development. Ms. Gill-Badesha is also a member of the Provincial Child Care Council to Minister Chen, Minister of State for Child Care.

## UBCM Grants Received in 2019

In 2019, staff were successful in two Union of BC Municipalities (“UBCM”) grant applications that were submitted for further planning efforts towards licenced childcare expansion in Surrey to establish a purpose-built modular building for childcare ages 0-5 years at the Don Christian Community Centre located at 6220 184 Street. One grant is through the UBCM Community Child Care Planning Program and the latter is through the UBCM Community Child Care Space Creation Program.

### UBCM Community Child Care Planning Program

The City received a grant in the amount of \$25,000 on March 6, 2019 through the UBCM Community Child Care Planning Program. This funding has been utilized by the Task Force to contract and work with Social Policy and Research Council of BC (“SPARC BC”) to achieve the following deliverables:

- Completion of data collection for the Child Care Space Creation Inventory (“Inventory”) to establish a baseline count of licensed spaces in 2019;
- Identify data sets to be utilized and review trending data to develop space creation targets over the next 10 years;
- Identify actions by all partners that can be taken to meet the space creation targets
- Review municipal and health process improvements and best practices that will facilitate the development of new childcare spaces over the next 10 years;
- Development of a Space Prioritization Tool (draft) for pilot testing;
- Development of the Action Plan for the Task Group;
- Continue engagement with local stakeholders to identify areas of priority, future growth and gaps; and
- Continue ideation of a Surrey-based training program to train Early Childhood Educators for availability to Surrey operators.

There has been significant contribution of additional in-kind staff time by the Task Force members to contribute to the achievement of these deliverables. Specifically, Options Community Services has contributed \$5,000 of in-kind staff time for the development of the inventory and the Centre for Child Development has contributed \$25,000 of in-kind staff time for the development of the ‘Action Plan’ for the Task Force.

### UBCM Community Child Care Space Creation Program

The City received a grant in the amount of \$1,000,000 on May 1, 2019 through the UBCM Community Child Care Space Creation Program. This funding has been utilized to start development of the purpose-built modular at the Don Christian Community Centre to create 16 licensed childcare spaces for children ages 0-5. It is expected that these childcare spaces will be licensed and available to families by January 2021.

### British Columbia New Spaces Fund

On October 11, 2019, staff submitted a separate application to Province of BC through the BC New Spaces Fund in the amount of \$425,000 for a concrete addition to provide childcare at Strawberry Hill Hall located at 12156 75th Avenue. This application intends to create 36 new licensed childcare spaces (ages 0-12) with expected availability in Fall 2020. The funding will allow for

purchase of furnishings and outdoor play equipment as per licensing requirements, and project management costs. The application is in the adjudication process with the Province at this time.

## **Childcare BC**

In 2018, the Province launched Childcare BC in response to the lack of availability of licenced childcare in British Columbia and the fact that there are not enough certified Early Childhood Educators (“ECEs”) to adequately staff childcare spaces. Under the Childcare BC New Spaces Fund, childcare providers can apply for funding to create new childcare spaces at any time throughout the year under a continuous application process. It is part of the Government of BC’s Plan entitled, “Child Care B.C. Caring for Kids, Lifting Up Families – The Path to Universal Child Care.”, designed to give B.C. families access to affordable, quality childcare when they want or need it. Since July 2018, the Province has funded approximately 9,000 new licensed childcare spaces throughout B.C. The 2018 Childcare BC’s 2018 budget was set to deliver over \$1 billion in new investments in childcare and early learning over a three-year period. In 2019, an additional \$3 million was added to the three-year budget bringing the total to \$1.3 billion.

## **DISCUSSION**

### **Surrey’s Childcare Crisis**

Surrey has BC’s largest child population with over 35,000+ children aged 0-5 and over 41,000 children aged 6-12 years old and highest birth rate with nearly 500 births each month at Surrey Memorial Hospital. Surrey has 12.4 childcare spaces for every 100 children aged 0-12, the lowest access rate among 17 Metro Vancouver municipalities and in the Province with only 12% of children in Surrey having access to childcare spaces. The childcare gap is expected to grow as Surrey’s population is projected to increase at a rate of 12-15% between census periods and childcare provisions projected at only a 2% growth.

The City is not the only one advocating for its fair share of funding from the Childcare BC’s budget of \$1.3 billion dollars. Surrey School District #36, private operators and other community partners such as Alexander House, Options and the Centre for Child Development are also working on their planned submissions.

### **Capital Application to the Province**

On July 15, 2019, Mayor McCallum expressed his interest to Minister Chen, Minister for Child Care, to expand licensed childcare in City facilities in order to access and leverage capital funding to Surrey. It was suggested that a Large Project and Multi-Site Request for Proposal was to be issued in the fall by the Province. Staff began to prepare for the application and an internal City staff team was developed in September 2019 to conduct the research and assess potential sites for childcare expansion to prepare for this funding.

In November 2019, it was confirmed that the Province will not be issuing a competitive Request for Proposal; alternatively, the City is engaging in direct discussions with the Province to highlight the childcare needs in Surrey and provide a business plan that outlines the potential sites and construction costs. An internal staff team comprised of representatives from the Parks, Recreation & Culture Department, Planning & Development Department and Investment & Intergovernmental Relations and worked collaboratively to create a business plan. HCMA Architecture + Design (“HCMA”) was engaged to provide high-level architectural drawings and cost estimations for this project. The subsequent business plan was submitted to the Province on December 19, 2019.

The following sites were explored and have been proposed to the Province as desired locations for facility expansion for childcare provision:

Site	Facility Expansion Type	Estimated Cost	Estimated No. of New Spaces
Cloverdale Recreation Centre (6188 176 Street)	Concrete Addition	\$7,679,000	89
Don Christian Recreation Centre (6220 184 Street)	Concrete Addition	\$3,369,000	36
Firehall #4 (14586 108 Avenue)	Concrete Addition	\$3,607,000	48
Fleetwood Community Centre (15996 84 Avenue)	Concrete Addition	\$5,514,000	53
Fraser Heights Recreation Centre (10588 160 Street)	Concrete Addition	\$3,558,000	60
Clayton Community Centre (7155 187A Street)	Modular Addition	\$2,394,000	50
Kensington Prairie Community Centre (16824 32 Avenue)	Interior Renovation	\$300,000	51
Surrey Sport & Leisure Centre (16555 Fraser Highway)	Interior Renovation	\$431,000	24
<b>Total Anticipated Costs</b>		<b>\$26,852,000</b>	<b>411</b>

These sites were selected based on a thorough review process of area childcare demand, integration of licensed care into current recreation/community programs for children, and an interdepartmental review of recreation facilities where expansion of licensed childcare is feasible based on available land, parking, outdoor space and all licensing requirements, within competitive costs related to facility development.

### Next Steps

The Business Plan was submitted to the Province on December 19, 2019 and staff have been in direct discussion with the Province since September 2019. This plan presents many opportunities for the Province to invest in the City and its partners. At this time, staff are awaiting further action from the Province and are continuing discussions with the identified staff at the Province.

A Request for Proposal (“RFP”) process will be undertaken to select operators should the City be successful in receiving funding. The use of community operators will ensure the provision of high-quality childcare at no incremental cost to the City. The identified site at Firehall #4 located at 14586 108 Avenue, will be developed in partnership with Options Community Services as a co-located provincially funded Growing Together Program (Young Parents Program) and licensed childcare centre.

### SUSTAINABILITY CONSIDERATIONS

The work of the Task Force supports the objectives of the Sustainability Charter 2.0. This work relates to the Sustainability Charter 2.0 themes of Inclusion, Education & Culture, and Health & Wellness. Specifically, the initiatives support the following Desired Outcomes (“DO”) and Strategic Directions (“SD”):



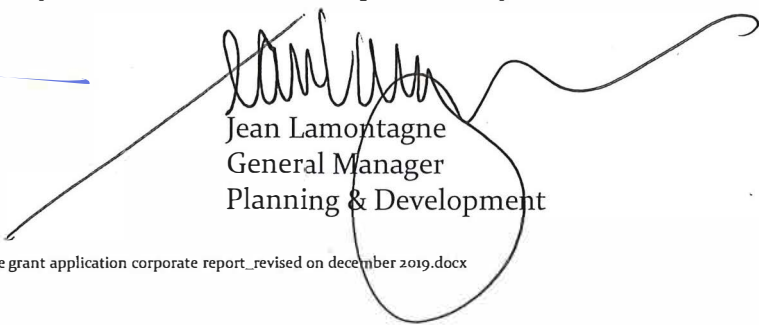
- Age-Friendly Community- DO17: Families have access to affordable and quality local childcare;
- Age Friendly Community – SD 14: Ensure sufficient high-quality childcare spaces are available in the City;
- Learning – DO3: Meaningful and accessible early childhood learning opportunities are in place for children and families; and
- Health Services and programs- SD5: Support access to high-quality childcare services and facilities.

**CONCLUSION**

City staff are working with the Province to access funds to advance the development of licenced childcare opportunities in Surrey. With enough provincial capital investment, the City and the Province can together add significantly to the childcare landscape in Surrey.



Laurie Cavan  
General Manager  
Parks, Recreation & Culture



Jean Lamontagne  
General Manager  
Planning & Development



## **APPENDIX “II”**

### **Alexandra Neighbourhood House Licence & Operating Agreement (Additional Information)**

The current policy regarding the leasing/licensing of City land/buildings to non-profit organizations is to lease the land/building at fair market value and have the non-profit apply annually for a grant in lieu of rent. However, the requirement for the monies received from the province for this facility upgrade requires a minimum 10-year commitment for the childcare operation. As such, the City policy regarding the leasing/licensing of City land/buildings to non-profit organizations is not feasible in this situation as it requires Council approval each year.

Based on the market rental valuation of the Licence Area, the annual rent for the proposed License and Operating Agreement is \$91,417.50 per annum. For this situation it is recommended that the City enter into a 3-year License and Operating Agreement for \$1.00 per annum with an option to renew for an additional 2-years with Alexandra Neighbourhood House and that Council approve the granting of 3-years of rent in lieu of \$91,417.50 annually, for a total of \$274,252.50 The annual City Grants report, presented each year by the Finance Committee to Council, will include for information, a listing of all such in-kind lease/licence arrangements that don't require an annual approval. The listing will include the names of the non-profit organizations obtaining such grants, the annual value of their in-kind leases/licences and the addresses of the properties leased to them.